



## Background Paper on Natural Resource Governance in Africa Conflict, Politics and Power

### 1. Introduction

Natural resource extraction shapes social, economic and political relations in Africa in multiple and complex ways. One of its most visible impacts is the tendency to generate a spectrum of violent conflicts; ranging from low-intensity everyday tensions in the Zambian copper belt to large-scale insurgencies in the oil rich Niger Delta of Nigeria. These conflicts tend to erupt on the back of long term disruptions to local livelihoods that are caused both by environmental implications of resource extraction (Percival 1995, Jagger 2012) and by (il)licit capital flows (World Bank 2016) as well as tensions generated by inequitable distribution of revenues as a lack of local participation. As the complexities of extraction and distribution of resources deepen, the need to intervene in the governing of the process also naturally increases, as do the attempts to accomplish this (Grant, Nadege-Compaore & Mitchell 2015).

The incentives to construct credible and sustainable governance processes for natural resources emerge from both locally specific circumstances as well as broader global governance agendas. These incentives focus on regulating not just the extractive practices of private companies (for instance, the Voluntary Principles on Security and Human Rights) but also the ways in which governments manage the resources that accrue therefrom (as in Extractive Industries Transparency Initiative, EITI). These multiple entry points to natural resource governance have been described by Acosta (2010) as ‘the set of strategies aimed at improving the transparency and accountability of governments and private companies during the licensing, exploration, contracting, extraction, revenue generation and allocation of natural resources’. Violent conflict further complicates these governance processes and necessitates innovative strategies that can link resources to peaceful development (Alao 2007).

This background paper explores various themes that link natural resource extraction and governance to violent conflict in Africa. It does not only capture the state of practice in natural resource governance from the vantage point of various key actors like the state, global governance institutions and civil society, but also explores the more recent ideational trends which could be important indications of the future of governance processes in the sector. By situating the discourse within the broader context of peace building and conflict in Africa, the reflections draw attention to the tensions and cooperation that the entire value-chain of natural resource governance, rather than just the extraction process, can potentially generate.



## TANA HIGH-LEVEL FORUM ON SECURITY IN AFRICA

These issues are addressed through four sections. The first section broadly explores the intersection between natural resources and conflict in Africa. It looks at how governance deficits have deepened the correlation between resource extraction and conflict, and notes the current state of affairs in that critical sector. It draws on data from a variety of sources, including the grey literature generated by multilateral organisations, news media and NGOs, to show what the natural resource sector currently looks like. The second section then goes on to situate this discussion within the context of global politics by addressing how global resource politics impacts on natural resource governance in Africa. It will also examine what the nature of *transnational and non-state* based relationships involving a retinue of non-governmental organisations (NGOs), environmental social movements, indigenous rights movements, to name a few, mean for natural resource governance and policy making. These are crucial in terms of current perspectives with regard to local ownership and inclusion as well as the impact of multinational corporations and capital on the ability of states to effectively govern their natural resources.

The third section focuses on the various legal instruments (both binding and non-binding) and institutions through which states manage natural resources. It will explore how global norms on natural resource governance are developed and highlight, along with how they are incorporated into legal and institutional infrastructures at the national and sub-national (local) levels. It also draws on important regulatory processes like the Kimberly Process and the Extractive Industries Transparency Initiative (EITI), and show how regulatory benchmarks by the private sector intersects with public regulation and public good. The section will also touch on how these processes either exacerbate or mitigate conflict. The final section explores emerging ideas about and alternative futures on how to govern natural resources. It looks at how the current governing processes can be strengthened and suggests new ideas that can link emerging global normative consensus with local realities in order to create effective institutional frameworks.

### **2. Natural resources in Africa: The complex politics of extraction, revenue distribution and violence**

Michael Ross' (2004) review of the literature on the relationship between natural resources and civil wars highlights consensus on four main points. The first is that resources have different levels of impact on conflict. In this regard, while oil increases the likelihood of conflict, others like agricultural products have almost no impact. The second consensus is that while so called 'lootable' commodities like diamonds do not necessarily induce conflict, they tend to make violence intractable when it does erupt. The third one is that there are certain commodities,



## TANA HIGH-LEVEL FORUM ON SECURITY IN AFRICA

namely legal agricultural products, that have no apparent link with civil war and finally that the correlation between resources in general and the onset of civil wars is weak.

This work, as well as many like it (see Le Billon: 2001 and Snyder: 2006) focuses on large scale civil wars as a measure of violence. Yet, there are many low level everyday violent conflicts which may not hit international news headlines but are nonetheless critical to the stability of fragile states. Good examples are the farmer-pastoralist conflicts in Nigeria's 'middle belt' (Higazi 2016) as well as similar violence in Kenya's Turkana region (Lind 2003). These examples also raise questions about the general assumption in the literature that agricultural resources have almost no impact on civil wars (Collier and Hoeffler 2004).

In a study published by Oxford University's Center for the Study of African Economies (CSAE), Arezki, Bhattarcharyya and Mamo (2007) drew on a geocoded dataset to argue that unlike what is generally assumed, there is no empirical correlation between resource discovery and the emergence of violent conflict. To say the least, this line of argument is difficult to sustain in the face of widespread evidence of seemingly intractable violence that appears to be so apparently linked to the politics of resource extraction and the accompanying social inequalities. In the Democratic Republic of Congo (former Zaire), for instance, more than five decades of violence over huge mineral deposits have reportedly resulted in the death of some three million people.

The Eastern provinces, especially North and South Kivu, Orientale, Maniema, and Katanga have been sites of prolonged violent struggles by a multitude of local, regional and global actors over the control of the vast mineral deposits available. This conflict has not just undermined the development of Congolese statehood, it has resulted in some of the most alarming environmental devastations seen in Africa in the 21<sup>st</sup> century (Burnley 2011), including the depletion of aquatic life and water in the Congo River Basin reputed to be the world's second largest after the Amazon. This cyclical causative pattern of natural resource exploitation and conflict is repeated in places as far apart as Nigeria's volatile oil rich Niger Delta (Ako 2013, Iwilade 2015) and Sudan's Darfur region (Behrends 2008).

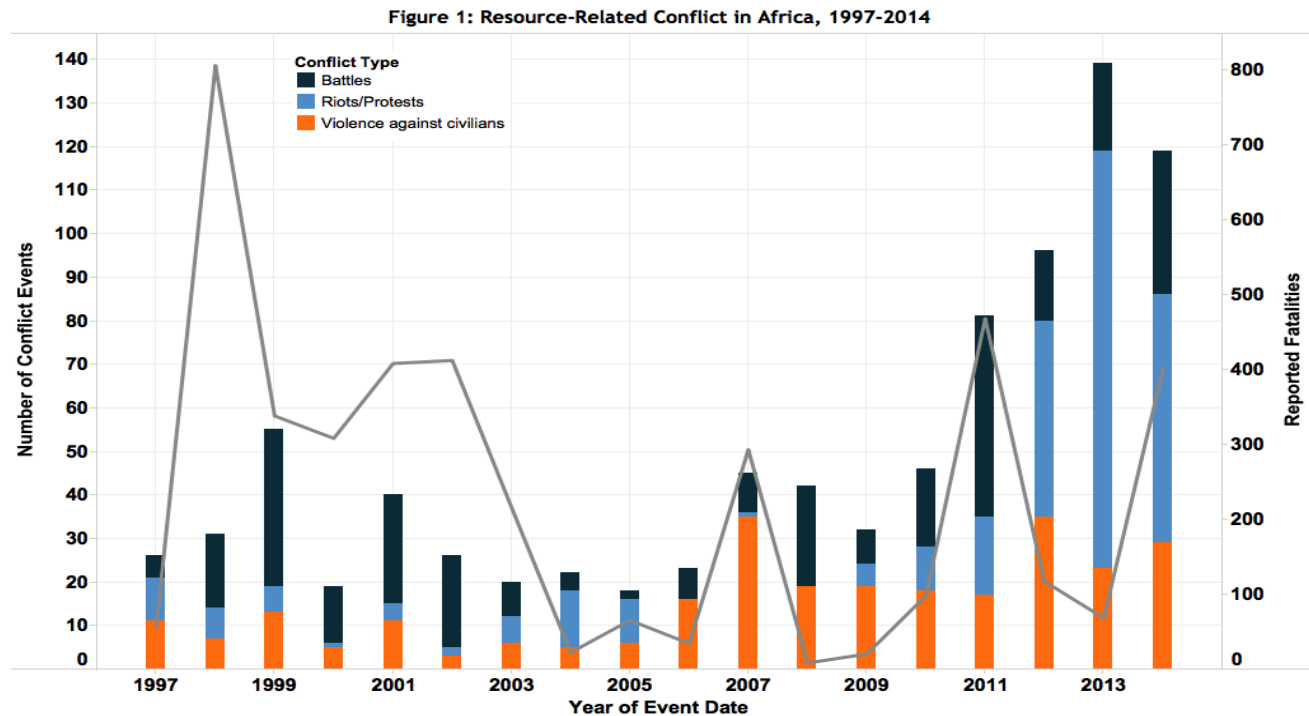
Behrends (2008) even goes further to show that natural resources do not even need to be physically extracted for them to generate brutal conflict. He argues that simply by being discovered, natural resources have the potential of generating violent contestations that may ironically prevent them from actually being extracted. He described the Darfur conflict as one such example in which violence erupts even before the natural resource becomes a key revenue earner. This pattern of violence linked to the exploitation of natural resources can also be found in the Mano River Union countries of Liberia, Sierra Leone and Guinea where the brutal civil wars of the 1990s and early 2000s were inextricably linked to struggles over the control of timber, diamonds and rubber deposits (Richards 1996, Vigh 2006).



**Table 1: Selected African Civil Wars Linked to Resource Wealth, 1975-2003**

Country	Duration	Resources
Angola	1975-2002	Oil, diamonds
Congo, Rep. of	1997	Oil
Congo, Dem. Rep. of	1996-97, 1998-	Copper, coltan, diamonds, gold, cobalt
Liberia	1989-96	Timber, diamonds, iron, palm oil, cocoa, coffee, marijuana, rubber, gold
Morocco	1975-	Phosphates, oil
Sierra Leone	1991-2000	Diamonds
Sudan (Darfur)	2003	Water, Oil

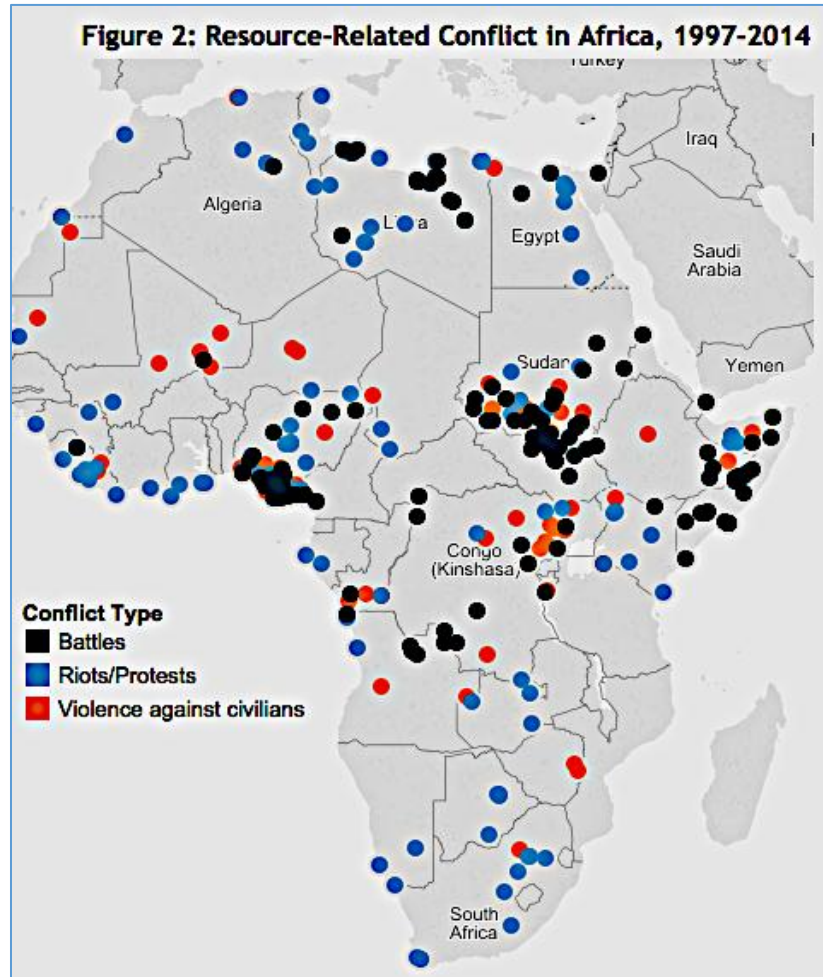
**Figure 1: All resource related conflicts in Africa 1997-2014**



Source: Kishi (2015)



Figure 2: Locations of resource related conflict in Africa



Source: Kishi (2015).

This disconnection between the CSAE study and the general perception of the links between violent conflict and natural resources as graphically shown by Figures 1 and 2 above illustrates both the contentious nature of the politics associated with the extraction of natural resources as well as how explanations on the nexus between resources and conflicts have not been conclusive.

This is more so when the other natural resources such as land and water, for instance, are the subjects of violent contestations. Although these resources are not discovered and extracted as oil and diamonds for instance, access to them instigate conflicts in much the same way and reasons. Governance issues including regulatory, institutional and cultural frameworks that define and determine economic access as well as their socio-political ramifications culminate to instigate or escalate tensions and conflicts. As scarcity of these natural resources is likely to



## TANA HIGH-LEVEL FORUM ON SECURITY IN AFRICA

increase, so is the likelihood of escalation of conflicts related to their management. For instance, the Lake Chad, a major wetland in the semi-arid Sahel corridor has decreased by over 90% since the 1960s and could generate tensions in the future among the four countries - Cameroon, Chad, Niger and Nigeria - whose citizens benefit as farmers, pastoralists and fishermen. It is also important to note however that resources like water could also serve to foster cooperation. The international dialogue around the use of the waters of the Nile between the ten countries through which it flows as well as ongoing cooperation in the Lake Chad basin indicates the potential of resources to be a source of cooperation rather than conflict.

There is however a general consensus that there is a connection between social relations in states (or sites) with natural resources and the subsisting nature of governance. That is, where governance processes, institutions and actors are strong and equitable, the chances of natural resources generating violent conflict diminish significantly. In this sense, one may argue that natural resources are not conflict triggers in and of themselves, but that for this to be the case, the extractive and distributive logics governing resource use must be embedded in broader and mostly contentious political contexts; for example, over race relations (Zimbabwe), over class relations (Marikana South Africa), over minority rights (the Niger Delta) or over generational crisis (Sierra Leone).

In order to effectively trace the correlation between natural resources and conflict, it is useful to disaggregate the discussion by using specific markers like conflict financing and resource type as analytical frames.

Before doing that however, it is useful to briefly highlight the specific mechanisms through which natural resources can conceivably generate violent conflict. Many studies have attempted to show the conditions (or mechanisms) under which natural resources could be an indicator of violent conflict (Collier and Hoeffler 2004, Ross 2004, Humphreys 2005). These mechanisms can be broadly grouped into four - internal, external, resource and space mechanisms.

The internal mechanisms relate to those conflict triggers that relate directly to the country's internal political economy. For instance, are there significant ethno-religious (or racial) cleavages that could exacerbate the politics of natural resources? Is there an endemic problem of corruption in the extractive and distributive architecture of natural resources or more generally in the country? Is the state strong or weak in its capacity to maintain order and in its capacity to distribute public goods? (Collier and Hoefler 2004). The external mechanisms that could trigger violent conflict in a natural resource context relate to factors that derive from the state's relationship with foreign interests. For instance, is there a substantial external interest in the resource? How much power do foreign multinationals wield in the entire natural resource value chain? Who possesses the expertise for extracting, managing and marketing these resources?





## TANA HIGH-LEVEL FORUM ON SECURITY IN AFRICA

(Alden and Davies 2006, Bradshaw 2009, Ukeje and Ela 2013). The third one is resource mechanism. This covers a number of issues ranging from whether the resource in question is a 'lootable' one like diamonds (Ross 2004) to whether it is scarce, (Homer-Dixon 1994) or whether it is being developed for the future (Ross 2002, Behrends 2008). Any of these could profoundly impact on the nature of social and political contestations over resources.

The final broad mechanism is the extraction mechanism. This refers to the level of violence around extraction sites, the nature of land ownership and claims and the de-facto control of sites of extraction (Alao 2007). While these are not exhaustive descriptions of the different ways in which natural resources can intersect with violent conflict, they do indicate the complexity of the various triggers that analysts and policy makers must look out for in order to understand the resource driven conflicts.

### **2.1 Natural resources and conflict financing**

As the preceding discussion suggests, natural resources can have different impacts on social relations, depending on what phase of violence is being examined. This is especially true if one considers how the illicit extraction and commercialization of natural resources can provide long term financing for conflict. For instance, where violence erupts over political disagreements, as was the case in the first Liberian civil war, access to and illicit market for natural resources can profoundly impact on the severity, scope and duration of the violence. Invariably, two main types of war economies develop (Taylor, 2013). The first, and more classic one, is that in national resources- skills, labour, capital and natural- are mobilized to service the war effort of state and non-state entities. It is possible for a militaristic state to have a war economy even when not in active conflict of a kind that threatens national survive. Many critics have contended that the United States runs such a war economy driven by its military industrial complex (Hackemer 2001, Byrne 2010). Taylor (2013) argues that this type of war economy is actually embedded in the very nature of industrialised capitalism, and to that extent, receives protection under international law.

The second war economy is more relevant in the context of the present discussion about natural resources. In this case, informal economic activities, including the extraction and sale of natural resources co-exist with widespread-armed violence. More than simply co-existing, access to sites from which the extraction of natural resources can be guaranteed becomes the primary goal of conflict entrepreneurs in ways that make the resolution of political differences extremely difficult.

Over the last three decades, the nature of violent conflict has evolved significantly. For instance, while inter-state violence has become less common, internal insurgencies, civil wars and political instability have been on the rise. This evolution has done much to complicate the



## TANA HIGH-LEVEL FORUM ON SECURITY IN AFRICA

landscape of conflict financing. In order for armed groups to be able to continue fighting, they need to be able to pay fighters, and sometimes provide services and infrastructure in the territories they control. The illicit trade in natural resources is one of the main avenues for rebel groups to earn the funds needed to pursue their war goals. A good example is the case of the notorious illicit diamond trade in Angola, DRC, Sierra Leone and Liberia.

In Angola, for instance, the rebel group UNITA led by Jonas Savimbi was said to have earned an estimated 3.7 billion US dollars in the sale of illicit diamonds in the space of five years between 1992 and 1997. This money was largely used to fund arms purchases and to pay fighter salaries. The impact of this trade was also felt outside of Angola itself as the smuggling routes in neighboring Zambia's Mwinilunga and Mongu regions often became unstable as different armed gangs competed for a piece of the pie. This pattern is repeated in the DRC where the rebel movements RCD-Goma and RCD-Kisangani-MLC and their Rwandan and Ugandan allies, controlled the Equateur province, which is one of the most lucrative diamond-producing parts of the DRC. In 1999, official exports were valued at \$261,361,308 (35 percent), while an estimated \$490,613,333 (or 65 percent) was smuggled out of the DRC by armed actors. According to Ndumbe and Cole (2005), more than 75 percent of all the diamonds produced in the DRC before 2000 were smuggled out of the country.

Mary Kaldor's (2013) postulation of a 'new wars' thesis captures the argument being made here quite aptly. Her work highlights how the line between crime and political conflict has blurred significantly in recent times and the important role that non-state actors play in this process. There are perhaps few places which symbolize this relationship better than at sites of resource extraction where the control of access is a major factor in the prolongation of violence. This point is relevant across varying natural resource contexts, from agricultural products like timber, rubber (Richards 1996) to diamond mining (Bone 2004).

The control of mining sites does not however guarantee that armed groups would be able to profit from illicit extraction of natural resources. They also have to be able to create effective distribution networks as well as plug into the global financial infrastructure. This aspect of the natural resource-conflict linkage underlines the important ways in which the formal (legal) and informal (illegal) systems of globalization can be deployed in the service of illicit and violent ends. In a World Bank report, Winer and Roule (2003), argue that the very same infrastructure that has allowed unprecedented global connectedness in legal cross-border trade and exchange has also made it very easy for armed groups to profit from criminal and/or violent activities. They have been able to trade with companies, and sometimes even states, as they launder the proceeds of those illicit trades.





## TANA HIGH-LEVEL FORUM ON SECURITY IN AFRICA

Many of the multilateral responses to the connection between natural resources and conflict have focused on this financing dimension. The logic is that if the funding infrastructure is effectively tightened and monitored, armed groups- the same applies for terrorist groups- would have fewer incentives to extract natural resources and lesser funds to embark on protracted and violent political contestations. Some of the key initiatives in this regards are the Financial Action Task Force on Money Laundering (FATF) set up by the G-7 in 1989, the 1998 Organisation for Economic Co-operation and Development (OECD), Financial Stability Forum in 1999, and the 2000 UN Convention against Transnational Organized Crime (The Palermo convention). These initiatives address, only to an extent, the financial architecture through which conflict resources are funnelled through the international banking system.

Attempts have also been made to prevent resources extracted illicitly from being sold on the international market. The Kimberly Process for diamonds is one of such measures to determine the source of all diamonds, whether or not they are the product of illicit extraction or are so called 'blood diamonds'. In order for these various measures to work effectively, they need to be integrated and embedded within a broader movement for peace and stability in the various resource-endowed regions. Broader questions of equity and social justice must also be fully addressed in those regions otherwise the multilateral processes will bear little fruit.

### **2.2 Resource type**

Is the impact on conflict more significant if the natural resource available or over which stakeholders compete is easy to extract and distribute? So for instance, are resources like diamonds, which can be extracted with relatively crude methods, transported very easily and sold very easily, more likely to generate conflict than resources like oil which require more sophisticated extraction methods? These questions suggest that the type of resource could have an effect on how they are able to shape social relations, and invariably the likelihood to generate or exacerbate conflict.

In a 2014 article, Koubi *et al.* noted two categories of impacts that natural resource types can have on conflict. The first category is where there is a scarcity of resources with typically low market value like cropland and water. Even though such resources may have low market value in relation to global trade, they are often central to the livelihood and social mobility of the local consumers. As a result, violent conflict over access to these resources can be brutal, long-running and intractable. A very good example of this type of resource based conflict can be found in the Turkana area of Kenya where violence over grazing land and cattle have claimed thousands of lives and caused instability. This situation is also playing out in various agrarian communities across Nigeria with competition between pastoralists and farmers heating up significantly in the last two years.



## TANA HIGH-LEVEL FORUM ON SECURITY IN AFRICA

In the case of scarcity, scholars like Homer-Dixon (1999) and Kaplan (1994) have argued that it is the scarcity of natural resources that generate violence rather than abundance. They argue that even where resources appear to be abundant, the scarcity created by socio-economic distortions of livelihood that the process of extraction often causes is the key trigger of violent conflict rather than the fact of abundance. This suggests that conflict is likely to increase where access to resources becomes increasingly precarious as a consequence of scarcity.

Climate change and rapid population growth has increased the chances that such vital resource scarcities will become more common (Kaplan 1994, Homer-Dixon 1994), thereby threatening stability in many parts of Africa. This is further exacerbated by skewed water ownership and use ratios which threaten to inflame nationalist and materialist tensions among countries. Kaniaru (2015) writes for instance that whereas South Africa accounts for 80 per cent of water used in Southern Africa, it owns only 10 per cent of total available water resources. The implication of this is that it has to depend increasingly on its neighbours for its water supply. While this may of course engender international cooperation, the explosive mix of climate change induced droughts, growing population and increased industrialization of the surrounding countries means that they themselves will begin to demand for more internal water use at a time that supplies will drop dramatically. The Okavango, Zambezi and Orange River Basins are critical potential hotspots of conflictual hydro-politics in this regard within Southern Africa.

The second category identified by Koubi *et al.* (2014) is the abundance of resources with high market value. In this type of resource complex, the abundance of resources is likely to generate violent conflict as the market value significantly raises the stakes for competition so much so that the abundance of the resource merely incentivizes violent conflict rather than mitigate the impact of scarcity as discussed earlier. High worth resources like oil, diamonds and gold fall into this category. It is not difficult to find multiple examples across Africa where the combination of high value and abundance provide incentives for violent competition over access and control. The examples of Nigeria's Niger Delta, Angola and DRC are particularly instructive in this regard.

These two categories suggested by Koubi and his colleagues do not however capture all the various dynamics that resource types may introduce to conventional thinking about natural resources' correlation with violent conflict. For instance, they do not account for how the ease of extraction and the actual physical properties of the resource can affect the way armed groups use natural resources. If natural resources are difficult to extract in that they need high levels of technical expertise and capital investments, one can assume that rag-tag rebel groups will find it difficult to directly engage in extraction and sales. Yet, evidence suggests that in a number of hotspots where this is the case, armed groups can often find innovative ways around this



## TANA HIGH-LEVEL FORUM ON SECURITY IN AFRICA

barrier. For instance, there is no shortage of legitimate (if often unscrupulous) business concerns that would quickly jump at the opportunity to risk doing business in such volatile regions. These companies can often provide the technical expertise and markets in exchange for access to the sites of resource abundance. They also build very dynamic relationships with armed groups in ways that allow them to continue and intensify resource extraction irrespective of the carnage going on around them (Bray 2003).

Another question to consider is whether it matters if the resource in question has global strategic relevance? For instance, is it more likely for conflicts linked to resource to become intractable if the resource is timber as against uranium, oil as against water? In this resource type scenario, the extent of external interest can be expected to increase significantly if the resource is globally strategic like oil. The militarization of the Gulf of Guinea region is an important case in point which illustrates the potential for wider stakeholder interests complicating the conflict landscape if the resource is a strategic one (Ukeje and Ela 2013). One may even argue that the international responses, with regards to the development of norms, as is captured in the third section of this paper, is more focused on 'higher value' resources such as diamonds and oil.

In spite of this apparent focus on globally strategic resources, there is growing interest in other resources like land which are also rupturing social and economic relations in profound ways. The World Bank (2010) reported for instance, that of the 45 million hectares of land being negotiated for large scale commercial acquisitions globally in 2009, about 70 percent were in Africa and were being negotiated for by foreign interests. This investor rush for land, as Ruth Hall (2011) described it, is often directed at land already occupied and used by local people (Sullie and Nelson 2009), thus displacing thousands and ultimately generating violent resistance. However, these land transfers have varying impacts on local communities according to the World Bank (2010) and some of them are acquired to attempt to resolve another resource related crisis- the energy crisis. As Table 2 below indicates, a good percentage of the land grabbed by foreign interests are used to service a growing biofuel industry. Unfortunately, while this tries to solve one problem, it exacerbates another perhaps more urgent one, which is the food crisis. It is important to note that the food crisis is often more pressing for the local communities whose lands and livelihoods are hijacked by large corporations pioneering biofuels.

**Table 2: Land Grabs for biofuels in Africa, 2013**

Country	Hectares Transferred	Major Investor
Benin	263,300	Italy
Ghana	210,461	UK
Guinea	106,415	UK



## TANA HIGH-LEVEL FORUM ON SECURITY IN AFRICA

Ivory Coast	47,000	Singapore
Liberia	689,800	Singapore, Malaysia
Mali	473,334	Libya, Saudi Arabia
Mauritania	52,000	Saudi Arabia
Niger	15,922	Saudi Arabia
Nigeria	362,292	UK
Senegal	375,570	India, China
Sierra Leone	705,450	Vietnam, Portugal

Source: Elliot 2013

### 3. Global power relations and natural resource governance

Like many other aspects of contemporary international politics, natural resources are profoundly amenable to the complex nature of global power relations and competitions. From multinational companies to super powers, natural resources usually tend to attract deep and extensive interests. With this often comes significantly higher likelihood of violent conflict. In order to feed the giant global industrial complex, natural resources have to be extracted, processed and distributed. Because they are mostly located in places far and apart across the planet, the political boundaries of statehood only serve to slow down the logic of access and distribution. Bradshaw (2009) touched on this point when he argued that geographical factors such as the distribution of centers of supply and demand of natural resources could potentially have important implications for state and non-state behaviour. How states perceive their options and how they animate the choices they make with regard to access to natural resources, in turn, shapes the global politics of energy security.

Some of the main signposts of the contemporary global politics of extraction include the 'new' role of emerging economies like China, India and Brazil; the role of social movements, business and multilateral institutions in shaping norms; the continuing securitisation of resource extraction; and the gale of resource nationalisms manifesting in citizens' demands for greater control of natural resources and accruable benefits.

#### 3.1 Emerging economies and resource extraction

Global politics has changed significantly in the last decade with the growing clout of emerging economies like China, India and Brazil in the extractive sectors of many African states. It is now difficult to have a discussion of global power relations and natural resources without engaging with the seismic shift of power towards emerging economies. As the sources of new investment, these countries now wield tremendous power in Africa's extractive sectors and will thus be critical to the governance infrastructures that will emerge over the next decade. As at 2009, for



## TANA HIGH-LEVEL FORUM ON SECURITY IN AFRICA

instance, China was responsible for 30% of global growth in the demand for oil, a figure that means by 2030, it will be consuming some 15 million barrels of oil per day (Alden and Alves 2009).

In order to firmly secure its continued access to natural resources, the Chinese government has linked its growing bilateral infrastructure aid program to mining rights. For instance, China's Export-Import bank funded major infrastructure projects in Angola for \$4.5 billion in 2004 in exchange for oil; \$3 billion in Gabon in 2006 for manganese exploration; and \$6 billion for DRC infrastructure in exchange for copper and cobalt from the Kolwezi Copper Mine in 2008. These investments highlight how China's foreign policy has effectively integrated both its diplomatic goals with the energy security concerns it has in relation to its growing, resource hungry economy.

India is also making similar resource focused investments and foreign policy decisions as illustrated by the Indian Prime Minister's announcement in 2011 of a \$5 billion credit line to African States. Prior to that, Indian investments in oil extraction had grown steadily, especially in Sudan through the ONGC Videsh (OVL). According to Large (2010), India's petro-partnership with Sudan began in 2003 when OVL bought a 25 percent stake in Sudan's main oil consortium. Further investments made Sudan one of the largest destinations for Indian foreign investment between 1995 and 2005. It fits within the broader energy security logic that these investments focused on securing India's access to resources.

Such investments by emerging economies have not been without controversy. For one, they do not necessarily reflect the economic goals of the states involved but are part of a broader global struggle by new powers to unseat- or at least compete on an equal footing with- key western countries that have dominated global economic politics for decades. In the context of this competition, there seems to be a new scramble for the natural resources of African states. Padraig Carmody (2011) writes that commodities have been at the very core of this new scramble and that emerging markets are now both the destinations and partners of choice for many African states. One reason for this is that investments from states like China and India are cloaked with a language of non-interference and shared history of marginalization. While this obviously makes them less meddlesome partners, their efficient investments in elite or middle class aspirations for grand infrastructural projects or presidential palaces means that they are often able to quietly take over the space being lost or abdicated by the West.

### **3.2 Security of access and militarisation**

One of the implications of this new scramble for resources in Africa and its impacts on global strategic balances is the militarisation of many of the sites of resource extraction. This militarisation is designed to ensure energy security and preserve or build strategic alliances, yet,



## TANA HIGH-LEVEL FORUM ON SECURITY IN AFRICA

it seems to be having the opposite effect as the growing instability of many of the sites of resource extraction would suggest. This has meant that energy security has become precarious for the destination industrialised and newly industrialising states.

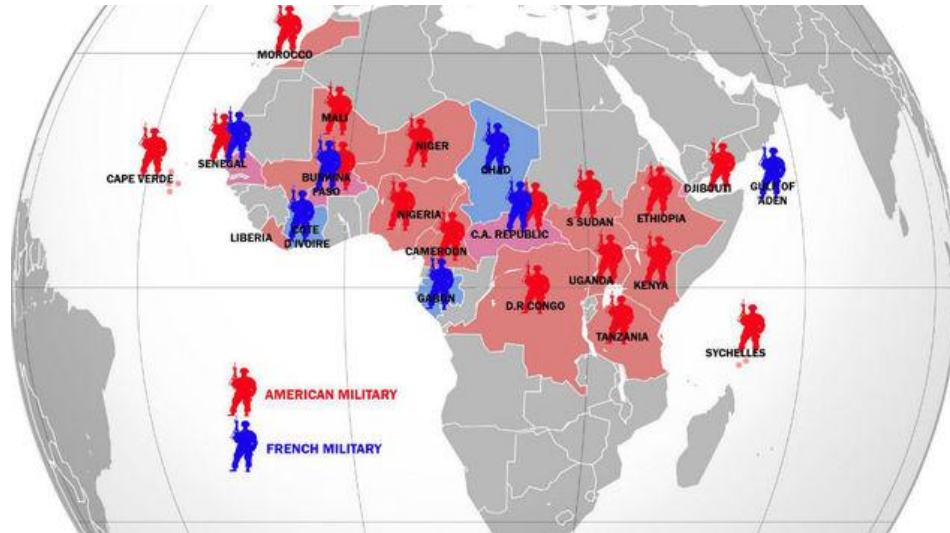
There is a growing deployment of foreign troops in African states. Many of these deployments are linked to instabilities in sites of resource extraction and are often explained away as part of the global war on terror led by the United States. Figure II below shows the military deployments of the US and France, the two states with the largest military presence on the continent and illustrates how much foreign presence there is on the continent. From Nigeria's oil to Niger's uranium, it is interesting to note that virtually all of the states on this map possess resources of global strategic relevance. While other considerations also inform the deployment of troops, it is safe to assume that instability takes on a major significance if it occurs in a state with a globally relevant natural resource.





## TANA HIGH-LEVEL FORUM ON SECURITY IN AFRICA

Figure 3: US and French Military Deployments in Africa 2014



Source: Halahke (2014).

Perhaps even more alarming than the deployment of troops by foreign states is the growing role of Private Military Corporations (PMCs) or Private Security Companies (PSCs) in resource rich sites. In the ways they are set-up, PMCs represent a very different type of danger for the stability of states as they often have much lower levels of accountability and are implicated in many of the most appalling human rights abuses that has been seen in the last decade.



## TANA HIGH-LEVEL FORUM ON SECURITY IN AFRICA

**Table 2: PMCs Linked to African Civil Wars, 1990-2008**

Warring Groups	War Onset/End	PMC intervention	Year(s)
Rwanda	1994	Ronco	1994
Liberia/NPFL & ULIMO	1992-95	MPRI	1995
Sierra Leone/RUF	1991-96	Specialist Services Int. Marine Protection Executive Outcomes Ibis Air International Gurkha Security Guards Ltd. Control Risks; Group 4 Sandline Lifeguard Management Teleservices	1991 1992 1995-96 1995-96 1995 1995 1996 1996 1996
Sierra Leone/Kabbah Faction	1998-99	Sandline Lifeguard Management Executive Outcomes Pacific Architects Engineers (ICI) Cape International Corporation	1998 1998 1998 1998 1998
DRC/AFDL	1996-97	Omega Support MPRI Kellogg Brown and Root Geolink Executive Outcome/Sandline Stabilico IDAS	1996-97 1996-97 1996-97 1997 1997 1997 1997
DRC/RCD/MLC	1998-2002	DSL Safenet IRIS Service Executive Outcomes spinoffs	1998 1998 1998 1998
Somalia/SCIC	2006-08	ATS Tactical	2006-08 2006-08



## TANA HIGH-LEVEL FORUM ON SECURITY IN AFRICA

Angola/UNITA	1992-94	Executive Outcomes Capricorn Teleservices	1992-94 1994 1994
Angola/UNITA	1998-2002	Stabilico Panasec IDAS Omega IRIS Service Airsca	1998 1998 1998 1998 1998 1998
Algeria/Islamic Front	1992-99	Eric SA	1992

Source: Akcinaroglu and Radziszewski (2012: 817-8)

Table 2 above shows the wide range of organised PMCs that are inserted into conflicts in Africa and whose activities serve to complicate the conflict landscape. These organisations however do not show the entire picture of private armed groups or corporations involved in resource conflicts. For instance, in sites where there are no active civil wars but low-intensity insurgencies as in the Niger Delta of Nigeria, PMCs are often contracted to provide security for company facilities and staff. The mid 1990s was a particularly notorious period in Nigeria's oil delta where the Anglo-Dutch oil giant, Shell, was regularly accused of gross human rights abuses committed through private armies they had been permitted to employ by the Nigerian government (Okonta and Douglas 2008).

What the above suggests is that the extraction of natural resources is often such a volatile and destabilizing process that many countries feel the need to securitize the sites. Unfortunately, militarisation does not necessarily guarantee peace and stability as it sometimes incentivises stakeholders to commit human rights abuses, ultimately generating new forms of conflict.

### 3.3 Global social movements

Because the extraction of natural resources can and does often have profound consequences for the environment, it has become the focus of an increasingly powerful global movement. This movement, including organizations such as Greenpeace and Friends of the Earth, is global in its norm making and advocacy primarily because actors recognize that the consequences of environmental degradation are transnational in nature. As key players in the natural resource governance debate, global environmental movements focus on a wide range of general or specific issues linked to the environment. They have contributed to the debate mainly by publicly holding companies accountable for activities that undermine environmental security or by lobbying governments for greater regulation of the extractive sector. They have also



## TANA HIGH-LEVEL FORUM ON SECURITY IN AFRICA

advocated for local communities whose livelihoods can often be destroyed and/or distorted by the actions of large multinational corporations.

While it would appear that there is a coherent global environmental agenda that attempts to impose norms and rules that regulate natural resource extraction and mitigate its overall impact on the planet, this is actually hardly the case. The environmental movement is itself hardly immune from the structural power relations that African states have to contend with on the global stage. Local environmental concerns are often tied to the distortions to livelihoods that multinational corporations create when they extract natural resources. In this regard, the concern is more about the economic and cultural implications of extraction rather than the environment itself. Yet, this is not always reflected in the global environmental agenda that tends to focus on broader planetary issues like climate change. There is also the problem of dependency given that local movements often have to rely on funding support from foreign donors; a relationship that robs local movements of ownership of the narratives on which their advocacies derive.

These structural dependencies nonetheless, environmental NGOs have effectively inserted themselves into the global politics of natural resource extraction and have been instrumental to many of the norms, institutions and regulations that we will be discussing in the next section.

### **4. Laws, norms and institutions in the governance of natural resources**

The discussion thus far illustrates the complexity of the politics of natural resources in Africa and underscores the need to develop effective mechanisms to govern processes and outcomes. This section examines the existing national and international natural resource governance mechanisms and institutions currently in place to regulate access to and the control of natural resources on the continent. It evaluates the current state of these mechanisms especially from the vantage point of inclusivity, transparency and furthering sustainable development in the continent. As noted previously, there has been more traction on the international regulation of 'high value' resources. Hence this section examines in particular the national regulation of these resources as well as the evolution of key relevant international norms. The discussion in this section provides the basis for making suggestions for the future of natural resource governance in Africa in the subsequent section.

As noted earlier, Africa's natural resources have shaped the continent's integration into the global economic and political system. Three waves of this integration process may be identified, with each one governed by the prevalent political situation. The advent of trans-continental exploration by Europeans governed the first wave of natural resource extraction in Africa. Characterized by the imperialistic ambitions of the West, this phase was marked by the forced



## TANA HIGH-LEVEL FORUM ON SECURITY IN AFRICA

exploitation of natural resources across the continent during the long period of trans-Atlantic slave trade in 1807. In that period, global commerce was essentially determined by norms and directives from the West and coincided with the pre-colonial era.

The second phase of resource extraction was during the era of colonization when the regulations and laws governing access and exploitation were designed by colonial governments to serve their own narrow interests. During this period, colonial powers such as France, Great Britain, Portugal, Belgium and Spain, designed systems that facilitated the extraction of natural resources for the benefit of their home governments. For instance, in Nigeria, the Mining Regulation (oil) Ordinance of 1907 made by the British colonial government granted exclusive rights to exploit oil to firms, syndicates or companies that were “British”. Section 15 of the Ordinance stated that:

No license or lease shall be granted under the provisions of the Ordinance to any firm, syndicate, or company which is not British in its control and organization, and in the case of a company, all the directors shall be, and shall at all times continue to be, British subjects, and the company shall be registered in and subject to the laws of some country or place which is part of His Majesty’s dominions, or in which His Majesty has jurisdiction.

Notably, this principle was retained in the 1914, 1925, 1950 and 1958 amendments to the Mineral Oils Ordinance. In principle, until Nigeria was granted independence, its oil was only to be exploited by the British Colonial authority. During the colonial era, Western colonizing authorities such as the British controlled territories and resources in Africa building their economies based on their naval capacity to enforce compliance and a global economy predicated on political dominium.

Colonialism deprived communities of decision-making powers concerning (valuable) natural resources on and underneath the land they depend on. Colonialism was not simply about economic subjugation but also about the ability to wrest control of the local economy from African rulers. The end of colonialism and the emergence of post-colonial African states led to the initial phase of resource nationalism in which newly independent African countries pursued nationalistic policies which aimed to assert “independence” from their colonial heritages. They considered their new positions as an opportunity not only to get over the economic subjugation they suffered under colonialism but also to wrest control of their economies from former colonial authorities. The exercise of absolute ownership and control of natural resources by governments in newly independent African states was considered integral to, and evidence of, political independence. In quick successions, the new central governments vested in themselves the (same) absolute ownership and control of natural resources attracted by the substantial revenues that would accrue to the state.



## TANA HIGH-LEVEL FORUM ON SECURITY IN AFRICA

None of the newly independent states at this stage seemed to consider that these laws were made by the colonial authorities to wade off or at least limit local participation in the decision-making processes regarding natural resource management. Such colonial regulations, for the most part, ignored the fact that local communities feel a sense of ownership of natural resources in their domains even if they lack the technical resources to exploit them. Consequently, a plural system of management of natural resources became the norm on the continent; one in which local perceptions guided by “ancestral heritage and identity as well as religious beliefs” competed with (and exists alongside) laws inherited from colonial authorities that did not change much in the post-independence era.

The existence of a plural system regulating land ownership and by extension, access, has created challenges that have consistently contributed to conflicts on the continent. The divergence between indigenous traditional laws and state laws that define ownership of natural resources has led to contentious relations within several countries in Africa (Klaus & Mitchell, 2015). For instance, land is a vital natural resource in Africa and is appreciated for more than its economic value and benefits. Land, is more fundamentally considered as a source of familial and cultural identity; individual and communal, as well as the link between generations – past, present and future. Thus, for the majority of Africans - most of who inhabit the rural areas where most of the exploitation of natural resources occurs – the significance of land extends beyond the comprehension of post-colonial laws that tends to place value and considers ownership and access based on its economic value and benefits.

It is for this reason that national legal frameworks tend to grant the State the authority to appropriate “value-added” land, whether rich in forestry, oil, diamonds, or, as more recent events have revealed, arable. Regarding arable land, it is becoming a common phenomenon across the continent for the State to acquire vast estates of land from local inhabitants for the purpose of mechanized farming, usually by foreign interests. Such land-grab has occurred with resultant conflicts across the continent with a Rights and Resources Institute (2016) study concluding from a review of 37 case studies from West, East and Southern Africa that 70% of the disputes related to private sector land and natural resource investments on the continent began when communities were forced to leave their land while 30% was related to compensation. When considered against the backdrop of the fact that about 70% of land grabbing occurs in Africa (Deininger et al. 2010), its potential for increasing the spate of conflicts on the continent cannot be ignored. This is more so that land grabbing has impacts on access to drinking water, a factor that also feeds into the conflict dynamics with regards to local inhabitants’ access to their natural resources.





## TANA HIGH-LEVEL FORUM ON SECURITY IN AFRICA

With regards to other extractive resources, the post-colonial laws emphasized state ownership with the intent that such resources would be used for the development of the country rather than limiting the benefits to the immediate region they are extracted. While embracing state ownership and control of natural resources is in itself not a bad thing – as the Botswana experience has proved – access to political power across the continent has become synonymous with gaining control of natural resource revenues, mostly for personal aggrandizement. Botswana, it seems, is the only African country with a history of using its resource revenues to further strengthen national institutions. Acemoglu, Johnson and Robinson (2006) flag three elements that have contributed to Botswana’s success of which one of them is the existence of inclusive pre-colonial institutions such as the *kgotla* (or community forum) for airing public dissent and reaching consensus. For Acemoglu and his colleagues, it was not only the case that this pre-colonial system was not impacted in any significantly negative way by British colonial rule but also that it served the interests of the elite to maintain the status quo after independence following the discovery of diamonds. In essence, unlike the rest of Africa where natural resource wealth became the impetus for convulsive elitist struggle for control of political power, the legal framework in Botswana has evolved to promote the optimal use and benefit of resource revenues.

The fundamental role that legal frameworks play in the mis(management) of natural resource is at the heart of the qualitative difference between Botswana and other resource-rich countries on the continent (Brunnschweiler and Bulte 2008). They argue that the resource curse is only a red herring; that it is the legal framework of resource-rich countries that determines how much of autonomy or dependence they are on the resource and the consequences. An overview of provisions of Botswana’s Mines and Minerals Act (No. 17 of 1999) reveals that like most African countries, the ownership of minerals is vested in the State. However, the law cast aside ministerial discretions that permitted the acquisition and transfer of mining properties in favour of more transparent procedures. It also revised the taxation regime to make the industry more attractive to foreign investors, without leaving them to act in ways that undermine the sovereignty of Botswana. Furthermore, the regulatory framework promotes sustainable use of resource revenues by, for example, following an implicit self-disciplinary rule contained in the Sustainable Budget Index (SBI) that require mineral revenues to be used solely to expand the economy’s productive base rather than fund consumption expenditure (Ako and Uddin 2013).

On the contrast, regulatory frameworks in other countries have contributed to the opacity in natural resource management apart from fuelling unprecedented corruption in the sector. In Angola, for example, three laws – the Access to Administrative Documents Bill, the National Security Bill, and the State Secrecy Bill – adopted between 2002 and 2003 reduced the efficacy of Constitutional provisions to tackle corruption (Ako and Uddin 2011). The laws severely restrict access to information thereby restricting the possibilities of exposing fraud and corruption of



## TANA HIGH-LEVEL FORUM ON SECURITY IN AFRICA

government officials. The State Secrecy Bill criminalizes possession of documents that the government considers sensitive, even if obtained lawfully by individuals not in its employment. Article 2 of the law specifically provides that ‘financial, monetary, economic, and commercial interests of the State’ can be classified as “secret.” This phrase can be broadly interpreted as a euphemism that data on oil revenues (amongst others) are not for public scrutiny.

Furthermore, the law has extraterritorial reach; a move deemed to ensure that representatives of multilateral institutions, international NGOs, the international press, or other institutions couldn’t publish materials that may be considered embarrassing or revealing by the government (Ako and Uddin 2011). For instance, the Angolan government threatened BP with the termination of its licence after the company, following pressure from Global Witness, promised to publish figure on its payments to the Angolan government. Almost a similar framework, if less blatant, applies in Nigeria, another country continuously hit by resource-revenue scandals, as the oil minister is vested with wide discretionary powers that are open to flagrant abuse. It is not surprising that over the past three decades, several oil ministers in Nigeria have either been implicated or indicted for on one corruption charge or another, and that none of them have been convicted.

Invariably, then, the institutional arrangement for natural resource governance on the continent seems to reveal a plethora of inadequacies in the legal regime in many African countries. Angola’s Sonangol and the Nigerian National Petroleum Company (NNPC) are two examples of the state-led but quasi-commercial institutions given the responsibility to manage the natural resource sector- both as operators and regulators. Both institutions have been at the receiving ends of allegations ranging from revenues mismanaged, unaccounted for, embezzled, and/or misappropriated. In one instance, the Nigerian Extractive Industry Transparency Initiative (NEITI) reported that the NNPC failed to pay US\$15 billion in oil revenues to the State coffers. Top officials of the Corporation and in the oil sector as well as their cronies are standing trial in various cases on charges related to fraud and money laundering. The loss of natural resource revenues to the national coffers; particularly in countries that rely heavily on natural resources, have been compounded by the global financial meltdown and declining global commodity prices.

With grossly inadequate regulatory frameworks to manage national revenues, international benchmarks for the management of the natural resource sector have become a prerequisite for the intervention of international financial institutions and aid agencies in Africa. A set of international norms regulating natural resource governance have since developed that are integrated into national legislative frameworks in ways that nudge institutions to promote transparency and accountability in the natural resource sector. It is anticipated that these norms will, in effect, ensure that the continent’s resource base will serve as a fulcrum for poverty



## TANA HIGH-LEVEL FORUM ON SECURITY IN AFRICA

alleviation and national (sustainable) development. Also, these norms aim to make it difficult for conflict actors and their benefactors to fund violent conflicts with natural resource revenues. The Kimberly Process (KP) and the Extractive Industries Transparency Initiative (EITI) which both directly relate to the extractive industry are used as examples of global norms that have an impact on the development of regulatory frameworks that contribute to natural resource management in Africa. On the continental level, the Agenda 2063 and the African Mining Vision (AMV), two homegrown visions that implicate natural resource management are discussed. While the AMV is limited to the extractive industry, mining to be precise, Agenda 2063 is a much broader vision. Thereafter, a discussion on evolving frameworks on the marine environment and land, two other important natural resources that have potential to contribute to the conflict matrix on the continent.

### **The Kimberley Process**

The Kimberly Process (KP) emerged in response to the trade in “conflict diamonds” from countries experiencing civil war such as Angola, Liberia and Sierra Leone (Bone, 2004). Under the regulation, the United Nations prohibited private investors from trading diamonds sold by the União Nacional para a Independência Total de Angola (UNITA) (Bone, 2004). It originated from extensive international campaign led by leading international Non-Governmental Organizations (INGOs) such as Global Witness and through the efforts of governments led by Botswana and South Africa. Briefly, the Kimberly process sets out the standard for verifying the origin, quality and ownership of diamond minerals to ensure that those traded in the international market neither originate from conflict areas nor that they directly or indirectly, fund violent conflicts. Since it was conceived and implemented, it has become an established norm within the diamond industry and plays a fundamental role in governing the conduct of institutions involved in the buying and selling of the resource.

The trade in ‘conflict diamonds’ has reduced significantly as a result of the institutionalization of the KP since it has become difficult for non-state armed groups to mine and trade them.

However, President Trump’s plan (leaked to the press) to suspend the Dodd-Frank Act by executive order has serious implications for conflict in Congo. Suspending the Act will mean that section 1502 that requires U.S. companies to avoid using conflict minerals from Congo and surrounding countries will be ineffective for the duration of the suspension. This means that US companies may trade in conflict minerals and by extension, seeing a new market, non-state armed actors will re-emerge from the shadows to exploit what they are sure to see as an economic opportunity. Although some companies have already noted that they will continue to purchase ethical minerals, the viability of a market, however small, is portends danger of conflicts minerals and the attendant issues including violent contestations over access.



## TANA HIGH-LEVEL FORUM ON SECURITY IN AFRICA

Thus far, the KP was able to achieve its immediate aim, and by cutting off the supply chain of non-state armed groups, not only did the incentive to engage in resource-related conflicts reduce, States were in a position to increase revenues from minerals. Nonetheless, other than Botswana where the management of the diamond industry is largely determined by local indigenous policies rather than the consequence of global norms such as the KP, example of resource-rich African countries that have managed to close poverty gaps and stave off resource-related conflicts are few (Iimi, 2006). Unfortunately, where the KP succeeded in increasing resource revenues accruing to the State, as in the case with Zimbabwe, incidences of gross misappropriation were reported (One, 2016).

As a signatory to the KP that was partly responsible for rise in diamond production by more than 500% between 2008 and 2013, the country also witnessed a steady decline in revenues in that period. In 2011 and 2012, shipments of diamonds grew from US\$238 million to US\$563 million but treasury contributions dropped from \$81 million to \$45 million, with US\$15 billion reportedly misappropriated from the sale of diamonds in 2016 alone. The failure to properly manage the resource revenues have fed directly into pockets of popular protests witnessed across the country over the last one decade at least.

Nonetheless, the KP has succeeded in stemming the flow of conflict diamonds and has contributed to the evolution of other norms on the continent such as the International Conference of the Great Lakes Region (ICGLR) Certificate for Designated Minerals. The Certificate for Designated Minerals aims to function much in the same way as the KP by awarding permitting only shipments of designated minerals (tin, tantalum, tungsten, and gold) that can demonstrate “conflict free” origin, transport and processing. The main aim of this initiative, much like the KP, is to eradicate the use of resource revenues to fund violent conflicts in the region. The imperatives of the initiative are being harmonized and integrated into national legislation as stipulated by Article 22 of the Protocol of the Regional Initiative against the Illegal Exploitation of Natural Resources (RINR) in the Great Lakes Region.

In 2012, Rwanda and DRC integrated the ICGLR RCM into domestic law. In May 2012, within four months of transposing the law, the DRC government enforced the domestic law retroactively against two Chinese mineral traders - TTT Mining (exporting as Congo Minerals and Metals) and Huaying Trading Company. Both companies were suspended for having sold untagged minerals to Chinese smelters/refiners that did not require tags or due diligence checks on their supply chains in 2011. While the suspension was lifted in May 2013, the government banned all cross-province mineral transfers in June 2012 to combat smuggling. The application and enforcement of this regulation has resulted in the overall decrease of mineral exports from east of the DRC.



## TANA HIGH-LEVEL FORUM ON SECURITY IN AFRICA

A key lesson, then, is that the governance of natural resource processes is determined less by global norms but by local and regional natural resource governance regulations, laws and institutions. This assertion does not deviate from the fact that global norms pave the way to address local or national governance failures. The point being made is that the manner national regulatory frameworks and institutions evolve and respond to global norms are central to the extent to which the intentions of these international norms are attained. Countries like Botswana that have benefitted from resource endowments have done so based on well-developed local regulatory and institutional structures. When they are in place and enforced, local laws and institutions are more effective in the governance of natural resources for the benefit of ordinary people in ways that ultimately reduces the potential of such resources to instigate and/or fuel violent conflicts.

### **Extractive Industry Transparency Initiative (EITI)**

Like the KP, the EITI was an outcome of campaigns led by International Non-Governmental Organizations (INGOs) such as Global Witness, Open Society Institute, Oxfam, Save the Children and Transparency International. However, it gained popularity following the endorsement it received from the Tony Blair administration in the United Kingdom (Ocheje, 2006). The initiative was designed to “improve the management of natural resources, reduce corruption, and mitigate conflict” (Haufler, 2010).

There are 6 operational criteria within which EITI seeks to achieve its core objective to improve transparency in natural resource governance. These are:

1. Regular publication of all material oil, gas and mining payments by companies to governments (“payments”) and all material revenues received by governments from oil, gas and mining companies (“revenues”) to a wide audience in a publicly accessible, comprehensive and comprehensible manner.
2. Where such audits do not already exist, payments and revenues are the subject of a credible, independent audit, applying international auditing standards.
3. Payments and revenues are reconciled by a credible, independent administrator, applying international auditing standards and with publication of the administrator’s opinion regarding that reconciliation including discrepancies, should any be identified.
4. This approach is extended to all companies including state-owned enterprises.
5. Civil society is actively engaged as a participant in the design, monitoring and evaluation of this process and contributes towards public debate.
6. A public, financially sustainable work plan for all the above is developed by the host government, with assistance from the international financial institutions where required, including measurable targets, a timetable for implementation, and an assessment of potential capacity constraints.



## TANA HIGH-LEVEL FORUM ON SECURITY IN AFRICA

These criteria set out the norms upon which the future of transparency in the extractive sector was to be built. To be considered ‘transparent’ therefore, companies and countries with natural resource are expected to sign up to the EITI and adhere with its objectives. A total of 27 African countries - more than the number that joined the KP - have signed up to the EITI.<sup>1</sup> Many countries signing up to the EITI, particularly those without relevant extant transparency regulations are obliged to establish new laws that primarily create institutional structures to implement the initiatives principles. Consequently, national EITI institutions have emerged across resource-rich countries on the continent alongside their existing natural resource governance structures, legal and institutional. Although the alignment of these laws to EITI standards is a major factor in determining whether a country has become more transparent in natural resource governance, they are necessary but grossly insufficient to promote transparency.

For example, in Nigeria, despite the promulgation of the Nigerian Extractive Industry Transparency Initiative (NEITI) (NEITI Act, 2007), lack of transparency and corruption in the oil industry are rife, contributing to conflicts in the Niger Delta area. In the latest report on Year 2014 report released in 2016, the national oil corporation, the NNPC, was indicted of not remitting over US\$4.7 billion to the federation’s account, while the report for the previous year had indicated that the NNPC withheld over US\$13.29 billion over a nine-year period. While the NEITI reports reveal rampant corruption in the natural resource sector, new oil-related corruption scandals continue to unfold; including allegations of fraud and money laundering against government officials, as highlighted earlier, a factor responsible for the restiveness in the Niger Delta region and contributing to the prevalent conflicts in the area. Notwithstanding the lack of transparency in the Nigeria, the country is deemed to be fully compliant, a clear indication that full compliance with EITI imperatives is not tantamount to good governance of natural resources. Nonetheless, it suffices to say that the EITI has had considerable impacts on natural resource governance in Africa despite the challenges that are still manifest.

The EITI has made it possible for stakeholders with different interests – governments, corporations, companies, NGOs, and so on– to collaborate more effectively. Even if there are still many proverbial rivers to cross, it is pertinent that EITI is capable of shaping national legislation in ways that promotes increased transparency and accountability in natural resource governance. For example, there is legislation in the works to ensure that there is full disclosure of company ownership details under the beneficial ownership scheme. Government institutions

---

<sup>1</sup> Burkina Faso, Cameroon, Central African Republic, Chad, Cote d’Ivoire, DR Congo, Ethiopia, Ghana, Guinea, Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Niger, Nigeria, Republic of Congo, Sao Tome and Principe, Senegal, Seychelles, Sierra Leone, Tanzania, Togo and Zambia.





## TANA HIGH-LEVEL FORUM ON SECURITY IN AFRICA

are also benefitting from the influence of EITI; for example, the office of the Auditor-General in the DRC has become re-energized to deliver on its mandate with regards monitoring and reporting on public finance.

Two conclusions may be drawn with regards the role of EITI in developing national legal regimes in Africa. First, is that in adopting the EITI principles, countries are obliged to implement legal reforms as preconditions including the creation of national EITI institutions to promote progress in adhering to the imperatives of the initiative. Secondly, several countries are going through the motions of accepting and implementing global norms and institutions while maintaining a level of opacity that allows corruption to continue. Interestingly, the Centre for the Study of Economies of Africa (CSEA) posits that the multiplicity of laws governing the management of natural resources – including international norms and national regulations – sometimes end up creating the lacunae exploited to corrupt the process of transparency and accountability in the extractive sector. Hence, there is urgent need to harmonize the global and national guidelines to enhance transparency in natural resource governance.

### **Continental initiatives: Agenda 2063 and the African Mining Vision (AMV)**

Africa has further seized the initiative in terms of norms building and implementation in the extractive sector with Agenda 2063 and the AMV, amongst others. Agenda 2063, adopted in 2015 by the AU Summit, is a framework formulated for the purpose of guiding Africa's development in the next fifty years adopted by the AU. It was developed from extant African frameworks, programmes and declarations, consultations with a broad spectrum of African stakeholders at the grassroots level, synthesis of 35 national and Regional Economic Communities (RECs) strategic and action plans, situational analysis and study of global mega trends. This bottom-up approach builds on the past experiences and initiatives as well as taking contemporary global trends into consideration. Article 66(b) of Agenda 2063 clearly outlines the Agenda's historical background and expressly refers to an African turning point wherein there is a determination to end wars and conflicts, to build shared prosperity, to integrate, to build responsive and democratic governance as well as end the marginalization of the continent.

There are a few instructive ideas that come through the above provision. First and foremost is that ending wars and conflicts, many of them either over or funded by natural resources, is seen as integral to a renaissance for Africa. Reference to shared prosperity will include the economic growth of nations based on their natural sources as well as common resources such as vast oceanic space that harbors the blue economy, the new resource frontier, for example. The reference to the integration and building of responsive and democratic governance suggests that governance, broadly speaking to include the management of resources, will be based on responsive and democratic governments with a responsibility to promote good governance.



## TANA HIGH-LEVEL FORUM ON SECURITY IN AFRICA

Agenda 2063 Aspiration 1 of Agenda 2063 is to “have a prosperous Africa, based on inclusive growth and sustainable development” has implications for natural resource governance.

Relevant goals and priority areas within this aspiration are captured below:

Goals	Priority areas
Modern agriculture for increased productivity and production	Agricultural productivity and production
Blue/ocean economy for accelerated economic growth	Marine resources and energy Port operations and marine transport
Environmentally sustainable and climate resilient economies and communities	Sustainable natural resource management Biodiversity conservation, genetic resources and ecosystems Sustainable consumption and production patterns. Water security Climate resilience and natural disasters preparedness and prevention Renewable energy

The vision and roadmap as laid out in Africa’s Agenda 2063 provides a framework to develop sectoral and normative, national, regional and continental plans into a coherent whole which could form the basis of natural resource governance in Africa. The different goals in the priority areas identified in Agenda 2063 also demonstrates the ambition of policy makers in the continent to maximize all forms of natural resources in the continent.

With the adoption of the African Mining Vision (AMV) by the Assembly of Heads of States and Governments of the African Union (AU) at the February 2009 Summit held in Addis Ababa, it is expected that countries in Africa may be moving towards achieving Agenda 2063. The AMV is intended as a holistic approach to the exploitation of resources for development (AMV 2009). The key objective of the AMV is to recognize the use of mineral resources as a catalyst to broad-based growth and development, rather than a means to revenues that have not transformed the lives of Africans in the past decades. The Vision proposes a shift from the current model inherited from the colonial era characterised by a high dependency on global export of resources, mostly to the former colonial metropolis in ways that sustains an uneven relationship



## TANA HIGH-LEVEL FORUM ON SECURITY IN AFRICA

between African governments and external actors involved in the extractive industry. For example, the high dependency on international exports has failed most African countries as they lack the capacity to enhance the value of their commodities locally thereby sacrificing opportunities socio-economic development.

Broadly, the key objectives of the AMV include: the enhancement of retained value by promoting linkages; obtaining an adequate share of mineral revenue; improving public participation and accountability; pursuing an integrated view of rights of various stakeholders; and, valuing environmental resources. Other objectives are to use mineral revenue efficiently; promote local development; encourage regional cooperation and harmonization; and strengthening institutions by building capacity and developing networks (AMV 2009).

The objectives of the AMV indicate that its mandate goes beyond matters bordering on transparency to include those issues linked to the optimal utilization of the continent's natural resources. By adopting a holistic approach to understanding and responding to the myriad issues that plague mineral exploitation in Africa, the focus of the AMV is on the enhancement of retained value in such a way as to retain substantial value-added within- not outside - the continent. Again, Botswana's beneficiation policy is an example of how an African country might take the initiative in promoting a value chain (for its diamond industry) to the benefit for the local population.

Without detracting from the benefits that global norms have had on Africa's extractive sector, the imperative to develop and implement homegrown norms capable of contributing to effective natural resource governance is overdue. Such sets of norms would be expected to consider the peculiarities of the continent's situation and designed in a way that is easier for African countries to muster the requisite political will to implement them. Agenda 2063 and the AMV are both endogenous thus the AU's member states and the five regional blocs can identify and 'own' both their processes and outcomes. Africa has developed several mission statements often categorized as declarations, aspirations and visions that can serve the continent well in terms if they can be concretized. One may posit that the AMV is already evolving from a "vision" to a norm as it has become the basis for reform of mineral policies as well as establishing legal and regulatory framework at both the national (e.g. Mozambique, Ethiopia, Lesotho and Tanzania) and regional level. With regards the latter, ECOWAS has begun the process of developing an ECOWAS Minerals Development Policy (EMDP) that was validated in June 2011. The EMDP though considered separate from the AMV is related to, and shares important features with it and the Action Plan.

However, there are hindrances that may limit the evolution of such visions and mission statements to the level of norms that will precipitate the required changes to Africa's natural



## TANA HIGH-LEVEL FORUM ON SECURITY IN AFRICA

resource governance structures. Using the AMV as an example, it is suffice to say that the Vision and its Action Plan are quite vague and offer a number of ideas rather than a concrete governance framework that can be readily implemented. This includes, for example, goals such as “create a mining sector that generates adequate income and rents to eradicate poverty and finance African growth and development”; a provision general enough to be popularly supported but without concrete guidelines. Thus, the alignment of sectorial policies of mineral rich African countries with the AMV goals is therefore often going to rather implicit.

Secondly, resource-rich countries on the continent are faced with a plethora of bilateral and multilateral trade agreements (from traditional partners and new ones particularly China and India) with the renewed global rush to Africa. Meandering these, in addition to the AMV and Action Plan, will not be an easy task. With terms of engagement in these “international” alliances looking more attractive – the Chinese investing heavily in infrastructure in return, for example – it may take a considerable time for the AMV and Action Plan to take a foothold in terms of actualizing its intents. This may lead to delays in the initiatives evolving to become norms in the real sense of the word.

In summary, Africa needs to harness its drive for a renaissance by looking inwards to develop normative frameworks that address the challenges that affect the ability to utilize its rich and diverse natural resource base to achieve economic growth and sustainable development. Resource related conflicts, especially those related to the extractive industry, are one of the main stumbling blocks that must be addressed. With several countries having gone through the subsequent difficulties that these conflicts cause, there is more than enough experience on the continent to develop a comprehensive set of norms that will provide the requisite changes in regional and national regulatory and institutional frameworks to promote the proper exploitation and utilization of Africa’s natural resources.

### **Non-extractive natural resources**

As noted previously, Africa’s natural resource base is extensive. In addition to the extractive industry that has gained more prominence over the decades due to the huge revenues associated with it. As a result, the norms that regulate these other resources including the marine environment (including in-land water ways and resources of the sea), land as well as forests and biodiversity, have been relatively slow in developing to the levels of regional and national responses, regulatory and institutional. In other words the management of these other resource bases has been, generally speaking, more lax.

In fact, the immense value these resources hold have sometimes been undervalued until recently. For example, the sea as a resource had till quite recently been regarded as a means of transportation. However, with the conflicts occurring inland and new technology to explore



## TANA HIGH-LEVEL FORUM ON SECURITY IN AFRICA

resources resulting in huge discoveries of reserves of natural gas in the marine environment, for instance, more attention has been given to this resource.

There have been a series of attempts at the AU level to develop a maritime strategy that takes cognizance and places the right value on the continent's vast marine resources. The challenges of piracy in Africa's Maritime's space led to the evolution of the AU-led 2050 Africa's Integrated Maritime Strategy (2050 AIMS) that the AU Assembly adopted in 2014. While expanding the scope of the 2050 AIMS to include development and governance issues is laudable, including the blue economy among the major goals of the Agenda 2063 10-year implementation plan registered a sign of intent that Africa was preparing to ensure it reaped optimal benefits from its Maritime domain. However, the institutional structure to actively pursue the realization of this important agenda is not in place. While several recommendations have been made in this regard, nothing concrete has taken place on the continental level to provide the necessary push for 2050 AIMS to evolve from an expansive strategy document to a continental normative framework (Walker 2017).

Nonetheless Africa has a history of regional and multilateral arrangements to govern shared marine resources. The Nile Basin Initiative (NBI) for instance is an intergovernmental partnership of 10 Nile Basin countries,<sup>2</sup> established in February 1999 to "provide a forum for consultation and coordination among the Basin States for the sustainable management and development of the shared Nile Basin water and related resources for win-win benefits" (NBI website). In West Africa, the Niger Basin Authority (NBA), created in 1964, brings together the countries<sup>3</sup> that are connected by the Niger River and its tributaries to promote cooperation among the Member States and to ensure an integrated development of the Niger Basin in the fields of energy, water resources, agriculture, animal husbandry, fishing and fisheries, forestry, transport, communications and industry.

This area that is already experiencing conflicts, political instability, poverty, heavy reliance on natural resources is prone to even more conflicts, especially as it grapples with the challenges of climate change (World Bank 2016). Notably, the NBA has developed a Climate Resilience Investment Plan (CRIP) to tackle the challenges of climate change and improve the livelihoods of the population that live in the Niger Basin (World Bank 2016). There is also the Lake Chad Basin comprising of Cameroon, Chad, Niger and Nigeria that is already enmeshed in violent conflicts originating from the Boko Haram terrorist group. These basins have played a significant role to promote mutual co-operation in the management of marine resources and have an even more a critical role to play in mitigating disputes and managing conflicts that are

---

<sup>2</sup> Members include Burundi, DR Congo, Egypt, Ethiopia, Kenya, Rwanda, South Sudan, The Sudan, Tanzania and Uganda. Eritrea participates as an observer.

<sup>3</sup> These are Benin, Burkina Faso, Cameroon, Chad, Ivory Coast, Guinea, Mali, Niger, and Nigeria.



## TANA HIGH-LEVEL FORUM ON SECURITY IN AFRICA

bound to occur as the impacts of climate change increasingly manifest. In the absence of a continental framework that effectively manages the marine environment, the basins have to live up to the modern-day reality by recognizing that water is also a conflict-prone resource.

The AU officially recognized the “centrality of land to sustainable socio-economic growth, development and the security of the social, economic and cultural livelihoods” of Africans with the Declaration on Land Issues and Challenges In Africa. The Declaration adopted in 2009<sup>4</sup> noted that there was a need to have “strong systems of land governance rooted in principles of sustainability in an effort to ensure preservation, protection and renewability of Africa’s land and related resources”. However, progress has been slow continentally and regionally to address the issues the Declaration highlighted. Indeed, it is an onerous task to achieve the desired task of adopting a continental Framework and Guidelines on Land Policy that will ensure the effective management of land to ensure equitable access.

The AUC-ECA-AfDB Land Policy Initiative (LPI) has launched a pilot project to track progress in the implementation of the AU Declaration on Land Issues and Challenges. The project launched in March 2017 has the broad objective to track the progress that has been made on the continent with regards to implementing the key decisions and commitments of the AU Declaration on Land at continental, regional and national level, beginning with ten (10) pilot countries. Specific objectives of the project include the development of a comprehensive baseline that will form the basis for tracking progress in implementation of the key decisions of the AU Declaration on Land; track progress made at the continental, regional and national levels since the launch of the implementation of the Declaration; document and disseminate best practices; and build capacity to sustain efforts of member states in regular tracking and reporting on land governance.

In a nutshell, the development of normative framework, at least at a continental framework that may precipitate changes in national frameworks that characteristically grant the state unfettered access to land is slow. As discussed in earlier sections of this paper, land-related conflicts – whether precipitated by access to the land *simpliciter* or to other resources harbored – obstruct the effective and optimal exploitation natural resources. These conflicts have not only negatively affected the economic performances of many countries on the continent, but is continually disrupting the social fabric of African societies, a tendency that portends more danger for the future unity of the continent and member states. Hence, it is time to refocus attention from the extractive industry to recognize the essence of other natural resources both in the ways they can contribute to development but also as they are conflict drivers to enable the development of an effective natural resource governance structure for Africa.

---

<sup>4</sup> Assembly/AU/Decl.1(XIII) Rev.1 adopted at the at the Thirteenth Ordinary Session in Sirte, Libyan Arab Jamahiriya, from 1 to 3 July 2009.





### 5. Governing for the future: Strengthening current mechanisms

The natural resource sector in Africa has been plagued by conflicts of varying dimensions from mostly localized skirmishes between pastoralists and farmers over access to land to those of extremely violent civil wars over and funded by resource revenues. The conflicts as noted are not likely to reduce if the due attention and focus on governance strategies is not prioritized in Africa. Indeed, the continent is not bereft of initiatives and strategies but what is required is not simply the introduction of another framework to the fold but to address the issue of natural resource governance holistically.

Issues to be considered is why the continent's natural resource sector has become the bedrock of violent conflicts rather than the basis of development to alleviate widespread poverty. Fundamental issues relate to how the experiences of resource-related conflicts in Africa may benefit the development of a continental framework to avoid recurrences of conflicts. Also, how can the framework be broad-based to ensure it captures the range of the continent's natural resources in a holistic manner? How may the diversity of the continent – regional and national legal arrangements for instance, be harnessed to develop a viable continental framework on natural resource governance?

Issues that cause conflicts in Africa's natural resource sector, broadly include the foreclosure of democracy, rule of law and the inequitable distribution of national resources, as well as the lack of transparency and accountability in the sector. Most resource-related conflicts are implicated by the inequitable distribution of benefits of the resource. This may be the environmental 'goods' and 'bads' of the resource; a situation typical of the extractive industry. While the State and elite, in alliance with foreign corporations, enjoy the benefits of the exploited resource, host-communities face the debilitating negative environmental impacts. Also, investments in the host-communities have been inadequate with the quantum of compensation paid for appropriated land, contaminated land and waters, for examples, have been below economic values leading to angst and violent reactions.

The situation is aggravated by the absence of rule of law leaving aggrieved parties without legal and administrative recourse as well as undemocratic management and decision-making in the natural resource sector. Regarding the latter, for example, land is often appropriated without consultation of affected local communities; or host-communities are not consulted with regards to resource revenue investments in their domains. Given the relationship these communities have with 'their' land that is also their fundamental natural resource, experience has revealed that reactions after a while turn violent. Lack of accountability and transparency also feed into



## TANA HIGH-LEVEL FORUM ON SECURITY IN AFRICA

the conflict matrix as the situation empowers and emboldens corruption, misappropriation and embezzlement of resource revenues that ought to be expended on development-related projects and investments. In essence, these broad governance issues must be factored into a framework on natural resource governance if resource-related conflicts are to be tackled.

The next issue relates to how a framework can be broad-based to ensure it captures the range of the continent's natural resources. While the extractive industry has received immense attention, no doubt because of the high value of its products, other resources must be accorded equal recognition and protection. For instance, land is a resource every African has a personal and communal connection with, yet it is arguably the most unprotected resource and one that sparks conflicts more than the other resources. These range from the disputes over appropriation of land for use of the extractive industry highlighted previously to land grabbing as well those between pastoralists and farmers that is on the rise as a result of shortages in grazing land, a consequence of climate change in many areas.

Also, more attention needs to be given to the marine environment and the vast economic opportunities it holds. The current lack of understanding on the conceptual understanding and definition of the blue economy for instance must be overcome. Thinking should move beyond considering the oceans as a means of transportation to the appreciation of biodiversity resources it harbors, to vast reserves of deep shore oil and gas reserves, fisheries, etc. The challenges posed by piracy should also be considered as a fundamental issue because as the resources of the maritime environment are increasingly exploited, so is the likelihood of increase in the rate of piracy.

Developing continental norms for a continent with 54 countries is not an easy task as these countries have different legal systems and backgrounds as well as cultures and institutional frameworks. However, the advantage of multiple systems should be harnessed rather than it being considered a disadvantage. At the regional level, with regards management of in-water resources for example, cross-cutting lessons can be learned from the approach and experiences both from normative and institutional arrangements like the Senegal River Basin Organization, Okavango River Basin Commission, SADC Protocol on Shared Watercourse Systems, the Niger Basin Initiative, amongst others. Regions are facing and prioritizing different challenges, in some instances as the case with the Lake Chad Basin, including cross-border conflicts.

While this is not a situation common to all the Basin Authorities on the continent, those not facing this particular challenge can learn lessons to prevent or manage disputes that occur to ensure that they do not escalate to the levels experienced in the Lake Chad Basin. At the national levels, the experiences of countries on the continent may contribute to shaping and influencing both continental normative frameworks and adaptation at the national level by



## TANA HIGH-LEVEL FORUM ON SECURITY IN AFRICA

other states. Botswana is a good example with regards the extractive industry while Cameroon is a good instance of management of forestry management that other countries and the continent can learn from in developing legal and institutional arrangements.

It is imperative to take into cognizance all the issues discussed above to address the challenges of natural resource governance in Africa in a manner that is sustained and sustainable will require adopting a holistic approach. While some of the merits of existing norms cannot be discounted, streamlining and integrating them into a holistic continental framework is more desirable than an attempt to completely reinvent the wheel. The advantage of this kind of integration is that it avoids the existence of a multiplicity of norms that, in turn, makes it an onerous task for national regulatory institutions to keep up with, adapt and implement.

Invariably, an African Natural Resource Governance Architecture (ANRGA) is suggested as a framework to engage with the broad management of the continent's natural resources. It is proposed that the ANRGA should develop organically from Agenda 2063 with the key elements of good governance (especially democracy, rule of law, transparency and accountability, as well as efficient and equitable management of resource revenues being core issues. These themes are notably expressed in Aspiration 3 of Agenda 2063. In proposing the ANRGA, the expectation is not for policy makers to re-invent the wheel but to fuse existing- but disparate- processes into a comprehensive framework.

### **5.1 Democracy**

The expectation is that within the context of democracy in natural resource governance, key principles such as collective decision-making must be embraced and elevated. In applying collective decision making to natural resource governance, decisions leading to the exploration and use of natural resources should take on board the contrasting views of different actors that are expected to benefit or be impacted, by the exploitation of the natural resource. The Environmental Impact Assessment (EIA) laws that govern the exploration and extraction of natural resources is one such law that already promotes the principle of democratic governance, even if the latter is only one aspect towards sound and efficient natural resource governance.

The principle of democratic collective decision-making also needs to be consistent across the different cycles of natural resource management, from exploration to production and how revenues are utilised. This will limit the resort to armed violence by local actors and communities constantly jostling to reap the benefit from lax natural resources governance framework. Nigeria's Delta region is one example where the dearth of democratic decision-making has triggered violent conflicts with local communities claiming that they are left out of the decision-making process. Even within that mostly restive region, one cannot miss the contrast that the relatively peaceful Akassa community represents as a unique model of



## TANA HIGH-LEVEL FORUM ON SECURITY IN AFRICA

community-led approach to natural resource governance. Pro Natura International Nigeria, a community development organization has worked with Statoil; the main multinational oil company operating in Akassa to develop a unique and participatory model that allow communities to audit their own needs, plan projects and monitor their implementation through established structures. This inclusive process can easily be reproduced elsewhere with only slight modifications.

The lesson from Akassa is that when systems of democratic inclusions are factored into natural resource governance, there will be fewer incentives for actors to act outside these systems. Therefore, even though grievances over issues such as the impact of exploration and production of natural resources and the distribution of natural resource revenues may arise from time to time, there will always be opportunities to democratically address these grievances before they lead to violent conflicts.

The absence or weakness of institutions that manages grievances could pose a risk that could undermine the stability of resource rich countries. Such institutions, as seen in the case study from Akassa, provide a democratic framework for the resolution of conflicts and the allocation of resources at the local level. Therefore, as Africa seeks to develop a new vision that governs natural resources, it is important that this new vision promotes the development of strong institutions that can democratically address the grievances associated with the management of natural resources.

### **5.2 Rule of law**

With regards to the principle of rule of law within natural resource governance, the emphases should be on the equality before the law along with unfettered access to judicial and/or administrative systems for dispute resolution. Three elements of the rule of law make its presence crucial for any legal system; these are the supremacy of the law and the absence of arbitrariness, equality before the law, and constitutional law as part of the ordinary law of the land. Generally, rule of law is often applied in its political context to ensure that political power is not abused. In natural resource governance sphere, the rule of law will function to ensure that laws regulating the sector do not allow individual and/or sectional interests of political actors to disadvantage the citizenry. If it ever does, multinationals are held liable under the laws in the countries in which they operate.

Regarding the former, the “above the law” stance of the ruling elite in Africa has contributed immensely to the vicious cycle of corruption in many societies. There is barely any African ruler (and their family) in a country that is rich in natural resource that has not been caught in the web of resource-revenue related corruption. With regard to multinational corporations, there are several examples of locals seeking justice in foreign jurisdictions regardless of the immense



## TANA HIGH-LEVEL FORUM ON SECURITY IN AFRICA

costs and uncertainty involved simply because they cannot guarantee rule of law in their respective countries. From Nigeria, cases relating to the operations of oil multinationals have been instituted in England, The Hague and the USA while South African miners have sued in England.

The absence or weakness of institutions that manage grievances could pose a risk that could undermine the stability of resource rich countries. Such institutions, as seen in the case study from Akassa, provide a democratic framework for the resolution of conflicts and the allocation of resources at the local level. Therefore, as Africa seeks to develop a new vision that governs natural resources, it is important that this new vision promotes the development of strong institutions that can democratically address the grievances associated with the management of natural resources.

### **5.3 Accountability and transparency**

The principle of accountability and transparency is central to natural resource governance. However, there is a need to design a framework of accountability and transparency that reflects the local context and political realities on the continent. There are transparency indexes that seeks to measure accountability and transparency in the use of extractive natural resources in Africa. It is common for African countries to meet some of the requirements of transparency and accountability indexes without embarking on any fundamental or radical reforms agenda in the use natural resource revenues. One reason for this is because the current measures of accountability and transparency have mostly focused on declaring the earnings of natural resources and not in how such earnings have been utilized, or by whom.

Beyond reliance on payments to national governments, accountability and transparency must also focus on how such proceeds are used within the countries. Additional proposals may relate to the vetting of personal and corporate investment funds to ensure that they are not illegally obtained from revenues from illicit natural resource governance. This proposal will require the cooperation of the international community. This is because of the nature of the different laws that govern the movement of capital across different countries. These different laws have facilitated the flow of profits from trade in illegally extracted natural resources. The international community would need to develop a common standard and mechanisms that enhance transparency of financial flows. Again, this is not really re-inventing the wheel as most financial institutions scrutinize funds to ensure they are not from drugs and money laundering. The measurement of transparency and accountability within the context proposed could focus on identifying how much of natural resource revenues go into different sectors that are directly related to development or how a particular natural resource contributes to education, healthcare, infrastructure, arts and culture, and other sectors of the economy beneficial to the ordinary people. Such an approach would ensure that the use of natural resources directly



benefits ordinary people.

### **5.4 Efficient and equitable management of resource revenues**

The efficient and equitable management of natural resources is at the heart of virtually every initiative to promote the efficient management; including the proposed natural resource governance architecture framework. Although they run through the different principles outlined earlier, they are identified as separate principles for the purpose of clarifying the important of efficiency and equity in the use of natural resources. One factor that drive grievances and contributes to the emergence of violent conflicts in resource rich countries is the perception of inequity in the distribution of resource revenues. There needs to be a democratic framework that reflects the diversity of interests and actors within resource-rich countries. Such a framework would recognize the needs of local communities where natural resources are extracted vis-à-vis the general population of the country. It will also address environmental concerns and the impact of natural resource production on the livelihoods of local communities where resource production takes place.

## **6. Conclusion**

This paper has taken a broad look at the politics of natural resource extraction and governance in Africa. It explored various themes through which the causative relationship between natural resources and violent conflict can be discerned. It also noted that the political economy of natural resources is embedded within the broader global power relations. It noted in particular that emerging economies like China are fundamentally shifting the locus of power within Africa's natural resource landscape and that the implications of these new shifts are not yet fully understood. Nonetheless, they will have profound impact on the next few decades of resource politics on the continent of Africa.

The important role that global environmental movements also play was discussed. It was noted that while it may appear that there is a homogenous global environmental agenda, it is in fact also framed by the same global relations of power that shape broader aspects of inter-state relations. These relations of power, it was noted, are inducing an increase in the militarization of resource extraction, a situation that has had dire implications for local human rights. The paper also discussed the growing role of private military contractors in this dynamic of securitization and argued that because they are hardly accountable to anything but the logic of profit, they complicate the landscape of conflict and extraction in profound ways.

The important global norms, regulations and institutions that attempt to impose some form of order and accountability on the extractive sector was also discussed. Here, the paper argued that while regulation was critical to the effective management of natural resources in Africa,





## TANA HIGH-LEVEL FORUM ON SECURITY IN AFRICA

there are cases like in Angola where it in fact facilitates opacity and corruption. In this regard, the paper argued that regulation must be embedded within an infrastructure that can effectively monitor compliance and which promotes transparency. The paper examined the impact of global norms (the KP and EITI) and continental visions (Agenda 2063 and AMV) on the management of natural resources in Africa and conflicts. It noted that these frameworks have had mixed results. The paper in the discussion of the development of normative frameworks regulating non-extractive resources noted that progress is relatively slower due the uneven attention placed on the extractive industry. It noted that this is the case mainly because the extractive industry yields more revenues. This suggests that the broader legal, political and social environment plays a significant role in determining the success or otherwise of natural resource governance models. The implication is that interventions must look at the totality of laws as well as the social justice issues that drive resource governance.

The paper suggested that there is a need to have a broad framework on natural resource governance for the continent. It recommended an African Natural Resource Governance Architecture (ANRGA) that should be developed organically from Agenda 2063. The ANRGA would emphasize key elements of good governance (especially democracy, rule of law, transparency and accountability, as well as efficient and equitable management of resource revenues) that are vital to governance, broadly speaking.



### References

- Acosta A. (2010). Review of Impact and Effectiveness of Transparency and Accountability Initiatives, Paper prepared for the Transparency and Accountability Initiative Workshop October 14 – 15, Institute of Development Studies, Sussex.
- Akcinaroglu, S. and Radziszewski, E. (2013). "Private Military Companies, Opportunities, and Termination of Civil Wars in Africa." *Journal of Conflict Resolution* 57.5 (2013): 795-821. Print.
- Ako, R. (2013). *Environmental Justice in Developing Countries: Perspectives from Africa and Asia-Pacific*. Abingdon, Oxon: Routledge. Print. Routledge Explorations in Environmental Studies.
- Ako, R. and Uddin, N. (2011). 'Governance and Resource Management' in F. Botchway (ed.), *Natural Resource Investment and Africa's Development*. Cheltenham: Edward Elgar.
- Alao A. (2007). *Natural Resources and Conflict in Africa: The Tragedy of Endowment*, U Rochester Press.
- Alden C. and Alves A. (2009). *China and Africa's Natural Resources: The Challenges and Implications for Development and Governance*, Occasional Paper 41, Pretoria: South African Institute of International Affairs.
- Alden, C., & Davies, M. (2006). A profile of the operations of Chinese multinationals in Africa. *South African Journal of International Affairs*, 13(1), 83-96.
- Bannon I. and Collier P. (2003). "Natural Resources and Conflict: what we can do?", in Bannon I. and Collier P. (eds), *Natural Resources and Violent Conflict: options and actions*, Washington DC: World Bank.
- Bone, A. (2004). Conflict diamonds: the De Beers Group and the Kimberley Process.
- Bradshaw M. (2009). The Geopolitics of Energy Security, *Geography Compass*, Vol. 3, Issue 5: 1920-37.
- Bray. J. (2003). Attracting Reputable Companies to Risky Environments: Petroleum and Mining Companies in Bannon I. and Collier P. (eds), *Natural Resources and Violent Conflict: options and actions*, Washington DC: World Bank.
- Brunnschweiler C. and Bulte E., 'The Resource Curse Revisited and Revised: A Tale of Paradoxes and Red Herrings', (2008) 55 *Journal of Environmental Economics*
- Byrne, Edmund. "The U.S. Military- Industrial Complex Is Circumstantially Unethical." *Journal of Business Ethics* 95.2 (2010): 153-65. Print.
- Carmody P. (2011). *The New Scramble for Africa*, New York: Polity
- Collier P. and Hoeffler A. (2004). "Greed and Grievance in Civil War", *Oxford Economic Papers*, 56(4):563-595.
- Deininger K., Byerlee, D., Lindsay, J., Norton, A., Selod, H. and Stickler, M. (2010). Rising Global Interest in Farmland: Can it Yield Sustainable and Equitable Benefits? World Bank, September 7, 2010.



## TANA HIGH-LEVEL FORUM ON SECURITY IN AFRICA

- Elliot H. (2013). *Poverty, Governance and Land Grabbing in West Africa*, available [http://sites.tufts.edu/gis/files/2013/11/Hohn\\_Elliot.pdf](http://sites.tufts.edu/gis/files/2013/11/Hohn_Elliot.pdf)
- Grant, J. A., Nadège Compaoré, W. R., & Mitchell, M. I. (2015). *New Approaches to the Governance of Natural Resources: Insights from Africa* (International Political Economy Series). London: Palgrave Macmillan UK: Imprint: Palgrave Macmillan.
- Hackemer, Kurt. *The U.S. Navy and the Origins of the Military-industrial Complex, 1847-1883*. Annapolis, Md.: Naval Institute, 2001. Print.
- Halakhe A. (2014). *The West renews appetite for African military adventure*, available on <http://mgafrica.com/article/2014-06-06-the-west-renews-appetite-for-african-military-adventure>.
- Hall R. (2011). Land Grabbing in Southern Africa: the many faces of the investor rush, *Review of African Political Economy* 38(128): 193-214.
- Haufler, V. (2010). Disclosure as governance: the extractive industries transparency initiative and resource management in the developing world. *Global Environmental Politics*, 10(3), 53-73.
- Higazi A. (2016). Farmer-Pastoralist Conflicts on the Jos Plateau, Central Nigeria: Security responses of local vigilantes and the Nigerian State, *Conflict, Security and Development*, 16 (4): 365-85.
- Homer-Dixon, Thomas. *Environmental Scarcities & Violent Conflict : Evidence from Cases*. N.p.: Cambridge Mass., 1994. Print.
- Humphreys M. (2005). Natural Resources Conflict and Conflict Resolution: Uncovering the mechanisms, *Journal of Conflict Resolution*, 49(4): 508-37.
- Imi, Atsushi. "Did Botswana escape from the resource curse?" (2006). IMF Working Paper No. 06/138
- Iwilade, A. (2014). Networks of violence and becoming: Youth and the politics of patronage in Nigeria's oil-rich Delta\*. *The Journal of Modern African Studies*, 52(4), 571.
- Jagger, P. (2012). Environmental income, rural livelihoods, and income inequality in western Uganda. *Forests, Trees and Livelihoods*, 21(2), 70-84.
- Kaldor, M. (2013). In defence of new wars, *Stability* 2(1): 4: 1-6.
- Kaniaru, W. (2015). From Scarcity to Security: Water as a potential factor for conflict and cooperation in Southern Africa, *South African Journal of International Affairs*, 22(3): 381-96.
- Kaplan R. (1994). The Coming Anarchy, *Atlantic Monthly* (February): 44-76.
- Kishi, R. (2015). Resource related conflicts in Africa, available at <http://www.crisis.acleddata.com/resource-related-conflict-in-africa/>
- Klaus, K., & Mitchell, M. I. (2015). Land grievances and the mobilization of electoral violence: Evidence from Côte d'Ivoire and Kenya. *Journal of Peace Research*, 52(5), 622-635.
- Koubi, V., Spilker G., Bohmelt T. and Bernauer T. (2014). Do natural resources matter for interstate and intrastate armed conflict?, *Journal of Peace Research*, Vol. 51(2): 227-43.



## TANA HIGH-LEVEL FORUM ON SECURITY IN AFRICA

- Large D. (2010). *India's African Diplomacy*, available at <http://www.lse.ac.uk/IDEAS/publications/reports/pdf/SR016/SR-016-Large.pdf>
- Le Billon P. (2001). "The Political Ecology of War: Natural Resources and Armed Conflict", *Political Geography*, 20:561–584.
- Lind J. (2003). Adaptation, conflict and cooperation in pastoralist East Africa: a case study from South Turkana, Kenya, *Conflict, Security and Development*, Vol. 3(3).
- Ndumbe, J. Anyu, and Babalola Cole. "The Illicit Diamond Trade, Civil Conflicts, and Terrorism in Africa." *Mediterranean Quarterly*. Vol. 16. N.p.: n.p., 2005. 52. Print.
- Ocheje, P. D. (2006). The Extractive Industries Transparency Initiative (EITI): voluntary codes of conduct, poverty and accountability in Africa. *Journal of sustainable development in Africa*, 8(3), 222-39.
- Okonta, I., & Douglas, O. (2003). *Where vultures feast : Shell, human rights, and oil in the Niger Delta*. London: Verso.
- Onuanyim, J. (2016). 'NEITI: Nigeria earned \$55.5bn from oil, gas in 2014'. New Telegraph Newspaper online: <http://newtelegraphonline.com/news/neiti-nigeria-earned-55-5bn-oil-gas-2014/>. Last accessed 23 February 2017.
- Percival, V. (1995). *Environmental scarcity and violent conflict : The case of South Africa*. Toronto.
- Richards, P. (1996). *Fighting for the Rain Forest: War, Youth, and Resources in Sierra Leone*, Oxford: James Currey.
- Ross M. (2004). "What Do We Know About Natural Resources and Civil War?", *Journal of Peace Research*, 41(3):337–356, 2004.
- Ross, M. (2002) Booty futures. Mimeo, University of California, Los Angeles available at <http://www.polisci.ucla.edu/faculty/ross/bootyfutures.pdf>
- Snyder R. (2006). "Does Lootable Wealth Breed Disorder? A Political Economy of Extraction Framework", *Comparative Political Studies*, 39(1):943–968.
- Sulle, E. and Nelson, F., 2009. Biofuels, land access and rural livelihoods in Tanzania. London: International Institute for Environment and Development (IIED).
- Taylor M. (2013). Conflict Financing: what's wrong with war economies?, NOREF Report 1, Oslo: NOREF.
- TMP Systems and Rights and Resource Institute (2016). Tenure and Investment in Africa: Comparative Analysis of Key Trends and Contextual Factors
- Ukeje C. and Ela W. (2013). *African approaches to maritime security: the Gulf of Guinea*, Abuja: FES.
- Vannessa U. and Ebiede, T. (2011), "Transparency Building Initiative: Project Report". Facility for Oil Sector Transparency in Nigeria (FOSTER), Abuja, Nigeria.
- Vigh, H. (2006). *Navigating terrains of war : Youth and soldiering in Guinea-Bissau (Array)*. New York ; Oxford: Berghahn.
- Walker, T. (2017). Reviving the AU's maritime strategy. ISS Policy Brief 96, February 2017



## TANA HIGH-LEVEL FORUM ON SECURITY IN AFRICA

- Winer J. and Roule T. (2003). "Follow the Money: the fiancé of illicit resource extraction", in Bannon I. and Collier P. (eds), *Natural Resources and Violent Conflict: options and actions*, Washington DC: World Bank.
- World Bank (2016). *The World Bank Group's Response to Illicit Financial Flows: A Stock Taking*, Washington DC: World Bank.
- World Bank, 2010. Rising global interest in farmland: can it yield sustainable and equitable benefits? 8 September. Washington, DC: The World Bank.
- World Bank. (2016). The Niger basin climate resilience investment plan: a shared initiative for the benefit of the population – overview. World Bank Working Paper 2016 - <http://documents.worldbank.org/curated/en/945801467988882421/Le-plan-d-investissement-pour-la-résilience-climatique-du-bassin-du-fleuve-Niger-une-initiative-commune-au-profit-des-populations-resume>