



ECONOMIC COMMISSION FOR AFRICA



AFRICAN DEVELOPMENT BANK

2007 Big Table: Managing Africa's Natural Resources for Growth and Poverty Reduction
1-2 February 2007, UNCC, Addis Ababa, Ethiopia
Annotated Agenda

Day One

9:00 - 9:30

Opening Remarks: Mr Abdoulie Janneh, *Executive Secretary of the United Nations Economic Commission for Africa (ECA)* and Mr Donald Kaberuka, *President of the African Development Bank (AfDB)*

The Executive Secretary of ECA and the President of AfDB will open the meeting.

9:30 - 10:00

Overview on “*Managing Africa's Natural Resources for Growth and Poverty Reduction: the Key Issues*”

To facilitate session discussions and based on the issues paper, a resource person will provide an overview on the challenges of and opportunities for effective management of natural resources for growth and poverty reduction in Africa. This will include illustrations on Africa's mineral resources and production, and its global importance; market dynamics and drivers; a brief review of the key natural resources economics and governance issues; and indications of the opportunities and options to maximize benefits for the continent and to build a sustainable future beyond natural resources exploitation.

10:00 - 10:30

Tea Break

10:30 - 11:45

Session I: *Natural Resources Governance*

Informed by case studies from within and outside Africa, participants will discuss how well the continent has managed her natural resources and question whether natural resources are a curse or can promote growth and development in Africa. They will analyze the factors that render natural resources exploitation prone to malpractices, including corruption, rent seeking, and fostering conflicts. They will also assess the effectiveness of existing initiatives to improve governance in the sector such as the Extractive Industries Transparency Initiative (EITI), the Kimberley Process, the Global Sullivan Principles, and the OECD Guidelines on Multinational Enterprises. Furthermore, they will discuss how African countries could employ above initiatives (including the African Peer Review Mechanism) or design new ones (local standards,

benchmarks, codes of conduct and guidelines) to ensure that the continent's natural resources are better and more accountably managed to enhance their contribution to growth and poverty reduction. Of equal importance will be a discussion on how to strengthen the judiciary and oversight bodies, including parliaments and independent committees, to enforce obligations and enhance good governance in the sector.

11:45 - 13:00 **Session II: *Ownership, Participation and Inter-generational Equity***

Participants will discuss whether ownership of equity in natural resources projects by the state, local mining communities or individual citizens of the host nation is a feasible vehicle for maximizing benefits of natural resources exploitation. This will entail an assessment of risks, an understanding of the sources of capital to finance natural resources ventures, a review of case studies of equity participation (DeBwana, Codelco, Royal baFokeng Nations, etc), and a discussion of alternatives. Where equity participation is desirable, tools to facilitate that will be examined. This includes the role of governments, the market (stock and commodity exchanges), large private sector companies, international financial organizations (e.g. IFC), and multilateral arrangements such as those of the Private Sector and Micro-finance Department of AfDB, the African Project Development Facility (APDF) of the World Bank Group's Small and Medium Enterprise (SME) Department, and the European Union's Centre for the Development of Enterprise (CDE). The relevance of broad-based development programmes such as the BEE to the rest of Africa will be examined.

The participants will also examine how to ensure that the interests of future generations are protected. To this effect, participants will appraise the relevance of mechanisms such as Future Funds. This will be informed by practices from Africa (e.g Botswana and Chad) and beyond (Alaska, Norway and Kuwait). The key questions are: Should African countries consider the creation of such Funds? If so, what mechanisms need to be put in place to ensure that the Funds are not raided by the current generation? What set of policies should be put in place to ensure sustainable harvesting and utilization of natural resources in a manner that is inter-generationally equitable?

13:00 - 14:30 **Lunch Break**

14:30 - 16:30 **Session III: *Bargaining Power, Natural Resources Value and The Role of Emerging Global Actors***

Participants will discuss the global importance of Africa's natural resources and how this can help African countries extract better terms in negotiating with partners. This will be informed by a review of current policies, legal and regulatory frameworks, and fiscal regimes; an understanding of investors' motivation; comparison of international practice especially in competing regions (e.g. Latin America, Australia and Canada); assessment of the causes and the impact of recent assertive decisions in Bolivia, Venezuela and

Zimbabwe; and factoring the role and impact of emerging global players, namely China, India, (Brazil, and Russia) in the world's commodity prices (especially energy and metals markets), as well as in the continent, with respect to expanding policy space, infrastructure development, employment and labour dynamics, competition rules, corporate and business standards, and governance. The key questions are whether the recent commodity price increases represent a shift in terms of trade or a normal business cycle; how long the cycle will last, and if it can be sustained. Also important is to understand how Africa can bargain for terms that maximize local processing and value addition of natural resources, as well as foment better linkages between the natural resources sector and other sectors of the economy, to promote industrialization and diversification of local economies. Market impediments to promote value addition in Africa will also be examined.

16:30 - 16:45

Tea Break

16:45 - 18:45

Session IV: Natural Resources Exploitation and Environmental Stewardship

Participants will discuss the increasing role of environmental considerations in natural resources exploitation. This will include a review of constitutional and statutory obligations of governmental institutions, the role of other stakeholders (e.g. lending institutions such as the AfDB and the World Bank, the UN, and international industry associations such as the International Council on Mining and Metals), and the emergence of civil society organizations equipped to emit informed opinion, engage in constructive criticism, and monitor the socio-economic and environmental impacts of the natural resources sector. Participants will also assess the relevance of tools such as the Environmental Impact Assessment (EIA), capacity to enforce obligations, and the importance of public participation in fostering sustainable management of natural resources. New trends and their impact on the sector, and how to optimize the trade-off between environmental damage and the potential benefits to local and national economies will be also discussed.

18:45-20:00

Cocktail

Day Two

9:00 - 10:30

Session V: Crosscutting Issues: Capacity for Natural Resources Management, Partnerships and Regional Integration

Capacity for Natural Resources Management: The meeting will evaluate the capacity needs in natural resources management in Africa and how to bridge any identified gaps. This will include an analysis of policies that countries should put in place, the role of peer learning among African countries, and mapping existing capacity development initiatives to improve synergies and coherence.

Regional integration and natural resources: Participants will discuss the role of regional cooperation and integration in reducing transaction costs, establishing intra-regional synergies, enhancing competitiveness and realizing economies of scale that can catalyse natural resources development. This will include a brief assessment of the state of regional integration in the continent, particularly on harmonization of laws, regulations and fiscal regimes that are key for goods, services, capital and other factors to freely flow in the regional spaces. Participants will also examine how natural resources exploitation can promote regional integration and infrastructure development. Using spatial development principles, opportunities for expanding the continent's infrastructure will be discussed.

Partnerships: Participants will examine existing partnerships in natural resources management and discuss how to maximize links, build coalitions for change, and divulge information and best practices. The role of international organizations including the UN, apex bodies such as the ICMM, donors, continental organizations (AUC, RECs, etc), and Centres of Excellence will be discussed with a view to improving coordination, particularly in capacity development. Equally relevant is a discussion on how to strengthen regional (e.g. the Africa Mining Partnership) and international partnerships to implement and enforce international treaties, agreements, standards, and codes of conduct, to promote transparency in the natural resources sector, to combat corruption, to reduce the possibility of conflicts, and to promote efficient use of natural resource wealth.

10:30 - 10:45

Tea Break

10:45 - 12:45

Session VI: Way Forward and Future Action

Participants will discuss a way forward and a platform for future action. Among others, this will include modalities to mainstream G-8 pronouncements on natural resources; the feasibility of developing an African Code of Conduct in Natural Resources Management; establishment of a peer learning (and knowledge sharing) group on

natural resources management; follow-up events; future research agenda; how to mainstream the outcomes of the Big Table in the continent and internationally; and ultimately, what would be the components of a Compact between Africa, OECD countries and other stakeholders on sustainable management of natural resources in Africa.

12:45 - 13:00 **Closing Remarks**

The Executive Secretary of ECA and the President of the AfDB will close the meeting.