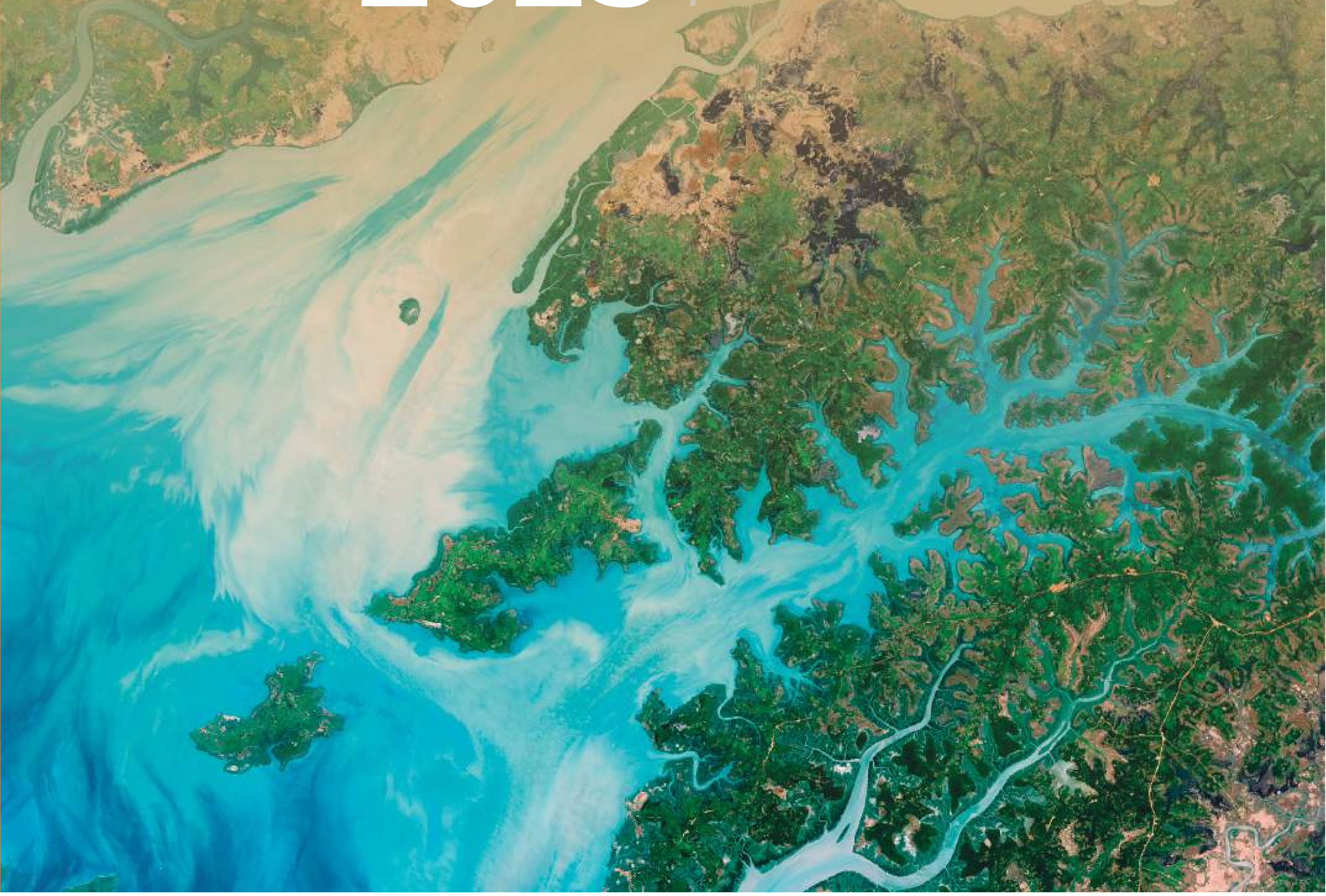
APRM African Peer Review Mechanism

AGA African Governance Architecture

AFRICA GOVERNANCE REPORT 2025

NATURAL RESOURCE GOVERNANCE IN AFRICA



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AFRICA GOVERNANCE REPORT 2025

NATURAL RESOURCE GOVERNANCE IN AFRICA

As of February 2024, the following 44 countries participate in the APRM:

People's Democratic Republic of Algeria, Republic of Angola, Republic of Benin, Burkina Faso, Republic of Burundi, Republic of Botswana, Republic of Cameroon , Central African Republic, Republic of Congo, Democratic Republic of Congo, Republic of Chad, Union of Comoros, Republic of Côte d'Ivoire, Republic of Djibouti, Arab Republic of Egypt, Republic of Equatorial Guinea, Federal Democratic Republic of Ethiopia, Republic of Gabon, Republic of The Gambia, Republic of Ghana, Republic of Kenya, Kingdom of Lesotho, Republic of Liberia, Republic of Malawi, Republic of Mali, Islamic Republic of Mauritania, Republic of Mauritius, Republic of Mozambique, Republic of Namibia, Republic of the Niger, Federal Republic of Nigeria, Republic of Rwanda, Democratic Republic of São Tomé and Príncipe, Republic of Senegal, Republic of Seychelles, Republic of Sierra Leone, Republic of South Africa, Republic of the Sudan, United Republic of Tanzania, Republic of Togo, Republic of Uganda, Republic of Zambia, Republic of Zimbabwe.

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Contents

H.E President Abdelmadjid Tebboune

Chairperson of the Africa Peer Review Forum
President of the People's Democratic Republic of Algeria
January 2025

The Africa Governance Report 2025 (AGR25) is the fourth report produced by the African Peer Review Mechanism (APRM) on behalf of the African Governance Architecture (AGA). The AGR25 focuses on Natural Resource Governance in Africa and draws its mandate from the AU Assembly Decision, Assembly/AU/Dec.874(XXXVII), arrived at the 37th Ordinary Session of the African Union Assembly of Heads of State and Government held from 17 to 18 February 2024 in Addis Ababa, Ethiopia. The Assembly Decision directs the APRM to develop the fourth African Governance Report (AGR) and present it to the 38th Ordinary Session of the Assembly scheduled to take place in February 2025.

In implementing the decision, the AGA-APSA Platform Technical and Political Platform meetings, held on 16 and 17 July 2024 respectively, considered options for a theme and adopted Natural Resource Governance in Africa as the theme of the AGR25.

The AGR25 provides a nuanced background to the authority designating the theme of Natural Resource Governance in Africa and examines governance issues within the context of the African Union multi-agency, three-pronged framework – governance, development, and peace and security. The report analyses the political economy of natural resource governance in Africa as well as the nexus of natural resource governance and peace, security, taxation, illicit financial flows and development. It also presents trends in exploration, extraction, use, trade and regulation of natural resource sectors and industries in the context of the global governance, and economic and financial architecture. The AGR25 defines Africa's historic and contemporary position in the international production networks, value chains, and trade in natural resources.

A detailed account of the evolution of the normative framework for land, mineral and marine resources governance in Africa from historic and contemporary perspectives, highlights the various instruments that govern the response of the AU in this regard. An examination of the governance of these resources requires an objective and scientific appreciation of trends, challenges, and prospects for effective natural resource governance. A triple lens is used to interrogate the degree to which an enabling environment exists, the extent to which value is realised from the sector, and the effectiveness with which revenue is managed.

To ensure legitimacy and ownership of the report by various communities in Africa, the AGR25 presents country case studies on institutional consultations on the governance of land, mineral and marine resources in APRM member states. These case studies are based on primary data obtained from key national actors in relevant industries, the financial services sector, government, and regulatory authorities for the purpose of sharing perspectives and lessons learned.

The report also provides a consolidated account of public perception of the governance of natural resources from selected accredited institutions representing diverse perspectives from state and non-state actors regarding the governance of natural resources in their countries.

Finally, the AGR25 makes recommendations for African Union member states, African Union institutions, including Regional Economic Communities, and mechanisms. The report will be disseminated to the policy community, public institutions, the private sector, the academia and the media, among others.

It is therefore my honour to present this seminal work on the governance of natural resources on our continent. I trust that this report will be welcomed and utilised to inform, guide and promote innovative and effective approaches to governance of natural resources in Africa.

H.E. Ambassador Inonge Lewanika-Mbikusita

Chairperson of the
APR Panel of Eminent Persons
January 2025

The APR Panel of Eminent Persons is pleased to present the 2025 Africa Governance Report (AGR25), which examines the state of natural resource governance in Africa. The report is produced by the African Peer Review Mechanism (APRM) Secretariat in collaboration with members of the African Governance Architecture (AGA), who comprise all the key actors in governance on the continent.

This fourth edition of the Africa Governance Report presents an assessment of the state of natural resource governance in Africa, focusing on the institutional, legislative, and policy landscape of land resources, mineral resources, and marine resources. The report identifies key issues and presents replicable recommendations towards ensuring creation of an enabling environment, optimisation towards value realisation, and the enhancement of revenue management from natural resources in Africa.

The APR Panel recognises the efforts made during the development of the AGR25 and extends its most profound appreciation to following countries for their participation in the country institutional consultations: the Republic of Senegal, the Republic of the Seychelles, the Republic of Uganda, and the Republic of Zambia. The consultations provided critical national insights into institutional perspectives on land, mineral and marine resource governance. In this regard, we would like to sincerely thank the members of the panel who ensured the integrity and credibility of the institutional consultations on natural resource governance in the above countries. These are H.E Dr Ousman Diallo (Lead Panelist for the Republic of Senegal), H.E Mr Matthew Gowaseb (Lead Panelist for the Republic of Seychelles), H.E. Ambassador Aly Hossam El-Din El Hefny Mahmoud (Lead Panelist for the Republic of Uganda), and H.E Bishop Don Dinis Salamao Sengulane (Lead Panelist for the Republic of Zambia).

The APR Panel is confident that this Africa Governance Report on Natural Resource Governance in Africa will serve as a roadmap to guide AU member states towards a harmonious, thriving continent that is economically, socially, and politically sustainable. We envision that the AGR25 will set in motion the intentional, methodical, and transformative enhancement of Africa's institutions and decision-making processes towards the effective governance of our natural resources, in a manner that sustainably benefits Africans and their environment.

About the report

The Africa Governance Report (AGR) is a biennial publication of the AU on the state of governance in Africa. The report is produced by the APRM Continental Secretariat in collaboration with the African Governance Architecture-African Peace and Security Architecture (AGA-APSA), with a mandate from the AU Assembly Decision Assembly/AU/Dec.720 (XXXII). The AGR is a themed report based on governance topics of strategic significance to the continent's economic and sociopolitical transformation. The AGR supports implementation of the AU Agenda 2063 and its Ten-Year Implementation Plan (TYIP) by analysing the governance dimensions of each aspiration. In that regard, the AGR defines notions, concepts and parameters on governance, undertakes a political economy analysis of dynamics and trends, examines normative frameworks governing various domains and, critically, presents recommendations for reforms.

The mandate to develop the fourth edition of AGR25 derives from the AU Assembly Decision Assembly/AU/Dec.874 (XXXVII) of the 37th Ordinary Session of the African Union Assembly of Heads of State and Government held on 17-18 February 2024 in Addis Ababa, Ethiopia. The Assembly Decision directed the APRM and AGA-APSA to develop and present the Report to the 38th Ordinary Session of the Assembly scheduled to take place in February 2025.

The AGA-APSA Technical and Political Platform meetings held in July 2024 deliberated on several key options and adopted Natural Resource Governance in Africa as the theme of the AGR25. The theme was considered and adopted by the Permanent Representative Committee (PRC) Sub-Committee on Human Rights, Democracy, and Governance at its Extraordinary meeting held in Bujumbura, Burundi on 15 June 2024. The AGR25 is an amalgamation of three thematic reports on land, mineral and marine resources respectively, and four country case studies on the governance of land resources in the Republic of Senegal and Republic of Uganda, the governance of the blue economy in the Republic of Seychelles and the governance of mineral resources in the Republic of Zambia. The report comprises the following:

Chapter 1: Mandate and Background introduces the report's objectives and an overview of the current state of natural resource governance across Africa focusing on three key areas: land resource governance, mineral resource governance, and blue economy or marine resource governance. It draws on findings from the 2023 African Governance Report (AGR23) on unconstitutional changes of government in Africa, which highlighted the relationship between improved natural resource governance, state legitimacy and stability, and improved public sector management and accountability.

Chapter 2: The Political Economy of Natural Resource Governance in Africa examines the various domestic and global factors influencing the control, exploitation, trade, and utilisation of natural resources across the continent. It highlights the global economic and political governance challenges facing the natural resources sector in Africa. The chapter underscores the importance of improving the enabling environment, optimising value realisation and effective management of revenues from land, mineral and marine resources in Africa.

The AGR25 recommends that AU member states consider establishing regional cooperation mechanisms for governance of natural resources to ensure that Africa achieves greater bargaining power as a collective and ultimately optimises the value realisation of natural resources. Among others the chapter recommends the use of innovative technology such as artificial intelligence, big data analytics, and human capital development to build domestic capabilities in government regulatory institutions and the entire natural resources industry value chain.

Chapter 3: Evolution of the Normative Frameworks for Natural Resource Governance focuses on the historical and current policy and legislative environment as agreed upon by AU member states to promote cooperation and collective action on natural resource sectors. The chapter discusses the various agreements and commitments of member states to enhance development of and dividends from natural resources. These instruments define the principles and modalities that govern effort in exploration, extraction, processing, trade and use of natural resources. The chapter presents a historiography of how these instruments and frameworks have evolved over time.

Chapter 4: Trends, Challenges, and Prospects for Improved Natural Resource Governance analyses emerging trends, global shifts, persistent challenges, transformative opportunities and the need for adept governance systems. The chapter highlights positive developments such as regulatory modernisation and increased investment in value addition to ensure that African taxpayers benefit from natural resources. The chapter also addresses structural challenges that hinder effective governance and sustainable resource management. Furthermore, it outlines frameworks and policies adopted by member states to promote sustainable resource management and strengthen local economic linkages. The chapter concludes with key findings and actionable recommendations for governance at various levels, aimed at improving the management and utilisation of natural resources across the continent.

Chapter 5: Country Case Studies and Institutional Consultations focuses on case studies from four member states and their approaches to governance of natural resources. The republics of Senegal, Uganda, Zambia and Seychelles were consulted on the three key subthemes of the report: land resource governance (Senegal and Uganda), mineral resource resource governance (Zambia) and marine resource governance (Seychelles).

The chapter provides insights from engaging with key national stakeholders, including government bodies and non-state actors. These consultations facilitated knowledge sharing and peer learning, aligned with the key objectives of the report. The chapter presents key findings and recommendations drawn from African experiences in natural resource governance.

Chapter 6: Citizens' Voices highlights public perceptions and perspectives on natural resource governance in Africa. It addresses key issues such as trust and accountability in governance, environmental concerns, the role of African knowledge and practices, citizen participation in decision-making, and the involvement of civil society. The chapter provides an overview of how citizens are impacted by natural resource governance and engaged in the processes surrounding the management and utilisation of these resources.

Chapter 7: Key Issues and Recommendations focuses on measures to maximise the continent's advantages in natural resource governance by putting in place effective governance institutions and implementing strategic public administration and policy reforms, as well as establishing mechanisms for incentivising and supporting private sector development in the natural resources sector. National, regional and continental-level recommendations are presented based on the report's findings. The chapter also critically considers the influence of political economy factors in shaping the governance of natural resources in the three subthemes: land resource governance, mineral resource governance, and marine resource governance.

H.E. Ambassador
Marie-Antoinette Rose Quatre

CEO of the APRM Continental Secretariat

January 2025

Acknowledgements

Hon. Wilson Almeida Adão, Chairperson of the African Governance Architecture–African Peace and Security Architecture Platform (AGA–APSA), and Chairperson of the African Committee of Experts on the Rights and Welfare of the Child (ACERWC), extends his gratitude for the guidance and contributions made to the development of the fourth edition of the Africa Governance Report 2025 on Natural Resource Governance in Africa.

Special thanks go to H.E. Amb. Natalina Edward Mou, Chairperson of the PRC Sub Committee on Human Rights, Democracy, and Governance (HRDG) and H.E. Mbapeua Muvangua, Chairperson of the PRC Subcommittee on Economic and Trade Matters.

The AGR25 was produced by the African Peer Review Mechanism (APRM) in collaboration with the AGA–APSA Platform through the AGA-APSA Secretariat, and was developed under the guidance of H.E. Ambassador Bankole Adeoye, Commissioner for Political Affairs, Peace and Security (PAPS) at the Political Level of the AGA-APSA Platform, and the Rapporteur of Dr Ayalew Getachew Assefa, Ag. Executive Secretary of the ACERWC, as Chairperson of the AGA Platform at the Technical Level.

Special credits go to Mme Patience Chiradza, Director of Governance Conflict Prevention directorate of PAPS and Amb. Salah Hammad, Ag. Head of AGA–APSA Secretariat, for their invaluable support.

On behalf of the APRM, I would also like to express profound appreciation to the APR Panel of Eminent Persons under the leadership of the Chairperson, H.E. Amb. Inonge Mbikusita Lewanika, for overseeing the country's institutional consultation process.

In this regard, we accordingly extend our gratitude to the APRM Focal Point Offices in the Republic of Senegal, the Republic of Seychelles, the Republic of Uganda, and the Republic of Zambia. The in-country consultations for Senegal were led by the lead panellist, Dr Ousman Diallo, supported by Dr Moustapha Fall as the national expert. Lead panellist for Seychelles was H.E Mr Matthew Gowaseb supported by Mr Joseph Francois, as the national expert and Ms Bernice

Mclean, Head of the Blue Economy Unit, AUDA-NEPAD. For Uganda, the lead panellist was H.E. Ambassador Aly Hossam El-Din El Hefny Mahmoud, supported by Ms Joanita Idwat Okedi, as the national expert. Finally, for Zambia, the lead panellist was H.E Bishop Don Dinis Salamao Sengulane, who was supported by Mr Shula Shula, as the national expert, and Prof. Hudson Mtegha, an international expert.

I would like to extend my profound gratitude to H.E. Ambassador Marie-Antoinette Rose Quatre, CEO of the APRM Continental Secretariat, for her stellar leadership in the development of this report.

Recognition is also given to the AU entities, specialised institutions and strategic partners for their insightful contributions made through their distinguished experts: Mr Victor Lowilla, Mr Musonda Nsakanya, and Mr Lehlohonolo January Santolo (African Court on Human and Peoples' Rights); Prof. Redge Nkosi (Coalition for Dialogue in Africa); Mr Mtwalo Msoni (United Nations Development Programme – Africa Sustainable Finance Hub); Dr Andreah Prah and Mr Mikatekiso Kubayi (African Centre for Constructive Resolution and Dialogue); Ms Chenai Mukumba and Ms Nelly Busingye (Tax Justice Network Africa); and, Ms Anne Wanyagathi Maina and Mr Kolawole Omole (South Centre International). The PRC Sub-Committee on DHRG also express their profound appreciation to the United Nations Development Program (UNDP) Africa and the Natural Resource Governance Institute (NRGI).

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A vote of thanks goes to the following people for their contribution to the report: Ms Makda M. Tessema (AGA-APSA Secretariat) and Adv. Batlokoa Makong (APRM) for consolidating the findings on the normative framework for natural resource governance. My gratitude also goes to Ms Debbie Smit, the copyeditor and publication design consultant.

Hon. Wilson Almeida Adão

Chairperson of the African Governance Architecture–African Peace and Security Architecture Platform (AGA–APSA), and Chairperson of the African Committee of Experts on the Rights and Welfare of the Child (ACERWC)

January 2025

Acronyms and abbreviations

ACDEG	African Charter on Democracy, Elections and Governance
AASB	Australian Accounting Standards Board
AFPES	Association of Fish Processors and Exporters Seychelles
AGR25	Africa Governance Report 2025
AGP	African Governance Platform
ALSF	African Legal Support Facility
AMGF	African Minerals Governance Framework
AMREC	African Mineral and Energy Resources Classification and Management System
AMV	Africa Mining Vision
ASM	Artisanal and Small-Scale Mining
APRM	Africa Peer Review Mechanism
ATI	Access to information
AU	African Union
BERI	Blue Economy Research Institute
CBD	Convention on Biological Diversity
CCCS	Central common cold storage
CEPS	Citizen Engagement Platform Seychelles
CIC	Country institutional consultations
CRM	Country report mission
CSR	Corporate social responsibility
CSO	Civil society organisation
DFF	Danny Faure Foundation
DSM	Deep Sea Mining
EAC	East African Community
ECOWAS	Economic Community of West African States
ECS	Extended Continental Shelf
EEZ	Exclusive economic zone
EIA	Environmental impact assessment
EITI	Extractive Industries Transparency Initiative
EMDP	ECOWAS Minerals Development Policy
ENAMI	National Mining Company (Chile)
ESG	Environmental, social and governance
FDI	Foreign direct investment
FGD	Focus group discussion
FiTI	Fisheries Transparency Initiative
GDP	Gross domestic product
GGFRP	Global Gas Flaring Reduction Partnership
GIS	Geographic information systems
HDI	Human Development Index
ICGLR	International Conference on the Great Lakes Region
IMO	International Maritime Organisation
IOC	International oil company
JAM	Joint area management
KPCS	Kimberley Process Certification Scheme
KII	Key informant interview
MACCE	Ministry of Agriculture, Climate Change and Environment
MCSS	Marine Conservation Society of Seychelles
NBSAP	National Biodiversity Strategy and Action
NDC	Nationally determined contributions
NDS	National Development Strategy
NEPAD	New Partnership for Africa's Development
NGO	Non-governmental organisation
NRG	Natural resource governance
REC	Regional economic community
RISDP	Regional Indicative Strategic Development Plan (SADC)
SADC	Southern African Development Community
SAP	Structural adjustment programme
SCCI	Seychelles Chamber of Commerce and Industries
SDGs	Sustainable development goals of the United Nations
SeyCCAT	Seychelles Climate Change Adaptation Trust
SFA	Seychelles Fisheries Authority
SIDS	Small Islands Developing States
SIF	Seychelles Island Foundation
SLM	Sustainable land management
SMSA	Seychelles Maritime Safety Authority
SMSP	Seychelles Marine Spatial Plan
SPGA	Seychelles Parks and Gardens Authority
S4S	Sustainability for Seychelles
TCFD	Task Force on Climate-Related Financial Disclosures
UNCLOS	United Nations Conventions on the Law of the Sea
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
VHDI	Very high development index
WASO	Women in Action and Solidarity Organisation
UNEP	United Nations Environment Programme
VHDI	Very high development index
WASO	Women in Action and Solidarity Organisation

Glossary

African taxpayers	All African citizens residing in the 55 member states of the African Union, who contribute to national economies through PAYE, VAT and various other forms of tax, including levies.
Alternative minimum tax (AMT)	A secondary tax system designed to ensure that individuals and corporations pay a minimum amount of tax, regardless of deductions, credits or exemptions.
Artisanal and Small-scale Mining (ASM)	The informal, low-tech extraction of minerals by individuals or small groups, often without the use of large-scale industrial equipment, and typically involving limited resources and labour.
Blue carbon	Carbon captured and stored by ocean ecosystems, such as mangroves, seagrasses and salt marshes, which play a vital role in climate regulation.
Blue economy	An economic model that values the sustainable use of ocean resources, focusing on economic growth while ensuring environmental health and social equity.
Capital gains tax	Tax paid on capital gains – the profits made from buying and selling assets, like shares or commodities, for more than the original price. The opposite of a capital gain is a capital loss.
Circular economy	A model of production and consumption that involves sharing, leasing, reusing, repairing, refurbishing and recycling materials and products for as long as possible thus extending the life cycle of products.
Citizen engagement	The process of exchange of information between policymakers and citizens.
Coastal resilience	The ability of coastal ecosystems and communities to absorb and adapt to changes, such as climate change and sea-level rise.
Corporate social responsibility (CSR)	Initiatives undertaken by business to show concern for the community and the environment in their business dealings.
Critical minerals	Minerals required for the production of key technologies and industries for clean energy, e.g., renewable energy.
Double taxation	The taxation of the same income or financial transaction in more than one jurisdiction, often addressed through tax treaty.
Ecosystem services	Benefits provided by ecosystems to humans, such as food supply, climate regulation, and recreational opportunities.
Filing status	The type of tax return to be submitted by a taxpayer based on marital status and family situation (e.g., single, married filing jointly, head of household).
Fisheries management	The process of regulating and controlling fish populations and fishing practices to ensure sustainable fishing and conservation.
Flat tax	A tax system with a constant tax rate, regardless of the amount of income earned.
Fourth generation mining laws	Modernised regulations that rectify the shortcomings of existing frameworks by focusing on the unique needs of each mineral category, critical minerals, mineral infrastructure development, and the energy transition impacts, while emphasising value addition and beneficiation.
Income tax	A tax imposed on the income of an individual or entity, typically calculated as a percentage of total earnings.
Integrated coastal zone management	Coordinated management of coastal areas, that balances environmental, economic and social objectives.
International taxation	The tax rules and regulations that apply across international borders.
Land access	The ability to use land and other natural resources to control resources, transfer rights to land and take advantage of other opportunities that come from access to the land.
Land acquisition	Acquisition of private land by a government or other authority.
Land commodification	Turning land and its rights into a commodity to be bought and sold in a market.
Land governance	Rules, processes and structures through which decisions are made about access to land and its use, the manner in which those decisions are implemented and enforced, and the way in which competing interests in land are managed.
Land grabbing	Acquisition of large amounts of land by foreign investors, multinational corporations, governments and individuals .
Land registration	The official recording of ownership and interests in land.
Land tenure system	A set of rules and institutions that governs how land is owned, used and managed. These systems may be based on custom or law, and may include private ownership, communal ownership, leasehold and state control.
Land use	The human activities and arrangements that take place on a piece of land, including the economic and cultural uses of that land.
Large-scale mining	The extraction of substantial quantities of minerals, metals or fossil fuels using advanced technology, heavy machinery and significant financial resources, often covering extensive areas of land.
Marine biodiversity	The variety of life within oceanic ecosystems, including different species of fish, mammals, plants and microorganisms, that are vital to ecosystem health.

Marine protected areas	Designated parts of the ocean where human activities are restricted or managed to conserve marine biodiversity and ecosystems.
Marine spatial planning	A process that guides where and when human activities occur in marine environments to minimise conflicts and promote sustainable use.
Minerals	Minerals in this report include solid substances like metals, salts and gemstones, as well as fossil fuels like oil and gas.
Monetary exemption	A monetary exemption that reduces the amount of income that is subject to tax, often based on personal circumstances (e.g., dependants).
Natural resource governance	The establishment of norms, rules and institutions which determine how natural resources are managed and how the benefits are shared.
Ocean governance	The frameworks, policies and institutions that regulate the use, conservation and management of ocean resources.
Ocean literacy	Understanding the ocean's influence on people and vice versa, to promote engagement in ocean conservation and sustainable practices.
Progressive tax	A tax system whereby the tax rate increases as the taxable amount increases, placing a larger burden on higher income earners
Property tax	A tax based on the value of owned property, typically levied by local governments
Public opinion	General views, attitudes or perspectives of the public on a particular subject
Public perception study	An undertaking to examine how the general public views a certain subject matter
Regressive tax	A tax system whereby the tax rate decreases as the taxable amount increases, often disproportionately affecting lower income earners
Regulatory modernisation	In this report, this refers to the process of updating and improving legal frameworks governing the mining sector to address current challenge and ensure sustainable development
Revenue authority	The government agency responsible for the assessment and collection of taxes and enforcement of tax laws
Sales tax	A tax imposed on the sale of goods and services, usually calculated as a percentage of the sale price
Stabilisation clause	A provision in investment agreements that shields foreign investors from political risks and regulatory changes in the host country. It aims to preserve the legal and economic stability of the investment throughout the duration of the project
Stakeholder engagement	Involvement of various stakeholders, including citizens, businesses and civil society, in the development and oversight of policies and governance processes
Sustainable fisheries	Fishing practices that maintain fish stocks at sustainable levels, minimise environmental impact, and support the livelihoods of fishing communities
Sustainable tourism	A tourism model that minimises environmental impact and promotes the conservation of marine resources while providing socioeconomic benefits to African taxpayers
Tax	A compulsory financial charge or levy imposed by a government on individuals or entities to fund public expenditures
Tax administration	The processes and procedures involved in the collection and management of taxes by government agencies
Tax base	The total amount of income, property, or activity that is subject to taxation within a jurisdiction
Tax compliance	Adherence to tax laws and regulations by individuals and corporations, including timely filing of tax returns and payment of taxes owed
Tax credit	An amount that taxpayers can subtract directly from the taxes owed, reducing the total tax liability, rather than income
Tax deduction	An expense subtracted from an individual's or entity's taxable income, thereby reducing the total amount of income subject to tax
Tax evasion	The illegal practice of not paying taxes owed by misrepresenting or concealing income, or by not filing tax returns
Tax governance	The framework of rules, practices, and processes that guides the management, implementation, and administration of tax policies and systems
Tax haven	A country or jurisdiction with low or no tax rates that encourages individuals and businesses to relocate or defer taxes
Tax policy	The principles and guidelines that govern how taxes are assessed, collected, and managed by the government
Tax return	A form filed with the government that reports income, expenses, and other tax information, used to calculate tax liability
Tax revenue	The income generated from taxes collected by the government, used to fund public services and programmes
Tax treaties	Agreements between two or more countries to avoid double taxation and prevent fiscal evasion, outlining the distribution of taxing rights
Transparency	The clarity and openness of tax policies and practices, ensuring that information about tax systems and compliance is accessible to the public
Withholding tax	An amount withheld from an employee's wages by the employer and paid directly to the government as a partial payment of income tax

Reference guide to African Union instruments

INSTRUMENT	YEAR	PLACE
African Charter on Human and Peoples' Rights (ACHPR)	1981	Kenya
Bamako Convention on the Ban of the Import into Africa and the Control of Transboundary Movement and Management of Hazardous Wastes within Africa	1991	Mali
Constitutive Act of the African Union	2000	Togo
New Partnership for Africa's Development (NEPAD) Declaration on Democracy, Political, Economic and Corporate Governance	2002	South Africa
Protocol to the African Charter on Human and Peoples' Rights on the Rights of Women in Africa (Maputo Protocol)	2003	Mozambique
African Union Convention on Preventing and Combating Corruption	2003	Mozambique
AU Convention on the Conservation of Nature and Natural Resources	2003	Mozambique
Abuja Declaration on Fertilizer for the African Green Revolution	2006	Nigeria
African Union Youth Charter	2006	The Gambia
The African Charter on Democracy, Elections and Governance (ACDEG)	2007	Ethiopia
African Union Declaration on Land Issues and Challenges (AU Declaration on Land)	2009	Libya
African Framework and Guidelines on Land Policy	2009	Ethiopia
Africa Mining Vision (AMV)	2009	Ethiopia
Policy Framework for Pastoralism in Africa	2010	Ethiopia
Nairobi Action Plan on Large-Scale Land-Based Investments in Africa	2011	Kenya
African Commission on Human and Peoples' Rights Resolution on Extractive Industries and the protection of Land rights of African Populations/Communities in Africa	2012	The Gambia
Malabo Declaration on Accelerated agricultural growth and transformation for shared prosperity and improved livelihoods	2014	Equatorial Guinea
African Union 2050 Africa's Integrated Maritime Strategy	2014	Ethiopia
Agenda 2063	2015	Ethiopia
African Strategy on Combating illegal exploitation and illegal trade in wild fauna and flora in Africa	2015	Zambia
AU Declaration on Illicit Financial Flows	2015	Ethiopia
African Charter on Maritime Security and Safety (Lomé Charter)	2016	Togo
African Ministerial Declaration on the Environment (Libreville Declaration)	2017	Gabon
African Minerals Governance Framework (AMGF)	2017	Ethiopia
Framework for Sustainable Agricultural Mechanization in Africa across Agri-food chains	2018	Ethiopia
Declaration of the 2nd Specialized Technical Committee of the Ministers of Trade, Industry and Mineral Resources	2019	Ethiopia
Africa Blue Economy Strategy	2019	Kenya
African Union Climate Change and Resilient Development Strategy and Action Plan (2022-2032)	2022	Ethiopia
African Commodities Strategy (ACS)	2022	Ethiopia
African Mineral and Energy Resources Classification and Management System (AMREC)	2022	Ethiopia
Pan African Public Reporting Standard for Minerals and Energy Resources	2023	Ethiopia
Land Governance Strategy (LGS)	2023	Ethiopia

About the process

Development of the AGR25 has been expert-led and evidence-based with a research approach that combined both qualitative and quantitative methods. The methodology employed a four-pronged approach, namely: i) Thematic analysis, ii) Country case studies iii) Review of normative frameworks, and iv) Perception studies

Thematic analysis defines the concepts around the theme and sub-themes within the AU- APRM frameworks in the African Charter on Democracy, Elections, and Governance (ACDEG) and the Base Country Assessment Tool. The analysis examines both existing and new parameters and indicators used to assess natural resource governance and interrogates the trends and dynamics across all 55 member states of the African Union. It provides an overview of the state of natural resource governance across the continent, focusing on three subthemes: land resource governance, mineral resource governance, and marine resource governance.

Document analysis, a qualitative research technique and process that involves evaluating electronic and physical documents to interpret them, was used to gain an understanding of documents, develop the information they provide, and obtain critical data from government and multilateral institution documents.

The country case study approach comprised institutional consultations with key national actors in relevant industry, financial services sector, government, regulatory authorities and others. Consultations included key informant interviews and focus group discussions.

Research philosophy

The research employed a pragmatic theoretical approach to take a more practical and problem-solving view of the study to offer policy recommendations after isolating the key issues arising from the natural resources governance framework. Researchers not only understood and appreciated the importance of the individual experiences, values, and interpretations of key informants and institutional frameworks, they also supplemented the subjective views with an objective point of view, in order to find effective solutions and knowledge that may be applied to real-world situations. The approach utilised document review, administrative reviews, and thematic analysis.

Research approach

The mixed-methods approach combined qualitative and quantitative approaches and involved collecting and analysing qualitative and quantitative data across multiple phases. The purpose was to gain a more comprehensive understanding of a research problem by integrating different types of data. Key informant interviews, focus group discussions and document reviews were all sources of both qualitative and quantitative data.

Research design and strategy

The study's phenomenological design anchored the case study strategy and various research techniques for desktop and literature review. The study focused on exploring the essence of human experience and the meaning people attribute to those experiences and sought to capture the underlying structures and core aspects of these experiences without imposing preconceived theories or interpretations.

The phenomenological strategy increased concrete, contextual, and in-depth knowledge of the natural resources question as a resource in Africa. It allowed researchers to explore the legal framework, enabling environment, key characteristics, and implications of the overall framework on how natural resources is governed, managed, accessed, and acquired in Africa.

Data collection methods

Literature and document reviews were used to:

- Examine existing research to identify information, the political and administrative structure, the topography, and historical concepts relevant to the study in the subject area.
- Allow researchers to become familiar with the subject matter of the case study by evaluating the techniques and best practices.
- Contextualise the study by justifying, substantiating, or debunking key findings from the interviews.

Focus group discussions (FGDs) were used to gather data in the form of opinions and factual narratives from select groups of people representative of civil society organisations, the NGO sector, other non-state actors and state agencies. The data was solicited from a pre-determined set of thematic areas and involved free discussion and equal participation. FGDs provided social context and helped the researchers understand causality, which led to more developed and refined responses for a more complete and coherent data set.

Key informant interviews involved gathering of specific information from state or non-state actors working within the area of natural resources governance using in-depth interviews from a pre-determined thematic survey. The information was complementary to the data gathered from FGDs and document reviews. Interviews were conducted in the first phase of the study to get an overview of the question of natural resources resource governance in Africa. Data provided insights that were helpful for the focus group discussions and helped to isolate the critical and key documents for review.

Data analysis

The analytical framework takes an African political economy perspective that responds to the contextual realities and industrial development demands of the continent viewed through Pan African, African political economy, and global governance paradigms lenses. Conceptual framing is adapted from the Resource Governance Index (RGI)[1] developed by the Natural Resource Governance Institute (NRGI).

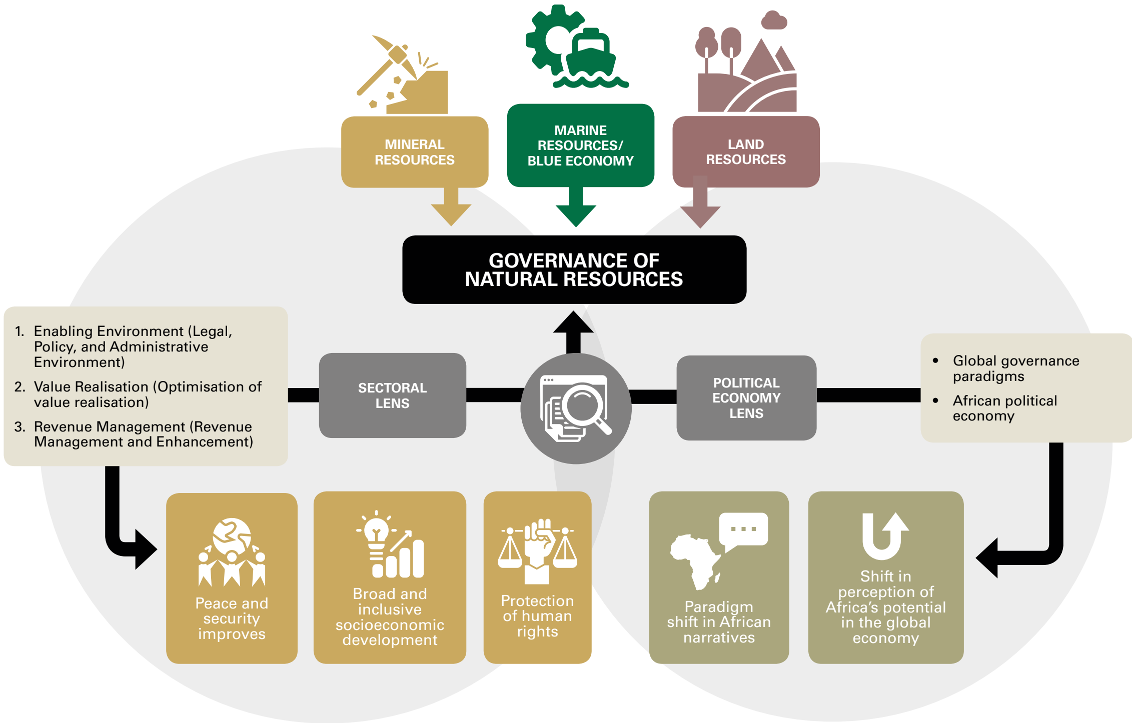


Figure 1: The analytical framework for the AGR25

The analytical framework distinguishes between the political economy analysis, which is theoretical, and the governance assessment, which is sectoral. Political economy analysis uses sociological, political, and economic lenses to examine the impact of public policy, the political situation, and political institutions on a country's economic standing and future. Governance assessment tends to focus on measuring the performance, accountability, responsiveness, and capacity of formal institutions, whereas political economy analysis aims to understand why deficits in these areas arise. The two can be complementary; governance assessment can inform political economy analysis and vice versa, and the issues they identify may overlap.

1 Natural Resource Governance Institute NRGI, (2021), 2021 Resource Governance Index, online: available: https://resourcegovernance.org/sites/default/files/documents/2021_resource_governance_index.pdf

The analytical framework also derives from the natural resource governance approach to gender inequalities. It focuses on the governance perspective, offering specific opportunities to understand the structural barriers to the participation of women in decision-making about natural resources. It also derives from the IUCN's Natural Resource Governance Framework (NRGF) which provides a robust, inclusive, and credible approach to assessing and strengthening natural resource governance, at multiple levels and in diverse contexts. The IUCN NRGF guides the systematic assessment of key governance aspects to highlight structural issues that create inequalities through ten guiding principles: 1. Inclusive decision-making 2. Recognition and respect for tenure rights 3. Recognition and respect for diverse cultures and knowledge systems 4. Appropriate devolution of authority 5. Strategic vision, direction, and learning 6. Coordination and coherence 7. Sustainable and equitably shared resources 8. Accountability 9. Fair and effective rule of law 10. Access to justice and conflict resolution.

ENABLING ENVIRONMENT

Voice and accountability
Government effectiveness
Legislation and Rule of law
Control of corruption
Political stability and absence of violence
Open data – data quality and access
Regulatory environment and quality
Regional integration
Policy convergence and coherence
Physical and technological infrastructure

VALUE REALISATION

Licensing
Shareholding and PPPs
Taxation
Illicit financial flows
Local content
State-owned enterprises
Trade and global markets
International production network
Regional value chains
Tax cooperation

REVENUE MANAGEMENT

National budgeting
Subnational resource revenue sharing
Sovereign wealth fund
Illicit financial flows
Financial secrecy index
Public investment management

Figure 2: Sectoral Lens for the Analytical Framework of the Africa Governance Report 2025

Interpretative, discourse, and narrative analyses

The qualitative aspect used a variety of data; it was thus important to take a narrative approach to systemising datasets, in order to understand the inherent biases of the sources of the data. This with the use of the theoretical approach to have a pragmatic outcome. The idea was to create meaning and make sense of the data which is the main purpose of qualitative data analysis.

The researchers looked at the themes and common patterns emerging with the data and testing it through the documentary lens. The consistency of the patterns was also looked at and where any inconsistencies were noted, an attempt was made to explain them using first and foremost the source issue or trying to expand the scope of the research to add the additional data, if these did not match up, then the data was left out.

Sampling

The study used non-probability sampling with no systematic requirement. To achieve a random sample the study utilised purposive sampling and convenience sampling.

Criteria for selection of case study countries

The following criteria were used to identify and select the member states in which the country institutional consultations (CICs) were conducted:

- Member state of the African Union
- Free from African Union sanctions
- Regional balance and representation
- Number of agreements entered into by states with access to an ocean
- Ratio of gross national revenue (GNP) to gross domestic product (GDP)
- Ratio of sub-sector to national exports
- Share of global natural resource deposits/reserves
- Land ownership equity
- Voluntary participation by member states

SUMMARY OF KEY AFRICAN UNION INSTRUMENTS IN THE LAND, MINERALS AND MARINE RESOURCES SECTORS

OVERARCHING INSTRUMENTS

Protocol to the African Charter on Human and Peoples' Rights on the Rights of Women in Africa

Adopted by the 2nd Ordinary Session of the Assembly of the Union. 11 July 2003, Maputo, Mozambique; entered into force: 25 November 2005

Requires state parties to take all appropriate measures to ensure greater participation of women in the planning, management and preservation of the environment and the sustainable use of natural resources at all levels and provides that women and men shall have the right to inherit, in equitable shares, their parents' properties.

AU Agenda 2063

Assembly/AU/Dec.565 (XXIV); 24th Ordinary Session of the Assembly, 30– 31 January 2015, Addis Ababa, Ethiopia

The Agenda 2063 framework visualises the Africa we want, with 7 aspirations to be achieved by 2063:

1. A prosperous Africa based on inclusive growth and sustainable development
2. An integrated continent, politically united based on the ideals of Pan-Africanism and the vision of Africa's Renaissance
3. An Africa of good governance, democracy, respect for human rights, justice and the rule of law
4. A peaceful and secure Africa
5. An Africa with a strong cultural identity, common heritage, values and ethics
6. An Africa in which development is people-driven, relying on the potential of African people, especially its women and youth, and caring for children
7. Africa as a strong, united, resilient and influential global player and partner.

AU Commodities Strategy

Assembly/AU/Dec.565 (XXIV); 24th Ordinary Session of the Assembly; 30– 31 January 2015, Addis Ababa, Ethiopia

A Flagship Project of Agenda 2063 and the First Ten-Year Implementation Plan (TYIP) that responds to the phenomenon whereby African countries benefit less from the value created from commodities they hold and produce. The strategy addresses challenges identified in the three main commodities, governance and provision of an enabling environment and skills development and research and development. These pillars guide optimal use of the commodities towards sustainable industrialisation, economic diversification, structural transformation, development and enhanced trade.

LAND RESOURCES

African Charter on Human and Peoples' Rights (Banjul Charter)

8th Assembly of the Organisation for African Unity, Nairobi, Kenya. Date of adoption: June 01, 1981

Article 14 of the Charter guarantees the right to own property and provides that such rights may only be encroached upon in the interest of public need or in the general interest of the community. Article 21(2) states that dispossessed people shall have the right to lawful recovery of their property and adequate compensation.

Revised African Convention on the Conservation of Nature and Natural Resources

Assembly/AU/Dec.9 (II); 2nd Ordinary Session of the Assembly 11 July 2003; Maputo, Mozambique

This instrument requires state parties to take effective measures against land degradation.

Declaration on Land Issues and Challenges (AU Declaration on Land)

Assembly/AU/Decl.1(XIII) Rev.1; 13th Ordinary Session of the Assembly, 1 to 3 July 2009; Sirte, Libyan Arab Jamahiriya

Requires regional economic communities (RECs) to support member states in land policy formulation, implementation and monitoring, and to address issues of land polices within their respective common policy frameworks.

Framework and Guidelines on Land Policy in Africa

AUC-ECA-AfDB Consortium, 2010

Addis Ababa, Ethiopia

Provides principles that guide development of national land policy.

Guiding Principles on Large Scale Land Based Investments in Africa

2014 African Union, African Development Bank and United Nations Economic Commission for Africa; Addis Ababa, Ethiopia

The Guiding Principles provide for the respect of human rights of communities, including respecting customary and women's land rights, and contribute to responsible governance of land and land-based resources.

Malabo Declaration on Accelerated Agricultural Growth and Transformation for Shared Prosperity and Improved Livelihoods

Assembly/AU/Decl.1(XXIII); 23rd Ordinary Session of the Assembly, 26–27 June 2014; Malabo, Equatorial Guinea

The Malabo Declaration highlights the significance of enhancing conservation and sustainable use of natural resources in Africa, including land, water, plants, livestock, fisheries and aquaculture, and forestry, through coherent policies, as well as governance and institutional arrangements, at national and regional levels.

MINERAL RESOURCES

African Mining Vision (AMV)

14th Ordinary Session of the Executive Council; 26 – 30 January 2009; Addis Ababa, Ethiopia

Focuses on achieving transparent, equitable and optimal exploitation of mineral resources to underpin broad-based sustainable growth and socioeconomic development.

Africa's overarching framework for achieving inclusive, sustainable mineral-based structural transformation.

Seven tenets and nine associated clusters of the Action Plan provide focus areas and strategies across the mineral value chain to industrialise Africa and improve livelihoods by sustainably leveraging the continent's mineral wealth.

A Country Mining Vision Guidebook

3rd Ordinary Session of the African Union Conference of Ministers responsible for Mineral Resources Development; 7–11 October, 2013; Bamako, Mali

Provides clarity and direction to member states of the AU for the design and implementation of their Country Mining Visions, the paramount instrument through which countries align their mining laws and policies to the tenets of the Africa Mining Vision.

African Minerals Governance Framework

3rd Ordinary Session of the African Union Conference of Ministers responsible for Mineral Resources Development; 7–11 October, 2013; Bamako, Mali

This Africa-led and owned framework facilitates implementation and monitoring in response to the slow pace of implementation of the AMV. Its six pillars are aligned with the nine clusters of the AMV's Action Plan and cover the entire minerals value chain. monitoring, and to address issues of land polices within their respective common policy frameworks.

African Minerals and Energy Resources Classification and Management System (AMREC)

The AMREC framework is aligned with Africa Mining Vision (AMV) and the Sustainable Development Goals (SDGs), and based on United Nations Framework Classification for Resources (UNFC) Principles, Generic Specifications and Guidelines. Its objective is to provide comprehensive guidance on sustainable energy and mineral resource management in Africa for the following functions:

Regional Africa resource management: To enable and support coherent and consistent regional resource classification and management policies and associated regulations at African Union level in the service of delivering the African Union Agenda 2063 and the Africa Mining Vision.

National resource management: To assist with development and implementation of sustainable resource management policies and regulations at national level.

Company internal business process innovation: To enable companies to develop and adopt business processes that are sustainable, profitable, socially inclusive, environmentally responsible, and resilient.

Financial reporting: To enable companies to report resource assets and raise finances from appropriate financial institutions in a manner consistent with international standards and good practices.

Pan-African Resource Reporting Code (PARC)

40th Ordinary Session of the Executive Council; EX.CL / Dec.1143-1167 (XL); 2–3 February 2022; Addis Ababa, Ethiopia

The Pan-African Resource Reporting Code (PARC), deployed with the African Minerals and Energy Resources Classification and Management System (AMREC), was developed for public reporting for resources under relevant financial and security regulations in Africa. The fundamental purpose of PARC is to promote confidence in shareholders and stakeholders and ensure alignment of minerals and energy reporting to the Africa Mining Vision, Agenda 2063, and good social, environmental and economic benefits for Africa. It includes guidance on general reporting requirements for reporting minerals and energy resources and reserves, guidance on competent persons requirements, guidance on reporting of economic results and social benefits, requirements for environmental and social reporting together with reporting on artisanal and small-scale mining projects.

African Green Minerals Strategy

1st Extraordinary Session of the Specialised Technical Committee of Trade, Industry and Minerals

The strategies of the African Green Minerals Strategy align with four pillars: Advancing Minerals Development, Developing People and Technological Capabilities, Developing Mineral Value Chains, and Minerals Stewardship towards achieving the strategic vision of "an Africa that harnesses green mineral value-chains for industrialisation and electrification, creating green technologies and sustainable development to enhance the quality of life of its people". Green/strategic minerals are defined as minerals used in clean energy technologies and green industries as well as minerals that are feedstocks into mining supply chains and industrialisation.

MARINE RESOURCES / BLUE ECONOMY

Revised African Maritime Transport Charter

Assembly/AU/3(XV); Adopted: July 26, 2010

The Charter aims to guide the implementation of harmonized maritime transport policies capable of promoting sustained growth and development of African merchant fleets, and to foster closer cooperation among the States Parties of the same region and between the regions. The Charter falls within the scope of international law encompassing maritime transport and related activities in the coastal, inland waterways, territorial seas.

Africa's Integrated Maritime Strategy 2050

Assembly/AU/Dec.496(XXII); 22nd Ordinary Session of the Assembly ; 31 January 2014; Addis Ababa, Ethiopia

Aims to create greater wealth from Africa's oceans, seas and inland waterways by developing a thriving maritime economy and realising the full potential of sea-based activities in an environmentally sustainable manner.

Policy Framework and Reform Strategy for Fisheries and Aquaculture in Africa

African Union Commission and NEPAD Planning and Coordinating Agency (NEPAD Agency) 2014

Facilitates transformation of Africa's fisheries and aquaculture for food, livelihoods, and wealth.

Guides the transition of African fisheries to productivity, sustainability, and profitability with options for enhanced regional collaborative management of shared resources.

African Charter on Maritime Security, Safety and Development in Africa

Assembly/AU/Dec.593(XXVI); 26th Ordinary Session of the Assembly; 30–31 January 2016; Addis Ababa, Ethiopia

Article 14 of the Charter guarantees the right to own property and provides that such rights may only be encroached upon in the interest of public need or in the general interest of the community. Article 21(2) states that dispossessed people shall have the right to lawful recovery of their property and adequate compensation.

Africa Blue Economy Strategy (ABES)

AU-IBAR, 2019; Nairobi, Kenya

Guides development of an inclusive and sustainable blue economy that becomes a significant contributor to continental transformation and growth, through advancing knowledge on marine and aquatic biotechnology, environmental sustainability, the growth of Africa-wide shipping industry, the development of sea, river and lake transport, the management of fishing activities on these aquatic spaces, and the exploitation and beneficiation of deep-sea mineral and other resources.

The purpose of the African Peer Review Mechanism (APRM), an autonomous entity of the African Union (AU), is to foster the adoption of policies, standards and practices that lead to political stability, high economic growth, sustainable development through sharing of experiences and reinforcement of successful and best practices. The mandate of the APRM is to ensure that policies and practices of African states that have acceded to the mechanism conform to agreed political, economic, and corporate governance values, codes, and standards of the African Union. In this regard, the APRM encourages states to implement the African Charter on Democracy, Elections and Governance (ACDEG), the AU Declaration on Democracy, Political, Economic, Corporate Governance and other relevant instruments; and promote democracy and good governance on the continent.

CHAPTER 1

MANDATE AND BACKGROUND

The Assembly of the Heads of State and Government of the African Union, through Decision Assembly/AU/Dec.720 (XXXII) instructed the APRM Continental Secretariat to develop the Africa Governance Report in collaboration with members of the African Governance Platform (AGP) of the Africa Governance Architecture (AGA), on a biennial basis.

The AGR is a biennial, themed report of the state of governance on the continent. Each report focuses on a governance topic of strategic significance and analyses the nexus between governance, peace and security, and development, examining concepts, trends, and challenges. Critically, the report presents recommendations for reforms.

The APRM, in collaboration with the AGA Platform members, produced the inaugural Africa Governance Report (AGR19) on 'Promoting African Union Shared Values' and presented it to the 32nd Ordinary Session of the Assembly of the African Union held on 10-11 February 2019, in Addis Ababa, Ethiopia. The second Africa Governance Report (AGR21) on 'Africa's Governance Futures for the Africa We Want' was presented to the 35th Ordinary Session of the Assembly of Heads of State and Government of the African Union (AU), and it was presented and adopted by the Assembly [Assembly/AU/Dec. 818 (XXXV)] at its Ordinary Session that took place on 5-6 February 2022. Subsequently, the African Union Assembly adopted the third AGR (AGR23) on 'Unconstitutional Changes of Government (UCG) in Africa' at the 36th Ordinary Session of the African Union Assembly of Heads of State and Government held from 18-19 February 2023 in Addis Ababa, Ethiopia.

The mandate to develop the AGR 2025 derives from a decision – Assembly/AU/Dec.9 (XXXVII) – taken at the 37th Ordinary Session of the African Union Assembly of Heads of State and Government held from 17-18 February 2024 in Addis Ababa, Ethiopia. The Assembly Decision directed the APRM to develop the Fourth African Governance Report and present the Report to the 38th Ordinary Session of the Assembly scheduled to take place in February 2025.

In implementing the decision, the African Governance Architecture (AGA) and the African Peace and Security Architecture (APSA) Platform at its Technical and Political Platform meetings held on 16 and 17 July 2024 respectively, considered options for a theme and adopted Natural Resource Governance in Africa as the theme of the African Governance Report 2025. The theme was recommended by the Permanent Representative Committee (PRC) Sub-Committee on Human Rights, Democracy, and Governance at its Extraordinary meeting held on 15 June 2024 in Bujumbura, Burundi.

1.1 Why the theme of natural resource governance?

The rationale for selecting the theme of natural resource governance for the AGR25 policy report is rooted in the recognition of the critical nexus between natural resources and governance, development, peace, and security in Africa. This nexus is supported by findings from AGR 2023 on Unconstitutional Changes of Government (UCGs) which highlighted that improved governance and management of natural resources are fundamental to advancing human rights, fostering sustainable development, and ultimately ensuring peace and security across the continent. The poor performance of many African countries in managing their natural resources contributes to economic stagnation, public dissatisfaction, and erosion of institutional trust, all of which may contribute to political instability and the potential emergence of UCGs. Therefore, effective governance of natural resources plays a pivotal role in addressing these challenges and catalysing positive transformation in Africa.

Natural resource governance plays a critical role in the socioeconomic development of Africa. Strong government leadership, supported by robust institutions and regulatory frameworks, is critical for ensuring the efficient exploitation and optimal returns from these resources. When done effectively, this not only contributes to national wealth but also drives sustainable development, economic diversification, self-reliance, and resilience. These outcomes, in turn, support the long-term peace and security that Africa aspires to.

The AGR25 theme is therefore positioned to highlight:

The nexus of peace, security and natural resource governance: Understanding how robust governance of natural resources can promote stability, peace, and economic development while preventing political instability linked to resource mismanagement.

Deficits in natural resource governance frameworks: Addressing the gaps and weaknesses in existing regulatory frameworks at the continental, regional, and national levels which have been consistently identified in the APRM country review reports. These deficiencies hinder the effective management of resources and the achievement of development goals.

Public and domestic equity: Exploring how marginalised communities often fail to benefit equitably from their country's natural resources, including from mining, infrastructure development and shared resource access. This lack of equitable distribution exacerbates social tensions and undermines political stability.

Unrealised economic dividends: Recognising the significant losses in revenue and value addition from Africa's extractive industries due to the absence of a coherent, comprehensive framework for natural resource management. These lost opportunities have implications not only for African economies but also for global markets, value chains and geopolitical stability.

Challenges in urban land and development: Addressing the impact of rapid urbanisation, land scarcity and restrictive urban planning policies, which drive up land prices, contribute to informal settlements and undermine urban economic efficiency.

To foster sustainable growth, African governments must implement policies that leverage their natural resources to create greater economic value and promote wealth generation. This involves effective resource management, enhancing governance institutions and addressing key challenges such as illicit financial flows and the low public equity in natural resource sectors.

Furthermore, a multidimensional framework for natural resource governance is needed to rationalise the environmental, social, economic, political and technological aspects of resource extraction and use. Such a framework would provide a comprehensive approach to addressing the competing interests of various stakeholders, ensuring that resources are exploited sustainably and benefit the wider population. There are several reasons for re-examining the governance of natural resources in Africa in light of reforms in the global financial architecture.

The first is the changing global dynamics, in economic power and in emerging markets, which are taking a more significant role on the global stage. African countries can leverage these changes to advocate for more equitable resource governance frameworks and financial agreements that serve their needs. It also provides an opportunity for enhancing financial flows, as reforms in global financial systems may lead to increased investment in Africa's natural resources. A thorough examination of governance structures can ensure that investments are managed sustainably and that they benefit African taxpayers. The reform of the global financial architecture (financial institutions) emphasises transparency. Strengthening governance mechanisms for natural resources can reduce corruption and ensure that revenues are used for public good, ultimately bolstering governance and economic development.

Second is the adaptation of global standards to reforms. As the global financial architecture evolves, African countries may find it beneficial to align their resource governance with new international standards, and this has the potential to improve the appeal to foreign and domestic investors. By revising resource governance during a time of financial reform, African nations can build resilience against future economic shocks and ensure sustainable development trajectories.

This period of reform in global financial architecture offers African nations an opportunity to reassess and strengthen governance of their natural resources to better serve their populations and effectively engage with global economic trends.

In summary, the theme of natural resource governance is not only a critical issue for economic development but also for ensuring the social equity, political stability and peace and security of African nations. By focusing on governance of natural resources, the report aims to contribute to the development of coherent policies and effective frameworks that will unlock Africa's potential for sustainable growth and regional integration.

1.2 Objectives of the AGR25

The objectives of the report are to:

- Assess the state of natural resource governance in Africa: institutional, legislative and policy landscape of land resources, mineral resources and marine resources in the context of the blue economy.
- Identify constraints and make recommendations on governance practices that create an enabling environment for and enhance value realisation and revenue management from natural resources.
- Highlight best practices in the natural resource governance on the continent relevant to increasing dividends from natural resources nationally and globally.

The AGR25 examines the political economy and trends in the governance of natural resources and comprises three subthemes, namely: i) mineral resource governance, ii) land resource governance, and iii) marine resource governance, which includes the blue economy. The report assesses the laws, policies, and practices in the sectors concerned and how states exercise their authority in the administration of their implementation. The assessment employs a three-dimensional framework focusing on enabling environment, value realisation, and revenue management.

The African Union (AU) recognises that deficits in natural resource governance compromise the development of industry, trade, and overall economic performance. Africa's natural resources endowment is a bankable opportunity for economic and social development in African countries. However, the challenges in the governance of natural resources in African states translate into grossly underdeveloped global and continental value chains and inequitable distribution of gains from natural resources to African countries. Accordingly, the report also examines the architecture governing investments in natural resources on the continent.

In developing the report, the APRM and AGA Platform worked with relevant AU agencies, regional economic communities, ministries of environment, land and agriculture, ministries of mining, mining commissions, ministries of planning, ministries of justice and regulatory bodies, national statistical offices, institutes of science and technology, chambers of commerce, chambers of mining, the private sector, state-owned enterprises, academia, and think tanks, among others.

This report was tabled and adopted by the African Union Assembly at the 38th Ordinary Session of the Heads of State and Government in Addis Ababa, Ethiopia in February 2025. ■

Africa's development prospects depend heavily on how effectively the region harnesses its natural resource wealth. Investments in the exploration of our diverse natural resources and prudent management of their vast revenues can sustain development efforts and positively impact citizens' lives. Natural resource governance is central to Africa's peace, security, human rights, socioeconomic development nexus, and its position in the global economy.

Effective governance frameworks can address resource-driven conflicts through transparent revenue-sharing, equitable benefit distribution, and community engagement. Moreover, these frameworks facilitate socioeconomic development by enabling resource wealth to fund infrastructure, education, and healthcare while safeguarding human rights by preventing displacement, environmental degradation, and land grabs.

CHAPTER 2

THE POLITICAL ECONOMY OF NATURAL RESOURCE GOVERNANCE

The relationship between natural resource abundance, governance, and development has been extensively studied. Early research suggested a 'resource curse', where natural resources were linked to negative economic outcomes (Sachs and Warner, 1995). However, later analyses challenged this notion, highlighting that the outcomes of resource wealth depend on the quality of political, institutional, and legal frameworks (Robinson, Torvik, and Verdier, 2006; Mehlum, Moene, and Torvik, 2006). While debates continue about the specific ways in which institutions shape outcomes, there is broad consensus that understanding the economic impact of natural resources requires a holistic perspective that includes governance frameworks at both national and global levels.

Africa's land, mineral, and marine resources are critical drivers of economic growth and structural transformation. However, poor governance of these natural resources has translated into a lack of optimal value realisation. This, and other challenges, necessitate a renewed focus on governance frameworks that balance economic ambitions with social equity and environmental sustainability. Africa's political economy of natural resource governance thus reflects the intersection of global influences, domestic power dynamics, and the continent's aspirations for inclusive and sustainable development.

AGR25 examines the links between global governance paradigms and the dynamics of the African political economy. These interconnected perspectives highlight the importance of governance reforms for natural resources to achieve key outcomes in peace, security, human rights, and socioeconomic development while redefining Africa's global narrative.

As global demand for critical minerals like cobalt and lithium increases, African states are positioned to play a pivotal role in the global shift toward sustainable energy systems (Cust and Zeufack, 2023); marine resources offer immense potential for the blue economy; and land resources are crucial for addressing food security and climate resilience. It is against this backdrop that this chapter explores the political economy of natural resource governance in Africa, critically analysing historical legacies, sectoral challenges, and opportunities arising from global shifts toward sustainability.

Effective governance is not merely a means of managing resources; it is a pathway to achieving the continent's aspirations for sustainable development and reinforcing African agency in global economic and political spheres. By integrating the AGR25 analytical framework, this chapter advocates for a holistic governance architecture that integrates political, economic, and financial frameworks to strengthen institutions, promote accountability, foster regional cooperation, and align resource governance with industrialisation and broader development goals on the continent.

2.1 Natural resource governance in Africa: historical context and contemporary developments

Natural resource governance is a multi-faceted framework of ideas, norms, principles, and institutions designed to transform natural resource ownership, production, and use into sustainable development outcomes. The African Union defines natural resource governance as the systems, processes, and structures that guide how enterprises, regulators, and governments manage the industry's operations, resources, and environmental impact to create and distribute value across stakeholders and beneficiaries. Effective natural resource governance, therefore, promotes inclusivity, ensures compliance with environmental and social standards, supports fair distribution of benefits, and fosters broad stakeholder engagement. Accordingly, good governance of natural resources upholds the rule of law, enhances operational efficiency, and prioritises the equitable and judicious sharing of resources.

Historically, colonial and post-colonial legacies have deeply shaped Africa's resource governance. Colonial systems prioritised resource extraction for external benefit, establishing centralised governance structures that served foreign interests while neglecting local populations and sustainability (Rodney, 1972; Amanor, 2012). Infrastructure developments like railways and ports were designed to reinforce Africa's dependency on external economies, hindering industrial growth and perpetuating economic disparities (Acemoglu et al., 2012).

A notable example of the legacy of colonialism is South Africa's gold mining industry which began with the discovery of gold on the Witwatersrand (Johannesburg) in 1886 and necessitated large-scale operations that relied heavily on exploitative labour systems. Organisations like the Native Labour Supply Association (NLSA), formed in 1896, and the Witwatersrand Native Labour Association (WNLA), incorporated into NLSA in 1901 and popularly known as 'Wenela', institutionalised the recruitment of Black workers from South Africa and neighbouring countries such as Lesotho, Mozambique, Eswatini, and Botswana, and other African countries as far afield as Uganda, Libya, Egypt, and Liberia. These workers endured harsh conditions and low wages, entrenching patterns of economic inequality and creating disparities between urban mining hubs and rural labour-supplying regions (Schutte, 1977). This history illustrates how colonial governance models prioritised extraction at the expense of social and economic equity, leaving structural challenges that persist today.

2.1.1 The evolution of natural resource governance approaches

The current approach to natural resource governance emerged in Africa in the late 20th century, driven by three key developments (Oppong, 2025). The first was a paradigm shift in development thinking during the late 1980s, which emphasised the importance of governance and institutions in fostering economic growth. It is also important to note that the 1980s and 1990s were periods in which global political consensus shifted in favour of unfettered markets, and sectors such as the minerals sector were swept by a wave of liberalisation, deregulation and privatisation of state assets (International Renewable Energy Agency, 2023). At this time Africa was experiencing a deepening crisis of low-yielding agriculture, uncompetitive industries, rising debt, and deteriorating institutions. Influential publications like the World Bank's Sub-Saharan Africa: From Crisis to Sustainable Growth (1989) and Managing Development: The Governance Dimension (1991) reframed governance as a technical issue focused on state accountability, policy responsiveness, and public participation. This marked a departure from earlier state-centred, top-down approaches toward more inclusive frameworks addressing supply-side reforms (e.g., governmental efficiency) and demand-side considerations (e.g., citizen engagement) (Oppong, 2025).

The second development stemmed from international relations scholarship, which expanded the understanding of governance to include global networks of actors and processes. Reports like the Commission on Global Governance (1995) introduced concepts such as 'multi-level governance' and 'global public goods' which emphasised the interconnectedness of domestic and international governance. This broadened perspective underscored the need for collective systems of governance involving state and non-state actors, civil society, and transnational organisations to address the complexities of resource management.

The third development was based on the growing debate surrounding the 'resource curse,' which argued that resource wealth in low-income countries often correlates with weaker institutions, conflicts, and economic stagnation (Sachs and Warner, 2001). Critics of this thesis, however, highlighted success stories such as Botswana and Norway, which demonstrated that governance, rather than resource endowment alone, is the critical determinant of developmental outcomes. This debate fostered a consensus around resource governance as a means to integrate transparency, accountability, and institutional reforms to mitigate the challenges of resource extraction and promote sustainable development (Oppong, 2025).

In recent decades, global shifts toward sustainability and inclusivity have driven efforts to reform natural resource governance in Africa. Frameworks such as the African Mining Vision (AMV) and the African Continental Free Trade Area (AfCFTA) aim to leverage the continent's resource wealth for industrialisation, economic diversification, and regional integration (AU, 2009; AU, 2018). For instance, the AMV promotes the "transparent, equitable, and optimal exploitation of mineral resources" to support sustainable growth (AU, 2009). Similarly, AfCFTA seeks to reduce trade barriers and enhance collective bargaining power in global markets.

Despite these initiatives, significant challenges remain. Many African states continue to prioritise short-term gains, often competing for foreign investment rather than fostering long-term regional cooperation. The structural legacies of colonial governance continue to hinder inclusive growth and equitable resource distribution. Addressing these challenges requires interrogating global governance norms and their relations to Africa's diverse cultural, political, and historical contexts.

2.2 The political economy and resource governance

The dynamics of the political economy – the interplay of global governance paradigms, domestic power structures, and shifting narratives about Africa's role in the global economy – have a profound influence on governance of natural resources in Africa. These dimensions shape determine how resources are controlled, distributed, and utilised, and underline the need for governance systems that prioritise equity, sustainability, and African agency.

The configuration of political institutions on the continent as a whole compared with those in resource-rich African countries varies widely. These political institutions, which often promote political accountability, may include democratic regimes, competitive elections, and institutionalised party systems. Democratic regimes are essential in resource governance because they represent a constellation of institutions that are said to matter for managing the natural resource wealth. Also, democratic regimes provide accountability mechanisms and processes to review the government's use of resource revenues (Ndlovu, 2023).

However, several characteristics of resource-rich countries complicate the relationship between political institutions and sustainable development outcomes. Resource revenues are more volatile than other sources of income. The revenues from fossil fuels like oil may be disproportionately large compared to other sources, and the revenues are prone to rent-seeking behaviour (Torvik 2009; Arezki, Hamilton and Kazimov 2011). Non-renewable natural resources also differ from other sources of income in terms of their time profile and political and legal status. They are volatile and exhaustible and belong to all citizens of the country where they are exploited (Ndlovu, 2023)

The institutional framework for governing natural resources is complex. It ranges from state-level institutions such as the presidency, parliament, central government ministries, and various departments and agencies, which may not always work synergistically. Local institutions may include district assemblies (DAs) and traditional institutions, as is seen in countries like Ghana. Additionally, non-state actors include large and small-scale mining companies, international agencies, and citizens and their communities. At times, these actors have different and contradictory perspectives, and policymaking is often centralised with national institutions that might not have direct accountability to communities (Ayee et al. 2011).

Weaknesses in public institutions and incoherence between political and value systems, exacerbate the impact of power imbalances and conflicting interests of stakeholders, which include political elites, multinational companies (MNCs) and African taxpayers, on equitable resource distribution (Collier, 2007; Robinson et al., 2006). The negotiation playing field is often uneven due to human and financial disparities. Compared with proprietary states and African taxpayers, MNCs possess significant financial resources, technological expertise, and bargaining power (Fagre and Wells, 1982). Proprietary states often depend on mining investments for economic growth and employment, which limits their ability to enforce stringent regulations or negotiate equitable terms. Proprietary states may also lack the institutional capacity or political will to enforce robust legal and regulatory frameworks, which allows MNCs to exploit loopholes.

African taxpayers are often excluded from negotiations and decision-making processes, which leads to inadequate consideration of their rights, livelihoods, and environmental concerns. A significant portion of mining revenues flows to corporations and central governments; African taxpayers are left to bear the detrimental socioeconomic and ecological impacts of mining activities, with limited benefits (Provenzano and Bull, 2021).

Imbalances in resources of key stakeholders affect the development of an enabling environment because they undermine the ability of proprietary states to create equitable policies and regulatory environments. Existing policies often disproportionately favour MNCs over the growth and sustainability of domestic industry. Proprietary states struggle to realise the value of mineral resources and maximise economic benefits because of the deployment of unqualified and corrupt contract negotiating teams and tax avoidance practices. Inequitable revenue distribution and mismanagement reduce the funds available for investing in African economies.

Thus, African governments face the challenge of balancing the need for foreign investment with the imperative to assert control over their natural resources and ensure equitable benefits for their domestic industry and populations.

Governance of natural resources significantly influences Africa's position and role in the global economy. Historically perceived as a source of raw materials for industrialised nations, Africa is now recognised for its potential to drive global sustainability agendas. The continent's critical minerals position it as a central actor in the green transition (Cust and Zeufack, 2023). To capitalise on this potential, African states must assert agency in global governance frameworks and negotiate fairer terms of trade and investment. Regional initiatives like the African Continental Free Trade Area (AfCFTA) aim to strengthen Africa's bargaining power by promoting intra-African trade and reducing reliance on external markets.

Given the political economy dynamics, effective resource governance is not merely a technical endeavour but a strategic imperative for realising the continent's aspirations.

The perception of Africa's potential in the global economy is undergoing a significant transformation. This shift is particularly evident in the growing demand for minerals such as cobalt and lithium, which are essential for renewable energy technologies (Cust and Zeufack, 2023) and the aviation sector, among others.

2.3 Sectoral analysis

2.3.1 Governance of land resources in Africa

Land tenure systems in Africa depends largely on the type of colonisation a country has experienced; the degree of settler expropriation of land, as well as the diverse contemporary political, economic, social, and environmental experiences.

During colonial rule in Africa, four distinct land frontiers developed.[2]

The first were settler colonies whereby European immigrants displaced African people with the goal of establishing a permanent society on land that was already inhabited[3] – a form of dispossession also referred to as land theft. These settler colonies predominated in southern, eastern, and northern Africa.

The second were concessionary colonies, which were confined to Central Africa and the Congo Basin. The concessionaire system tended to develop in areas in which pre-existing trade was not well developed and in which trading companies were willing to invest in agriculture, forestry, and mining within a given area.[4] Large concessions were allocated to chartered companies, which gained monopoly rights to exploit all the resources in that area and develop transport infrastructure and administration.

The third was autonomous peasant production. Areas in which peasant proprietor production predominated were characterised by developed markets and trading towns, and a defined social hierarchy reflected in the development of pre-colonial states that controlled trade and agricultural production and labour.[5] These characteristics were particularly well developed in West Africa, both in states controlling large agrarian hinterlands and in the networks of urban-based, long-distance traders and Islamic brotherhoods in the Senegambia area. In these areas, export crop production for the European trade began in the early nineteenth century.[6]

In the fourth type of land tenure land was often vested in the colonial state using coercion, the threat of violence and unfair and exploitative trade but was also vested in traditional rulers. There was not much difference between these two relationships, since native authorities were

2 Austin, G. (2010) 'African Economic Development and Colonial Legacies', *International Development Policy | Revue internationale de politique de développement*, 1, pp. 11–32. DOI: https://doi.org/10.4000/poldev.78

3 Wolfe, P. (2006). Settler colonialism and the elimination of the native. *Journal of Genocide Research*, 8(4), 387–409. https://doi.org/10.1080/14623520601056240

4 Ibid.

5 Ibid.

6 Ibid.

under the trusteeship of colonial officers.[7] For example, in Uganda's 1900 Buganda Agreement signed between the British colonial government and the Kabaka (king) land in Buganda was divided into crown land and mailo[8] land. It also acknowledged the personal land claims of the Kabaka and other elites.[9]

Implications of colonial land policies

Colonial land policies had the following for the political economy of land governance in Africa:

- **Dualistic land tenure systems and inequitable land distribution patterns**, manifest in different forms across Africa, result in different types of land tenure. For example, in southern Africa, land ownership favoured the European settler population; in South Africa, 5 percent of the population of European ancestry own almost 87 percent of the land.[10]
- **Modified land tenure**: In Uganda, for example, the British introduced formalised individual private property ownership in the central region of the country called "Mailo Land Tenure" through Buganda Agreement of 1900.[11] In Kenya, the official policy is to replace customary tenure with a system like the English freehold.
- **Colonial authorities confiscated land** from Africans to benefit white settlers, who were seen as having superior economic interests.
- The colonial state enforced the rights of white settler landowners to exclude others and regulated where Africans were and were not allowed to stay, through controls such as the pass laws of South Africa and native registration (kipande) in Kenya. This led to mass insecurity of property rights for Africans.
- Colonial rule changed the traditional communal use of land and exposed it to market forces, that is, supply and demand. By distributing freehold interests in land to some individuals, social inequalities arose based on the British concept of ownership of land.

The current land tenure system in Africa has been molded and remolded by colonial and neocolonial governments respectively. There are four major land systems:

- **Freehold tenure**, which is a traditionally western concept implying the absolute right to control, manage, use and dispose of a piece of property. Privately owned land held under freehold title has been particularly prominent in the former Anglophone settler colonies of Namibia, Mauritius, South Africa, and Zimbabwe.
- **Leasehold**, in which land belonging to one entity is, by contractual agreement, leased to another entity for a fixed period.
- **Statutory allocations**, a particular form of state land which, by virtue of a statutory provision, is allocated for the use of a legally constituted body.
- **Customary systems**, in which tenure rights are ostensibly controlled and allocated according to traditional norms.

Access to land plays a significant role in agrarian and mining economies in Africa, as most land is owned or controlled by the state. For instance, under the Algerian Constitution, 1996, any public property belongs to the national community and includes land underground, mines and quarries, natural energy resources, and mineral, natural and living resources.[12]

In Mozambique, mineral resources in the soil and subsoil, internal waters, territorial sea, continental shelf and in the exclusive economic zone (EEZ) are the property of the state.[13] The Mozambiquan state also has primacy over other land rights and land rights may be extinct in favour of the state upon just indemnification paid by the applicants of the mining exploitation. This implies that access to land with mineral resources even on private land is restricted by the owner of the land other than the state.

The majority of land ownership is customary, but the capacity to develop this land is limited by uncertainty about future ownership, and lack of financial resources.[14] Large amounts of land are under state control, which has led to excessive land being taken by the state, which has a negative impact on equity.[15] The threat of expropriation has undermined tenure security and investment and led to informal sales in anticipation of expropriation, inviting corruption and shady property deals involving state agencies.

Challenges to land security

There are two major challenges to land security in Africa.

7 Bjerk, P. (2013). 'The Allocation of Land as a Historical Discourse of Political Authority in Tanzania', *The International Journal of African Historical Studies*, 46(2), pp. 255–282. Boston University African Studies Center.

8 Mailo land is privately held in perpetuity, similar to freehold. The term 'mailo' comes from the square mile unit used to measure land awarded to the king of Buganda and his nobles.

9 Mugambwa, J.T. (1987) 'The Legal Aspects of the 1900 Buganda Agreement Revisited'. Available at: https://commission-on-legal-pluralism.com/system/commission-on-legal-pluralism/volumes/25-26/mugambwa-art.pdf (Accessed: 5 January 2025).

10 Moyo M. (2005). *The Land Question and the Peasantry in Southern Africa Latin American Council of Social Sciences (CLACSO)* Available at http://bibliotecavirtual.clacso.org.ar/clacso/sur-sur/20100711022553/13_Moyo.pdf (Accessed: 2 January 2025).

11 The Buganda Agreement between the British government and the Buganda Kingdom returned appropriated land to the kingdom and awarded large blocks of land to the king and his nobles, while other land was given to chiefs and notables.

12 Algerian Constitution, 1996.

13 Art. 4 Mozambique Mining Law No 20/2014.

14 FAO (2010). Statutory recognition of customary land rights in Africa: An investigation into best practices for lawmaking and implementation. FAO Legislative Study 105. Available at https://www.fao.org/4/i1945e/i1945e01.pdf (Accessed 20 December 2024).

15 Ibid.

Firstly, Africa's land tenure systems are based largely on the colonial system, which has led to inequitable land distribution and dualistic land tenure systems.[16] The pronounced inequalities in land distribution among large-scale farms, smallholders, and state farms is most pronounced in eastern and southern Africa.[17]

Secondly, although African countries have restructured their land legal and regulatory frameworks, insecure land tenure still exists.[18] As a result, poor people tend to be landless. Rural women, widows in particular, have poor land rights and are among society's most vulnerable.[19]

Like critical minerals, land in Africa is unequally distributed, which, unless addressed transparently and accountably, threatens social stability. The absence of clear land ownership (and use) rights and land use policies, and the presence of corruption and limited transparency in land distribution practices, disproportionately alienates the poor in favour of the elite and the politically and economically powerful.[20] In some African countries, this bias in land distribution and ownership is likely to incite social unrest.

16 Kasimbazi, E. (2017) 'Land Tenure and Rights for Improved Land Management and Sustainable Development', *Global Land Outlook Working Paper*. UNCCD. Available : https://www.unccd.int/sites/default/files/2018-06/5.%20Land%2BTenure%2Band%2BRights__E_Kasimbazi.pdf. (Accessed: 20 December 2024)

17 FAO (2010) 'Africa's Changing Landscape: Securing Land Access for the Rural Poor'. Available at: https://www.fao.org/4/al209e/al209e00.pdf. (Accessed: 20 December 2024)

18 Ibid.

19 Washim, A.M. et al. (2014). *Land Tenure Security in Selected Countries.* United Nations Human Settlements Programme (UN-Habitat), UNON Publishing Services Section, Nairobi, ISO 14001:2004 certified. D1 No: 14-01389/500 copies.

20 Lund, C., Odgaard, R. and Sjaastad, E., (2006). Land Rights and Land Conflicts in Africa: A review of issues and experiences. Copenhagen: DIIS.

2.3.2 Governance of mineral resources in Africa

Africa possesses 30 percent of the world's known mineral resources and plays a key role in global resource markets and industries. The continent also has significant reserves of critical minerals and is uniquely positioned to contribute to delivering a green future.

The African continent is uniquely positioned to contribute to delivering a green future and strategically benefit from the unprecedented demand for and dependence on these resources. As the world shifts toward green economies, the demand for critical minerals has placed Africa at the forefront of global efforts for green technologies. The green transition further heightens the urgent need for effective governance. As global demand for critical minerals rises, Africa must navigate geopolitical pressures, environmental risks, and community rights.

Mineral resources are vital to technological innovation, sustainable energy, and industrial growth, positioning the continent as a key player in addressing global challenges.

The **Democratic Republic of Congo (DRC)** leads the world in cobalt production, supplying over 70 percent of global demand. Cobalt is a crucial component in rechargeable batteries used in electric vehicles and portable electronics.

South Africa dominates global reserves of platinum group metals (PGMs), which are essential for catalytic converters, fuel cells, and various industrial applications.

Guinea holds almost 25 percent of global bauxite reserves and accounting for over half of the world's aluminium ore exports. Aluminium, which is derived from bauxite, is heavily used in renewable energy technologies, such as solar panels (Mo Ibrahim Foundation, 2022).

Despite China's overall dominance in the global production of graphite, **Madagascar and Mozambique** are among the top five producers of graphite globally. Madagascar (8.1 percent), Mozambique (7.8 percent) and Tanzania (5.6 percent) are responsible for over one-fifth of global graphite reserves, representing major African countries in the global supply chain for graphite. Graphite is used in lithium-ion batteries, which power electric vehicles and energy storage systems (Cloete et al., 2023).

Sovereign Metals, an Australian company, has announced that its Kasiya deposit in **Malawi** is now the world's largest natural rutile deposit, with an updated mineral resource estimate of 1.8 billion tonnes at 1.01 percent rutile, positioning it ahead of other major deposits like Sierra Rutile (Slater, 2022). The deposit also contains significant graphite by-products, making it the second-largest flake graphite deposit globally. Rutile, a key feedstock for titanium production, plays a crucial role in the green transition through its use in lightweight alloys for fuel efficiency and in national security applications such as aerospace and defence (Mann, 2024).

It is hoped that the discovery will increase the mineral sector's contribution to GDP from less than one percent to up to ten percent by 2063 (International Trade Administration, 2024). The project could boost industrial development, enhance Malawi's role in global markets, and drive social and economic development if the revenues are managed prudently.

In **Mali**, significant reserves of lithium – estimated at 700,000 tonnes – highlight the country's potential in supporting battery technology and energy storage solutions.

Namibia is the world's leading exporter of uranium ore, a key resource for nuclear power generation and low-carbon electricity.

Although the African market for copper is comparatively less concentrated, it is nevertheless important. Countries such as the **DRC** and **Zambia** are strategic countries for copper production and exploration due to their respective abundance in copper-producing mines. Zambia leads in copper exports, a mineral essential for electrical wiring, electronics, and renewable energy technologies like wind turbines and solar panels (Mo Ibrahim Foundation, 2022).

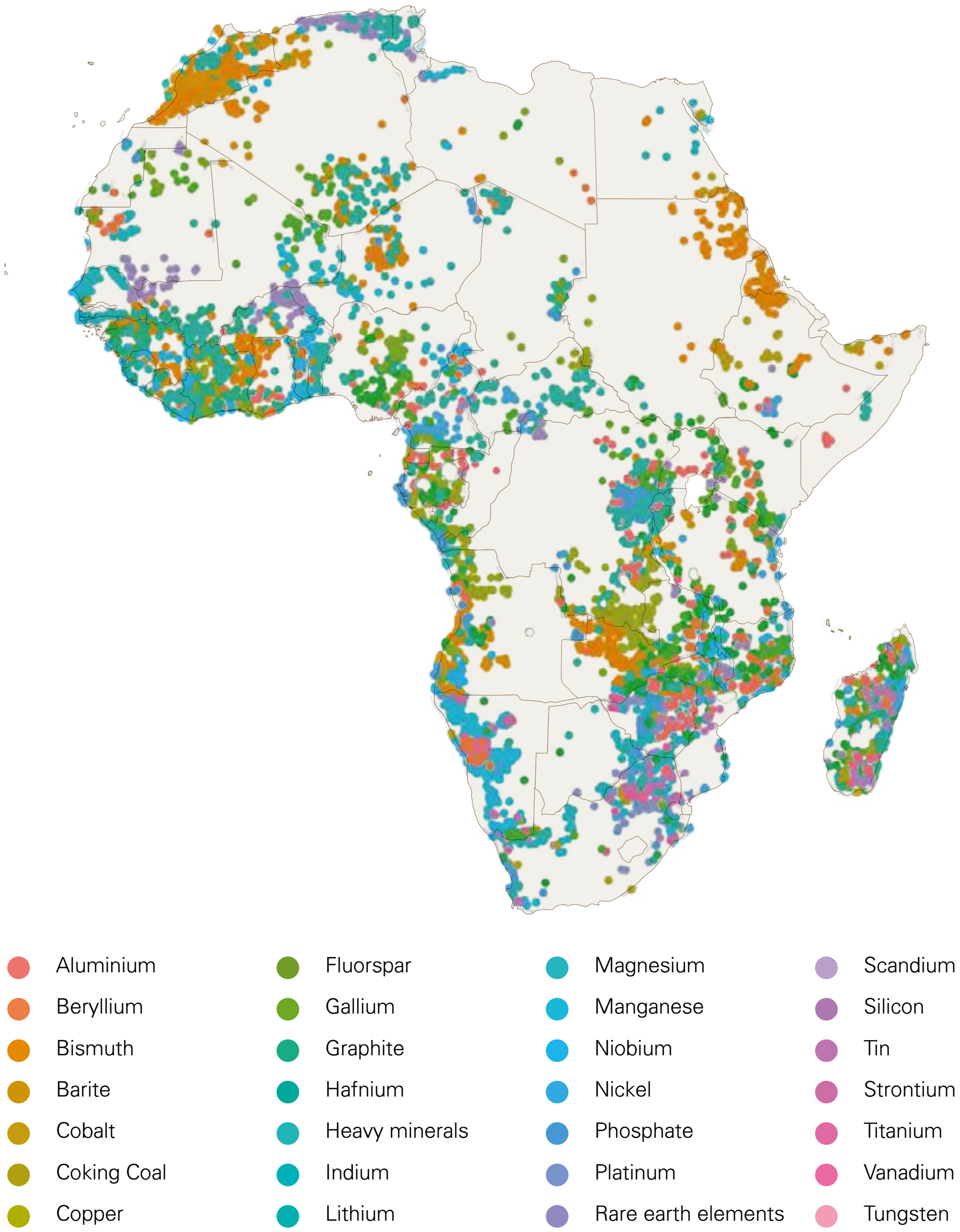


Figure 2.1: Distribution of deposits of critical minerals in Africa.

Source: AfricaMaVal GIS geodatabase, 2023

While Africa's diversity of critical mineral endowments cannot be disputed it must be accompanied by governance and policy frameworks that acknowledge this so that African states are afforded opportunities to integrate into global value chains.

Alongside the bountiful opportunities on offer as a result of this green transformation, come challenges. For example, the significant discoveries of gas reserves across Africa, concentrated in countries such as Nigeria, Algeria, and Mozambique, have led to plans for increased fossil fuel production and sizeable investment in infrastructure such as pipelines in the coming years.

Critical minerals are fundamentally different from fossil fuels. Mining and processing of critical materials are highly concentrated geographically, with a few countries dominating. Australia leads in lithium mining, Chile in copper and lithium, China in graphite and rare earths, the DRC in cobalt, Indonesia in nickel, and South Africa in platinum and iridium. The concentration intensifies with processing; China refines 100 percent of natural graphite and dysprosium, 70 percent of cobalt, and nearly 60 percent of lithium and manganese.

Trade in critical materials is significantly smaller in value compared to fossil fuels and is not widely traded on exchanges (International Renewable Energy Agency, 2023). However, this picture may change with the rising investments and demand for critical minerals.

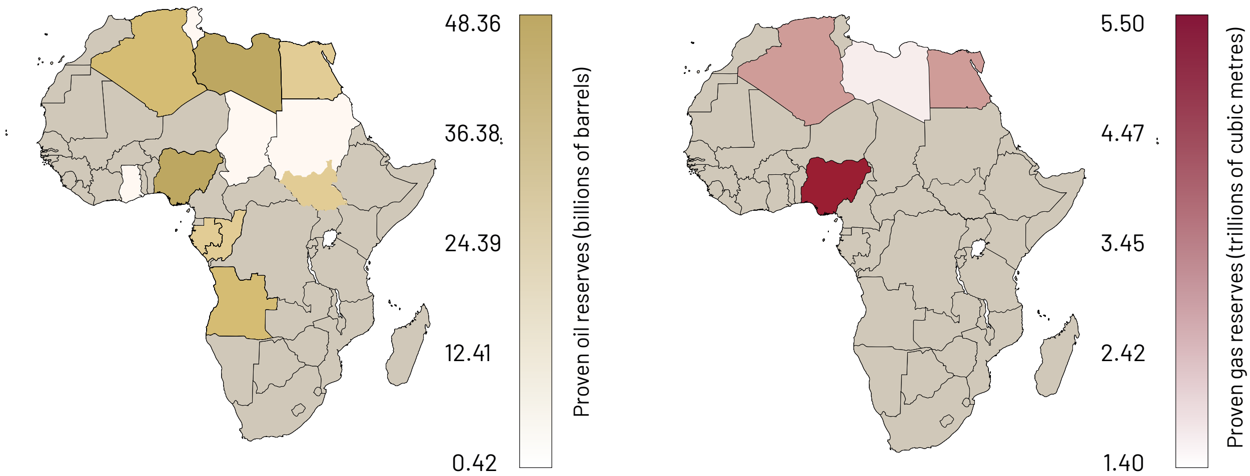


Figure 2.2: Proven oil and gas reserves of African countries

Source: Nalule Energy and Minerals Consultants (NEM Energy), www.nemenergyco.com plot using EI Statistical Review, 2024; and other sources

Africa's stake in the global minerals value chain: a geopolitical perspective

Africa's economic role in global value chains has evolved over millennia. In recent history and today, Africa's participation in the global minerals value chains has been dominated by raw mineral exports to the industrialised west and east. This trend has its origins in colonialism which began with the Transatlantic slave trade in 1502 and was solidified through European colonialism after the Berlin Conference of 1884–1885. According to this system, Europe views Africa as a key supplier of critical minerals essential for the climate technology industries (Mavhunga, 2023). This historical and ongoing dependency shapes the context in which geopolitical considerations must be critically examined.

PRECOLONIAL PERIOD

To understand the current geopolitical dynamics of Africa's mineral sector, it is essential to examine its historical development. Mining has provided essential raw materials for tens of thousands of years (Hammel, 2000) and gradually formed essential social, technological, and politico-economic pillars of African communities in various periods (Chirikure, 2018). Trade extended beyond the continent by 1000 AD, and West Africa became a major gold supplier to Western Europe. By the 13th century, gold production was thriving, with significant trade conducted with Islamic merchants along the East African coast (Green, 2023). However, in the 16th century this trade was disrupted by the arrival of the Portuguese who sought monopoly rights, which led to conflicts with Islamic traders.

The rise of the Transatlantic slave trade and the introduction of diseases to African populations by European traders further diminished gold production, relegating it to a marginal activity in West Africa by the late 18th century. Gold mining persisted in southern Africa, with Great Zimbabwe estimated to be the world's largest gold supplier around 1800 (Green, 2023). From as early as 1000 BCE, African societies developed techniques for value addition to minerals like iron, copper, gold, and tin. Skilled metalworkers used locally available materials such as antelope hide, wood, calabashes, bamboo, and clay to construct forges and furnaces for smelting ores into bars which were further worked using tools like anvils, hammers, files, pliers, and goat skin bellows to produce finished goods. The metal was combined with materials like wood, leather, and clay to craft items such as hoes, axes, spears, arrowheads, and musical instruments, showcasing the ingenuity and resourcefulness of early African metallurgists (Mavhunga, 2023).

Although European literature on mining has diminished evidence of precolonial practices, recent research is shedding light on the achievements of African miners. There is evidence that precolonial prospectors identified and exploited ore deposits, demonstrating remarkable skill and ingenuity. By the time European settlers arrived, most gold-bearing quartz outcrops, copper deposits, and tin lodes had already been extensively worked, highlighting the advanced mining knowledge and practices of these early communities (Hammel, 2000).

Our understanding of early mining is nevertheless incomplete. Much evidence has been destroyed by colonial prospecting, a problem compounded by the fact that regions like southern Africa have no written historical record, and much of the knowledge conveyed through the oral tradition was truncated by the advent of colonialism. A troubling aspect of this lack of evidence is that it opens the door to unfounded theorising, which can fail to acknowledge the innovations and achievements of African mining and metal workers. For example, while there is no evidence of the physical presence of foreign miners in southern Africa during the Iron Age, there are literature and media productions that attribute 'ancient' mines to foreign influences (Hammel, 2000).

THE COLONIAL PERIOD: THE GENESIS OF AFRICAN MINERALS EXPORT

European colonisation significantly constrained African mining operations, as imported goods devalued locally produced items, and led to a sharp decline in traditional mining activities (Hammel, 2000). The Transatlantic slave trade initiated a trend whereby the West mapped Africa as a source of raw materials to feed its growth through a monopoly of high-end value addition. Africa was divided among Britain, Portugal, France, Spain, Denmark, and the Netherlands, into spheres of slave raiding and trading, principally on the west coast of Africa between Senegal in the north and Angola to the south, and on the southeast coast from Zanzibar to Maputo (Mavhunga, 2023).

The colonial occupation of Africa under rules of territorial partition agreed to among European countries at the Berlin Colonial Conference of 1884–1885, led to the development of outward-facing roads, railways, and ports designed to export Africa's minerals raw for Europe's industrial revolution and bring in the finished products of Europe's factories (Mavhunga, 2023).

Europe also built its raw material extraction and local value addition, at least in the settler colonies of the Union of South Africa (South Africa) and the two Rhodesias (Zimbabwe and Zambia), on African migrant labour and unacknowledged African intellect and technology.

With the exception of the mining industry in South Africa, virtually all gold, iron, and copper mines in colonial south-central Africa were located in the same areas that Africans were previously or still actively mining. Examples include Kwekwe (Zimbabwe), Musina and Phalaborwa (South Africa), and Katanga (DRC) (Mavhunga, 2023).

Under a charter granted by the British monarchy on 20 December 1889, a company called the British South Africa Company (BSAC) occupied territory along the Zambezi (Northern Rhodesia, Southern Rhodesia).

In 1885, King Leopold of Belgium carved out a personal empire, the Congo Free State (CFS), whose southern province, Katanga, had limitless deposits of copper and cobalt. In 1908, CFS became the Belgian Congo as ownership shifted to the Belgian state. Angola and Portuguese East Africa on the west and east coasts of southern Africa, respectively, was annexed by the Portuguese (Mavhunga, 2023).

Table 2.1: Mines established during the colonial period in Africa

1800s	Limpopo Mines	Gold and Coal	South Africa
	Kahama Gold Mine	Gold	Tanzania
1866	Kimberley Mine	Diamond	South Africa
1880s	Johannesburg Gold Mines	Gold	South Africa
1886	Gold Mines of Witwatersrand	Gold	South Africa
1888	De Beers Consolidated Mines	Diamond	South Africa
1900s	BHP and Hilton Mines	Coal	Mozambique
	Shabanie Mine	Asbestos	Zimbabwe
1905	Tsumeb Mine	Zinc	Namibia
1923	Mufulira Mine	Copper	Zambia
1950s	Bucyrus-Erie Mines	Coal	Botswana
	Phalaborwa Mine	Copper	South Africa
1950	Kilembe Mines	Copper	Uganda
1960s	Sierra Rutile	Gold	Sierra Leone

Sources: Youe, 2010; Kubicek, 1991; and Lynch, 2002

Colonialism disrupted local production and trade, reorienting African economies to supply European industrialisation. African countries became providers of raw materials – particularly minerals such as gold, diamonds, and later oil for the global North. This extroversion of African economies stripped them of autonomy and fragmented previously cohesive economic systems. Key aspects of this colonial restructuring included:

Export of unprocessed minerals: Minerals, once utilised domestically for tools and industrial development, were now extracted in raw form and exported, eroding internal industrial capacities and knowledge systems.

Fragmentation of economic linkages: The interdependence between mining, processing, and other economic sectors – such as agriculture – was severed. For instance, iron mining, smelting, and crafting, which previously supplied agricultural tools, became oriented toward export, weakening domestic technological development.

POST-INDEPENDENCE PERIOD

Colonial mining systems established Africa's dependency on primary commodity exports and entrenched unequal trade relationships. Minerals became the cornerstone of Africa's insertion into global markets, often controlled by European companies supported by colonial governments. The resulting economic structure perpetuated wealth extraction from Africa to the Global North while limiting the continent's ability to reinvest and upgrade its industrial base (Britwum and Saadi, 2020).

The early post-independence era saw attempts by African governments to reclaim sovereignty over natural resources. Recognising the central role of mining in their economies, leaders took strategic steps to nationalise mineral wealth and establish state ownership (Megahed, Ghannam, and Khalil, 2020). Countries like Ghana vested mineral wealth in the state, to prioritise employment and social development over economic gain (Britwum and Mama, 2021). Efforts were made to process minerals domestically and use revenues from mining to fund industrial projects. Although challenges such as illegal mining, known as galamsey in Ghana, have deleterious environmental implications, these challenges are exacerbated by the changing global geopolitical landscape which includes increasing Sino-African relations.[21] Botswana, for example, fostered industrial capacity by mandating local processing of minerals and sourcing of inputs. Governments also imposed taxes on transnational corporations and protective tariffs to generate resources for structural transformation.

The impact of colonialism has endured despite these efforts. **Figure 2.3** on mineral exports by country in 1990 shows how, even after independence, African countries continued to export minerals to former colonial powers such as France and the United Kingdom, which remained in the top 10 of export partners.

21 Yeboah, R., Tenkorang, E., Mensah, O., & Jibril, A. B. (2024). Environment and development: analysing the impact of diplomatic relations and governance challenges in countering Chinese Involvement in Illegal gold mining in Ghana. Cogent Social Sciences, 10(1). https://doi.org/10.1080/23311886.2024.2423853

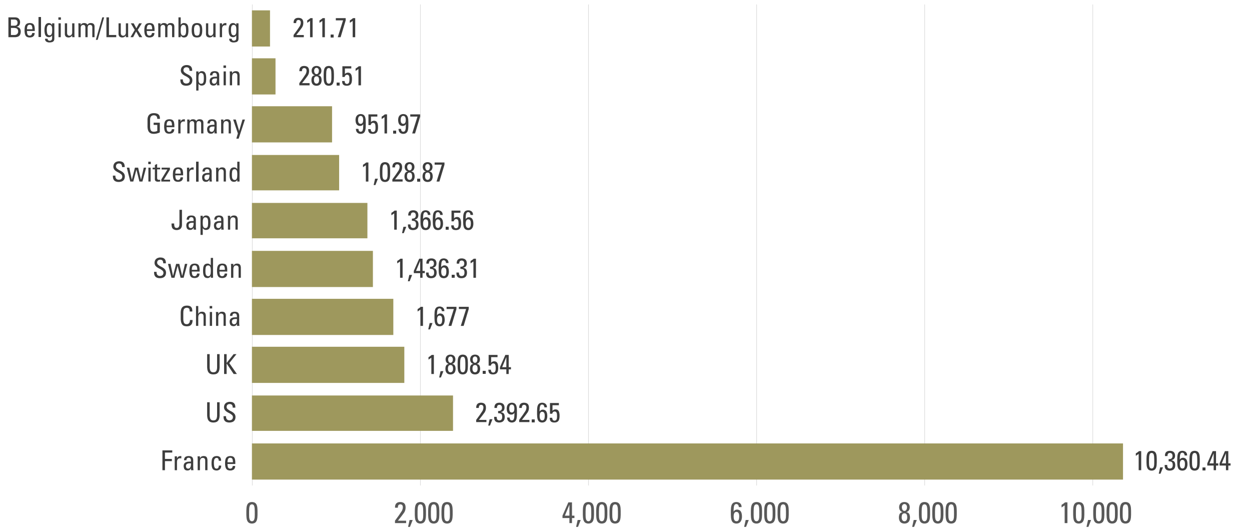


Figure 2.3: Top 10 Sub-Saharan Africa minerals exports by country (USD thousands, 1990)

Source: Author, using data from World Integrated Trade Solution (https://wits.worldbank.org/)

Current geopolitical dynamics

To grasp the current geopolitical dynamics of Africa's mineral sector, we must understand how historical interactions with Europe shaped Africa's role in the global economy. Africa's move towards value addition is a continuation of the anti-colonial struggle; because Europe and America are susceptible to supply chain disruptions and critical minerals are identified as essential for national security and economic development, Africa's role as a supplier of raw materials is entrenched in European and North American policy frameworks. Critical minerals like chrome, cobalt, and lithium are pivotal to goals like the European Green Deal's 2050 carbon neutrality (European Commission, 2019).

Green industry potential is an opportunity for Africa to reduce its reliance on raw minerals exports, foster local value creation, unlock its economic potential, and contribute to sustainable development. It also intensifies competition for mineral resources from states outside Africa (Müller, 2023: 179). The current geopolitical landscape, shaped by the COVID-19 pandemic, the Ukraine conflict, and rising trade tensions between China and the United States, has heightened the interest of Western economies in Africa's critical minerals to secure strategic energy supply chains (Boafo, Odobai, Stemn and Nkrumah, 2024: 1–2).

The COVID-19 pandemic exposed vulnerabilities in economic and political dependencies of African states, and exacerbated inequalities between the Global North and South (Müller, 2023: 180). This shift, coupled with rising protectionism and deteriorating relations among major global players, has led to disinvestment from traditional global value chains; states now favour bilateral relations to reduce dependency on unstable multilateral partnerships (Müller, 2023: 178–183). Africa has become an attractive alternative for western actors seeking strategic partnerships in this context.

Geopolitical tensions, especially between China and the west, are reshaping trade flows and investment patterns. The resurgence of global competition for access to critical minerals, what is dubbed the 'new scramble', is driven by the global green energy transition, technological advancements, and strategic rivalry among major powers.

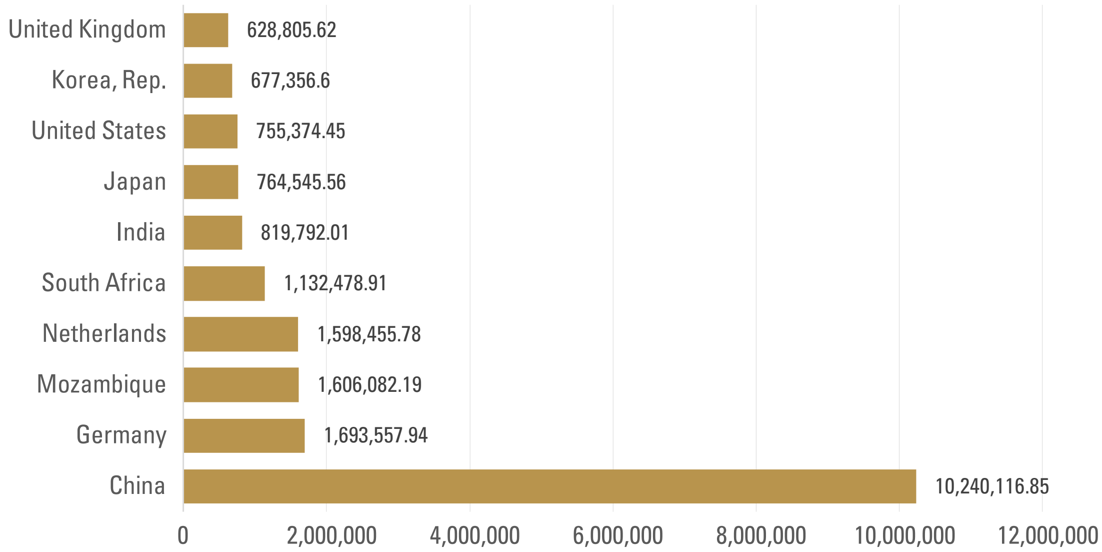


Figure 2.4: Top 10 Sub-Saharan Africa Minerals Exports by Country (USD thousands, 2022)

Source: Author, using data from World Integrated Trade Solution, 2022

Figure 2.4 shows a shift in mineral exports by country from the 1990s, when former colonial partners like France were the top recipients of mineral exports from Africa. China has established itself as a dominant stakeholder in global supply chains for critical minerals and clean energy products. Through strategic investments in Africa, including infrastructure-for-minerals arrangements and favourable loans, China has secured a commanding position in critical mineral supply chains, creating a quasi-monopoly that it leverages for political advantage (Cloete et al., 2023: 15; Müller, 2023: 184). This dominance has prompted Western actors to intensify their efforts to rebuild their relationships with African nations.

Amid rising geopolitical tensions, supply chain disruptions, and increasing demand for critical minerals, nations are prioritising the secure and stable supply of these resources. This urgency has driven the adoption of numerous multilateral, bilateral, and state-level agreements aimed at boosting production, securing access, and addressing supply chain dominance by certain countries. Between 2019 and 2023, 43 national critical mineral strategies were implemented globally.[22]

Africa, with its abundant critical mineral resources, has attracted significant interest from importing nations, resulting in a surge of bilateral agreements. However, these agreements often lack transparency, with limited public accessibility to their details, objectives, or even existence. Many are non-binding and vague, requiring additional mechanisms, such as preferential financing, to encourage private investment. Countries like South Africa, Zambia, and the Democratic Republic of Congo (DRC) have each entered into at least six such agreements.

Despite their significance in shaping the governance of Africa's critical minerals, limited comparative analysis exists to assess their broader implications for the continent. Greater transparency is essential – not only for economic clarity but also to uphold democratic accountability and human rights, ensuring that these agreements align with societal interests and contribute to equitable development (Beuter, P., Bhuee, R., Gabadadze, L., Gnanguênon, A. and Hofmeyr, J., 2024).

Recent policy developments highlight the urgency of the EU and US to secure Africa's resources. The EU's Critical Raw Materials Act (CRMA) aims to reduce dependence on China while establishing Europe as a manufacturing hub for green technologies. Agreements with Namibia and negotiations with the DRC exemplify the EU's strategy to ensure a stable supply of critical minerals (Boafo et al., 2024: 2; Cloete et al., 2023: 19). Similarly, the US launched the Minerals Security Partnership (MSP) in 2022, aiming to reduce reliance on Chinese supply chains by enhancing cooperation with strategic regions, including Africa (Cloete et al., 2023: 18; Müller, 2023: 187).

22 International Renewable Energy Agency (IRENA) (2023) The geopolitics of the energy transition: Critical materials. Available at: https://www.irena.org//media/Files/IRENA/Agency/Publication/2023/Jul/IRENA_Geopolitics_energy_transition_critical_materials_2023.pdf (Accessed: 24 January 2025).

Although these developments risk perpetuating inequalities, they also present an opportunity for Africa to reshape its role in global supply chains. By leveraging competition between global powers and the emerging "new geopolitics" of supply chains, African nations can transition from raw material suppliers to central actors in critical mineral value chains (Müller, 2023: 178; 179–180). Songwe and Adam argue that Africa's leadership in the green transition is feasible and essential for achieving energy independence and fostering trade and investment on the continent (2023: 234).

To capitalise on these opportunities, Africa must prioritise intra-continental cooperation. Initiatives like the Lobito Corridor, which connects Angola, the DRC, and Zambia via railway, underscore the urgent need for AU member states to implement strategies that maximise the continent's potential (Chabala, 2024). Countries have already taken steps to restrict raw material exports, aiming to develop local industries and secure long-term economic benefits (Fang, 2024: 804–811).

A growing number of African countries are implementing policies to protect their natural resources and increase local value addition (Global Policy Watch, 2024):

- **Nigeria** banned raw ore exports in 2022 to curb exploitation of its resources, incentivise local processing, and promote industrialisation and job creation.
- **Zimbabwe** prohibited the export of unprocessed lithium ore in December 2022, followed by Namibia in June 2023; this raised EU concerns because Namibia had recently signed an agreement with the EU to access rare earth minerals.
- **Ghana** introduced measures in 2024 to maximise resource value, including building a manganese refinery, banning raw bauxite, lithium, and iron ore exports, prioritising local investors in acquiring key mining projects and establishing a 400-kg gold refinery.
- **Botswana** renegotiated its diamond mining deal with De Beers in 2023, securing a larger share of rough stones and creating a USD 75 million diamond fund for economic investments.
- **The Sahel region** has seen political upheaval since 2020, affecting key mineral-rich countries such as Sudan, Mali, Guinea, Niger, and others. Post-coup governments have implemented stricter resource policies, such as increasing state ownership in mining projects (e.g., Mali), requiring local processing (e.g., Guinea), and reviewing export contracts to align with international prices (e.g., Niger).

Some of these efforts have faced criticism for potentially violating World Trade Organization (WTO) rules. Export bans also pose risks around tax disputes, expropriation, and foreign investment screening (International Renewable Energy Agency, 2023). The criticisms highlight the need for a unified AU stance to defend the right of African countries to manage their resources (Fang, 2024: 811; Adeniran and Onyekwena, 2020: 4). A comprehensive African Green Minerals strategy is essential for realising these ambitions. Although the African Development Bank's 2022 approach paper provides a foundation, Africa lags behind other global actors in advancing such initiatives (African Natural Resources Management and Investment Center, 2022: 9–10; Jentel et al., 2024: 9). Strengthened policy frameworks, regional cooperation, and industrial integration will be crucial for transforming Africa into a pivotal player in the global green transition.

In African countries, only 10 to 15 percent of the value created is generated from mineral resources,[23] although it is estimated that Sub-Saharan Africa is endowed with about 30 percent of the world's proven reserves of critical minerals.[24] **Figures 2.5 and 2.6** show Africa's reserve and production capacity of critical minerals relative to the rest of the world. It must be noted that Africa possesses the greatest portion of the world's distribution and production of platinum group metals (PGMs), as well as other minerals. Effective governance of mineral resources is thus key to the realisation of continental strategies such as the African Union's Agenda 2063, because of the potential economic value that can be harnessed from the continent's critical mineral reserves.

23 African Natural Resources Centre (ANRC). (2021). Lithium - Cobalt Value Chain Analysis for Mineral Based Industrialization in Africa. African Development Bank. Abidjan, Côte d'Ivoire.

24 International Monetary Fund (IMF). (2024). "Digging for Opportunity: Harnessing Sub-Saharan Africa's Wealth in Critical Minerals." In Regional Economic Outlook: Sub-Saharan Africa—A Tepid and Pricey Recovery. Washington, DC, April.

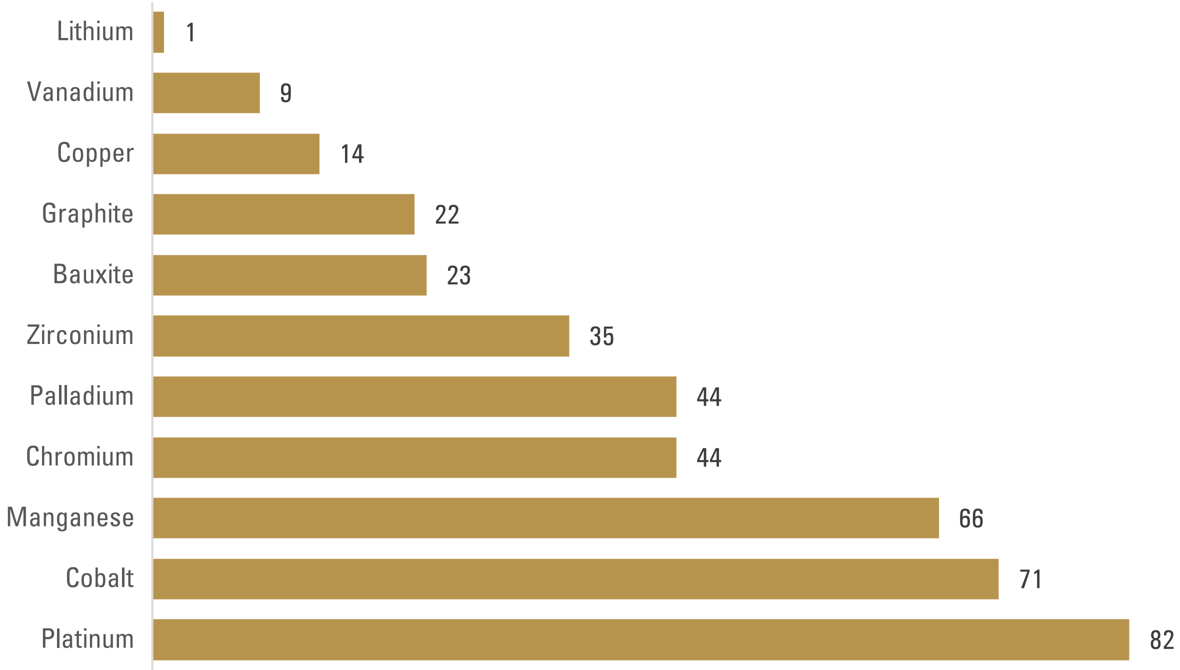


Figure 2.5: Percentage distribution of Africa's share of global production of selected critical minerals.
Source: UNCTAD, 2023[25]

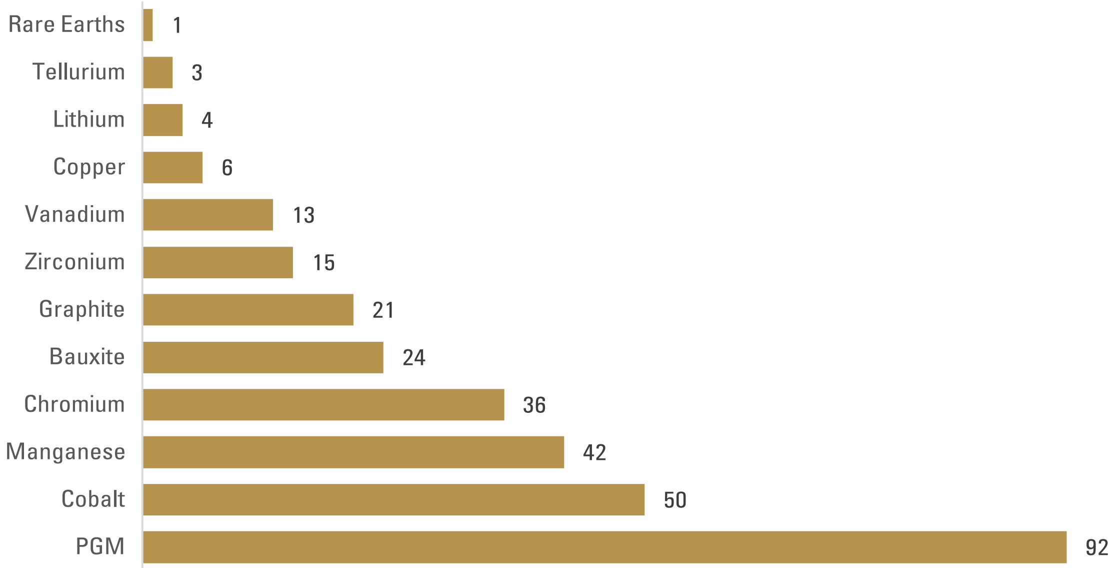


Figure 2.6: Distribution of Africa's share of global reserves of critical minerals
Source: UNCTAD, 2023

25 https://unctad.org/system/files/non-official-document/edar2023_BP1_en.pdf

It is recognised that the increase in the demand for access, use, and ownership of natural resources such as land, water, and minerals is a major cause of conflict globally and in African countries. In the last 60 years, at least 40 percent of all intrastate conflicts were linked to natural resources, driven by climate change-related resource scarcity, population increase, livelihood threats, and land disputes, among others.[26] These conflict drivers can be categorised into four principal types.

The first is growing competition for natural resources, the second is unresolved structural causes, the third is pressures from demands for development, and the fourth is deficiencies in natural resource management policies, programmes, and projects.[27]

Despite this apparent relationship, some states and international partners still treat the nexus between peace and security and natural resources governance as an insignificant dynamic due, in part, to the complex political economy context in which this linkage occurs. These conflict drivers are both endogenous and exogenous.

The AGR25 recognises that any timeous identification of risk multipliers for natural resource governance-related tension and conflict all require accurate information and methodical approaches. Conflict financing – the illicit extraction and commercialisation of natural resources – is a significant source of financing for armed groups, that sustains and prolongs conflict.

Two main types of war economies emerge in such contexts. The first, 'classic' war economies, involve mobilising national resources to sustain conflict. The second type thrives in informal economies where resource extraction coexists with widespread violence, often prolonging and intensifying conflicts. To mitigate conflicts and ensure sustainable development, Africa must adopt an integrated governance framework that balances inclusivity, transparency, and accountability. Initiatives such as the African Natural Resource Governance Architecture (ANRGA), Agenda 2063, and the Africa Mining Vision (AMV) offer opportunities to transform resource wealth into a foundation for equitable growth.[28]

Reimagining Africa's minerals governance architecture

Although each mineral sector has unique challenges, specific governance issues cut across all resource types. These include the need for capacity building, enforcement of existing regulatory frameworks, and mechanisms for equitable benefit-sharing. Moreover, integrating global sustainability goals, such as those outlined in the UN's Sustainable Development Goals (SDGs) and the AU's Agenda 2063, provides an overarching framework for improving governance across sectors. Sectoral analysis reveals that the governance of African minerals is both a challenge and an opportunity. By addressing sector-specific and cross-sectoral governance issues, African states can unlock the potential of their minerals to drive inclusive and sustainable development.

Green futures present Africa with an unprecedented opportunity to redefine natural resource governance. Africa must reimagine a resource governance architecture that takes advantage of this moment. However, before the continent begins to reimagine or shift resource governance at the global, national, and local levels, countries must acknowledge fundamental realities.

Firstly, Africa continues to export its raw minerals to North America, Europe, Asia, and Australia, and this position of Africa as a supplier is codified into policy from Europe and North America. The call to action envisions a future in which Africa transitions from being seen as a recipient of western financial assistance and a raw material exporter, to becoming the global centre of manufacturing, adding value to its own resources. Sustainability must be redefined to reflect Africa's realities, incorporating its historical and cultural contexts of value addition. This requires addressing how local value-addition practices from the precolonial period were replaced by a colonial system prioritising raw materials export and finished goods imports. Recognising these dynamics helps us understand the growing momentum within Africa to reclaim and enhance its capacity for value addition. Examples of export bans demonstrate both the progress and challenges African nations face in achieving this goal.

Secondly, to move forward, African nations must also jointly finance key projects instead of relying on external loans. To capitalise on this opportunity, Africa must make substantive investment in regional integration. Initiatives such as the African Continental Free Trade Area (AfCFTA) need to be fully ratified by all member states (Adeniran and Onyekwena, 2020). Cross-continental buy-in is essential to foster industrial growth and socioeconomic development.

Thirdly, while African countries must reclaim control over their narratives and secure more value from their mineral wealth, the role of foreign actors cannot be ignored. Any Green Minerals Strategy should focus on optimising value realisation from these partnerships. For instance, China's "infrastructure-for-minerals" approach offers significant opportunities for technical growth. Its deep integration into Africa's supply chains and mineral sectors could allow Africa countries to leverage expertise and build sustainable capacity (Müller, 2023).

26 https://ieg.worldbankgroup.org/blog/defueling-conflict-building-peace-through-natural-resource-governance

27 States Must Transform Natural Resources from Driver of Conflict into Development Tool to Foster Peace, Cooperation, Secretary-General Tells Security Council | Meetings Coverage and Press Releases

28 https://www.tralac.org/images/docs/11546/tana-2017-summary-on-the-theme-natural-resource-governance-in-africa.pdf

KEY FINDINGS:

- Africa holds 30 percent of the world's known mineral resources, including significant reserves of cobalt, platinum group metals, graphite, lithium, bauxite, and uranium, positioning the continent as crucial to the global green transition.
- Colonial exploitation created a legacy of raw material export dependency, limited local value addition, and fragmented economic systems. These historical inequities continue to hinder Africa's ability to fully integrate into global value chains, and industrialise.
- Only 10 to 15 percent of the value from mineral resources is retained in Africa, underscoring the need for local processing and manufacturing.
- Some countries have implemented policies to restrict raw material exports and promote local processing.
- Rising global competition for critical minerals, especially between China and western nations, has intensified Africa's strategic importance. The shift toward green economies provides Africa with an opportunity to leverage its resources for industrial growth and sustainability.
- Many African countries face governance challenges, including weak institutions, limited transparency, and inequitable distribution of resource revenues.
- Local communities often bear the environmental and social costs of resource extraction without sufficient benefits.

2.3.3 Governance of marine resources in Africa

The political economy of the marine sector involves a wide array of global, regional, national, and local actors; a lack of integrated governance mechanisms results in siloed approaches to managing marine resources. However, across the continent, a wide spectrum of actors have raised concerns over the governance of marine resources. For example, in South Africa, implementation of the "ocean economy" initiative has raised concerns among taxpayers, NGOs, and scholar-activists, who argue that social justice and environmental sustainability principles have been sidelined in favour of rapid economic growth. This approach risks undermining economic viability, ecological biodiversity, and exacerbating socioeconomic inequalities.[29]

The success of a blue economy, which promotes the use of ocean resources for economic growth, improved livelihoods, and jobs while preserving the health of ecosystems, depends largely on effective governance that prioritises the interests of citizens, rather than relying solely on top-down approaches.[30]

An study of the status of the blue economy in 11 African countries – Cameroon, Côte d'Ivoire, Kenya, Namibia, The Gambia, Madagascar, Seychelles, Tunisia, Egypt, Algeria, and Morocco – showed that projects with community involvement and ecological stewardship were more likely to achieve economic and conservation goals.[31] Fragmented governance undermines regional cooperation, resource management, and policy enforcement, all of which are essential for sustainable blue economy growth. For example, only 30 percent of Africa's maritime boundaries are fully delineated, a colonial legacy that may result in jurisdictional overlaps and disputes.[32]

Natural resources are central to maritime border disputes in Africa. The value of a defined sea area can exceed that of an equivalent unproductive land area, especially when it contains precious marine resources like oil and gas and diamonds. The continent's inadequate response to maritime boundary delimitation stems from its lack of transboundary and cross-jurisdiction governance frameworks. Nevertheless, unresolved delimitation issues are likely to affect state relations.[33]

29 Sowman, M., and Sunde, J. (2024). Integrating environmental sustainability and social justice principles into South Africa's Blue Economy Initiative: re-imagining the political economy of our ocean. *Frontiers in Ocean Sustainability*, 2, 1459496

30 Okafor-Yarwood, I., Kadagi, N.I., Miranda, N.A., Uku, J., Elegbede, I.O. and Adewumi, I.J. (2020). The blue economy–cultural livelihood–ecosystem conservation triangle: The African experience. *Frontiers in Marine Science*, 7, p.542908.

31 Ibid.

32 Walker, T. and Gaas, M. (2021). ICJ draws the line in Kenya and Somalia's troubled waters. Pretoria: ISS, 14.

33 Okonkwo, T. (2017). Maritime Boundaries Delimitation and Dispute Resolution in Africa. *Beijing Law Review*, 8, 55-78.

Historiography of marine resources exploitation in Africa

PRE-COLONIAL FISHERIES

Exploitation of marine resources in Africa spans more than 150,000 years, from the time modern humans began migrating to coastal areas. The discovery of numerous fish bones and shellfish remains from the Middle Stone Age along the southern African coastline is evidence of human fishing activity. During the same period, marine shells were collected, most likely for ornamental purposes. Archaeological findings indicate that aquatic environments have been used for survival and cultural activities for tens of thousands of years. Genetic and anatomical evidence from the South African coast confirms that humans expanded their diet to include marine resources about 164,000 years ago.[34]

There is evidence that local coastal communities, for example, those located near Accra in Ghana, consistently adopted new fishing methods and techniques.[35] Evidence from across Africa confirms that many communities have relied heavily on marine resources for their livelihoods. The Digo people, who have lived at Diani-Kinondo on the southern coastline of Kenya since the 16th century, exemplify this dependency.

Over time, fishing technologies have evolved significantly, especially with the introduction of spear guns and pull seines in the early 1970s. Coastal traditions have long embraced marine conservation practices, like limiting fishing gear, times, and locations. However, population growth has increased pressure on resources, particularly those that are commonly exploited, presenting an urgent environmental challenge. Addressing this issue is crucial to the sustainable use of marine resources and the preservation of biodiversity.[36]

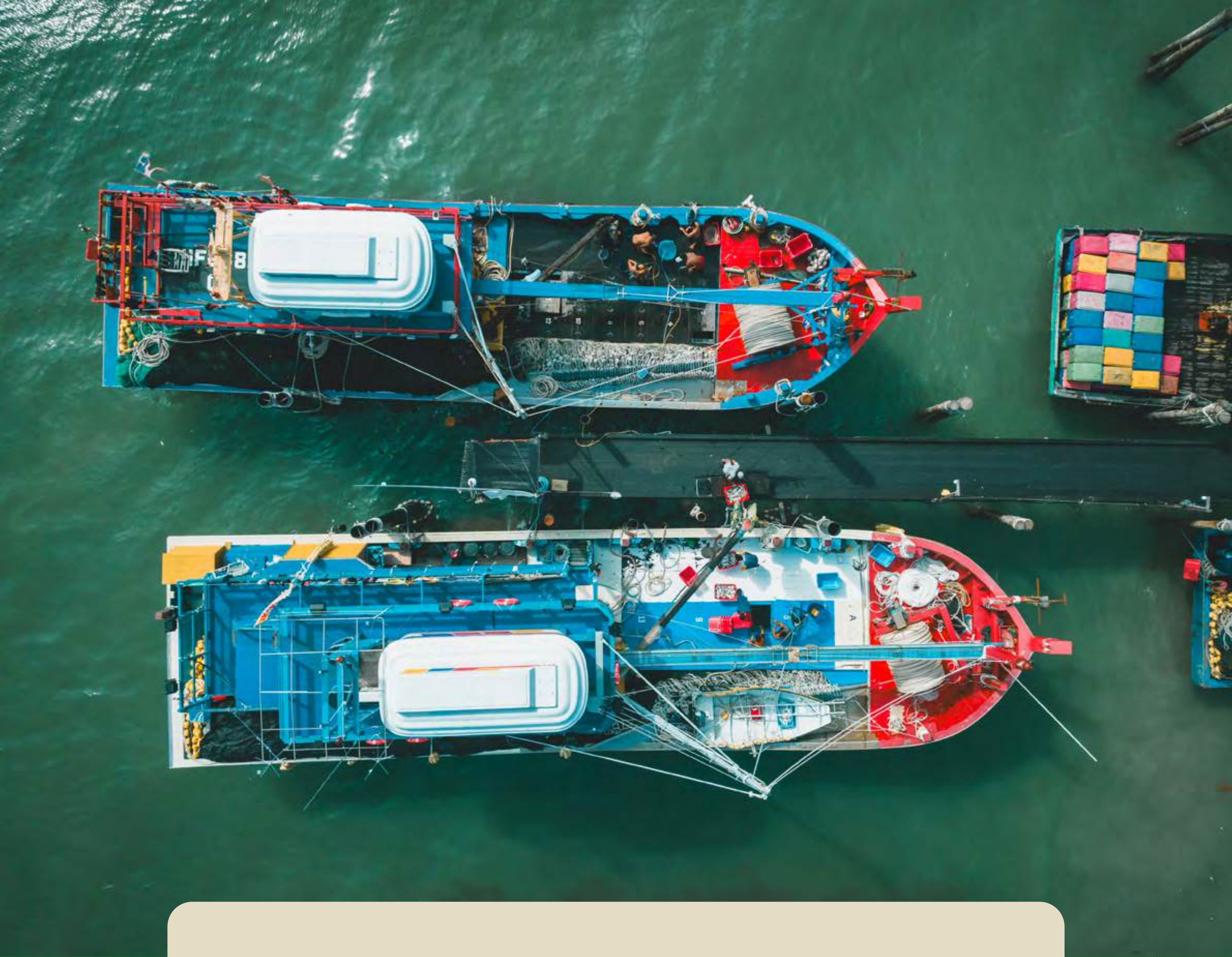
COLONIAL ERA (19TH TO EARLY 20TH CENTURY)

Akyeampong (2007) posits that indigenous knowledge systems (IKS) in Africa were undermined during colonial rule, which favoured western knowledge systems (WKS). This shaped the context of the development of 'scientific knowledge' about Africa. Fishing was considered much later than mining, forestry, and farming in colonial economic priorities, and this oversight persisted in post-colonial African governments.

34 Marean, C.W., et al., (2007). Early human use of marine resources and pigment in South Africa during the Middle Pleistocene. *Nature*, 449, pp. 905-908, doi: 10.1038/nature06204. BL shelfmark: 6045.000000

35 Akyeampong, E. (2007). Indigenous Knowledge and Maritime Fishing in West Africa: The Case of Ghana. In Indigenous Knowledge Systems and Sustainable Development: Relevance for Africa (Vol. 1, pp. 173-182). Kamla-Raj

36 McClanahan, T.R., Glaesel, H., Rubens, J., and Kiambo, R. (1997). The effects of traditional fisheries management on fisheries yields and the coral-reef ecosystems of southern Kenya. *Environmental Conservation*, 24(2), 105-120.



Encroachment by foreign fishing fleets

Hake is one of the most valuable and sought-after fish stocks globally and was found in large quantities in the late 1940s in the southeast Atlantic, in Namibian and South African waters, and to a lesser extent in southern Angola. By the 1950s, the knowledge of these abundant resources had spread, attracting large European freezer trawler fleets. Catches surged in the 1960s and 1970s, peaking at 1.1 million tonnes in 1972, with 300,000 tonnes from South African waters and the rest from Namibian waters. The International Commission for the Southeast Atlantic Fisheries (ICSEAF) was established in 1971 to regulate the fishery as a response to a decline in catch rates but despite measures such as minimum mesh size, international inspections, and member country allocations, catch rates continued to fall.

South Africa declared a 200-mile Exclusive Economic Zone (EEZ) in 1977, prohibited foreign fishing fleets in its waters and introduced individual company quotas in 1979 based on investment, historical and current performance, trawling capacity, and scientific survey results, which led to stock rebuilding. When Namibia gained independence in 1990, it declared its EEZ, expelled foreign hake-directed fleets, and ended ICSEAF. Surveys at the time revealed that hake stocks were overexploited and at dangerously low levels. To rebuild the stocks, a total allowable catch (TAC) of 50,000 tonnes was set in 1990. The lasting impact of colonial exploitation on marine resources, especially hake stocks, is still evident as the stocks have not yet recovered to productive levels. No benefit accrued to Namibia and South Africa from foreign fishing practices.

During the colonial period, European powers exploited Africa's natural resources heavily, including its fisheries. By prioritising export-oriented production they reorganised and modernised fisheries to serve colonial interests, often at the expense of African taxpayers and ecosystems.

Industrial fishing techniques introduced by European colonial authorities, such as the use of larger boats, trawlers, and mechanised gear, led to over-exploitation of fish stocks. A typical example is the European fishing fleet that almost depleted hake stocks in southern Africa before Namibia's independence in 1990 (Box 1). In addition, colonial policies aimed at infrastructural development, such as ports, fish processing plants, and refrigeration facilities, were implemented to export fish to European markets. This facilitated the growth of large-scale commercial fishing operations in some regions but displaced traditional small-scale fisheries.

Since the colonial era, many African countries have aimed to modernise artisanal fishing, modelling it after coloniser's industrial fisheries. In Senegal, for example, most fishing units were family-based, but changes in technology and rural-to-coastal migration led to labour being recruited from outside family circles.

Despite efforts to Europeanise the sector, indigenous practices persisted. In the 1950s, a successful motorisation programme began, largely within the ambit of government-supported fishers' cooperatives, that continued throughout the 1970s and new techniques such as purse seine fishing enhanced yields from artisanal fisheries. This led to a 90 percent vessel motorisation rate and increased capacity. However, many cooperatives failed by the mid-1980s due to, among others, debt, poor governance, and political interference. From independence to the 1970s, the new authorities gave priority to the industrial sector at the expense of artisanal fisheries.[37]

POST-INDEPENDENCE (MID-20TH CENTURY TO PRESENT)

After independence in the 1950s and 1960s, many African nations sought to develop their own fishing industries. Governments focused on increasing production, developing domestic markets, and establishing fishery management systems. Industrial fishing saw significant growth, often bolstered by foreign investments and joint ventures. This led to expansion of fishing fleets and contributed to the overexploitation of certain fish stocks, especially in west and north African waters and southern Africa. Many African countries struggle to regulate and manage their fisheries; open access to fisheries, poor enforcement of fishing regulations and an absence of sustainable management practices compounded by limited resources for monitoring, have led to the depletion of both marine and freshwater fish stocks.

In recent decades, there has been a rising interest in mariculture to supplement wild fish stocks and offer an alternative protein source. Currently, Egypt leads Africa in aquaculture production, with annual yields of almost 2 million tonnes, followed by Nigeria at around 300,000 tonnes. Although there is huge potential across Africa for the growth of the aquaculture sector, there are associated risks such as environmental degradation, spread of diseases and genetic contamination.

Major fisheries in Africa, such as sardines, are transboundary and shared by two or several coastal states. Therefore, the surest approach for sustainably managing shared fish stocks, addressing overfishing, and promoting their equitable use is through bilateral (joint management plans) arrangements or within the regional fisheries management organisations (RFMOs) established to promote cooperation among African countries (Table 2.2).

Table 2.2 Regional fisheries management organisations (RFMOs)

Regional fisheries body (RFB)	Region/countries covered
Southwest Indian Ocean Fisheries Commission (SWIOFC)	Comoros, France (Réunion), Madagascar, Mauritius, Mozambique, Seychelles, South Africa, Tanzania
Fishery Committee for the Eastern Central Atlantic (CECAF)	Angola, Cape Verde, Côte d'Ivoire, Gambia, Guinea, Guinea-Bissau, Liberia, Mauritania, Morocco, Namibia, Senegal, Sierra Leone, Spain (Canary Islands), Western Sahara
Sub-Regional Fisheries Commission (SRFC)	Cape Verde, Gambia, Guinea-Bissau, Mauritania, Senegal
Benguela Current Convention	Angola, Namibia and South Africa

37 Sarr, Mare, The Political Economy of Fisheries Reforms in Sénégal (May 2012). Available at SSRN: https://ssrn.com/abstract=2825111

Illegal, unreported and unregulated (IUU) fishing alone costs Africa approximately USD 11 billion annually, and depletes fish stocks vital for food security. According to Zoppi (2019),[38] IUU fishing is equivalent to no less than 37 percent of all catches in West Africa. The fishing regulations most often violated include limitations on access to certain fishing areas (such as within 12 nautical miles from the coast); limitations on the use of specific fishing tools and techniques (the width of the meshes of the nets or pair trawling); limitations on the fishing of some marine species; the amount of fish that can be fished and landed; overfishing of allowable catch; and, transfers of catches offshore (transhipment) from a fishing vessel to a large refrigerated cargo-type ship known as a reefer. Most coastal states, including Senegal and Ivory Coast, have banned transhipment.

Countries that are unable to enforce regulations through the implementation of an effective monitoring, control and surveillance system (for example, Sierra Leone) are negatively impacted. West Africa has attracted industrial fishing boats from all over the world, while monitoring, control and surveillance (MCS) remain utterly inadequate. No fewer than 340 Chinese industrial vessels, 100 to 120 European vessels and a few dozen vessels from Russia, South Korea and other countries have been reported in the seas of countries such as Gambia, Ghana, Guinea-Bissau, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone, and Togo (Zoppi, M., 2019).

A regional approach implemented through joint operations through the RECs and RFMOs might be the most effective way to address this challenge; the SADC is advanced in this regard, with the establishment of the fisheries Monitoring Control and Surveillance Coordination Centre (MCSCC) in Maputo. The SADC Protocol on Fisheries contains provisions for joint patrol and 'hot pursuits' of any vessel involved in IUU fishing. Although the Agreement on Port State Measures to Prevent, Deter and Eliminate Illegal, Unreported and Unregulated Fishing came into force in 2016 IUU-harvested fish products still find ways to market.

Coastal communities across West Africa and the Indian Ocean are particularly vulnerable to these impacts, which worsen poverty and undermine economic resilience. Small-scale fisheries play a crucial role in supporting coastal communities by offering livelihoods and economic opportunities and ensuring food security. However, their areas of operation often overlap with industrial fisheries, which increases competition for resources, risks of vessel collisions, and conflict between sectors, which threatens the sustainability of fish stocks, as has been seen in Angolan waters in recent times.

38 Zoppi, M. (2019). Global Illegal, Unreported and Unregulated (IUU) Fishing in West Africa: Recent Trends and Historical Legacies. *East African Journal of Social and Applied Sciences*, 1(2), 1-12.

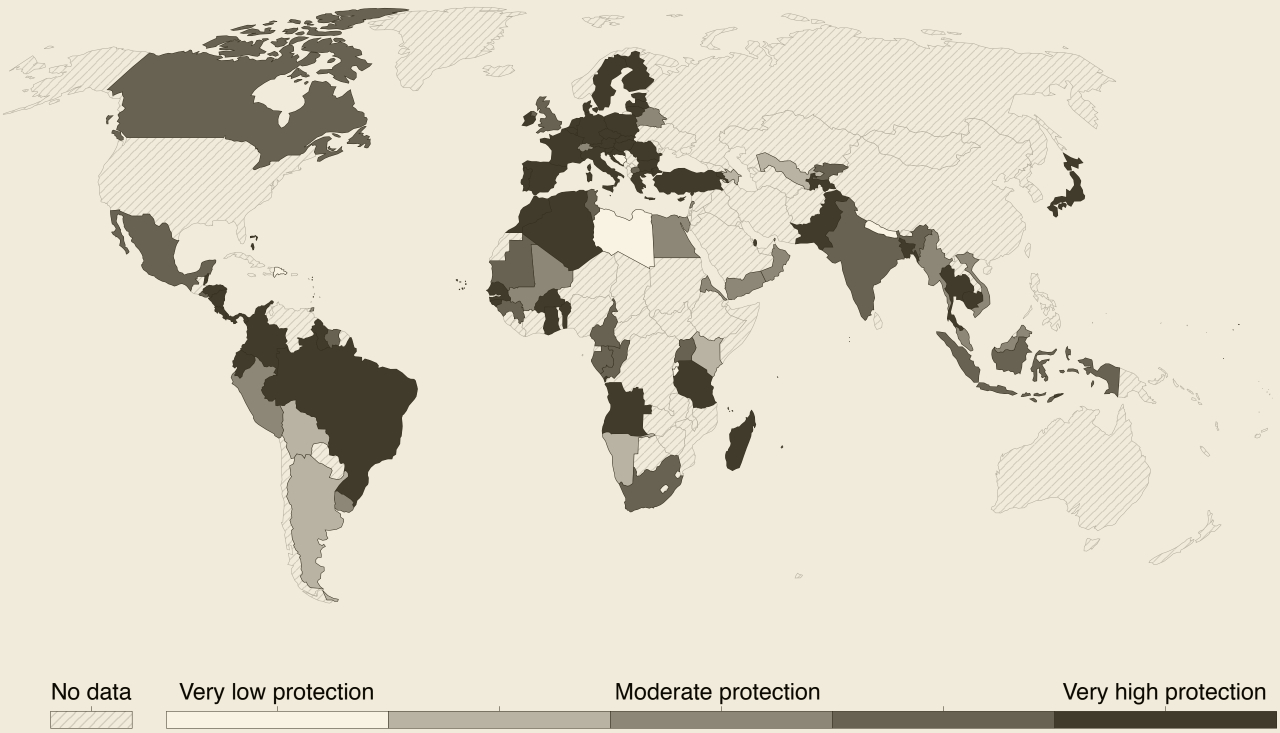


Figure 2.7 Protection of the rights of small-scale fisheries, 2024

Source: Food and Agriculture Organization of the United Nations, 2024, OurWorldinData.org/fishing-and-overfishing

When industrial vessels encroach on waters designated for artisanal fisheries, they engage in illegal activities that lead to significant economic, food security, and maritime safety challenges;39 local fish processors, particularly women, face hardships due to depleted fish stocks which leads to social and economic displacement within coastal communities.

The political economy of marine governance is important for Africa, due to its vast and underutilised marine resources. A growing global interest in Africa's blue economy highlights the need for African countries to devise strong governance mechanisms to ensure that marine resources contribute to sustainable development while avoiding external exploitation. Instruments such as the African Union's Integrated Maritime Strategy (2050 AIMS) provide frameworks for addressing these challenges and unlocking the potential of Africa's marine resources.

In July 1994, the UN General Assembly adopted an agreement relating to Implementation of Part XI of the UN Convention on the Law of the Sea, which established the framework for regulating deep seabed mining (DSM) in the international seabed area (the "Area"). Initially, Africa showed little interest in DSM, but in recent years, through the 2019 Africa Blue Economy Strategy, African countries have recognised the potential of sustainably developing deep seabed resources as a key driver for advancing the continent's blue economy. Interest in DSM has been growing, driven by the potential for exploiting critical minerals such as polymetallic sulphides, polymetallic nodules, cobalt, nickel, phosphorites, copper, and rare earth minerals, which are essential to the transition to a low-carbon economy.

As this transition is likely to impact terrestrial mining, investing in DSM has become an important consideration for Africa particularly as land-based mineral deposits/ reserves are being depleted. Therefore, the resources beneath the ocean floor are seen as the next frontier for mineral exploration and extraction.[40]

Despite the growing interest, the COVID-19 pandemic has disrupted efforts to finalise the necessary regulations concerning DSM.

39 Belhabib, D., Cheung, W.W., Kroodsma, D., Lam, V. W., Underwood, P. J., and Virdin, J. (2020). Catching industrial fishing incursions into inshore waters of Africa from space. *Fish and Fisheries*, 21(2), 379-392.

40 ISA, 2017. Marine mineral resources of Africa's continental shelf and adjacent international seabed area: Prospects for Sustainable Development of the African Maritime Domain in Support of Africa's Blue Economy. ISA Technical Study: No. 20. Kampala, Uganda 2-4 May 2017.

A major challenge is the lack of a coordinated approach among African countries and institutions engaged in DSM, which has slowed their ability to act collectively and more effectively as a unified region in this emerging sector. Other challenges include absence of significant research and development capacity, absence of seismic, geomorphological and geospatial information, and finance. These constraints hinder the ability of African states to maximise the potential of DSM. While other regions are making strides, Africa is yet to sponsor an entity to explore the international seabed area. A clear framework that prioritises environmental sustainability and research of the benefits and risks of engaging in DSM is required for increased engagement. To date ten African states sponsored a resolution that led to the United Nations General Assembly setting up an ad hoc committee and a standing committee to internationally study the peaceful uses of the seabed and ocean floor.[41]

2.5 Conclusion

Governance of natural resources is a cornerstone of Africa's development trajectory, presenting both challenges and opportunities. This chapter has explored the political economy dimensions of resource governance, highlighting the interplay between historical legacies, sectoral challenges, global governance paradigms, and the aspirations articulated in frameworks such as the African Union's Agenda 2063 and the United Nations Sustainable Development Goals (SDGs).

Ultimately, achieving the aspirations of Agenda 2063 and positioning Africa as a global leader in sustainable development requires a multifaceted approach. Strengthened institutions, community empowerment, regional cooperation, and technological innovation are essential to this effort. Furthermore, asserting African agency in international negotiations will be critical to redefining the continent's role in the global political economy.

Africa's natural resources are not merely commodities but catalysts for industrialisation and transformation. By reimagining a governance architecture that prioritises equity, accountability, and sustainability, African states can ensure that their resources will benefit present and future generations. This vision aligns with Africa's developmental goals and global imperatives for a more equitable and sustainable world. The time to act is now – it always has been. ■

41 Ibid

CHAPTER 3

EVOLUTION OF THE NORMATIVE FRAMEWORK FOR NATURAL RESOURCE GOVERNANCE

Natural resources are central to efforts to ensure a united and prosperous Africa. Through the Organisation of African Unity (OAU), African Heads of State and Government,[42] have declared their conscious responsibility to harness the natural and human resources of the African continent for the advancement of African peoples in all spheres of human endeavour.[43] The OAU Charter provides, as one of its cardinal purposes, the coordination and intensification of cooperation and efforts aimed at achieving a better life for the peoples of Africa.[44]

To give firm expression to these OAU objectives and principles at its tenth anniversary on 25 May 1973 in Addis Ababa, Ethiopia, the OAU Heads of State and Government adopted the landmark African Declaration on Cooperation Development and Economic Independence,[45] which outlines the sacrosanct principles of collective and individual action by all African States on cooperation, development and economic independence. The Declaration, further underscored that effective mobilisation of vast natural resources of the continent could be greatly facilitated by a high degree of economic integration.

42 The Charter of the Organisation of African Unity (OAU) adopted on 25 May, 1963, accessed on 19 October, 2024, https://au.int/sites/default/files/treaties/7759-file-oau_charter_1963.pdf

43 Ibid. Preamble to the OAU Charter.

44 Ibid. Article II (1)(b) of the OAU Charter.

45 Resolution , CM/ST/ 12 (XXI), adopted by the 10th Ordinary Session of the OAU Assembly of Heads of State and Government on 25 May, 1973, accessed on 19 December, 2024, https://archives.au.int/handle/123456789/5947

To maximise realised value from the continent's natural resources, the OAU Heads of State and Government, through the African Declaration on Cooperation Development and Economic Independence,[46] also committed themselves to, amongst other things:

- Undertake a systematic survey of all Africa's resources, with a view to their rational utilisation and joint exploitation and where appropriate, in order to accelerate the continent's developments;
- Defend vigorously continually and jointly, the African countries' inalienable sovereign rights and control over their natural resources;
- Intensify cooperation in the multinational exploitation of rivers and lakes and basins;
- Promote the exchange of information concerning the exploitation and use of water for supplying towns and industries;
- Exploit, for development purposes, Africa's hydroelectric potential on a multinational, sub-regional and basis, and, wherever possible, intensify the use of other sources of energy such as solar and thermal energy whose utilisation can be progressively substituted for that of wood and help to halt the processes of land being transformed into desert and the increased incidence of drought in Africa;
- Protect Africa's sea and ocean resources coming within national jurisdictions effectively and jointly from international over exploitation by the developed countries;
- Rationally harness, on a continental basis, the research of the sea bed and ocean floor outside national jurisdiction for the benefit of Africa's development and of its peoples and lastly, ensure full participation of Africa's landlocked countries.

46 Ibid.

The landmark OAU Declaration on Cooperation Development and Economic Independence was concretised through the adoption, in July 1979, of the **Monrovia Guidelines and Measures for National and Collective Self-Reliance in Social and Economic Development for the Establishment of a New International Economic Order** (Monrovia Declaration).[47] The OAU Heads of State and Government, through the Monrovia Declaration, acknowledged that Africa is a vast continent amply endowed with natural resources of all kinds, provided with a potentially rich human resource base and capable of a rapid transformation of its economies and improvement in the standard of living of its peoples. The Assembly also expressed their determination to ensure that African states, individually and collectively, restructure their economic and social strategies and programmes to achieve rapid socioeconomic change and establish a solid domestic and intra-African base for a self-sustaining, self-reliant development and economic growth.

To this end, member states committed themselves to cooperating in the field of natural resources control, exploration, extraction, and rapid socioeconomic transformation of African states and the creation of a dynamic, interdependent African economy. The Assembly held the firm view that this would create conditions for the creation of an African Common Market and, eventually, the African Economic Community.

In order to effect firm measures for the implementation of the Monrovia Declaration, the OAU Heads of State and Government devoted a summit in 1980 to Africa's economic problems,[48] and decided to adopt the Lagos Plan of Action.[49] The Lagos Plan of Action asserted that the major issues confronting Africa in the field of natural resource development include: lack of information on natural resource endowment of large and unexplored areas and the activities of transnational corporations dealing with natural resource assessments; lack of adequate capacity (capital, skills and technology) for the development of these resources; a considerable dependence on foreign transnational corporations for the development of a narrow range of African natural resources selected by these corporations to supply new material needs of the developed countries; an inadequate share in the value added generated by the exploitation of natural resources of member states due to imperfect pricing and marketing practices; non-integration of the raw materials exporting industries into the national economies of the member states thus impeding backward and forward linkages; an extremely low level of development and utilisation of those natural resources of no interest to foreign transnational corporations; and, disappointingly, low general contribution of natural resources endowment to socioeconomic development. Thes factors prevent member states from exercising meaningful and permanent sovereignty over their natural resources.

The **Lagos Plan of Action** further outlined the following key strategies for the African countries in their natural resource development:

- Undertake assessments of their natural resource endowments and make use of information on natural resource distribution and availability for national and African multinational socioeconomic development projects intended to produce goods and services to meet the needs of member states.
- Integrate natural resource development into national and African multinational socioeconomic development programmes and projects to encourage complementarity of the different natural resources available in various member states in the production process and promote backward and forward linkages that development of natural resources can generate within the African economies.
- Undertake comprehensive manpower, technology and capital needs surveys for natural resource development activities to enable countries to pool their resources for implementation of national and African multinational natural resource development programmes and projects.
- Strengthen existing national and African multinational institutions that deal with natural resource development and conservation activities at all levels, including training, research, production, processing, fabrication, marketing, finance, etc., and establishing of new activities.
- Harmonise national natural resource development policies to create a favourable environment for cooperative efforts by member states in the development of their natural resources to meet people's socioeconomic needs.
- Work closely with the international community and other non-African agencies involved in natural resource development in the region, so that external resources are directed principally to natural resource development projects that promote and sustain cooperative arrangements among member states, to enable the region to obtain the fullest possible development benefits flowing from regional linkages.

The final provision of the **Lagos Plan of Action** reaffirmed the commitment to establish by the year 2000, on the basis of

47 Declaration, AHG/ST. 3 (XVI) Rev.1, adopted at the 16th Ordinary Session of the OAU Assembly of Heads of State and Government held in Monrovia, Liberia from 17 to 20 July, 1979, accessed on 19 December, 2024, https://archives.au.int/bitstream/handle/123456789/835/AHG%20St%203%20%28XVI%29%20_E.pdf?sequence=1andisAllowed=y

48 The Second Extraordinary Session of the OAU Assembly of Heads of State and Government held in Lagos, Nigeria 28-29 April, 1980, accessed 20 December, 2024, https://www.resakss.org/sites/default/files/OAU%201980%20Lagos%20Plan%20of%20Action%20for%20the%20Economic%20Development%20of%20Africa.pdf

49 The Lagos Plan of Action, accessed 20 December 2024, https://www.nepad.org/publication/lagos-plan-of-action

a treaty to be concluded, an African Economic Community, to ensure the economic, social, and cultural integration of our continent. This community shall aim to promote collective, accelerated, self-reliant and self-sustaining development of member states; cooperation among these states; and their integration in the economic, social and cultural fields.

The **Treaty Establishing the African Economic Community (AEC), also known as the Abuja Treaty**, adopted in 1991[50] added to the emphasis laid out by the Monrovia Declaration and Lagos Plan of Action by calling for deeper economic integration through natural resource governance, resource-based economic development and cooperation, sustainable exploitation, industrialisation and value addition, and capacity building and research, among other issues. The Treaty remains the basis of Africa's integration and effective governance of its natural resources.

These instruments are prime examples of the OAU's collective action for economic liberation and encouragement of African States to use their natural resources for industrialisation, self-reliance and economic development by promoting intra-African trade. In September 1999, the OAU was transformed into the African Union (AU), the Constitutive Act of the AU was adopted in July 2000 and entered into force in May 2001.[51] The AU Constitutive Act provides amongst its primary objectives the promotion of sustainable development at the economic, social and cultural levels as well as the integration of African economies and the promotion of cooperation in all fields of human action to raise the living conditions of African people.[52] Among the fundamental principles of the AU is the promotion of self-reliance within the framework of the Union.[53]

The **African Union Vision**[54] provides foresight and the ultimate ideal of the continent consolidates the vision of both the OAU and the AU and states the importance of creating, "An integrated, prosperous and peaceful Africa, driven by its own citizens and representing a dynamic force in global arena."[55] The Vision places an emphasis on citizens to drive development and focuses on integration as one objective.

Agenda 2063, the master plan for sustainable development of the continent, outlines the strategic pillars of how this AU vision could be realised within 50 years. AU Agenda 2063 enumerates aspirations and goals to realise the vision and objectives of the AU speedily. Aspiration 1 of AU Agenda 2063 aims at achieving a prosperous Africa based on inclusive growth and sustainable development. Included in the strategic goals of Aspiration 1 of Agenda 2063 is to transform Africa's economies through beneficiation from Africa's natural resources, manufacturing, industrialisation, and value addition, as well as raising productivity and competitiveness.

As part of the AU Agenda 2063 flagship projects, the Union adopted the **Continental Commodities Strategy** which aims to position Africa as a key player in global trade by addressing value chain development within the frameworks of land resources, the blue economy, and mineral resources.

The strategy also underscores the fact that African leaders prioritised industrialisation by adopting the **Accelerated Industrial Development for Africa (AIDA)** plan of action in 2018. This initiative focuses on developing and implementing industrial policies that improve investment and mining codes to support local mineral resource processing. It also encourages countries to allocate a portion of earnings from commodity price surges toward economic diversification, investment, and industrial development. AIDA brings Aspiration 1 of Agenda 2063 to life by aiming to transform Africa's economy from resource-dependent to a diversified and industrialised economy.

On this basis, the AU's normative frameworks have provided specific guidance on natural resource governance, including land, mineral, and marine resources. However, it is also imperative to mention the cross-cutting normative frameworks that affirm the importance of natural resource governance in ensuring human development, namely the African Charter on Human and People's Rights (ACHPR) (1981),[56] which calls for equitable sharing of benefits from natural resources and recognises the human rights of communities to their wealth emphasising the importance of fairness and justice in the management and distribution. The African Charter on Democracy, Elections, and Governance (ACDEG) (2007)[57] emphasises the importance of inclusive governance and equitable access to natural resources as key strategies for conflict prevention and the avoidance of marginalisation of communities by promoting transparency, accountability, and fair distribution of resources, and addressing systemic inequalities that often fuel tensions and instability.

50 The Treaty Establishing the African Economic Community, accessed 18 December 2024, https://au.int/en/treaties/treaty-establishing-african-economic-community

51 Constitutive Act of the African Union, accessed 18 December 2024, https://au.int/sites/default/files/pages/34873-file-constitutiveact_en.pdf

52 Ibid.

53 Ibid.

54 Vision of the African Union, accessed 18 December 2024, https://au.int/en/about/vision

55 Ibid.

56 The African Charter on Human and People's Rights (ACHPR), accessed 20 December 2024, https://au.int/en/treaties/african-charter-human-and-peoples-rights

57 The African Charter on Democracy, Elections, and Governance (ACDEG) (2007), accessed 20 December 2024, https://au.int/en/treaties/african-charter-democracy-elections-and-governance

3.1 Land resource governance

Land governance in Africa is regulated by different normative frameworks.[58] Regional and national frameworks vary depending on when they were compiled, how they are implemented and whether they are binding or non-binding. At the national level, every country has its own normative frameworks established under formally recognised laws and customary mechanisms.

Successful implementation of Aspiration 1 of the African Union's Agenda 2063, focusing on environmentally sustainable and climate-resilient economies and communities, hinges on prioritising investment in the productive and sustainable use of land. Several normative frameworks were developed, mainly aimed at addressing land governance challenges, and paving the way to realise Agenda 2063's Aspirations.

The **African Union Declaration on Land Issues and Challenges in Africa** (2009) was adopted by the African Heads of State and Government during their thirteenth Ordinary Session held in July 2009. This declaration enumerates the importance of land as a key component of natural resource governance and indispensable in achieving sustainable socioeconomic development. The declaration prioritises policy guidance to address land-related challenges and promote sustainable development, calls for equitable access to land to reduce poverty and tackle systematic land issues that may impede the advancement of broader developmental aspirations of the continent. The declaration encourages regional economic communities (RECs) to mainstream land governance issues in common frameworks, policies and protocols, and convene common dialogue platforms for knowledge exchange. The declaration also urges the AU to establish coordination and monitoring mechanisms to track progress and work with partners for joint resource mobilisation to aid its full implementation.

The **Framework and Guidelines on Land Policy in Africa** (2009)[59] is a technical tool for implementation of the Declaration on Land Issues, developed by the AU in collaboration with UNECA and AfDB. The framework supports member states to formulate and implement land policies to enhance land rights, increase productivity and improve livelihoods and provides detailed steps for member states to address land issues. It operationalises the declaration with a concrete roadmap for implementation, monitoring and evaluation.

The Framework and Guidelines urge African governments to, among other things:

- Improve land delivery and administration systems.
- Ensure that there is an adequate budgetary provision to develop and implement land policy.
- Ensure popular participation by all stakeholders in land policy formulation and implementation.
- Ensure that land is properly administered for preserving peace and security.
- Acknowledge the legitimacy of indigenous land rights;
- Strengthen the land rights of women; and,
- Ensure that land governance is integrated or mainstreamed in development and poverty reduction programmes as well as decision making.

The **African Union Land Governance Strategy** (2021),[60] advances implementation of the land declaration and the framework and guidelines on land policy, provides a mechanism to support member states with equitable and transparent land governance, improve land administration systems, secure land tenure for their citizens, and report on progress on implementation of the land declaration.

The **Malabo Declaration on Accelerated Agricultural Growth and Transformation for Shared Prosperity and Improved Livelihoods** (2014) which specifies land tenure as a commitment area in agriculture. It also highlights good land policies and management as key to achieving agricultural transformation with equitable access to land. Further, it underscores secure land rights as being critical to investment and sustainable land management. The key performance targets and indicators for monitoring and reporting on the Malabo Declaration for Agriculture include land governance-related targets and indicators. The recommendation is that 100 percent of farm households have ownership or secure land rights by 2025.

The above instruments provide a robust normative foundation on land governance to promote equitable access to land, sustainable resource management, and resolution of land-related challenges, ultimately contributing to Agenda 2063.

58 AUC-ECA-AfDB Consortium, (2010). 'Land Policy in Africa: A Framework to Strengthen Land Rights, Enhance Productivity and Secure Livelihoods' Vol 1 pp. 5-11.

59 United Nations Economic Commission for Africa (UNECA); International Fund for Agricultural Development; United Nations Centre for Human Settlements; SIDA; United Nations Development Programme; United Nations Food and Agriculture Organization; African Development Bank (2009). Framework and guidelines on land policy in Africa. Available at https://hdl.handle.net/10855/2070 (Accessed: 18 December, 2024).

60 African Union Land Governance Strategy, accessed 18 December 2024, https://au.int/sites/default/files/documents/40547-doc-DRAFT_LAND_GOVERNANCE_STRATEGY_1_June_2021.pdf

3.2 Mineral resource governance

The African Mining Vision (AMV)61 adopted by Heads of State and Government in February 2029 in Addis Ababa, Ethiopia, is the principal normative instrument that recognises Africa's mining potential and aims to ensure the continent's mineral resources are used optimally, equitably, and transparently.

The AMV takes a holistic approach that focuses on integrating mining into developmental policies at the national, regional, and continental levels through knowledge-based mining practices, sustainable and well-governed mining sector, and environmentally conscious actions that fulfil social responsibility as key components to ensure the mining sector contributes to the sustainable development of African economies.

The AMV believes Africa's mining industry can catapult Africa to greater heights in economic development by insisting on value addition, mineral beneficiation and manufacturing, linkages to mining capital goods, consumables and services, infrastructure skills and technology and mutually beneficial partnerships with the private sector and mineral endowment for human capacity development.

Despite its potential to drive economic transformation, the African minerals sector is unfortunately also a source of illicit financial flows (IFFs). Illegal extraction and trade of minerals continue to haemorrhage the continent's resources. The African Union (AU) Declaration on Illicit Financial Flows (2015) addresses IFFs of minerals from Africa.

The declaration focuses on governance of extractive resources by emphasising the need for transparency, and accountability, to curb outflows of Africa's natural resources do contribute fully to its development focusing on fair trade practices, and taxation in the extractive industries to guarantee the revenue from mining indeed goes to long term community based sustainable development.

It is also essential to recognise that the African mining sector is associated with human and people's rights violations that exploit vulnerable workers, unsafe working conditions, and inadequate pay with children conscripted for forced labour in hazardous mining activities. The ACHPR Working group on Extractive industries, Environment and Human Rights Violations in Africa (WGEI) has contributed to African jurisprudence by providing a thorough study and policy recommendations to prevent and manage the impacts of human rights in the mining sector.

Given the continent's mineral resource endowment, the mining sector's potential in achieving Agenda 2063 is undeniable. When harnessed effectively, the mining industry can be pivotal in driving industrialisation, creating jobs, and fostering economic growth in Africa. Among many other things, these frameworks provide the basis for mining activities to contribute positively to sustainable development by promoting responsible mining practices, minimising environmental degradation, and ensuring that Africa's natural wealth is used in a way that supports growth and protects ecosystems and communities for future generations.

61 The African Mining Vision, accessed 18 December 2024, https://au.int/sites/default/files/documents/30995-doc-africa_mining_vision_english_1.pdf

3.3 Marine resource governance and the blue economy

Africa's coastal territory spans 13 million square kilometres, making it one of the world's most ecologically diverse coastal regions. The vast expanse of oceans – the Atlantic in the west, the Mediterranean in the north, the Red Sea in the east and Indian Ocean to the south-east – collectively covers Africa's costal territory of 38 African nations and seven island states, and their abundance of aquatic resources.[62] These resources include fish and minerals, and potential for marine energy and maritime trade routes, and hold significant economic, cultural, and ecological importance not only to member states with sea access but to all 55 member states of the African Union.

The 2050 African Union's Integrated Maritime Strategy was adopted in 2014 in recognition of the abundance of marine resources and the potential of the blue economy to guarantee sustainable development. The strategy aims to promote Africa's maritime resources and security by recognising the importance of African coastlines and their linkage with maritime trade routes, which are key to the continent's development, peace and security.

The strategy, adopted by the Heads of State and Government of the African Union, presents a compelling vision and clarity in utilising the blue economy as a key pillar for economic and social development with the potential to improve the lives of African citizens. Furthermore, the strategy focuses on maritime governance and calls for a coordinated approach to managing maritime resources, prioritises maritime security and sea lanes, promotes sustainable use of marine resources and protection, infrastructure development, and the promotion of cooperation between the RECs, AU, and member states to unlock Africa's blue economy.

The strategy also addresses illegal activities like toxic waste dumping, oil spills, piracy, and trafficking, and addresses the need for conservation and safety of life, research innovation and maritime sector developments, including infrastructure logistics and job creation.

The AU developed the African Charter on Maritime Security, Safety and Development in Africa (Lome Charter),63 adopted in 2016, to boost implementation of the 2050 maritime strategy and establish a comprehensive approach to maritime governance and collaborative efforts on maritime security globally. The Lome Charter is focused on combatting illegal activities, improving Africa's maritime security, promoting safety at sea, ensuring sustainable exploitation, and promoting cooperation and innovation.

The African Union Blue Economy Strategy of 2019 also builds on the 2050 maritime strategy and the Lome Charter by further emphasising the need for sustainable development of Africa's oceans, seas, and water bodies by boosting regional integration and cooperation, and securing blue economy livelihoods and sustainable economic growth through mainstreaming environmental protection.

Africa's blue economy is a fulcrum for economic development of African nations. Although it is not exhaustive, the normative framework presented above presents the strategies and tools put in place to harness the blue economy by providing a structural approach to sustainable development and innovation. Harnessing the blue economy can propel economic growth and contribute to the vision presented in Agenda 2063.

62 AU-IBAR, (2019). Africa Blue Economy Strategy, Accessed 18 December 2024, https://osf.io/3vy94?view_only=ea6924dc03bd4f728f5635e81ee6bfc6

63 African Charter on Maritime Security and Safety and development in Africa (Lome Charter) , accessed 18 December 2024, https://au.int/sites/default/files/treaties/37286-treaty-african_charter_on_maritime_security.pdf

3.4 Normative frameworks of regional economic communities

Regional economic communities (RECs), the building blocks of the African Union, are at the forefront of integration and cooperation on the continent, some of which pre-dates formation of the AU. Normative frameworks developed by the RECs play a critical role in shaping natural resource governance in Africa by focusing on land, marine, and mineral resources.

- The **Land Governance Strategy 2019** developed by the Intergovernmental Authority on Development (IGAD)[64] aims to build the capacity of member states to implement land reforms.
- The **Economic Community of West African States** (ECOWAS) passed its Regional Agricultural Policy (ECOWAP)[65] in 2005, to address the sustainable use of land for agriculture.
- The **Natural Resources and Wildlife Framework of 2024**[66] developed by the South African Development Community (SADC) focuses on sustainable use of wildlife as the basis for economic development.
- The **East African Community (EAC) Climate Change Policy** 2011[67] provides guidance on reducing vulnerability to climate change.

These instruments form part of the basis of the efforts of RECs to harmonise land policies, and ensure equitable access and sustainable land use. RECs continue to build support for member states with programmes and support facilities that assist member states in implementing the normative frameworks on land governance.

With regard to mineral development, ECOWAS's Mineral Development Policy of 2011,[68] the SADC's Protocol on Mining of 1997, EAC's Mining Bill, and the efforts made by Common Market for East and Southern Africa (COMESA) to implement the African Mining Vision are examples of the richness of the REC's normative framework and can accelerate the implementation of AU instruments.

The REC's targeted support on mineral governance – specifically on sustainable and transparent management of mineral resources – give a cooperation framework on the mining sector, and, most importantly, enhance regional integration by aligning visions for broad-based economic development.

The blue economy sectors are no different; RECs have played a significant role in guiding the alignment of member states with Africa's Maritime Strategy. ECOWAS's Integrated Maritime Strategy (EIMS)[69] of 2014, the SADC protocol on Fisheries 2001,[70] and IGAD's Blue Economy Strategy (2021–2025)[71] are prime examples of REC instruments that advance the blue economy. These regional instruments emphasise implementation of AU instruments by providing detailed guidance for member states to utilise the marine sector for sustainable economic development.

The AU and RECs have developed a promising normative framework backed by clear strategies on natural resource governance to realise the sustainable development, and the economic growth and prosperity that all Africans seek. These frameworks dovetail into the greater aspiration set out on Agenda 2063 and provide a comprehensive set of guidelines aimed at transforming Africa's economic landscape, enhancing regional integration, and improving the well-being of its citizens. Coupled with a robust implementation regime and financial and institutional capacity, these normative frameworks can translate into tangible outcomes, fostering sustainable growth. This behemoth task requires a collective effort from all member states, regional organisations, civil society, and citizens to realise and ultimately build the Africa we all want. ■

64 Intergovernmental Authority on Development (IGAD)'s Land Governance Strategy 2019, accessed on 20 December 2024, https://land.igad.int/index.php/documents-1/strategies/1856-igad-land-governance-strategy/file

65 Economic Community of West African States (ECOWAS) Regional Agricultural Policy (ECOWAP), accessed 20 December 2024, https://ecowap.ecowas.int

66 South African Development Community (SADC)'s Natural Resources and Wildlife Framework of 2024, accessed 20 December 2024

67 The East African Community (EAC) Climate Change Policy 2011, accessed 20 December 2024, https://www.eac.int/environment/climate-change/eac-climate-change-policy-framework

68 ECOWAS's Mineral Development Policy of 2011, 20 December 2024, https://old22.ecowas.int/wp-content/uploads/2017/11/2011_annual-report-.pdf

69 ECOWAS. Integrated Maritime Strategy, accessed 20 December 2024, https://old22.ecowas.int/wp-content/uploads/2019/05/EIMS-English-final.pdf

70 SADC (2001) Protocol on Fisheries, accessed 20 December 2024, https://www.sadc.int/sites/default/files/2021-08/SADC_Protocol_on_Fisheries.pdf

71 IGAD. Blue Economy Strategy (2021-2025), accessed 20 December 2024, https://igad.int/wp-content/uploads/2022/03/IGAD-Blue-Strategy-Draft.pdf

CHAPTER 4

NATURAL RESOURCE GOVERNANCE: TRENDS, CHALLENGES AND PROSPECTS

Governance of natural resources in Africa is imperative – to ensure that sought-after resources drive sustainable economic growth, improve the quality of lives, and contribute to lasting peace and political stability in Africa. In the last 60 years, natural resource governance in Africa has shaped the social, economic, and political landscapes in complex ways, giving rise to trends and challenges that still affect sustainable development, peace, and security in Africa. As illustrated in previous chapters of this report, both pre-colonial and colonial periods in Africa have left a legacy of natural resource governance characterised by exploitation and looting, that has made African economies dependent on manufacturing; this has resulted in significant underdevelopment of its land, mineral and marine sectors.

The introduction of good governance concepts has ensured participation by various stakeholders including international and continental institutions, practitioners, academia, civil society, and trade unions demanding effective governance, transparency, accountability, and participation in matters that concern the governance of natural resources. Despite Africa's challenges around the governance of its natural resources (land, minerals and marine/blue economy) there are opportunities that Africa's leadership and people need to seize to improve governance of these resources, bearing in mind the demographic surge expected in Africa. There are promising undertakings that African countries can capitalise on.

Building on the normative framework in the previous chapter, Chapter 4 uses the three components of the AGR25 analytical framework – enabling environment, value realisation, and revenue management – to explore emerging and persistent governance trends and challenges affecting land, mineral, and marine resources in Africa. It also discusses potential opportunities to improve governance of these resources to transform economic growth in Africa. International, continental, and regional instruments developed for national economies, form the basis of effective policy and regulatory frameworks for the governance of natural resources in Africa. Growing global demand for natural resources is an opportunity for Africa to undertake a governance shift to address challenges such as corruption, inadequate regulations, and political instability that impede effective governance of natural resources.

4.1. Land resources

Land is one of the most significant – and contested – natural resources in Africa. Historically, governance of land has shaped the continent's socioeconomic and political landscape. Its importance extends beyond traditional use of land and natural features to encompass a range of rights – mining, pastoral, farming, commercial, and residential, etc., each of which is linked to various socioeconomic activities. Governance of land in Africa is fraught with challenges, including weak legal frameworks, overlapping tenure systems, corruption, and inadequate land policies. Effective land governance is essential to ensure that land is used equitably and sustainably, particularly in the context of growing internal and external investment for economic growth.

Colonial land policies affected the social, political and economic aspects of land governance in Africa and caused significant complexities and contestations around laws and policies of land systems in post-colonial Africa, now coupled with pressure to industrialise the continent. The high demand of land for various developmental projects, land policy reforms and other continental and regional instruments is unearthing issues that reveal the importance of land resources. It calls for governments and other relevant entities to ensure good governance of, and practices around, land as a non-renewable natural resource that enables the achievement of sustainable socioeconomic development, peace, and security in Africa.

4.1.1 An enabling environment for governance of land

Continental, regional and national frameworks support African Union member states to formulate and implement effective land policies, enhance land rights, increase productivity and improve livelihoods and provide detailed steps for member states to address land issues. The continental frameworks and guidelines for land governance which include the African Union Declaration on Land Issues and Challenges in Africa (2009) and African Union Land Governance Strategy (2021),[72] are explained in section 3.1 of Chapter 3.

Regional land institutions

At the sub-regional level, Africa's regional institutions, such as the Land Governance Strategy 2019 developed by the Intergovernmental Authority on Development (IGAD), aims to building the capacity of member states to implement land reforms. IGAD established a Land Governance Unit to lead their Land Policy Governance Project. This unit and project explicitly derive their mandate from the AU Declaration on Land Issues and Challenges in Africa.

The Economic Community of West African States (ECOWAS) enacted its Regional Agricultural Policy (ECOWAP) in 2005 to address sustainable use of land for agriculture. The SADC'S Natural Resources and Wildlife Framework of 2024 focuses on sustainable use of wildlife for economic development. The SADC has also established a Regional Land Reform Technical Support Facility, in response to common land problems faced by member states, including racially unequal land distribution, and political challenges faced in relation to financial and technical support from international donors.

National regulatory frameworks

At national level, regulatory frameworks of land governance are found in the constitutions, and land-related laws and policies of AU member states, and in customary and religious dicta. Two basic principles underline most national constitutions: legal systems, and laws on the question of land ownership.[73] The first is the right to private ownership, which gives absolute control and exclusive rights based on legal, state-conferred ownership.[74] The second common and fundamental principle underlying national land laws is the regalian doctrine, which holds that all land belongs to the state.[75]

Every country established its own normative frameworks under formally recognised laws and customary mechanisms. In recent decades African governments have introduced land reforms for better governance of this natural resource. Institutions such as national land commissions and national land centres, among others, have been established to regulate land use, planning, and development.

72 African Union Land Governance Strategy. Available at: https://au.int/sites/default/files/documents/40547-doc-DRAFT_LAND_GOVERNANCE_STRATEGY_1_June_2021.pdf. (Accessed: 18 December 2024).

73 Kasimbazi, E. (2017). 'Land Tenure and Rights for Improved Land Management and Sustainable Development', *Global Land Outlook Working Paper*. Published by UNCCD. Available at: https://www.unccd.int/sites/default/files/2018-06/5.%20Land%2BTenure%2Band%2BRights__E_Kasimbazi.pdf. (Accessed: 18 December 2024).

74 Ibid

75 Ibid

Challenges to land tenure systems

The duality of land laws stemming from both customary and statutory land tenure systems have created challenges to land tenure systems in most African countries, affecting development, ownership, and sustainable livelihoods in general.

Land tenure insecurity: The AGR25 establishes that Africa has various land ownership systems, such as freehold, leasehold, customary, and state ownership which presents several challenges to effective land governance. Firstly, Africa's land tenure systems, rooted in colonial practices, led to unequal land distribution and dual land tenure systems, particularly in eastern and southern Africa, where a small percentage of the population controls most of the land. Secondly, the dualistic approach to tenure systems resulting from colonialism in some African countries has had a marked effect on land administration practices. Despite efforts to reform legal frameworks, insecure land tenure remains, leaving many, particularly rural women, youth and the poor, landless and vulnerable.

Land access: In Africa, access to land is often limited, which disproportionately affects the poor, women, and youth.[76] Several factors contribute to this, including a growing population that exerts pressure on land resources, land degradation, and policies and laws that are ill-suited to govern land rights effectively. Additionally, the limited implementation of customary land regulations, a backlog of overlapping and contested land claims, and informal occupations, further complicate access to land. Similarly, high transaction costs associated with land deals and increasing opacity in land ownership and control, driven by large companies investing in agricultural land and infrastructure development exacerbate the challenge.

Land governance institutions: The land sector like in other sectors, institutional effectiveness demands strong public sector and administrative institutions which are transparent, predictable and accountable to the people, as well as legal and regulatory frameworks that encourage and protect civil society. However, current land institutions and practices are strongly embedded in the history and culture of African countries, dating back to pre-colonial, colonial and post-independence periods. Land administration institutions are tasked with judicial, regulatory, fiscal, cadastral and conflict resolution functions, but their roles are generally restricted to land under formal tenure arrangements. These institutions often fail to deliver on their mandates, and do not function well because of weak technical and human capacities, as well as outdated equipment and their limited spatial coverage.

76 Lund, C., Odgaard, R., and Sjaastad, E. (2006). Land Rights and Land Conflicts in Africa: A review of issues and experiences. Copenhagen: DIIS. Available at: https://pure.diis.dk/ws/files/68278/Land_rights_and_land_conflicts_in_Africa_a_review_of_issues_and_experiences.pdf Accessed: 17 December 2024).

Land conflicts and wider political influences: Land conflicts in Africa are driven by several factors such as population pressure on land and resources, natural disasters like droughts and floods, and land degradation.[77] Other triggers include unclear legal interpretation of traditional land rights, poor land governance, land set aside for conservation, and exploitation of natural resources like timber, minerals, and water.[78] Armed conflict and political instability also contribute to the escalation of land disputes.[79]

Access to land in post-conflict reconstruction: Conflict in parts of Africa affect development and poverty reduction. Struggles for control of natural resources and the power and revenue they yield are frequently at the root of these conflicts. Furthermore, competition for access to land between social groups serves to inflame ethnic tensions that are susceptible to political manipulation. Conflict often leads to illegal seizure of land resources by armed groups because countries in conflict are unable to resolve land policy issues. In post-conflict settings like Rwanda, South Sudan, DRC, Mozambique and Angola there are overlapping sets of land claims and cycles of civil conflict have produced successive waves and associated groups of long-term refugees and returnees in need of resettlement.

4.1.2 Optimising value realisation of land

Land is a capital asset that needs to be properly utilised and governed to produce dividends. Many factors affect how land value optimisation can be achieved. The AGR25 highlights the following key trends in the optimisation of land usage.

Land commodification refers to land as a marketable commodity that can be bought and sold.[80] In Africa, this has resulted in rising land prices, increased competition that leads to conflict, the emergence of new actors such as land brokers, private developers, and real estate companies, as well as corruption.[81]

77 FAO (1995). Land and environmental degradation and desertification in Africa. Available at: https://www.fao.org/4/x5318e/x5318e00.htm#Contents. (Accessed 19 December 2024).

78 USAID (2013). Land Tenure and Property Rights Framework. Available at: https://www.land-links.org/wp-content/uploads/2016/09/USAID_Land_Tenure_Framework.pdf. (Accessed 19 December 2024)

79 Ibid.

80 Quan, J., Tan, S., and Toulmin, C. (2004). Land in Africa: market asset or secure livelihood? International Institute for Environment and Development. pp 122-130. Available at: https://www.iied.org/sites/default/files/pdfs/migrate/12516IIED.pdf

81 Ibid.

Urban and peri-urban land issues: In 2020, an estimated 51.3 percent of Africa's urban population lived in slums, much higher than the global average of 24.4 percent.[82] Rapid urbanisation is creating significant challenges for land policy, as the demand for housing, settlement, and urban livelihoods (including urban agriculture) continues to rise. This places pressure on peri-urban land and local government services, such as water, sanitation, and waste management. In many cities, the demand for land exceeds the capacity of governments to respond effectively. For example, Dar es Salaam's population grew by 756,000 people in just three years, from 7.4 million in 2021 to 8.2 million in 2024. The city's social infrastructure is struggling to keep pace. In Manzini, less than half the population lives in formal housing, and in Mozambique, urban development has stagnated since colonial times. Even Mauritius, which is economically better equipped to manage urbanisation, is concerned about the impact of uncontrolled sprawl on prime agricultural land and service provision.

Foreign investment and large-scale land deals: Foreign investment in Africa's land is growing substantially; internal and external investments both have the potential to drive economic growth, reduce unemployment and contribute to poverty reduction. However, the socioeconomic impacts of such investments are often uneven, with benefits accruing disproportionately to political elites and foreign corporations, while African taxpayers bear the brunt of negative externalities such as displacement, environmental degradation, land dispossession, displacement, and social unrest.

Large-scale land acquisitions, often referred to as 'land grabs', have been criticised for prioritising the interests of foreign investors over the rights and needs of local populations. In countries like Tanzania and Sierra Leone, foreign agricultural investments have failed to deliver promised employment opportunities or infrastructure improvements, leading to frustration and opposition from African taxpayers (Chachage, 2013). Additionally, the environmental consequences of poorly regulated investments, particularly in mining and large-scale agriculture, have had lasting effects on ecosystems and local livelihoods. The practice of land grabbing or large-scale land transfer in Africa displaces African taxpayers on one hand and undermines their livelihoods and food security on the other. Another example is that of the Gambella region in Ethiopia where the land of seven communities was seized by investors.[83] This has led many community members to apply for food aid to offset lost production.[84]

82 United Nations Statistics Division, Make cities and human settlements inclusive, safe, resilient and sustainable. Available at: https://unstats.un.org/sdgs/report/2023/goal-11/ (Accessed 20 December 2024).

83 Damtew, S. G. (2019). Land-grabbing and the right to adequate food in Ethiopia. African Human Rights Law Journal, 19(1), 219-245. Available at: http://dx.doi.org/10.17159/1996-2096/2019/v19n1a11 (Accessed 4 January 2025).

84 Ibid.

4.1.3 Revenue management for land

In Africa, there are significant opportunities to enhance revenue management for land governance by improving land valuation systems, which can ensure more accurate reporting and maximise revenue generation. Streamlining land transactions by reducing high transaction costs and promoting transparency would encourage more efficient land use and boost revenue. Strengthening land tax policies, ensuring equitable distribution of land-derived revenues, and addressing overlapping land ownership claims can foster fairer resource allocation.

Land acquisition and compensation: Land acquisition and compensation in Africa involves the process of acquiring land for public purposes and compensating those whose interests are affected. The land acquisition projects in Africa are driven by a variety of factors. These include infrastructure development such as the need for roads, electricity and other infrastructure to support economic development, natural resources development such as minerals, oil, and other resources to meet global demand, the need for land to support a growing population, the need for land to resettle people affected by natural disasters, wars, and conflict, the need for land to preserve, conserve, and restore the environment. Most urban areas in Africa are experiencing a surge of projects ranging from residential and commercial building projects, recreational spaces, real estates, conservancies and other touristic spaces among others to maximise revenues for economic growth.

Land acquisition in Africa can have several negative effects on African taxpayers, including permanently take away land from African taxpayers, including common land and low financial compensation. This can lead to a loss of agricultural production, food security, and livestock, displacement from land can lead to a loss of income and livelihoods and can exacerbate unemployment and affects social and society and family cohesion.

Land registration systems: Land registration in Africa is limited, with only about 10 percent of land formally documented and just 4 percent of land in capital cities registered.[85] Land information systems, land data and digitalisation of land records are still a challenge in most African countries. The lack of effective land administration and land information systems, especially on customary land, is a major challenge to effective land governance and revenue collection.

In some African countries, land title registration can take from 6 months to 10 years or more in some countries, as functions are frequently split between multiple government agencies and departments, some of which have conflicting and unclear mandates. In addition, there

85 Economist, The. (2020) 'The quest for secure property rights in Africa Handing out title deeds is not enough, *The Economist* September 12 2020. Available https://www.economist.com/middle-east-and-africa/2020/09/12/the-quest-for-secure-property-rights-in-africa. Accessed: 20 December 2024).

is a shortage of land management experts, and access to land institutions is restricted. As a result, land remains unsecured through proper registration, and land disputes are not effectively addressed. To address this Rwanda and Mauritius have digitalised their land administration and information systems to improve efficiency in land governance. As of 2019, it takes seven days to transfer land in Rwanda compared to an average of more than 40 days in other African countries.[86]

In many countries, land registration systems are not working optimally; they are expensive, complex and slow. The bundle of land rights allocated to landowners or users is still limited in countries that recognise individual land ownership and issue land titles but still exercise the restrictions on land rent or sale.

4.1.4 Prospects for improved land resource governance in Africa

Some key prospects for improving land resource governance in Africa are listed below:

The African Union Land Policy Centre (AULPC): Formerly known as the Land Policy Initiative, AULPC is the AU's Think Tank on land governance. The AULPC's framework and guidelines documents on land policy in Africa has organised annual conferences to bring African intellectuals (academic communities), practitioners, government bodies, and policy makers together to share the knowledge from all these sectors. The AULPC's goals are to assist and support governments in developing effective and inclusive land policies and benchmarking of good practice and strengthen institutional and administrative capacities needed for effective land governance. The AULPC can be leveraged to craft effective policies that influence people's lives, support the efforts of governments, and correct inefficiencies that undermine land policy reforms.

Embracing and leveraging technology for effective land governance: The AGR25 establishes that there is a growing demand for better land governance through laws and policies or by implementing land governance reforms. This is evident in the importance that African citizens attach to land ownership and the call for accountability in the governance of land.

86 Ibid.

The establishment of partnerships between the private sector, national universities and government institutions to provide technological know-how including geographic information systems (GIS), promoting the use of drone imagery data, and digitalisation of land records are significant endeavours to invest in for promotion of fairness, transparency, equity, and sustainability in land governance systems.

Africa's land governance is embedded in tradition and culture: Traditional land governance systems are part of how African people define themselves, and thus hold virtues and attributes that should be explored rather than abolished in favour of external land governance institutions that do not necessarily benefit African people. Some countries in Africa have developed new land policies that bring cultural traditional institutions into statutory law. In Tanzania, the Village Land Act stems from land governance reforms that consider traditional institutions. In Malawi, freehold tenure has been abolished and replaced by a new tenure category called 'the customary estate'. In Ghana and Sierra Leone, traditional African land governance systems have been recognised under national law and adapted to contribute to economic growth.

Adoption of e-governance systems: The AGR25 notes the plethora of institutions, agencies and traditional authorities in the governance of natural resources in general and in land resources particularly that lack proper coordination and collaboration to deliver services. The digital revolution should not leave Africa behind but rather be leveraged to innovatively serve Africa's natural resources governance and boost their contribution to economic growth and development. The 2018 survey by the United Nations Department of Economic and Social Affairs (UNDESA) showed that exploiting digital e-governance has far-reaching potential to improve institutional processes, efficacy, efficiency and effectiveness in public service delivery87 and in ensure transparency, accountability, corruption prevention and other governance malpractices. In many African countries, developing and promoting electronic services is likely to improve land governance by creating an enabling environment, value optimisation and revenue management. South Africa, Mauritius, Seychelles, and Rwanda are reaping the benefits of e-government in delivering public services.[88]

87 United Nations Department of Economic and Social Affairs. (2018). "United Nations E-Government Survey 2018: Gearing e-government to support transformation towards sustainable and resilient societies". Available at https://publicadministration.un.org/egovkb/portals/egovkb/documents/un/2018-survey/e-government%20survey%202018_final%20for%20web.pdf. Accessed on 12 January 2025.

88 Africa Brains (2024) "Digital Government Africa 2024: Africa's digital Ministerial Summit." Available at https://africa-digital.com/2024/e-government-for-africa. Accessed on 12 January 2025.

4.2 Mineral resources

To transform the African continent into a superpower through good mineral resource governance, it is essential to begin by acknowledging existing challenges while adopting a clear, strategic, and proactive approach. Africa's mineral resources hold significant potential for economic growth and development and poverty alleviation, but effective governance of these resources is crucial. The demand for critical minerals is escalating globally, necessitating an increase in the supply of these minerals. It is imperative to address the traditional and historical challenges that characterise Africa's mineral resource governance and embrace initiatives to improve governance of critical minerals. This report elaborates on the opportunities and challenges associated with minerals in Africa in previous chapters; key trends and prospects are discussed below through the lenses of an enabling environment, value realisation, and revenue management.

4.2.1 An enabling environment for mineral resources

As highlighted in this report, Africa is endowed with vast reserves of mineral resources. However, the continent's position as a major global resource supplier has been influenced by its history of exploitative colonial extraction systems that focused on exporting raw materials, and left behind weak institutions and economic dependency. This legacy has contributed to socioeconomic inequalities and structural challenges in many resource-rich African nations. To address these issues, frameworks such as African Mining Vision (AMV) and African Mineral Resources Classification (AMREC) have been established to encourage development-focused mining practices, strengthen local economic connections, ensure equitable benefit sharing, and promote sustainable resource governance systems.

This report recognises the regional minerals initiatives of organisations such as the African Union (AU), the Southern African Development Community (SADC), and the Economic Community of West African States (ECOWAS). However, there is still a lack of effective cross-border coordination in the mining sector, which weakens the continent's ability to negotiate as a unified bloc in international forums and reduces its influence in shaping global mining policy. To strengthen the enabling framework at a continental level, African nations are encouraged to work towards greater cohesion within regional organisations like the AU, SADC, and ECOWAS. A unified regional stance would significantly enhance Africa's negotiating power in international mining discussions, allowing the continent to present common positions on mining policy and equitable resource management. Strong regional cooperation would also facilitate the exchange of best practices and collective bargaining in trade agreements, leading to better outcomes for all parties involved.

This report recognises that creating an enabling environment is essential for attracting investment, ensuring adherence to regulatory standards, and promoting sustainable resource use. Significant progress in mineral resource governance has already been made across Africa through improving governance mechanisms that support such environments. The key findings and prospects regarding the enabling environment for mineral resources are highlighted below:

Taxation and illicit financial flows

Taxation and illicit financial flows (IFFs) are critical considerations for countries rich in natural resources, particularly in Africa. While the extraction of natural resources has the potential to generate significant revenue for governments, weak tax systems, lack of transparency, and inadequate regulatory frameworks often result in the loss of substantial amounts of revenue. The limited ability to effectively tax natural resources not only hinders economic development but also perpetuates poverty and inequality. Addressing these issues requires a comprehensive approach, combining robust tax systems, enhanced transparency, stronger regulatory frameworks, and international cooperation to curb illicit financial flows and ensure that the wealth generated from natural resources translates into sustainable economic growth and improved living standards for citizens.

TAXATION OF MINERAL RESOURCES

Agenda 2063 emphasises the importance of strengthening domestic resource mobilisation for sustainable development. It seeks to source 75 to 90 percent of development financing domestically, but has been hindered by ineffective taxation of mineral resources. Many African countries struggle to convert their mineral wealth into tangible economic growth and improved living standards, partly due to challenges in effectively taxing the extractive sector. The contribution of the extractives sector to domestic revenues remains modest; between 2009 and 2019, the mining sector accounted for 8.8 percent of GDP, 8.1 percent of domestic revenue, and 51.2 percent of total exports across 15 resource-rich countries in sub-Saharan Africa.

Extraction of minerals often fetches a fee, rent or royalty. Mineral royalty or mineral rent is the "payment to the holder of the mineral rights as compensation for the extraction and alienation of minerals from the land. Where private ownership of mineral rights is allowed, mineral royalties are payable directly to the holder of the rights as opposed to public ownership, where the host government or its nominee collects the royalties."[89]

Although mining rents, as a percentage of GDP, remain low, there are opportunities to improve productivity through more efficient resource management. Strong institutions is critical to transforming resource wealth into sustainable economic prosperity. One example is Zambia's **Mineral Value Chain Monitoring Project (MVCMP)**, which physically monitors resources from extraction to exportation, and collects accurate data on production volumes, mineral grades, and sale values.

TAX POLICY

Sliding royalty rates have been introduced or modified in several member states. Unlike fixed royalty rates, which are a percentage of revenues regardless of price fluctuations, sliding royalties increase with higher mineral prices or profits, which benefits governments when markets are favourable. Many African countries are now reviewing and phasing out such incentives to ensure they do not undermine revenue collection. A critical issue has been the erosion of potential revenue due to generous tax incentives and stabilisation clauses in mining contracts. Evidence suggests that these incentives often fail to attract investment but still reduce the tax base. African Mining Vision calls for greater regional cooperation among African countries to harmonise tax policies, share best practices, and prevent undermining of the tax bases of other countries through aggressive tax competition. This was also recommended by the AU High-Level Panel (HLP) report on Illicit Financial Flows from Africa, which outlines the need for member states to strengthen the enforcement of tax laws and improve cross-border cooperation among African countries in order to reduce the opportunities for regulatory arbitrage.

ILLICIT FINANCIAL FLOWS

Africa's heavy reliance on natural resource revenues for economic and social development creates vulnerabilities to illicit financial flows (IFFs) – sophisticated transnational corporate practices that erode the tax base. IFFs are defined as illegally earned, transferred, or utilised money and are facilitated by the complex, cross-border nature of global value chains in the extractives sector. These chains often involve trade misinvoicing and manipulation, exacerbated by weak import–export controls, regulatory asymmetries, inadequate oversight mechanisms, and poor inter-agency and inter-governmental data sharing (UNECA, 2015; Global Financial Integrity, 2017).

Trade misinvoicing involves manipulating the price, quantity, or quality of a good or service on an invoice so as to shift capital illicitly across borders.[90] **Transfer pricing** is used by multinational corporations to shift profits out of the countries in which they operate and into tax havens. The technique involves a multinational selling itself goods and services at an artificially high price using its subsidiary in a tax haven to charge an inflated cost.[91]

Furthermore, financial systems with complex corporate ownership structures and tax havens amplify these risks, and set Africa's extractives sector up as a prime target for exploitation and corruption (UNECA, 2015). A 2015 report by the African Union estimated that Africa lost up to USD 1.8 trillion between 1970 and 2008 and continues to lose up to USD 150 billion annually through IFF or 'Illicit Capital Flight' mainly through tax evasion, mispricing of trade and services by multi-national companies.[92] This landmark report of the High-Level Panel on IFFs in Africa[93] identified IFFs as a critical challenge for the continent because they undermine economic growth, structural transformation, and governance by depleting resources intended for development. The report calls for identifying and recovering lost financial resources to finance Africa's development agenda but implementation is hindered by limited political will, weak coordination between countries, and insufficient technical capacity. The AU Assembly's Special Declaration on IFF (2015) acknowledges that Illicit financial flows are aggravated by factors that include corruption within government agencies, weak institutions at both national and continental levels, political instability, conflicts, ineffective tax administration, and insufficient capacity to monitor and address such criminal activities.[94]

To address IFFs effectively, Africa must reduce its reliance on natural resource revenues and instead focus on domestic resource creation and mobilisation, which involves leveraging domestic banking systems to create and direct credit into productive sectors, utilising existing financial resources from domestic capital markets, and enhancing sovereign credit systems independent of prior savings (UNECA, 2015; UNECA, 2017). Such measures would strengthen Africa's ability to finance economic growth and structural transformation without depending on volatile extractive revenues.

89 Cawood, FT & Minnitt, R. C. A. (2002). Identification and distribution of mineral rents in southern Africa. *Journal of the Southern African Institute of Mining and Metallurgy*, 102(5), 289–297. The South African Institute of Mining and Metallurgy, 2002. SA ISSN 0038–223X/3.00 + 0.00. Paper received Nov. 2001; revised paper received Feb. 2002.

90 Trade Misinvoicing – Global Financial Integrity. https://gfintegrity.org/issue/trade-misinvoicing/?print=1 [accessed 12/01/2025]

91 Tax Justice Network. https://taxjustice.net/faq/what-is-transfer-pricing/ [accessed 13/01/2025]

92 https://au.int/sites/default/files/documents/29831-doc-assembly_declaration_on_illicit_financial_flow_-_english.pdf

93 Lépissier, A., & Cobham, A. (2015). *Report of the High Level Panel on Illicit Financial Flows from Africa*. Commissioned by the AU/ECA Conference of Ministers of Finance, Planning and Economic Development.

94 https://au.int/en/documents/20150218/assembly-special-declaration-illicit-financial-flows

Breaking the nexus between natural resources and IFFs requires strengthening governance, improving inter-agency cooperation, enhancing transparency, and fostering regional and global collaboration (UNECA, 2015). By adopting innovative financing strategies and prioritising domestic capacity building, Africa can mitigate the developmental harm caused by IFFs and unlock its resource wealth for sustainable development.[95]

Recommendations on IFFs and taxation

Establishment of specialised units: Building the capacity of tax authorities in order to develop effective and fair tax frameworks in the mining sector can be achieved by establishing specialised units within tax bodies to manage the complexities of mining taxation. Units of this kind would have the expertise to understand geological data, cost structures, and profitability, enabling tax authorities to assess the true value of mining operations, ensure proper tax collection and help to mitigate IFFs.

Strengthening inter-agency coordination: Close coordination between various government agencies for effective tax administration ensures that revenue authorities, mining regulators, and other relevant entities share vital information, leading to better oversight and more efficient management of mining taxation. This integrated approach ensures that tax systems remain robust and adaptable to the sector's evolving challenges. It is also one of the recommendations of the African Union High Level Panel on Illicit Financial Flows towards combatting IFFs. This is critical because addressing this challenge requires multiple institutions including tax, customs, law enforcement, anti-corruption, financial regulation and prosecuting authorities.

Flexible tax models ensure that fiscal regimes remain responsive to both market volatility and long-term sustainability. One such model is the sliding royalty rate, which adjusts in response to fluctuations in commodity prices, allowing governments to capture a larger share of profits during periods of high prices while maintaining a competitive investment climate during downturns.

Whole-of-government approach in investment agreements: African countries are encouraged to adopt a whole-of-government approach when negotiating investment agreements, ensuring that all relevant sectors are involved in the process. They are also advised to develop policies that incorporate taxation issues within these agreements to prevent costly disputes and expensive resolution processes in the future. In so doing governments can retain control over their tax regimes while ensuring that they remain flexible and capable of adjusting to new circumstances.

Promoting contract transparency: Public disclosure of financial information would support tax authorities in identifying risks, improving tax audits, and designing more effective policies.

Tailoring measurement approaches: The challenges in the measurement of IFFs signal the need for a shift towards methods of measurement that are consistent with data dynamics in Africa. This may include having to tailor the method of measurement to the data supported or specifically available in a country. Sectoral or national data necessary to undertake measurement of IFFs is often held by a range of agencies, which necessitates data and information exchange among agencies.

Shifting the focus from taxation to beneficiation: It is suggested that the prevailing notion – that taxes are primarily for revenue generation – be reconsidered and that African governments view their extractive sectors through the lens of beneficiation (value creation and addition). It is argued that economic growth and structural transformation can occur even without the need to extract natural resources purely for taxation purposes. Governments could stimulate long-term growth and reduce their dependence on taxes from raw mineral extraction by focusing on creating value from resources through value-added industries, local processing, and export diversification. This approach will enable African countries to transform their economies into diversified and sustainable models, rather than relying solely on natural resource exports.

4.2.2 Optimising value realisation of mineral resources

Figure 4.1 below, shows that between 2017 and 2021, African nations benefitted significantly from their extractives industries, with minerals, oil, and gas contributing greatly to national economies. Angola, for example, derived up to USD 20 billion from these sectors, which accounted for up 31 percent of its GDP in 2021, and DRC derived USD 7 billion (2017); Ghana, Tanzania, and Burkina Faso saw contributions ranging from USD 3 billion to USD 5 billion. These figures underscore the crucial role that extractive industries play in the economic growth of these nations. Notably, Angola, DRC, Ghana, and Tanzania stand out for the substantial share these industries represent in their GDPs.

95 UNECA. (2015). Illicit Financial Flows: Report of the High-Level Panel on Illicit Financial Flows from Africa. Available at: https://repository.uneca.org/ds2/stream/?#/documents/0ca955c2-2e56-5120-a605-9e8a7566c7d3/page/3 [Accessed 12 Jan. 2025].

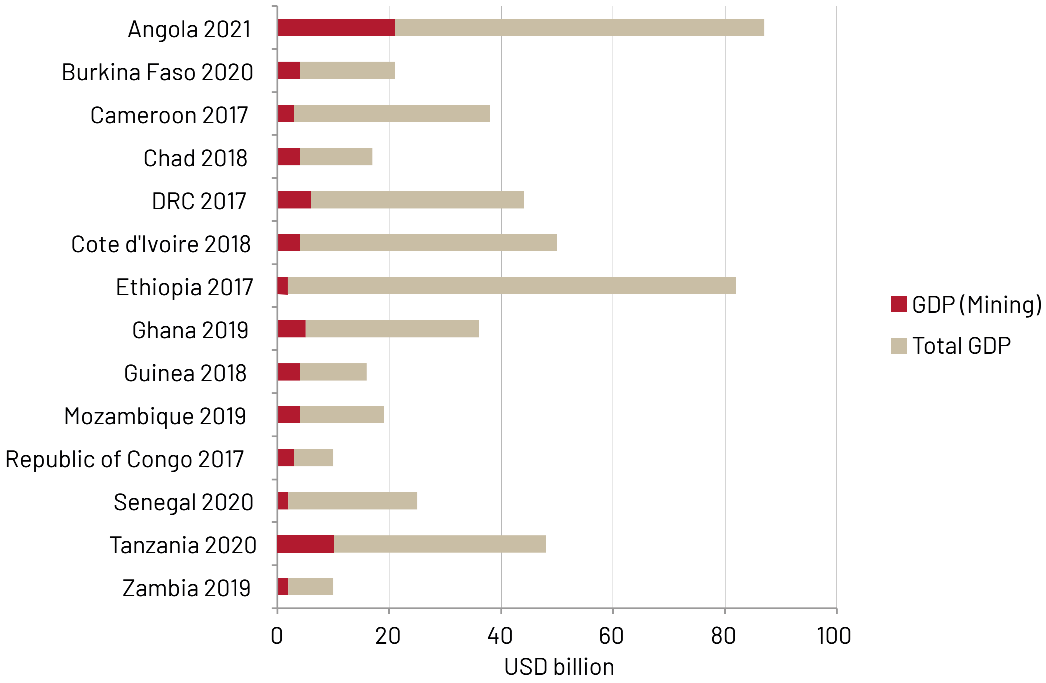


Figure 4.1: Contribution of Minerals and Oil/Gas to GDP

Source: Author plot using EITI data, 2024[96]

Transparency is a key aspect of value realisation and a cornerstone of effective resource governance because it ensures equitable distribution of benefits from extractive industries and contributes to economic growth. African countries involved in the Extractive Industries Transparency Initiative (EITI) have made significant strides in establishing mechanisms for disclosing production and export volumes, as well as allocation of revenues from resource extraction. For example, Ghana and Liberia have implemented robust reporting systems that provide detailed information on resource flows from production sites to export terminals, allowing stakeholders to track and verify the data. There is room for other African countries to improve in this area.

Equally important are developments in the global technological revolution and the shift toward cleaner energy sources (wind, solar, geothermal, and nuclear) which are driving the demand for critical minerals. While there are initiatives to ensure that Africa positions itself strategically to meet this growing demand, there are still challenges including inadequate beneficiation minerals infrastructure on the continent. Additionally, many African nations lack comprehensive geological surveys to assess their mineral potential.

State-owned enterprises (SOEs) are another important dimension of trends in value realisation. While they play a crucial role in Africa's mineral resources sector, an absence of effective SOE oversight can lead to inefficiencies and corruption. Some countries, like Ghana and Botswana, have initiated reforms to enhance SOE governance through regular audits, financial disclosures, and transparency measures to ensure accountability and equitable resource management. All African countries are likewise encouraged to fully utilise the potential of their SOEs.

Although African countries have significant potential for minerals processing and value-addition capabilities, in both mining and oil refineries, strategic investment can enhance the sector even further. For example, of Africa's 46 oil refineries in the oil and gas sector, 18 are inactive or repurposed for storage, and refining capacity has plateaued since the mid-2000s. Similarly, mineral refineries in many African countries lack the capacity to process raw minerals locally, which limits value addition. Efforts are underway to revitalise and expand oil and mineral refineries, but further investment and research and development are needed to fully realise their potential.

96 Figure source: Nalule Energy and Minerals Consultants (NEM ENERGY) plot using EITI data, 2024. www.nemenergyco.com

4.2.3 Revenue management of mineral resources

Revenue management is central to ensuring that mineral resource wealth translates into tangible benefits for citizens. Although progress has been made in revenue transparency and allocation, gaps remain in critical areas such as subnational transfers and SOE expenditure.

Budgetary integration: Countries like Ghana have adopted frameworks for budgetary integration which involves incorporating revenues from extractive industries into national budgets to ensure transparency, accountability, and alignment with development priorities. Other African nations need to enhance accountability and public confidence in mineral resource governance.

Mineral resources fiscal regime: Equally consequential are mineral resources fiscal regimes which have a bearing on tax collection efficiency, transparency, and governance in Africa's mineral resources and are essential for effective revenue management. The EITI estimates that 10 to 60 percent of potential revenues are lost in the mining and energy sectors across Africa due to inefficiencies in tax collection, lack of transparency, and weak governance structures. This area thus requires the immediate attention of the relevant stakeholders. Whereas the fiscal regime has evolved in countries such as Zambia and Tanzania, tax incentives should be adjusted elsewhere to benefit all the relevant stakeholders including the proprietary state, African taxpayers and foreign corporations.

Inequitable resource distribution and community engagement: This report also found that many African countries face challenges in ensuring that African taxpayers receive fair benefits from mining activities. This is particularly evident in countries like the DRC, Kenya, Zambia and Tanzania, where mining operations often fail to adequately compensate or engage African taxpayers, which could lead to social unrest and conflict.

4.2.4 Prospects for improved mineral resource governance

Accelerated Industrial Development for Africa (AIDA) is a framework initiated by the African Union to promote industrial growth and economic diversification across the continent. The framework is a pan-African programme that was developed under the United Nations Industrial Development Organization (UNIDO) in 2008.

The programme prioritises "maximising the use of local productive capacities and inputs, through value addition and local processing of the abundant natural resources of the country". Africa is making gradual progress in mineral processing, but because most minerals are still exported in their raw or semi-processed forms, the continent's ability to maximise economic benefits is limited. The shift in focus is towards local beneficiation, spurred by global demand for critical minerals essential for technologies such as electric vehicles, renewable energy systems, and electronics. Several continental frameworks developed under the AU address the development of sectors such as agriculture, transport, energy and mining. The AIDA strategy also seeks to improve investment and mining codes to assist with the local processing of mineral resources while encouraging resource-rich countries to set aside commodity price-surge premiums for projects emphasised for economic diversification.[97]

Thus, it is critical to leverage the AfCFTA and programmes like AIDA to propagate Africa's intra-continental partnerships to develop and establish local industrial enterprises for local value creation.

Additionally, the AU has developed the unique and timely African Minerals Governance Framework (AMGF), an instrument to assess mineral economic and governance capacity in Africa and to support African countries to determine their progress towards realisation of the Africa Mining Vision. The framework is intended to give clarity to the nature and progress of the Africa Mining Vision's incorporation and its contribution to the maximisation of economic benefits for citizens, while mitigating the associated social and environmental effects of mineral extraction through its six pillars, which are aligned to the nine clusters of the African Mining Vision's Action Plan and covers the entire mineral value chain.

These thematic pillars are: a) Legal and institutional framework for contracting and licensing, b) Geological and mineral information systems, c) Fiscal regime and revenue management, d) Linkages, investment and diversification, e) Artisanal and small-scale mining (ASM), f) Environmental and social issues, g) Crosscutting issues, such as gender and youth dynamics, human resource capacity development and technology have been integrated into each of the six pillars of the framework. It includes an implementation structure at all levels of governance (subnational, national, subregional, and continental).

97 African Union (2024). Continental Frameworks. https://au.int/en/agenda2063/continental-frameworks

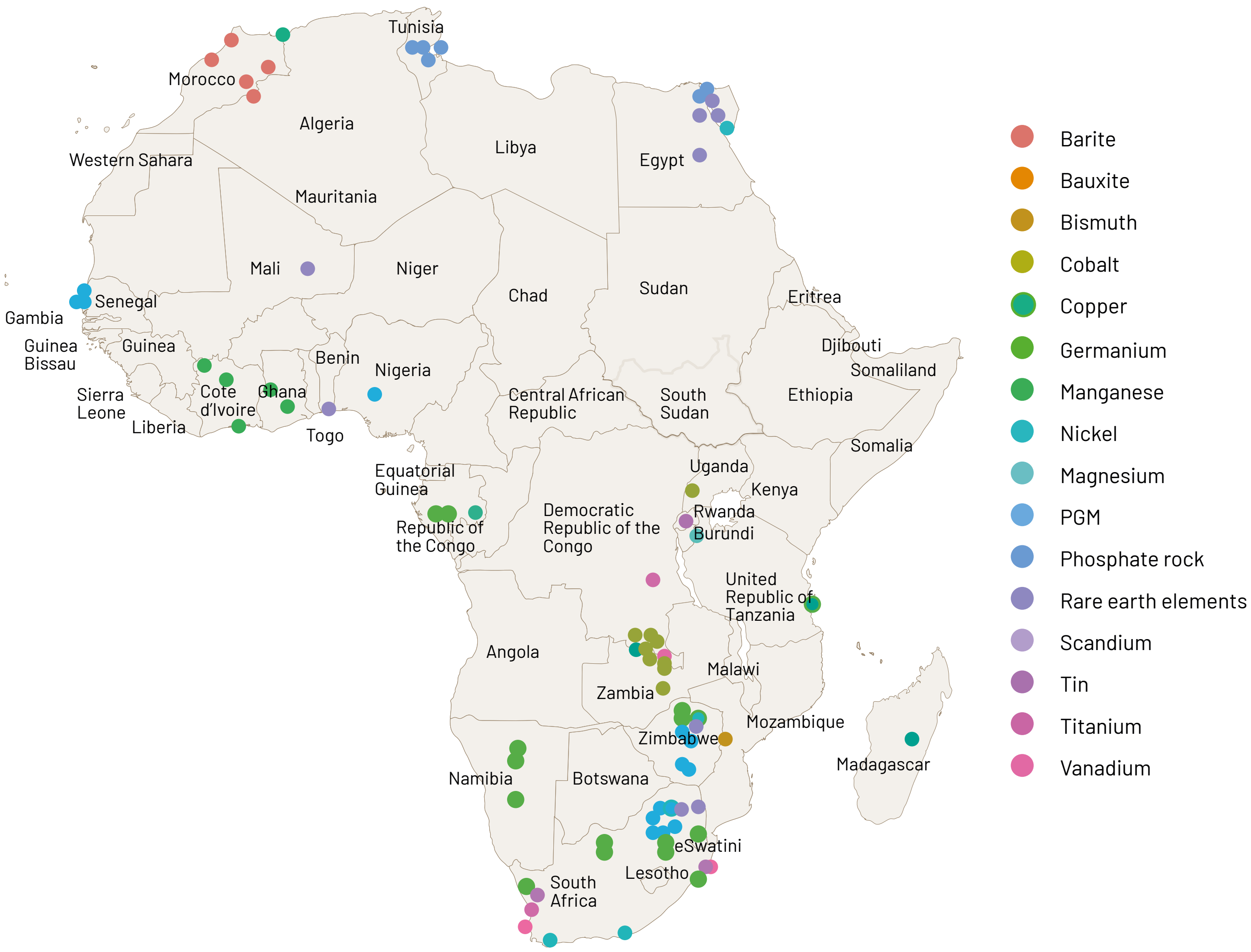


Figure 4.2: Distribution of processing plants and refineries.

Source: AfricaMaVal GIS geodatabase, 2023

Local processing of mineral resources: African governments are promoting local processing in a bid to gain greater control over the critical resources of their countries. **Figure 4.2** shows the distribution of African processing facilities. The map shows that most African processing facilities are located in mining and mineral-producing countries such as South Africa, the DRC, Zambia, Morocco, and Zimbabwe. The geographic proximity of new mineral extraction projects to these facilities may offer logistical and economic advantages. However, the continent faces significant obstacles, including insufficient international data sharing on critical mineral consumption, production, and inventories. This lack of systematic geological mapping and exploration leaves the full extent of Africa's mineral resources unknown (Signe, 2021: 7). As a result, the region has struggled to translate its resource wealth into sustainable prosperity (Cust and Zeufack, 2023).

Due to Africa's colonial history, most of these facilities are located close to ports for easy export for further processing. Although 15 African countries have started processing some of their minerals, this is dependent on the availability of cheap energy and technology. Most of Africa's exports support foreign-developed technologies; the development of clean, affordable energy and invest in research and development must be fast-tracked to develop new solutions if Africa is to compete with China, southeast Asia, the US and Europe in critical minerals processing. However, it is undeniable that the extraction of natural resources translates optimally into high levels of resource rents and contributions to socioeconomic development when countries are competitive in skills, technology and energy access.

Countries like DRC and Zambia, which produce critical minerals, continue to push for greater domestic retention of the value chain through formalised agreements with the US to centralise production of EV batteries. Governments are also implementing policies to encourage domestic mineral processing. For example, South Africa's Mineral and Petroleum Resources Development Act includes provisions for beneficiation.[98] Countries like Botswana are leveraging partnerships with global players like De Beers to develop local diamond-cutting and polishing industries. However, the distribution of processing facilities does not match the existing mineral deposits due to the colonial creation of Africa's dependence on exporting raw materials.

Modernising mining practices: The African mining sector can grow significantly if it addresses outdated methods. Modernising will also foster sustainable development and ensure more equitable distribution of benefits from mining activities. Inefficient and inequitable operational practices such as those employed in artisanal and small-scale mining (ASM) in countries such as Ghana, South Sudan, Zambia, and South Africa continue to negatively impact economic growth; in some countries, this is exacerbated by the rise of illegal mining due to the high levels of unemployment and poverty.

The report recognises that although ASM has emerged as a significant contributor to local economies, especially in rural areas, it is also associated with informal practices, environmental degradation, and poor working conditions. The informal nature of ASM raises concerns about its regulation, environmental impacts, and the safety and rights of miners. Additionally, gender and social inclusion issues have become more prominent within ASM, with increased calls for greater participation of women and marginalised groups. Child labour is also rampant in ASM; in countries such as the DRC, evidence has emerged that children are involved in the mining of critical minerals.

Environmental and social impacts: This report has found that mining activities, especially in ASM, cause significant environmental damage, including pollution, deforestation, and land degradation. These impacts are visible in different African countries including Kenya, Burundi, Zimbabwe, Ethiopia, Zambia, and South Africa, to mention but a few. Environmental impacts not only affect the African taxpayers in many ways but also contribute to the destruction of ecosystems and while national regulations require environmental assessments, enforcement is inconsistent across many African countries.

Furthermore, as the demand for critical minerals intensifies, the environmental and social impacts of mining are becoming an increasingly pressing concern among mining affected communities. Countries such as South Sudan, Nigeria, and the Democratic Republic of Congo (DRC) face serious challenges related to pollution, land use, and social tensions, highlighting the urgent need for better environmental governance and more sustainable practices. Environmental protection and the adoption of sustainable practices are crucial to ensure that Africa benefits from its minerals in the long term.

Mineral resources governance and conflict: Abundant natural resources are often seen as a sign of wealth and economic potential, but history demonstrates that they do not always lead to meaningful development. Mineral-resource-driven conflict in countries like the DRC, South Sudan, and Nigeria, highlight the challenges in the governance of these resources. Rather than a source of conflict, minerals should catalyse development that leads to sustainable peace.

At the time of writing this AGR25, the eastern region of the DRC was embroiled in a fierce war involving a significant number of actors, fighting to own, or for a share of, the area's mineral resources. This region of the DRC has not known peace and stability for almost three decades.

This report recognises that the history of mining conflicts and inadequate corporate social responsibility (CSR) practices in countries such as the DRC highlight the broader issue of natural resource conflict. Mineral-resources-related war and conflict destabilise countries and their communities to a point where these communities are trapped in a state of poverty for generations. When conflict over control of mineral resources is not mitigated, it contributes to illicit financial flows and smuggling of minerals out of the host country, which further perpetuates exploitation and poverty.

98 https://www.gov.za/documents/mineral-and-petroleum-resources-development-act

4.3. Marine resources (Blue Economy)

Thirty-eight of Africa's countries are coastal and have maritime zones under their jurisdiction, transboundary river basins comprise 64 percent of the continent's land mass and 90 percent of the goods traded between African countries and beyond are transported by sea (AUDA-NEPAD, 2021). This abundance of marine resources is a valuable asset for socioeconomic development; recognition of its potential has led to Africa Union efforts to support maximisation of its benefits to develop the continent and advance its economy as reflected in the African Union Agenda 2063. Aspiration 1, goal 6 of Agenda 2063 focuses on "Blue/ocean economy for accelerated economic growth".

The blue economy encompasses the utilisation of ocean resources for economic development. According to the AU's most recent estimates, the blue economy generates USD 300 billion per year in Africa.

The activities commonly understood to represent blue economy sectors include maritime shipping, marine and freshwater fishing and aquaculture, coastal tourism, renewable energy, water desalination, undersea cabling, seabed extractive industries and deep sea mining, marine genetic resources, and biotechnology.

There is strong evidence that the global maritime trade will continue growing. In 2010, the Organisation for Economic Cooperation and Development (OECD) projected in a sustainability scenario, that by 2030, the ocean economy would create employment for 43 million people.[99] In 2024, the Food and Agriculture Organization (FAO) projected that global fisheries and aquaculture production would increase by 2.2 percent, comprising 192 million tonnes in the same year.[100]

4.3.1 An enabling environment for marine resources

The African Union Commission's **Department of Agriculture, Rural Development, Blue Economy, and Sustainable Environment (ARBE)** is critical to the continent's blue economy development because it focuses on an integrated approach to implementing AU strategies and efforts to capitalise on marine resources for Africa's development. The department is responsible for implementing blue economy and sustainable environment policies, programmes and strategies such as aspirations of Agenda 2063, relevant medium-term plans, and other key continental legal and policy frameworks. Strategies that have been put in place include:

- **African Union Agenda 2063 Aspiration 1** *(A prosperous Africa based on inclusive growth and sustainable development.* Goal 6: Blue/ocean economy for accelerated economic growth.
- The **African Union's 2050 Africa's Integrated Maritime Strategy** identifies the common maritime challenges and opportunities of member states, as well as significant responsibilities that need to be prioritised to realise the vast potential for wealth creation.
- The **Abuja Declaration on Sustainable Fisheries and Aquaculture in Africa** (2005)
- The **African Maritime Transport Charter (AMTC),** 2010, and the **Durban Resolution on Maritime Safety, Maritime Security and Protection of the Marine Environment in Africa**.
- The African Union's **Africa Blue Economy Strategy (2019)**

The Department of Agriculture, Rural Development, Blue Economy, and Sustainable Environment (ARBE) is charged with supporting the **Africa Blue Economy Strategy: Blue Governance Framework**, that considers the efforts of the African Union with regard to the blue economy. The strategy aligns with Agenda 2063 and the Policy Framework and Reform Strategy for Fisheries and Aquaculture in Africa (PFRS), among others. This is a first step towards developing a cohesive strategy for the continent.

Many African governments have ratified these continental and regional instruments but challenges of implementation and adapting these instruments into domestic laws remain. A lack of cross-sectoral coordination has led to fragmented management systems that operate in silos and do not capitalise on the potential synergies (March et al, 2024). Africa has developed comprehensive frameworks addressing maritime security; it is recommended that some of these frameworks be revisited to tackle contemporary illegal exploration and exploitation of marine resources in Africa.

99 Organisation for Economic Co-operation and Development (OECD), (2016), The Ocean Economy in 2030, OECD Publishing, Paris. http://dx.doi.org/10.1787/9789264251724-en

100 Food and Agriculture Organization. (2024). International markets for fisheries and aquaculture products – Fourth issue 2024, with January–June 2024 statistics. GLOBEFISH Highlights, No. 4-2024. Rome. https://doi.org/10.4060/cd3727en

Marine resources governance in Africa seems to have received little attention at national level for several reasons including a lack of sector knowledge and institutions that fully appreciate blue economy issues.

Marine resource governance challenges

Despite the existence of various instruments, the blue economy is characterised by weak governance associated with, among others, fragmented governance frameworks; incoherent and obsolete policies and regulations; absence of governance coordination mechanism; working in silos (sectoral approach), lack of transparency; and limited community participation.

Resource constraints: Countries face severe resource constraints including limited innovative financing mechanisms (e.g., blue bonds, carbon credits), limited investment in infrastructure, limited capacity, overexploitation of living marine resources and illegal, unreported and unregulated (IUU) fishing.

Unresolved maritime boundaries: About 30 percent of maritime boundaries remain unresolved, which undermines effective management of resources, conservation efforts and regional trade, and is thus an obstacle to the potential of the blue economy.

Fragmented legal and regulatory frameworks: Marine resource governance in many African countries remains fragmented and lacking in integrated mechanisms, which leads to siloed approaches. Fragmented policies, limited institutional capacity, and unresolved maritime borders complicate effective governance, particularly for shared fisheries resources. Illegal, unreported and unregulated (IUU) fishing threatens biodiversity and costs Africa billions annually; it also depletes fish stocks crucial for food security, poverty eradication, and livelihoods. Enhanced monitoring, control, and surveillance systems are essential to combat IUU fishing effectively.

Similarly, no African country has yet taken an official position on deep sea mining (DSM). Although DSM is profitable the cost of managing the irreversible damage it can cause to ocean habitats is likely to increase if regulatory frameworks are not agreed and upheld. For instance, it is estimated that USD 5.3-5.7 million would have to be spent per km^2 to replace polymetallic nodules with artificial clay nodules in to restore the ocean biota lost, with no guarantee of success, and it is estimated that the cost of restoring 30 percent of DSM concessions in international waters would likely far exceed the globe's defence budget.[101] It is evident that Africa's involvement in DSM is important for strategic, economic, and environmental reasons which underscores the need for the continent to develop a unified approach to influence future governance of the sea bed.

Limited stakeholder engagement: Although many instruments have been adopted by member states there are governance challenges like inadequate stakeholder engagement hinder utilisation of marine resources for more diversified economic growth. There are competing discourses with regard to the blue economy priorities of African countries (Silver 2015). Policies focus on large scale business activities, seeking rapid development oriented towards the contribution of the blue economy to global development (Ayuli, 2020). This macro-economic perspective has left small-scale fisheries and fish workers vulnerable to intense competition.

The private sector's role is critical to promoting sustainable business practices and safeguarding environmental health. The private sector can lead and finance innovations, foster and scale up technological advances through public–private partnerships (PPPs), and contribute financially to implementing blue economy interventions or activities to accelerate and promote transformative outcomes. PPPs can drive sustainable growth by creating opportunities through collaboration between the public and private sectors.

In many African regions, industrial encroachment on artisanal fishing zones heightens resource competition and conflict. Unsustainable fishing practices and poor governance contribute to declining fish stocks and environmental degradation. Growth of the blue economy in Africa is also hampered by limited infrastructure, financial resources, and human capacity.

4.3.4 Optimising value realisation of marine resources

Investment in infrastructure and technology: Recognising that the blue economy will play a significant role in boosting their economies, African coastal countries and small island developing states (SIDS) have made laudable progress in terms of policies, regulatory and institutional frameworks for blue economy and marine resources governance. Investing in infrastructure for sectors such as fisheries by introducing tech-driven fishing boats and modernising the infrastructure and governance of ports to create avenues for increased private sector participation.

Development of a local industrial fisheries sub-sector: Most African coastal states do not have capacity for industrial fishing and depend on foreign fleets to catch offshore and deep-water commercial fish stocks. This is typical especially in west Africa and in tuna fisheries in the exclusive economic zones (EEZs) within the Indian Ocean Tuna Commission (IOTC) convention area. Most fishing access agreements entered into by African coastal countries are with the EU and China. A fee is paid based on the ex-vessel value of no more than 10 percent. Other fishing access arrangements include chartering of fishing vessels and joint ventures.[102]

101 Sumaila, U.R., Alam, L., Pradhoshini, K., Onifade, T.T., Karuaihe, S.T., Singh, P., Levin, L.A. and Flint, R., (2023). To engage in deep-sea mining or not to engage: what do full net cost analyses tell us?. npj Ocean Sustainability, 2(1), p.19. Available at: https://www.nature.com/articles/s44183-023-00030-w

102 Dyhia Belhabib ,U. Rashid Sumaila, et al. 2015. Euros vs. Yuan: Comparing European and Chinese Fishing Access in West Africa. PLoS ONE 10(3): e0118351

Fishing access arrangements have been the subject of much scrutiny and criticism due to negative outcomes, which include:

- Resource depletion and economic impact on local communities.
- Declining catches for artisanal fishers, which has a negative impact on their income and food security.
- Inequitable agreements perceived to favour European interests; African states may not receive fair compensation relative to the value extracted by the foreign fleets.
- Regulatory challenges: ensuring compliance with sustainable fishing practices and regulations can be difficult due to weak enforcement mechanisms and can lead to illegal, unregulated, and unreported (IUU) fishing activities.

African countries need to invest in development of their industrial fleets to address these issues. South Africa is one of the countries that is implementing this.

4.3.5 Revenue management of marine resources

Sustainable utilisation of marine resources can greatly advance Africa's socioeconomic development. The blue economy is projected to contribute USD 405 billion and create 57 million jobs by 2030, highlighting the critical roles of fisheries, aquaculture, coastal and marine tourism, renewable energy, and maritime trade in job creation and economic growth. However, achieving the promise of Africa's blue economy for sustainable development necessitates robust governance mechanisms to prevent over-exploitation and promote equitable resource use. Unfortunately, marine resources in Africa have been dominated by foreign nations from the West in the Atlantic coast and Asia in the Indian coast of Africa. Extraction of Africa's maritime resources, whether for oil exploration, shipping or industrial fishing, is dominated by foreign companies.

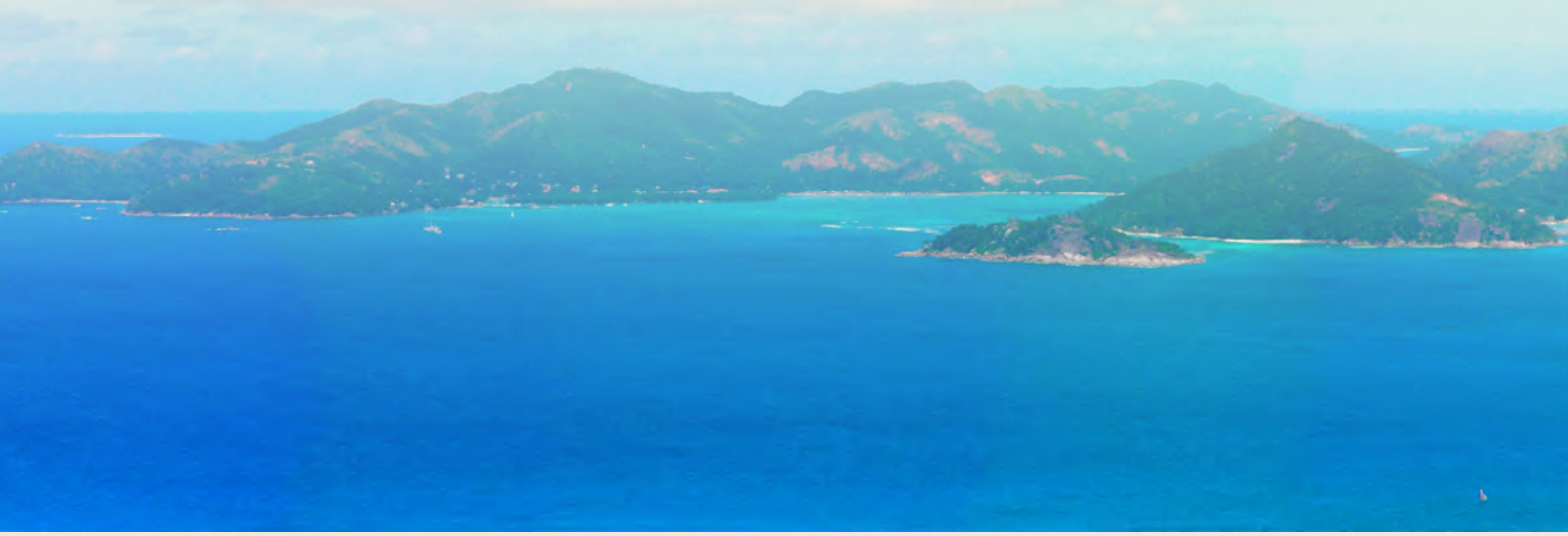
4.3.6 Prospects for improved marine resource governance in Africa

Collaboration at regional levels, through the regional economic communities (RECs) and regional fisheries management organisations (RFMOs), is vital for strengthening the governance of marine resources, particularly fisheries. The domestication and ratification of various instruments, including the African Union's Integrated Maritime Strategy, which promote cooperation and sustainable use of marine resources, as well as the effective implementation of policies for sustainable resource management, are crucial.

National blue economy strategies tailored to local contexts: The blue economy is multifaceted; various maritime activities are interdependent and have the potential to contribute immensely to sustainable development. To prevent fragmentation of marine resource governance, national governments should adapt the African Union's Blue Economy Governance Framework to create national policies and accelerate ratification, adoption and implementation of all relevant marine resources/blue economy instruments.

Innovative financing mechanisms: To ensure long-term gains from marine resources, some governments in Africa have embarked on alternative ocean-related investment without compromising the conservation and the sustainable use of ocean resources. One of these mechanisms – 'Blue Bond' – is used by the Republic of Seychelles to support the sector in offering significant interest to investors. It is important to note Blue Bond prioritises good governance of blue economy-related activities. The case of Seychelles offers a lesson that could be explored by other Africa coastal countries to finance and leverage blue economy optimally.

Promoting strategic cooperation on blue economy: While regulatory frameworks have been developed to ensure better governance of, and regulated blue economy for, economic growth, creating and strengthening cooperation at all levels (such as the cooperation between AU and EU) presents important opportunities to share knowledge and information, and training for skills development in marine resource governance.



CHAPTER 5

COUNTRY CASE STUDIES IN NATURAL RESOURCE GOVERNANCE IN AFRICA

This chapter presents lessons on natural resource governance obtained through country institutional consultations (CICs) that utilise a targeted review approach. Country case studies provide country-specific cultural, economic, and political insights and examine how they influence natural resource governance mechanisms and outcomes.

Case studies also offer in-depth qualitative data to deepen the understanding of governance in each of the sub-themes: land, mineral and marine resources. In the recommendations, the chapter identifies best practices and innovative approaches in governance that can be replicated or adapted to other contexts.

The case studies allow for an evaluation of how specific arrangements and frameworks in governance impact outcomes. The real-world examples and success stories lend credibility to the findings.

In summary, the country case studies provide a nuanced, evidence-based foundation for understanding and improving natural resource governance, towards more effective and legitimate policymaking, implementation and oversight.

5.1 LAND RESOURCE GOVERNANCE: REPUBLIC OF SENEGAL

Figure 5.1: Map of Senegal

Source: United Nations Peacekeeping Division

5.1.1. Country profile

Area	197,024 km^2
Capital (economic and political)	Dakar
Population (2023)	17,196,308
Percentage youth (0-14)	42.3%
Percentage unemployment	3.72%
Percentage youth unemployment (15-24)	5%
Human Development Index (HDI)	0.512
GDP	USD 27.625 billion
GDP per capita	USD 1,606
GNI per capita	USD 1,540
Ease of doing business	123*
Corporate tax (2023)	30%
Projected real economic growth (2024)	6.1% (initial forecast 7.1%) or 3.4% per capita

**1 = most business-friendly regulations*

OVERVIEW

- Senegal attained statehood on 20 June 1960 and has undergone three peaceful transitions of power.
- Senegal has a unicameral legislature, where the President is the Head of State with a seven-year election cycle.
- Nearly a quarter of Senegal's population resides in the Dakar region, which represents just 0.3 percent of the country's total territory.
- Senegal's services sector is expected to benefit indirectly from the oil production boom, particularly in areas such as trade, transport, hospitality, catering, and financial services.

5.1.2 Situational analysis of land resources in Senegal

Senegal's wide range of land resources – agricultural, pastoral, industrial and urban activities – are crucial to its economic and social development. While between 60 and 70 percent of the population depends on agriculture, only 2.5 million hectares of approximately 4 million hectares of arable land, is currently being farmed. Land is intricately linked to the social and cultural identities of Senegalese people. Land reforms should consider sociocultural dimensions if they are to be accepted by communities.

Land policy framework

To improve land use and promote better land management, Senegal adopted the **Land Action Plan** in 1996. Three land reform options were tabled but reform of the law is yet to take place.

Option one was to retain the current legislation – Law 64-46 of 17 June 1964[103] – in its entirety. A more liberal second option considered the general trends (structural adjustment, financial adjustment, and development of the economy), and suggested a free land market whereby land in the national domain is destined to pass to the private sector. The third option encouraged investment in land by granting communities powers of transfer and maintaining their powers of allocation.

The conclusions of Senegal's National Land Reform Commission set up in 2012 are yet to be implemented.

The May 2013 report on the Land Governance Assessment Framework for Senegal reviewed the legal framework and current measures and practices relating to land tenure)[104] and identified the following key issues in the land governance sector in Senegal: the legal and institutional framework, land use plans, management and taxation, management of the public domain, public access to land information, and, mechanisms for settling disputes and conflicts.

Land tenure system and land reform

A land registration system decreed in 1900[105] when Senegal was part of the Federation of French West Africa (between 1895 and 1958)106 guaranteed land ownership through publication in the land register.

Senegal's current land tenure system was created in 1964 and is based on national ownership and registration, free access to land, and the absence of private appropriation of land. It comprises three domains: national, state (public and private), and individual land title. The national domain includes urban areas, classified areas, pioneer areas, and terroir areas. Pioneer land was returned to terroir zones and brought under the direct authority of the state in 1987. The state domain is divided into a public and private domain. Private titles consist of land titles that are definitive and undisputable.

The 1964 land tenure system was controversial because of the coexistence of registration, custom and the civil code. Of former colonies of France, Senegal has the oldest land legislation in Francophone Africa; the law related to the national domain is now 60 years old.

The government's new transformation agenda, **National Development Strategy 2050**, has a strong focus on land reform, to improve land distribution. In a general policy statement to the National Assembly on December 27, 2024, government announced the launch of a 'land reform and rigorous territorial planning initiative aimed at enhancing agricultural land value, securing the rights of producers, and protecting agricultural areas from unplanned urbanisation and large-scale mining, while fostering long-term agricultural investments'. This reform is part of a broader effort to establish a 'unified and autonomous land management structure' in the form of a National Agency for Land and Property, to ensure more efficient management of state lands, protect property and land rights, and implement a national land registry.

The government also plans to support 'communes' (councils) in adopting modern land management tools, as well as fully digitising land and property procedures. A significant emphasis will be placed on developing a robust geospatial data infrastructure through the cadastral system; a crucial element for both national sovereignty and sustainable development.

Land in the national domain

The state has no ownership over the national domain (urban areas, classified areas, pioneer areas, and terroir areas) based on principles for the conditions of land management and exploitation. **Law 64-46 of 17 June 1964** provides that, in the terroir areas, the conditions of occupation and use (allocation, control, disallocation) are decided by the Rural Council (which became the Municipal Council with Act III of 2013),[107] a decentralised body acting under the control of the state. In this regard, allocations were made solely to members of the rural community (commune under Act III), whether they formed an association, and depending on their ability to develop the land.

103 Law 64-46 of 17 June 1964 in Senegal is the National Domain Code which essentially designated the majority of land in the country as national domain, effectively placing most rural land under state control and limiting customary land rights of farmers; it is considered a key piece of legislation governing land ownership in Senegal.

104 Cadre d'Analyse de la Gouvernance Foncière au Sénégal (CAGF)(2013), https://documents1.worldbank.org/curated/en/429311504854290458/pdf/119641-WP-P095390-FRENCH-PUBLIC-7-9-2017-10-31-13-SenegalFinalReport.pdf

105 LOI n 2011-07 du 30 mars 2011 portant regime de la Propriete Fonciere, (2011). Journal Officiel De La Republique Du Senegal, https://swm-programme.info/c/document_library/get_file?uuid=dfe5b6a5-1b9d-786f-8a72-

106 Zambakari, C. (2021). Mission to civilise: the French West African federation. *Conflict Trends*, 2021(1), 38-46. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3833118

107 The World Bank. (2017) Combined Project Information Documents/ Integrated Safeguards Datasheet (PID/ISDS), https://ewsdata.rightsindevelopment.org/files/documents/97/WB-P157097.pdf

Being assigned land does not legally translate into title to the land but rather a right to use it. Title is conditional on the ability to develop the land. The challenge is that this notion is not defined in the legislation and presents challenges for tenure.

Land in the national domain may not be the subject of any transaction (sale, lease, or mortgage, etc.) and may only be registered in the name of the state. Management of the national domain is thus characterised by the facts that the land is free of charge (no taxes are levied on occupation and use), and that land transactions are prohibited.

Land in the state domain

Senegal has a dual state domain comprising public and private domains, governed by law no. 76-66 of 2 July 1976 on the state domain code. Under article 2, the public domain and the private domain of the state include all movable property belonging to the state. Items of property which, by reason of their nature or the purpose for which they are intended, are not susceptible to private appropriation, constitute the public domain. All other property constitutes the private domain. The state domain is characterised by its inalienability and imprescriptibility.

A road permit, and authorisation to occupy are required to occupy the public domain.

Individual land title

Individual land title involves issue of land titles to private individuals under Act no. 2011-06 of 30 March 2011. Less than 3 percent of Senegal's land is covered by individual land titles.

Land reform

Strategic objective 1 – 'Competitive Economy' – of *Agenda national de Transformation pour un Sénégal Souverain, Juste et Prospère à l'horizon 2050* (National Transformation Agenda for a Sovereign, Fair and Prosperous Senegal by 2050), aims to develop engines of growth in competitive territorial clusters, through (i) territorial planning and development with a view to securing land for agricultural use and (ii) developing land for agricultural use.

Senegal Vision 2050 also provides for a number of land tenure reforms to support implementation of the recommended actions, namely, securing the land rights of urban and rural populations, promoting rental income from rural land, facilitating private investment in agriculture, developing agro-poles and public-private partnerships for productivity through agricultural services, and revising the pastoral code. To date, a few land management initiatives, such as the Seen Suuf Project, have aimed to reduce poverty by securing land rights and improving land management among the country's rural population.[108] These efforts have made it possible to develop land resources, notwithstanding the constraints identified.

Senegal faces several challenges driven by its rapidly growing population and urban expansion. These challenges include land management, urban mobility in major cities, planned and social housing development, as well as the impacts of climate change, including flooding, pollution, drought, deforestation, and biodiversity loss. Senegal is also experiencing rapid, uncontrolled urbanisation and increasing land artificialisation.

108 The Deutsche Gesellschaft für Internationale Zusammenarbeit (2020) Seen Suuf – improving land management in Senegal. https://www.giz.de/en/worldwide/107803.html

5.1.3 Key findings

An enabling environment for land governance

Finding 1: Non-compliance with laws and regulations

Local practices often do not comply with legislative and regulatory texts. These include:

- **Land allocation**: Land reserved for members of the community is allocated regardless of the origin of the applicant.
- Persistent large-scale **land grabbing** by private entities.
- The territorial division resulting from Act III of Decentralisation reveals **inconsistencies with the territorial limits of the communes** in terms of land management.
- **Circumventing and diverting the purpose of land** in the national domain.
- **Land reform:** Poor rural land management by local authorities provides relatively easy access to land for 'investors', while farmers struggle to obtain land titles.
- **Access to information:** Difficulties in accessing information in the land sector and the lack of transparency in the management of land files remains a challenge.

Finding 2: Inadequate and incoherent legal and institutional framework for land governance

- Senegal's **dual land tenure systems** – a traditional system based on ancestral land tenure practices and a modern system based on a modern vision of land tenure – are difficult to reconcile.
- **Misalignment of the law on the national domain** with changes in the national context and development requirements places an array of demands and needs that are to be met.
- **Multiple stakeholders** (local elected representatives, farmers, pastoralists, private companies, various government departments) are involved in land issues, with weaknesses in the coordination of land management.

Finding 3: Frequent and persistent land disputes

- **Unresolved problems of subdivision and delimitation** in villages or communes, and the resultant disputes between individuals, communities and developers. In Senegalese courts, more than 70 percent of disputes concern land (Thiès, Dakar and Saint-Louis), given the tourist appeal of these regions and the high pressure on land in these local authorities.
- A high incidence of land classified as national property being registered as state land and being allocated to private individuals. This is in addition to the chronic illegal occupation and sale of land belonging to others, violation of the town planning code, dual use, and irregular subdivisions.
- Centuries-old confrontations between livestock farmers and farmers arising from the absence of demarcation of zones and ignorance of the law governing land among citizens and local elected representatives alike.

Finding 4: Corruption in the land sector

The consultations also confirmed corruption in the land sector illustrated by the frequency with which land-related disputes are reported to the National Office for Combating Fraud and Corruption. These practices and offences include illegal occupation, criminal associations, sale of land belonging to others, fraud, and forgery.

Finding 5: Bureaucratic obstruction

The primary cause of difficulties in attaining full ownership of land under the individual title domain are the delays, inefficiencies, or blockages that occur within the land administration bureaucracy, often due to rigid procedures, excessive rules, and poor communication. This hinders decision-making processes, slows down the implementation of policies, and creates barriers to effective creation and issue of individual title. Since the law on land ownership came into force, the number of applications for conversion of dwelling permits to individual titles has remained very low, primarily because of the lengthy and cumbersome procedures for obtaining titles from the administration.

Finding 6: Multiplicity of stakeholders

The consultations established that there are several players with different levels of responsibility involved in land management. These include municipal councils, sub-prefects, the prefect, the governor, the central administration, decentralised state structures, and the judicial services, made up of central, decentralised and devolved state structures with roles of varying importance and varying authority. Traditional institutions such as village chiefs and lineage chiefs continue to play an important role in preventing and managing land disputes.

Recommendations for an enabling environment

- **Enforce compliance:** Institute multi-sectoral and multi-stakeholder mechanisms for enforcement of compliance with land laws. This would strengthen land tenure security, in particular rights of access to land by guaranteeing compliance with conditions of allocation and withdrawal. This includes strict punishments for abuses by local authorities in the allocation of national land.
- **Cross-jurisdiction cooperation:** Establish a mechanism for joint land administration relating to regional planning and land allocation involving the central state and its decentralised authorities.
- Establish a **statutory vote for information management systems.**
- **Build the capacity of local authorities** by setting up geographic information systems (GIS) in municipalities and training them in their use.
- **Reconcile the dual system of jurisprudence.** Undertake a review of legislation to adapt the legal and institutional framework by correcting inconsistencies, and revising the texts to provide for participation of private foreign investors on an established percentage threshold basis. Such a review would entail a comprehensive process of rationalising, through both abolishment and adoption, the two systems of analytical jurisprudence, interrogating the metaphysical foundation of both French and Senegalese traditional law.
- **Strengthen inter-agency coordination** between government departments through integrated information systems and set up an independent high authority for land regulation.
- **Land-related dispute resolution mechanisms:** Government is encouraged to use alternative dispute resolution methods, such as mediation within courts of law.
- **Centralise coordination of land administration:** As an immediate measure, the state is encouraged to improve the dematerialisation and simplification of procedures by setting up a central coordinating entity.
- **Review the penal code:** Government is encouraged to review the penal code and introduce more punitive sentences and criminal sanctions against corrupt practices linked to the land sector. Such reforms will require significant public investment in both financial resources and human capital development.
- **Enforce Law 2011-07 of 30 March 2011:** Government is encouraged to apply the Land Law of 2011-07 on land ownership by integrating it into the legal framework that is in force in Senegal, to simplify the procedures for acquiring individual title deeds.
- **Streamline institutional framework for land administration.** Government is encouraged to establish an institutional framework with a High Authority for Land Governance, which will be responsible for regulating, monitoring and settling land-related disputes.

Value realisation and optimisation

Finding 1: Attracting investment through land development

To enhance the value of land and attract investment, the government has set up urban centres and special economic zones (Diass, Diamniadio, Sandiara) with a major railway hub, coastal zones for fish processing industries, zones dedicated to agriculture, and the creation of a one-stop shop to simplify procedures. In practice, however, there have been delays in the implementation of construction projects by investors, due to failure to honour commitments and lack of control and monitoring.

Finding 2: Revitalising agriculture through land management

Land use and occupancy plans are drawn up in a participatory process involving the local population and the various categories of community stakeholders. In Senegal Valley, Senegal River Delta Land Development and Exploitation Company (SAED) is the support structure and consulting engineer for this process and mobilises the skills of other government departments (water and forests, environment, hydraulics) depending on the potential of the environment and the dominant activities of the local population.

The hydro-agricultural potential of the SAED intervention zone is a perfect example of the creation of added value. These activities, through the exploitation of these irrigated areas and perimeters (public and private development) generate employment.

Finding 3: Imbalances in land use

Absorption of the agricultural sector by the mining sector reportedly due to land grabbing and changes in the structure of the economy, has led to dispossession of agricultural land for the benefit of the mining industry either through land expropriation, or relocations due to the presence of mines.

Recommendations to realise and optimise value

Create a land development agency: Government is encouraged to establish a land development agency with the mandate to mobilise and supervise sectors and actors seeking to develop land for economic activity. Organisations such as SAED should be strengthened to enhance the skills of other government departments to increase activities such as agriculture which can create employment (see finding 2 above).

Land zoning: Government is strongly encouraged to enforce land zones especially with the increase in mining activity and land grabs that have led to loss of agricultural land and forced relocation of communities.

Land revenue management and enhancement

Finding 1: Low revenues

The contribution of revenue from land resources to Senegal's overall GDP remains low; according to 2018 estimates, forest resources contribute only 1.46 percent to the country's GDP.[109] Senegal is yet to register 90 percent of its land, which limits its potential to generate revenue from rents and a broader tax base.

Recommendations to manage and enhance land revenue

Strengthen land revenue administration: Government is encouraged to review the dematerialisation of payment procedures for land transactions to prevent fraud and corruption which would include:

- Simplification of laws and regulations relating to land ownership.
- Developing a comprehensive public and civil service fiscal education programme.
- Acceleration of land registration processes.

109 Central Intelligence Agency (2025) The World Fact Book: Senegal, https://www.cia.gov/the-world-factbook/countries/senegal/

5.2 LAND RESOURCE GOVERNANCE: REPUBLIC OF UGANDA

Figure 5.2: Map of Uganda
Source: United Nations

5.2.1 Country profile

Area	241,551 km^2
Capital (economic and political)	Kampala
Population (2023)	14,123,533
Percentage youth (0-14)	45.54%
Percentage unemployment	2.93%
Percentage youth unemployment (15-24)	4.33%
Human Development Index (HDI)	0.544
GDP	USD 434 billion
GDP per capita	USD 858
GNI per capita	USD 840
Ease of doing business	116*
Corporate tax (2023)	30%

**1 = most business-friendly regulations*

OVERVIEW

Uganda attained statehood on 1 January 1962.

Uganda is divided into four regions (Central, Western, Eastern, and Northern), 146 districts, 31 municipalities, and 302 counties. Regions are the highest level of administrative divisions, followed by districts, which are further subdivided into counties. Each district is governed by a district council; local administrative units are known as sub-counties, parishes, and villages. The country is also divided into city divisions, with Kampala being the largest city and the capital.

Uganda operates under a unitary presidential system with a multiparty democracy. The president serves as head of state and government with authority over the government and its various ministries.

The parliament of Uganda is bicameral, consisting of the national assembly and the senate and is responsible for making laws, approving the national budget, and overseeing the government's actions. The national assembly is composed of elected members, while the senate is made up of representatives from various regions and special interest groups, such as women, youth, and persons with disabilities.

Uganda's judiciary is independent and plays a critical role in interpreting laws and resolving disputes.

Local governments at various levels are responsible for administrative functions, development projects, and service delivery. Uganda's administrative divisions and political system are designed to balance power between local governments and central administration.

5.2.2 Situational analysis of land resources in Uganda

In Uganda, 64.5 percent of land is suitable for agriculture and 27 percent is cultivable. A public trust created under the 1995 Constitution specifies important natural resources such as natural lakes, rivers, wetlands, forest reserves, game reserves, and national parks that are under state protection as common good for all citizens of Uganda. Although there are harmonised aspects related to land use standards and guidelines for sustainable land management of land resources, vesting wetlands in the state in trust for the citizens, opens gaps to issues of tenure that may challenge implementation.

Land embodies Uganda's rich historical legacy, complex sociopolitical dynamics, and foundational role in economic growth. Land represents identity, power, and survival, shaping governance, development trajectories, and livelihoods. It is the bedrock of human existence and national progress; a critical factor of production and a cornerstone of sustainable development.

Despite strides made in formalising land rights and improving governance, persistent challenges – tenure insecurity, systemic inequities, and enduring conflicts – continue to undermine its transformative potential. Tackling these issues is paramount to unlocking land's full contribution to Uganda's development aspirations.

Land tenure

During the pre-colonial era land was communally owned and managed under customary systems governed by clans and traditional leaders. Importantly, land tenure emphasised collective ownership and usage rights, ensuring equitable access for all community members.

During the colonial era (1894–1962), the British colonial administration introduced profound changes, particularly through the 1900 Buganda Agreement, which created the Mailo Land System. Over 50 percent of Uganda's land was allocated to the Buganda Kingdom chiefs and royals as private *mailo*[110] estates. This disenfranchised peasants, turning many into tenants and Bibanja holders — squatters with limited rights. The Crown Land Ordinance declared all other land in Uganda as state land, displacing customary landowners and reassigning the land to the state or private interests. Unequal land distribution was further exacerbated when the state reallocated land to colonists: missionaries and settler farmers.

Following Uganda's independence from British rule in 1962, government undertook efforts to address colonial land injustices, but its efforts were inconsistent and incoherent. In 1975, the Land Reform Decree nationalised all land, abolishing freehold titles and converting them to leasehold. This reform created complications in tenure insecurity. Displacement and land grabs during civil war in the 1970s and 1980s exacerbated the land tenure problem.

Uganda's 1995 Constitution made provisions to restore land ownership to its citizens by recognising customary, freehold, leasehold, and *mailo* tenure systems, effectively creating a four-tier land tenure system. However, historical injustices persist, particularly regarding *mailo* land and evictions from customary land.

Although Uganda's decentralised land administration empowers local institutions like district land boards and local council courts, it has also resulted in overlapping roles, inefficiencies, and widespread corruption, and has undermined equitable access and effective governance. Land ownership is intertwined with political power, enabling elites to amass vast tracts of land at the expense of marginalised communities. In resource-rich regions like Karamoja and the Albertine Graben, ethnic tensions over land further exacerbate inequalities. Rampant land grabbing by private investors and government entities and forced evictions tied to infrastructure projects, conservation efforts, and resource extraction have fuelled significant social unrest, disrupting lives and livelihoods.

Rapid urbanisation and industrialisation are reshaping Uganda's land dynamics. A growing demand for land has fuelled speculative buying and is driving up prices, often to the detriment of smallholders. Industrial zones and infrastructure projects, while essential for development, frequently displace small-scale farmers, raising concerns about equitable growth and social justice.

Customary land governance dominates in rural areas but often conflicts with statutory frameworks. This tension disproportionately affects women and marginalised groups, who face systemic exclusion due to entrenched cultural norms and legal barriers. Over 70 percent of the population rely on agriculture for their livelihoods. Land is critical to this sector but productivity is undermined by the fragmentation of landholdings, driven by inheritance practices that divide plots into increasingly smaller parcels, limiting their agricultural potential.

Land inequality continues to hinder Uganda's development; women own only 7 percent of registered land despite their substantial contribution of 70 to 80 percent of agricultural labour. Land disputes and tenure insecurity disproportionately affect the poor, limiting their ability to use land to escape poverty and build economic resilience. Addressing these challenges is crucial to unlocking the full economic potential of Uganda's land. Tenure insecurity remains a major obstacle to investment in agriculture and infrastructure, as many landholders lack formal documentation. This challenge is especially pronounced for customary and mailo landholders, who often face difficulties accessing credit due to the lack of legally recognised collateral.

110 *Mailo* land is privately held in perpetuity, similar to freehold. The term comes from the square mile unit used to measure the land that was awarded to the king of Buganda and his nobles.

Uganda is endowed with vast natural resources, including oil and minerals, particularly in regions such as the Albertine Graben. While these present significant economic opportunities, large-scale extraction projects have sparked disputes over compensation, environmental impacts, and the equitable sharing of benefits, further highlighting the complexities of resource governance.

5.2.3 Findings and recommendations

An enabling environment for land governance in Uganda

Uganda's complex set of land governance challenges require context-sensitive targeted interventions to create a more sustainable and equitable framework.

Finding 1: Fragmented land tenure system

Uganda's land tenure systems, particularly customary systems, account for 70 percent of landholding; the state thus considers land ownership as fragmented, which poses a challenge with regard to access to land for public use, particularly large infrastructure projects. This fragmentation is also a major obstacle to investment in agriculture and infrastructure, as many landholders lack formal documentation.

Finding 2: Insecurity of tenure

Uganda has made progress on land sector priorities such as establishing the Uganda National Land Information System (UgNLIS) and is piloting an approach for systematic demarcation and producing high-resolution aerial imagery for the entire country. However, significant challenges persist, including widespread tenure insecurity arising from low levels of registered property. This exacerbates land disputes and domestic investor confidence. Only an estimated 22 percent of Uganda's land parcels are registered. Customary tenure predominates, representing between 70 to 80 percent of landholdings, followed by freehold, mailo, and leasehold tenure.

Finding 3: Dual ownership framework

The dual ownership system on mailo land, where squatters and landlords hold overlapping rights, creates significant barriers to land development and investment. It raises the cost of accessing such land and significantly reduces investor confidence in security of tenure, and consequently protection of property rights.

Finding 4: Weak land administration institutions

The consultations established that there is limited and diminishing institutional capacity in land administration. This is more pronounced at the local government level, especially among the district land boards and area land committees and is characterised primarily by high vacancy rates in critical land administration positions.

Recommendations for creating an enabling environment for land governance

Reconcile land-tenure systems: Government should capitalise on the ongoing review of Uganda's National Land Policy of 2013 which seeks to integrate fragmented policies into a unified framework. This would facilitate access to land for public use, particularly for large infrastructure projects.

Accelerate institutionalisation of a unitary land registration system: This harmonised approach can mitigate sectoral conflicts, streamline administrative processes, and improve sustainable land use.

Expand the mandate of the Commissioner for Land Registration: The commissioner is responsible for land classified under the Registration of Title Act (1924 with amendments to July 2023). It is strongly recommended that the commissioner's mandate be expanded to include other tenure systems (mailo and customary) to improve effective collaboration with major landholders such as religious institutions and cultural kingdoms/chiefdoms and foster equitable and efficient land management practices.

Decentralise the land information system (LIS): To decrease land disputes and increase domestic investor confidence, the government is encouraged to implement a decentralised LIS in the local government structures. This will facilitate access to critical information and efficient and judicious decision-making.

Implement a nationwide public information campaign: The Ministry of ICT and National Guidance is encouraged to undertake a long-term publicity and sensitisation campaign, in collaboration with the Ministry of Education and Sports, and Ministry of Internal Affairs on key reforms in land policy and administration. These ministries have extensive interface with the public.

Legislate compensation for kibanja holders: Government should establish instruments to guarantee citizens right of occupancy (*kibanja* holders). Reviewing legislation and establishing policy to restructure squatter rights and establish a coherent land redistribution process can free up land for productive use while ensuring fair treatment of all stakeholders. The legislation and policy should consider making provisions to designate compensation for land as a national budget statutory obligation and duly stipulate the same in the Public Finance Management Act.

Introduce and decentralise e-government. The government should consider enhancing its ICT capability at local government level. This can be achieved through collaboration with international development partners and would increase the capacity of an individual officer enabling them to undertake responsibilities and tasks currently being undertaken by more than one officer.

Rationalise institutional framework for land administration. Government should consider introducing a new cluster zoning system for land administration. This will address the challenge of capacity demands arising from the current district-based system of land administration. Uganda has 135 districts each with a land administration office; these could be clustered into land administration zones to reduce operational costs and institutional capacity demands.

Optimising value realisation of land in Uganda

Finding 1: Low land productivity

Uganda's total land area is approximately 241,038 km^2; agricultural land occupies about 68 percent, forest 15 percent, and wetlands 13 percent. Protected areas, including national parks, forest reserves, and wildlife sanctuaries cover 15 percent of the country's land area. Furthermore, 80 to 85 percent of agricultural land is used for subsistence farming while only 15 to 20 percent is used for commercial farming. Uganda also faces challenges in accessing land for public infrastructure development.

Recommendations for realising and optimising land value

Introduce land ownership thresholds: To increase land productivity, the government is encouraged to promote amalgamation of land and regulate land fragmentation by setting minimum standards of land ownership across all categories. This will address the challenge of multiplicity of land titles and ownership, particularly on customary and communal lands, reduce the cost of access to land, and increase public awareness of the economic value of land.

Introduce legislation granting government preferential access to land for public infrastructure: Government is strongly encouraged to promote consolidation of land and educate the public on the economic value of land to reduce fragmentation and increase the availability of land for public infrastructure projects,

Management and enhancement of land revenue

Finding 1: Insufficient budget for land administration

Government is yet to allocate a sufficient and proportionate budget towards land administration institutions to develop the capacity to collect and manage revenue from land transactions. Current provisions direct all revenue from all public sector institutions to the consolidated fund as per the Public Finance Management Act 2015 of the Ministry of Finance, Planning and Economic Development responsible for reallocation. Allocation of funds to the land administration authorities is proportionately less than that generated by the sector and significantly insufficient for operations of the land administration.

Finding 2: Land rights and customary communities

Under the Systematic Land Adjudication and Certification (SLAAC) Pilot Project, up to 41.8 percent of parcels were registered to women (either as sole owners or under joint ownership). In spite of Uganda's gender-sensitive legal and policy framework governing land, cultural norms and practices still limit women's land rights.

Recommendations for managing and enhancing revenue

Revise public budgeting principles and increase land levies: Government is encouraged to explore innovative revenue collection mechanisms to improve revenue volumes from land transactions. Government should also consider increasing tax levies to address the shortfall of land administration funding.

Institutionalise systematic demarcation: Government should consider increasing the registered rights of women who hold land under customary tenure to address the limits imposed on their land rights.

5.3 MINERAL RESOURCE GOVERNANCE: REPUBLIC OF ZAMBIA

Map No. 3731 Rev. 4 UNITED NATIONS
January 2004

Department of Peacekeeping Operations
Cartographic Section

Figure 5.6: Map of the Republic of Zambia

Source: United Nations Peacekeeping Division

5.4.1 Country profile

Area	752,614 km^2
Capital (economic and political)	Lusaka
Population (2023)	18,920,657
Percentage youth (0-14)	43.57%
Unemployment	13.02%
Youth unemployment (15-24)	26.05%
Human Development Index (HDI)	0. 584
GDP	USD 21.203 billion
GDP per capita	USD 1,120
GNI per capita	USD 1,040
Ease of doing business	85*
Corporate tax (2023)	35%

**1 = most business-friendly regulations*

5.3.2 Situational analysis of mineral resource governance in Zambia

Mining has long been a key driver of the Zambian economy. As illustrated in figure 5.7 below, mining and quarrying are the second largest sectors contributing to GDP.

Figure 5.7: Percentage contributions to GDP of the top ten sectors (2017)

Source: Ministry of Finance Annual Economic Report, 2017

Zambia is the second largest producer of copper in Africa and eighth globally and is highly dependent on its 12 large scale copper mining and processing companies. Government, civil society organisations and the general public are concerned that, considering Zambia's stature as a world-class mining jurisdiction and a top destination for highly competitive investment, the benefits that accrue to local stakeholders are insufficient. Zambia has fallen prey to the 'resource curse' that defines countries that are well-endowed with resources but experience extreme levels of poverty. Zambia subscribes to Africa Mining Vision (AMV).

A HISTORY OF MINING IN ZAMBIA

Zambia's mining industry has seen three basic phases: private ownership prior to independence, nationalisation in 1969 and re-privatisation in the early 2000s.

1902 – 1969

Although Zambia has been mining and selling copper since the discovery of deposits in 1902, Zambian copper mining as we know it today did not begin until 1923 when the British South Africa Company (BSA) granted exclusive prospecting rights over the present-day Copperbelt Province of Zambia to the Anglo-American Group and the Roan Selection Trust. In 1925, copper ores with 3 to 5 percent copper content were found and mine development commenced in Luanshya, Mufulira, Nkana (Kitwe) and Nchanga (Chingola) to facilitate copper mining and processing on a commercial scale. These operations were owned and managed by the Rhodesian Selection Trust Group and the Anglo-American Corporation Group Companies. Together with the Rhodesia Broken Hill Development Company, they accounted for virtually all national mineral production (Northern Rhodesia Chamber of Mines, 1955).

1969 – 1997

In 1969, Zambian mines were nationalised through acquisition of 51 percent of shares in all existing mines. This was done primarily to increase revenue contributions to the national treasury and directing the profits of the newly nationalised copper mines towards building hospitals, schools and universities and providing subsidies to state-owned manufacturing companies and consumers.

In 1982, nationalised mines were combined to form Zambia Consolidated Copper Mines (ZCCM). The mines made a direct contribution to making the Copperbelt the most developed area of Zambia. As early as 1929, private mining companies were responsible for the provision of sanitary and orderly compounds to house employees (although European quarters had added facilities, such as electric lights and water). Mine managements also supplied food rations for their employees, providing maize-meal, millet, rice, beans, meat, fresh vegetables, peanuts and salt on a weekly basis. Hospitals with competent medical personnel were provided in all mining settlements. The companies also provided recreation clubs for employees with many sporting and entertainment activities (Fraser, 2011).

Although major progress was made in the first decade of independence, developments slowed when the price of copper collapsed after the first oil crisis in 1974, forcing Zambia to borrow to maintain social provision. After the second oil crisis in 1979, interest rates shot up and Zambia was thrown into a severe debt crisis. For 20 years the economy collapsed at an internationally unprecedented rate as copper prices continued to fall relative to the price of imports (Zambia Extractive Industries Transparency Initiative, 2012). Between 1974 and 1994, per capita income declined by 50 percent, and left Zambia the 25th poorest country in the world.

1997 TO PRESENT

In the early 1990s the new government resolved to unbundle and privatise the mining sector and a number of other state-owned enterprises. Privatisation of the Zambian Consolidated Copper Mines (ZCCM) in 1997 resulted in massive job losses, and marked the beginning of an unprecedented economic crisis on the Copperbelt.

MINING LEGISLATION AND INSTITUTIONS

All mineral rights – ownership, prospecting, mining, and disposing, as well as administrative authority – rest with the president on behalf of the republic. The rights to explore and develop minerals are provided for and licensed through the Mines and Minerals Development Act. Zambia subscribes to principles that mineral resources shall be conserved, developed and used prudently, considering the needs of the present and future generations to promote and contribute to socioeconomic development. Citizens therefore have equitable access to mineral resources and benefit from mineral resource development.

The Ministry of Mines and Minerals Development has four technical departments: Geological Survey, Mine Development, the Cadastre and Mine Safety. Although the ministry plays a crucial role in managing the extractives sector, Zambia has a diverse legislative, policy and regulation environment that is guided by several instruments and directs the governance of mineral resources in the country. These key instruments are listed in **Table 5.1**.

Table 5.1: Key instruments that govern mineral resources in Zambia

Instrument	Description
The Constitution of the Republic of Zambia (Amendment) Act No. 2 of 2016	• Commits to upholding the principles of democracy and good governance. • Speaks to creation of an environment that promotes investment, employment and wealth, • Promotes economic participation and empowerment of citizens, as well as acknowledgement of the role of chiefs in the management, control and sharing of natural and other resources.
Vision 2030 Date: 2006	• Sets out the goal of a "prosperous middle-income nation", whose economy must attain an annual growth rate of at least 6 to 10%; Notes the dependency on copper and acknowledges that a lack of financial and technical capacity in gemstone and non-traditional minerals, environmental impacts and marketing problems hinder their development. • Goals and indicators emphasise private-sector-driven development to increase the share of mineral output used in industrial production to 30% by 2030, geo-map Zambia's surface area by 2030; and reduce environmental degradation from mining activities by 75% by 2030.
Mineral Resources Development Policy Date: 2013	Enable an environment for the growth of a vibrant mining sector, with lasting benefits for the people of Zambia; Contribute to economic development by attracting local and foreign investment, integrating the sector in the domestic economy and ensuring acceptable standards of health, safety and environmental protection. **Thematic areas:** i. Exploration and mining, ii. Mining Rights Administration, iii. Legal Framework, iv. Safety, Health, Environment and Quality, v. Large-scale mining, vi. Small-scale mining, vii. Citizen Economic Empowerment Commission (CEEC), vii. Integrating the mining sector in the domestic economy, viii. Institutional framework, ix. Value addition, x. Marketing gemstones, xi. Human resources, xii. Research and development, xiii. Gender, and xiv. Accountability and transparency in the management of the mineral resources.
Seventh National Development Plan (7NDP) 2017-2021 Date: 2017	An integrated (multi-sectoral) development approach under the theme "Accelerating development efforts towards Vision 2030 without leaving anyone behind". The plan emphasises broadening the range of minerals to cover non-traditional mining of gemstones, gold and industrial minerals and to promote value addition, increase productivity, and reduce environmental pollution. Focuses on formalising and empowering small-scale miners, supporting development of lapidaries and local auction sales of gemstones to enhance the capacity of local businesses to participate in national mining value chains. Under the plan the following strategies are implemented through corresponding programmes: • Exploitation of gemstones and industrial minerals. • Local and foreign participation in mining value chains and industrialisation. • Petroleum and gas exploration. • Small-scale mining. Programmes to support the mining sector range from policy environment, geological information, capacity building, environmental management, access to finance, technological promotion, market linkages occupational health and safety, among others.
Mines and Minerals Development (Amendment) Act No. 14 of 2016	• Provides for exploration, mining, and processing of minerals; safety, health and environmental protection in mining operations; and establishment of the mining appeals tribunal. • Encourages investment in exploration, large-scale mineral development, as well as private investment in medium-size mines, development of small-scale mines and artisanal sector. • Provides for regulations and royalties to be paid to the republic in relation to mining, exploration and processing licenses.
The Environmental Management Act No. 12 of 2011	• Provides for integrated environmental management: protection and conservation of the environment and sustainable management and use of natural resources and related matters. • Includes preparation of the State of the Environment Report, prevention and control of pollution and environmental degradation; development of an Environmental Fund; public participation in environmental decision-making and access to environmental information; and facilitation of implementation of international environmental agreements and conventions to which Zambia is a party.
The Mines and Minerals (Environmental) Regulations Act No. 29 of 1997	Provides regulation guidelines for environmental impact assessments (EIAs), mine dumps, air quality and emission standards, water standards, storage, handling and processing of hazardous material, inspection and issues of environmental protection funds.

Instrument	Description
Petroleum (Exploration and Production) Act 2008	• Revises the law relating to the exploration for, and development and production of, petroleum. • Provides for title to and control of petroleum. • Provides for constitutions of the Petroleum Committee and Petroleum Technical Committee and defines their functions. • Establishes the Petroleum Environmental Protection Fund and Petroleum Trust Fund • Provides for registration of the National Petroleum Company. • Repeals and replaces the Petroleum (Exploration and Production) Act, 1985. • Provides for matters connected with or incidental to the foregoing.
The Environmental Protection and Pollution Control (Environmental Impact Assessment) Regulations SI No. 28 of 1997 (EIA Regulations)	Regulations lie with Environmental Protection and Pollution Control Act, 1990, and in consultation with the council. Outlines steps regarding the life cycle of an environmental and extractives project, from project briefs, to review process of environmental impact assessment, decision of the council, access to eia information, period of validity, and the reasons for potential penalties, among others.
The Mines and Minerals Development (Amendment) Act (No. 14 of 2016)	An amendment of the Mines and Minerals Development Act, 2015, and lists among other factors, the royalty rate that the holder of a mining license shall pay, depending on the type of license and mineral being extracted.
The Petroleum (Exploration and Production) Act, 2008 (No. 10 of 2008 175) Date: 2008	Revises the law relating to the exploration for, and the development and production of, petroleum in Zambia; to provide for title to and control of petroleum in Zambia; to provide for the continuation of the Petroleum Committee and revise its functions; to provide for the constitution of the Petroleum Technical Committee and define its functions; to establish a Petroleum Environmental Protection Fund; to provide for the registration of the National Petroleum Company; to establish the Petroleum Trust Fund; to repeal and replace the Petroleum (Exploration and Production) Act, 1985; and to provide for matters connected with or incidental to the foregoing.
The Mines and Minerals Act Environmental Regulations SI No. 29 Date: 1997	Outlines requirements for the exploration, mining and processing of, minerals; to provide for safety, health and environmental protection in mining operations; and to provide for the establishment of the Mining Appeals Tribunal, among others.
The Mines and Minerals Prospecting and Mining of Uranium and other Radioactive Mineral Ores Regulations SI No. 85. Date: 2008	Provides guidelines for the prospecting, mining and milling of uranium ores and other radioactive mineral ores. It outlines that a holder shall develop an environmental management plan including an EIA prior to mining and milling, as well as to monitor the implementation of the approved Radiation Operation Management Protection Plan. The Act also outlines rules related activity unless the holder submits to the Minister and the Radiation Protection Authority specified plans.

MINING ECONOMY

The Zambia Chamber of Mines (ZCM) is an association for mining and allied companies which advances service and excellence in the mining industry. Likewise, the Zambia Extractive Industries Transparency Initiative (ZEITI) provides reports that help governments understand the revenue and taxes paid by mining companies. For example, the ZCM (2016) reported that the private sector invested in excess of USD 13 billion from 2000 to 2015, an investment that propelled Zambia's annual copper production to a record 794,515 metric tonnes ranking Zambia as Africa's second largest producer of the metal and eighth globally. **Figure 5.9** below shows copper production from 1963 to 2017.

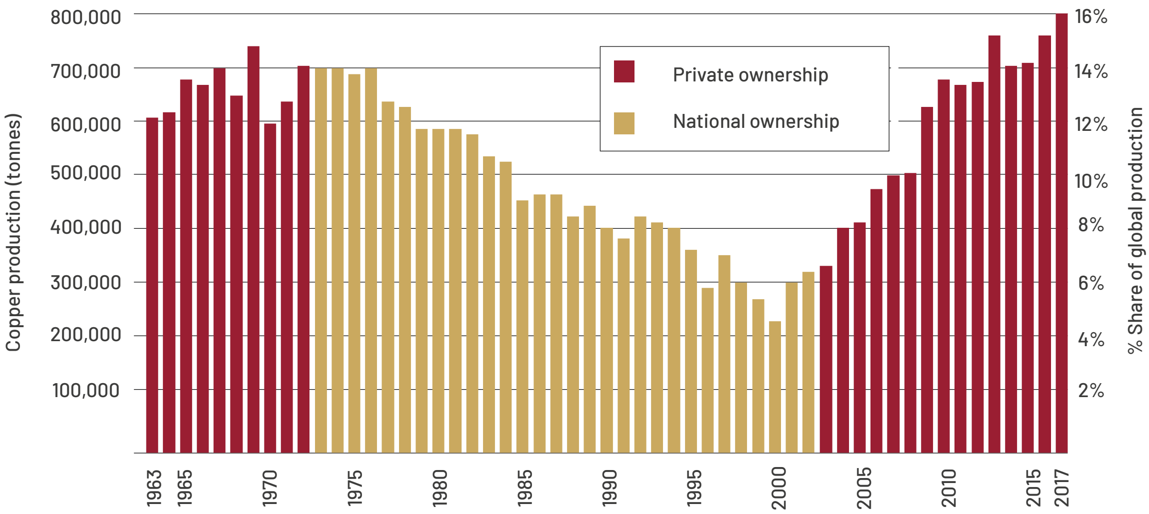


Figure 5.7: Zambia's historic copper production owing from investments by type of ownership

Source: Zambia Chamber of Mines, 2017

Mining is pivotal to the Zambian economy; it contributes 76 percent of national export revenue; 23 percent of national tax revenue; and 11 percent of GDP. USD 3 billion is spent on local content from all large-scale mines annually. The country has potential for discovery of a diversity of mineral deposits.

Zambia's mining industry consists of several large-scale operations across Copperbelt and North-western provinces. Shareholding is largely private; the government retains 10 to 20 percent equity through ZCCM Investment Holdings, a successor company to Zambia Consolidated Copper Mines Limited (ZCCM Ltd). Copperbelt Province hosts most of Zambia's copper mines, including those formerly run by ZCCM. North-western Province is referred to as the "New Copperbelt" because of the large mining investments that have taken place there over the last decade (Zambia Chamber of Mines, 2018).[111] Zambia's copper reserves were estimated at 21 million metric tons in 2020.

Zambia's gemstone sector includes emerald, quartz, tourmaline and amethyst mining. However, Its contribution to local economic development is insignificant. The value of the global emerald market is USD 1 billion, of which Zambia's share is only USD 170 million (Lungu, 2006). Extraction of mineral resources accounts for 76 percent of national export revenue, 23 percent of national tax revenue and 11 percent of GDP. Zambia has mineral endowment potential for the following:

- **Manganese** is used in the production of steel and in the manufacture of batteries. The batteries are a huge component of the electrical car that is currently driving the energy transition globally. In the case of Zambia, Manganese deposits are abundant in the Luapula province of Zambia.
- **Gold** deposits are present in most parts of the country especially in Eastern and Northwestern provinces. Most large-scale production of gold takes place at Kansanshi mine.

Other minerals include:

- **Metallic –** zinc and lead; iron ore; nickel and platinum group elements.
- **Gemstones** – diamonds; emeralds; aquamarine; tourmaline; amethyst.
- **Energy minerals** – uranium; coal; hydrocarbons; and
- **Industrial minerals** – feldspar; sands; talc; barite; apatite; limestone and dolomite.

111 Zambia Chamber of Mines. (2018). The Story of Northwestern Province.

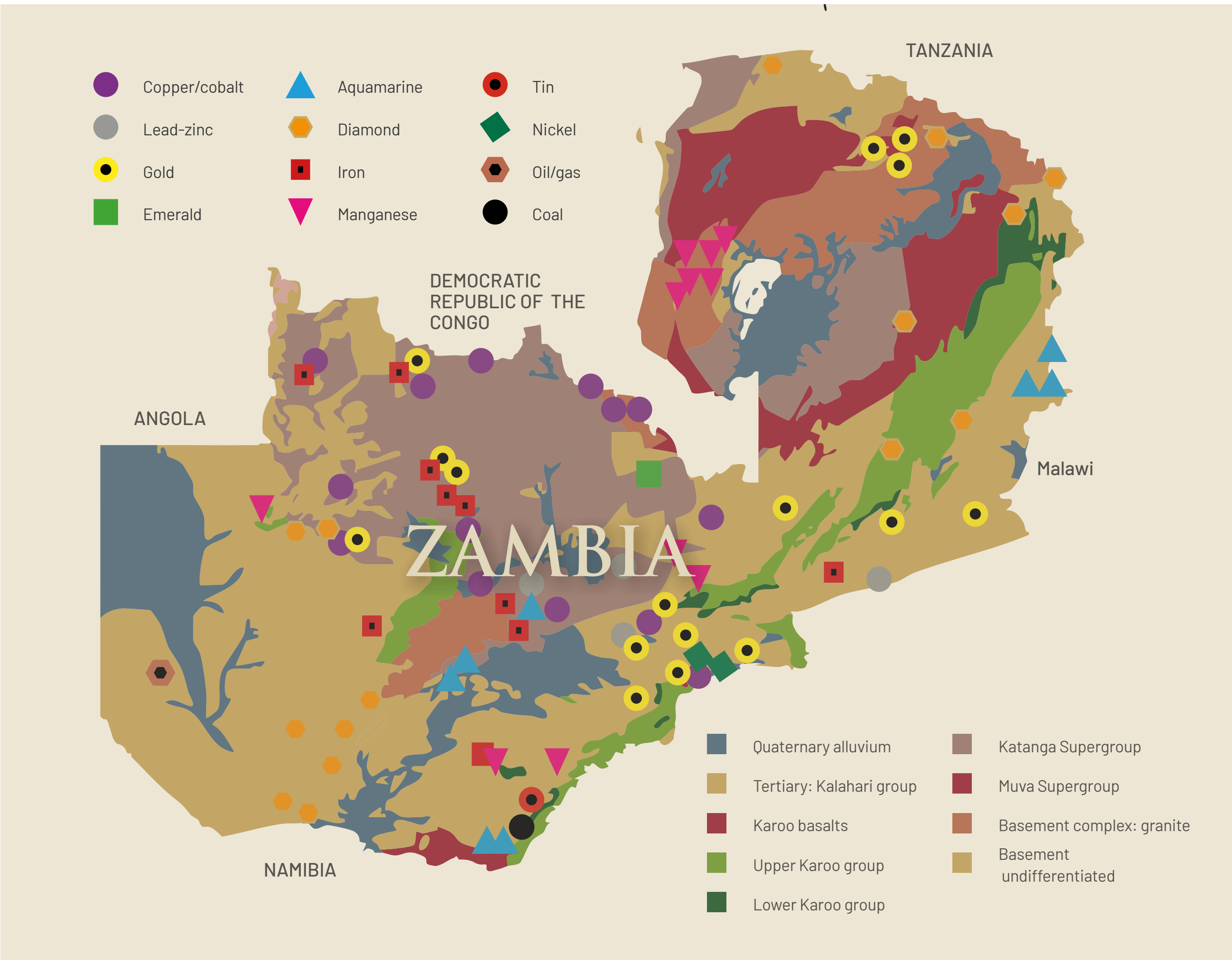


Figure 5.8: Basic geology and mineral occurrences in Zambia including base and precious metals and gemstones.

Source: Zambia Mining Roundtable powerpoint presentation

EMPLOYMENT IN THE MINING SECTOR

Zambia's mining industry employed a total of 60,326 people in 2018: 28,023 direct employees and 26,896 indirect employees. Mining employment is critically important to many regional and remote communities in Zambia; in 2020, mining accounted for 2.1 percent of direct employment of the total labour force of 3,615,507(Labour Force Survey Report, 2021).[112] According to the last national economic census in 2010, mining accounted for 1.7 percent of the 5.5 million formally employed individuals. This percentage is likely to decrease as large-scale mining companies begin to use modern mining engineering technology to mine efficiently and process low-grade ores.

LICENSING

The Mines and Minerals Development Act provides for five types of tenement, depending on the activity involved. There are prospecting permits for all minerals. A prospecting permit covers a maximum area of 10 km^2, is valid for five years, and cannot be renewed. The Act provides for the following licences: exploration licence; mining licence; mineral processing licence; gold panning certificate; and mineral trading permit.

112 Ministry of Labour and Social Security, (2021). Labour Force Survey Report, 2021.

Prospecting licences are often acquired by large-scale mining companies and must be accompanied by the proposed programme of mining operations, and an environmental impact assessment (EIA). The license gives the holder exclusive rights to conduct prospecting operations in the area. The initial duration is two years, renewable for successive periods of two years to a maximum of seven years, subject to the relinquishment of 50 percent of the area each time and the completion of a work programme. Quarterly and annual reports are a requirement, in addition to the submission of all geological reports at the end of the licence period.

The duration is 25 years renewable for a further 25 years. Monthly, quarterly and annual reports are required. The licence cannot be withdrawn once granted, except upon non-compliance with the law.

Artisanal and small-scale mining

Artisanal and small-scale mining (ASM) is pivotal to events around the discovery of copper deposits on the Copperbelt Province. In 1984, as a result of years of unlicensed mining and other ASM activities, mining became subject to licensing and the area was declared a protected area. By 1990, the area had been divided into mining plots of about one square kilometre each. As of December 2017, the Ministry of Mines and Minerals Development issued about 579 mining licences to the ASM sector. In 2019, according to Zambia's Ministry of Mines and Minerals Development, 550 small-scale mining licenses and 344 ASM licenses were in effect.

Small-scale mining and gemstone licences cover a maximum area of 4 km^2, are valid for 10 years and can be renewed for a further 10 years. An artisanal miner's right covers a maximum area of 4 km^2, is valid for 2 years and cannot be renewed. A gold panning certificate is valid for 2 years and is renewable.

Revenue collection

The government has six revenue collection points from ministries and agencies: the Zambia Revenue Authority (ZRA) collects 95.87 percent of national revenue from mining annually. Receipts by local councils in mining districts accounts for 0.81 percent. The Ministry of Mines and Minerals Development accounts for 0.15 percent while the Ministries of Finance and Lands and Natural Resources each account for 0.06 percent.

Government ministries and agencies are positioned to collect revenue at strategic points from mining operations while enabling operations to remain economically viable. According to the Zambia Chamber of Mines (2016), mining companies want the best possible return on their investment over the life of the mine, while allowing governments to maximise revenue. Collections by government agencies allow mining operations to collect much-needed revenue for national development as well as sustain their operations. The local council in Solwezi district, for instance, has an annual operating budget of ZMW 80 million; 60 percent of the revenue required to meet these costs come from the three mining companies that operate in the district: Kansanshi Mining Plc, Lumwana Mining Co and Kalumbila Minerals Ltd (Solwezi Municipal Council, 2016).

Mineral Royalty Tax (MRT) is levied on mineral output that is placed on the market. For example, copper mines are taxed a rate between 4 and 6 percent on a sliding scale that varies with the prevailing copper price (Government of the Republic of Zambia, 2015). Corporate income tax levied on profits is 30 percent for Zambian mines (Government of the Republic of Zambia, 2015).

In 2016, the Zambian government tabled the Mines and Minerals Development (Amendment) Bill, 2016 to amend the Mines and Minerals Development Act, 2015 and reduce the mineral royalty payable by mining operators (backdated to 1 April 2016). The bill made significant changes to the mineral royalty regime related to copper, setting levies in the range of 4 to 6 percent depending on copper prices. Previous rates were 6 percent for underground mining and 9 percent for open-cast mining. In addition, with effect from 1 June 2016, the 2016 Income Tax (amendment) Bill removed the variable profit tax on income from mining operations. Companies conducting mining operations became subject to corporation tax at the 30 percent rate, which remains the case today.

5.4.3 Findings and recommendations

Legal and policy environment

Finding 1: Decentralisation of mineral resource governance

Zambia's Mines and Minerals Development Act of 2015 demonstrates how the sector should be regulated. Separation of different departments in the ministry with different functions at the highest level promotes transparency and good governance. The development of myriad policies, strategies, and programmes aligned with the Vision 2030 and National Development Plan dealing with specific issues on mining is to be noted as best practice.

Finding 2: Private sector administration, development and investment

The mining sector provides revenue to the state and employment in the mining districts and mining value chain. The Zambian government has a conducive policy, legislative and institutional framework to support growth of a diversified and export-oriented mining sector. Incentives to mining companies include lower taxes, income discounts for listing on the Zambian Stock Exchanges in their Thank you first year, as well as duty-free imports. However, these mostly benefit companies with large-scale mining licenses. Large-scale mining of gemstones is dominated by a handful of companies which reduces the contribution of the industry to the development of the country and small-scale mining companies, which are often locally owned, do not have access to capital to commence and sustain mining operations. As such they are susceptible to safety risks as they use sub-standard equipment and unsafe mining methods.

Finding 3: Artisanal and small-scale mining (ASM)

The acquisition and renewal of mining licences still presents a challenge in Zambia, especially for artisanal and small-scale miners. The Ministry of Mines and Minerals Development has introduced the Mining Cadastre Portal which allows any user to apply for and verify the details of any license holder in the country.[113] However, it should be noted that most ASMs in Zambia are located in rural areas with limited access to internet connectivity.

Regarding decentralisation of licensing administration, it was noted that of the 109 mining plots visited in 10 provinces of the country, approximately 75 percent held legal licenses. A vast majority of the ASM were unaware that their activities were actually illegal.

Recommendations for the legal and policy environment

The Government of Zambia is encouraged to:

- Strike a balance between protecting the environment and increasing the profits derived from the mining industry.
- Support growth of a diversified and export-oriented mining sector and diversify the economy.
- Support and create an environment conducive to small-scale mining companies to facilitate their access to capital to enable them to invest in high technology and mechanised mining methods.
- Install mechanisms for skills training and technology acquisition for ASM and expand the programme of training and education among small-scale miners to improve output and productivity.
- Enforce requirements of investment in health facilities and other important social and economic amenities by mining companies at least in the areas where mining activities are taking place and monitoring and evaluation mechanisms to control activities of mining companies.
- Ensure proper integration of policies geared to strengthening the rural development.

113 https://portal.miningcadastre.com/site/CustomHtml.aspx?PageID=d7f3f61d-4689-4280-a59a-b865f002dd60

Value realisation and optimisation of mineral resources

Finding 1: Monitoring and evaluation as good practice for mineral resource governance

The Ministry of Mines and Minerals Development has established a Planning Department to improve monitoring and evaluation with initiatives on capacity building, a mineral production monitoring support project, mining and environmental rehabilitation of derelict mines, support to the ASM actors by providing them with training and grants, and generation of information by the Geological Survey Department for promotion of investment.

Challenges facing Zambia's regulatory and institutional mechanisms include a lack of environmental compliance and under-declaring of production by mining companies due to inadequate monitoring of tax compliance, poor budgeting and low efficiencies.

Finding 2: Provision of basic services to residents around mining sites

In the previous century, Zambia Consolidated Copper Mines (ZCCM) mine workers were supplied with amenities such as health, sanitation, and recreation, including free education for their children, and subsidised housing and food, electricity, water and transport. Present-day mining companies often do not provide these basic services and as such, local communities do not feel the immediate benefits from mining. The perception of citizens on the governance of natural resources is further expounded upon in Chapter 6 of this Report.

Finding 3: Multi-stakeholder body to monitor national policy on local content in mining sector

Local content mining prioritises the use of locally sourced goods, services, and labour within the mining sector – standard practice in many developing, resource-rich countries to maximise benefits from mineral development. This practice provides a much greater share of company expenditures than the revenues accruing to government.

Finding 4: Contribution of mining sector to economy

Although the mining sector contributes 76% of total export revenues, the country only receives 23% of National Tax Revenue and 9% of its GDP from mining ventures. In 2017, mining employed only 2% of the 2.8 million formally employed individuals. A cumulative USD 3 billion is spent on local content from all large-scale mines annually (procurement of USD 1.4 billion on goods and USD 1.6 billion on services).

Social investment as a percentage of pre-tax profits in local mining districts are between 1 and 2% in the North-western Province and 10 to 16% in Copperbelt Province.

Recommendations for realising and optimising value

Strengthen mineral monitoring, pricing and trading: The government of Zambia is encouraged to strengthen the monitoring, pricing and trading of minerals to ensure that producers adhere to tax regimes and levies to enhance the mining industry's socioeconomic contributions at both local and national levels. Furthermore, it is recommended that the Ministry of Mines and Minerals Development actively engage in the industrial development and local content initiatives to promote diversification.

Attract and promote private sector investment: The government of Zambia is encouraged to attract and promote private sector investment in the minerals sector and ensure development of inputs into the value chain and downstream as well as diversifying other sectors of the economy for increased employment, enhancement of skills, and increased participation in the various industries that support core mining activities.

Environmental and social impact studies and management plans: Government must undertake environmental and social impact studies and management plans and make them available to the public, possibly on an online platform. This research and development (R&D) approach will improve government's monitoring and evaluation of mineral sectors.

Provision of basic services to mining-affected communities and workers: It is recommended that the Government of Zambia enforce the provision of basic services by mining companies for the benefit of residents in and around mining areas; citizens expect mining companies to be responsible for creation and maintenance of infrastructure in mining towns.

Benefits for the citizenry: It is recommended that government use existing frameworks to ensure that resident populations benefit from the mining industry including access to royalties through the establishment of a Sovereign Wealth Fund (SWF) funded by revenue from natural resource activities in the country. Development of a local content policy or legislation by the Ministry of Commerce, Trade and Industry will help address the non-renewable problem of mineral development.

Revenue management of mineral resources

Finding 1: Stabilisation of fiscal and tax regimes

Zambia's tax systems, which provide incentives and make allowances that are available to investors in mining are commended by AGR25. In 2015, the Zambian government introduced significant changes on the mining fiscal regime. The changes moved away from a system comprising a flat royalty rate (6%), corporate income tax and a variable income tax, to a royalty-only system with differentiated rates for underground mining (8%) and open cast mines (20%). While Corporate Income Tax (CIT) was abolished on mining operations, it was retained for income earned from tolling (processing raw materials owned by another party) and from processing of purchased ores, concentrates and other semi-processed minerals. Information from the Zambia Chamber of Mines (ZCM) indicated that the first quarter of 2015 showed mineral royalties at 41% below the government's target. This underperformance was associated with both the new fiscal regime and lower copper prices.

The continuous changing of mining tax regime is not conducive for investment into both greenfield and brownfield projects as predictability of tax regime is of importance in large scale mining projects. Frequent tax change regime affects mining companies' long term investment. It can further deny Zambia of the highly required space to compete for foreign investment amongst its mining peers as it is an important parameter in deciding where to take their investment.

Recommendations for revenue management of mineral resources

The AGR25 recommends that the Zambian government ensures stabilisation of the fiscal regime to enhance investor confidence, including improvement of the business environment. There is need to develop a predictable taxation regime that allows long term investment and confidence in the mining sector. Zambia must increase mining taxes for foreign companies more than for local companies, to derive increased benefits for the country. If taxation is increased, especially MRT, the Government can receive the revenue forgone by under-declared outputs in the mines. If tax is tampered with, it makes Zambia less competitive than other mining countries that are competing for the same investment dollars (Zambia Chamber of Mines, 2016). Revenue from taxes, levies, fees and other charges are easy to collect, administer and re-distribute. The rates that the Government can charge are also adjustable allowing flexibility during times of economic fitness as well as economic hardship.

5.4 MARINE RESOURCES: REPUBLIC OF SEYCHELLES

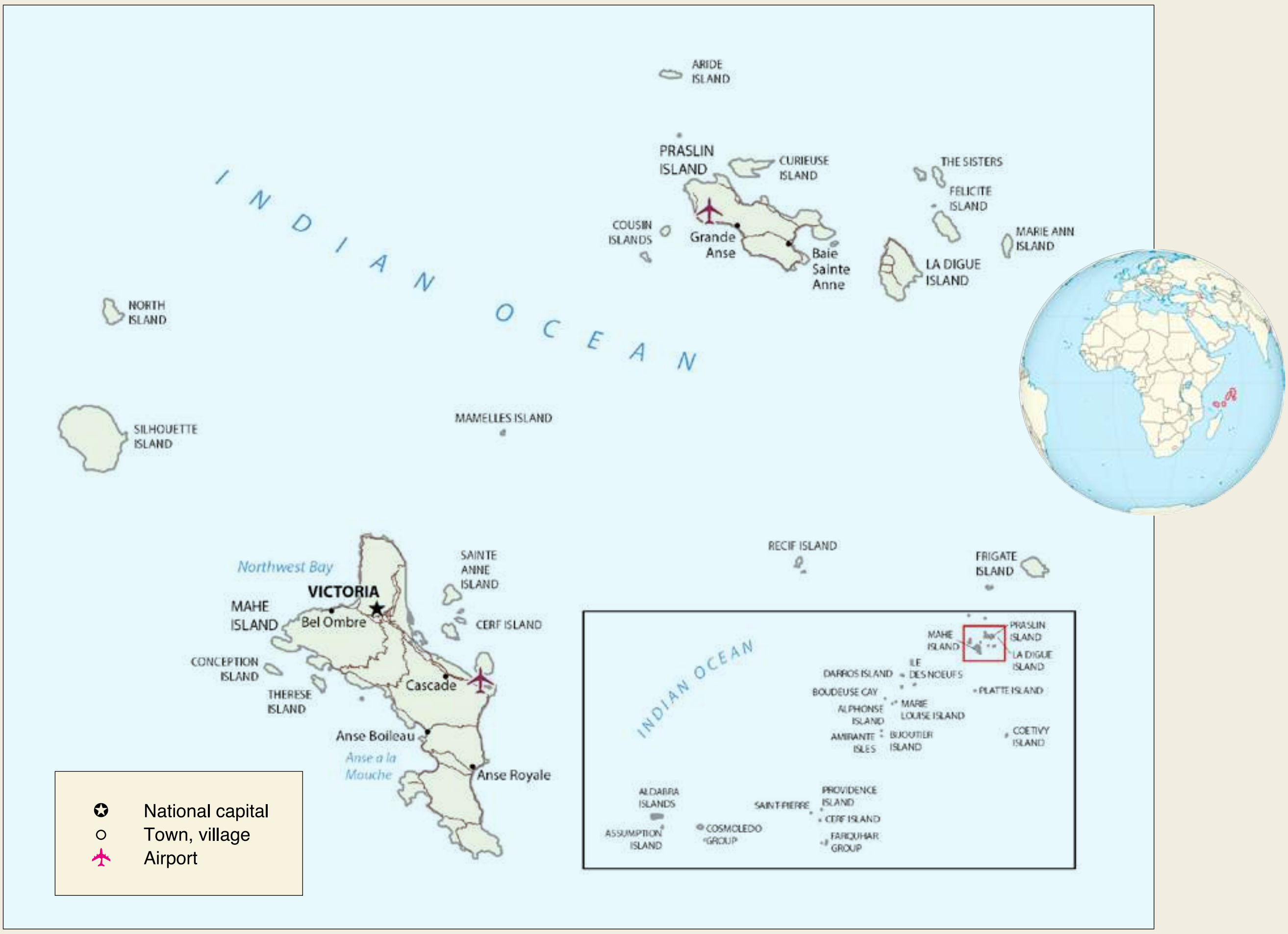


Figure 5.10: Map of Seychelles

Source: UNSD

5.3.1 Country profile

Area	455 km^2
Capital (economic and political)	Victoria
Population (2023)	99,202
Percentage youth (0-14)	23.73%
Unemployment	5%
Human Development Index (HDI)	0.796
GDP	USD 13.200 billion
GDP per capita	USD 13,306
GNI per capita	USD 13,260
Ease of doing business	100*
Corporate tax (2023)	33%

**1 = most business-friendly regulations*

OVERVIEW

- The Republic of Seychelles comprises 115 oceanic islands off the south-east coast of Africa distributed in 1.37km^2 of the Indian Ocean.
- Seychelles was uninhabited until the late 18^{t}h century when the French arrived with enslaved Africans and Indians. The archipelago was under French rule from 1756 to 1811 when the British took over until its independence in 1976.
- Seychelles attained statehood on 29 June 1976 and has a unicameral legislature, where the President is the head of state with a five-year election cycle.
- Seychelles is a member of the AU, the SADC, the UN, and the Commonwealth of Nations.

5.4.2 Situational analysis of Seychelles

Geography

The islands of the Seychelles comprise four principal groups: the granitic Mahé group and three coralline groups (Amirantes, Farquhar, and Aldabra). The Mahé group consists of 41 granitic islands, the largest of which, Mahé, is located 995 miles (1,600 km) east of Mombasa. The Aldabra, Farquhar, and Amirantes groups, are located south and southwest of the Mahé group, with a total of 74 mostly uninhabited coralline islands, and some with small-scale tourism, agriculture and fisheries.

Economic and socioeconomic growth

Considering its size and location, Seychelles has seen excellent economic and socioeconomic progress. Between the 1950s and 1970s the mainstay of the economy was production and export of coconuts, vanilla, and cinnamon; it has since shifted to a dependence on tourism and fisheries. Tourism and fisheries are responsible for at least 26 percent and 17 percent of formal employment in the country respectively (Hindle, 2019) and are also the main contributors to GDP; it is estimated that tourism is accountable directly and indirectly for approximately 55 percent of GDP and fisheries 20 percent. Fisheries are critical to international trade, estimated to comprise up to 93 percent of its exports (Hindle, 2019). Seychelles' blue economy, at a primary level, comprises USD 433 million, or 27.4 percent, of GDP and 41 percent of its formal employment. Ecosystem services associated with the nearshore marine habitats (mangroves, seagrass and coral reefs) are valued at USD 40 billion (Economic Commission for Africa, 2021).

Demographic projections for Seychelles indicate a significant shift towards an aging population by 2050. The World Bank's Population Estimates and Projections database projects that the proportion of individuals aged 65 and above will increase substantially, while the working-age population (15-64 years) will decline. These trends suggest that by 2050, approximately 36 percent of Seychelles' population will be aged 65 or older, reducing the working-age demographic to around 65 percent. This shift poses potential challenges for the country's economy, including increased demand for healthcare and social services, and a smaller labor force to support economic growth.[114]

According to the World Bank, Seychelles is the most prosperous nation in sub-Saharan Africa and is classified as a high-income country with the highest gross domestic product (GDP) per capita in Africa, at USD 15.8 billion (World Bank, 2022). The 2019 UNDP Human Development Index (HDI), ranked Seychelles at position 62 out of 189 countries with an HDI of 0.801, the only country in the African region and the Indian Ocean to have attained a very high development index (VHDI). [115]

Absolute poverty levels in Seychelles are extremely low by international standards (individuals living on an income of USD 1.90 or less per day) as a result of a stable economy and an established social protection system. The Gini Coefficient is 32.1 (below the world average), and unemployment is below 5 percent (NBS, 2023), one of the lowest rates in Africa. Completion rates for lower secondary education in Seychelles have shown variability across different data sources and years. According to the World Bank's Gender Data Portal, as of 2023, approximately 91.3% of girls and 95.2% of boys completed lower secondary school in Seychelles.[116] Adult literacy in the Seychelles is nearly the same among women (96.7 percent) and men (95.8 percent) (World Bank, 2022). A national survey conducted in 2018 showed that the unemployment rate was lower among women than men (2.9 percent and 4.2 percent respectively) (NBS, 2019).

Government

The Constitution of the Republic of Seychelles is the Supreme Law and establishes the country's system of government. It provides for three separate branches of the State – the Executive, the Legislature (or Parliament) and Judiciary. Seychelles' political structure operates under a unitary presidential system with a multiparty democracy. The country is governed by a President, who serves as both the head of state and government and is directly elected by popular vote and may hold office for up to two consecutive five-year terms.

The Legislature, the National Assembly of Seychelles, is a unicameral Parliament consisting of only one House. It has 34 members, elected for a term of five years, 25 members elected in single-seat constituencies and 9 members elected by proportional representation. Parliament is presided over by the Speaker and in his absence the Deputy Speaker, both of whom are elected by members of parliament.

The Judiciary is the legal branch of the government and is responsible for interpreting and enforcing the laws of the country. It is led by the Chief Justice. The Judiciary exerts its judicial power and authority by the courts – the Supreme Court, the Court of Appeal, the Magistrates Court and the Constitutional Court, as well as other courts and tribunals. The courts are independent of Parliament and the Executive.

Ecology and the blue economy

Seychelles is recognised as an important global biodiversity hotspot; separated from the continent shelf for over 70 million years, its many plant and animal species have evolved in isolation into unique species. Thirty percent of its marine territory is designated for conservation and marine protection, and up to 47 percent of its land territory is under legal protection.

114 http://www.newdatacatalog.worldbank.org

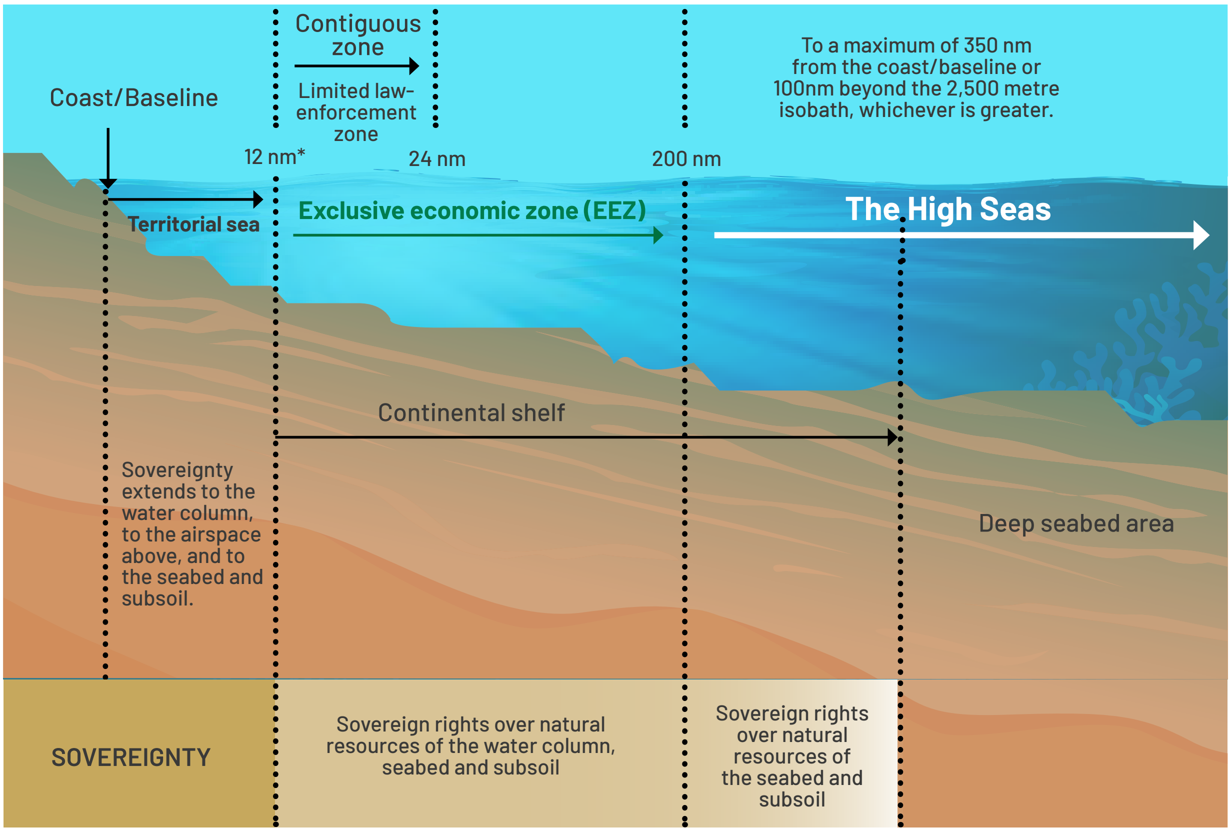
115 https://data.worldbank.org/country/SC

116 https://genderdata.worldbank.org/en/economies/seychelles

The blue economy concept evolved from a focus on integrated coastal zone management and integrated ocean governance. Its implementation is contextually specific and, in some cases, still evolving. According to the definition in the African Union Agenda 2063, the blue economy includes "… all economic activities that emanate from Africa's oceans, seas, seabeds, lakes, and rivers, which include fishing, shipping and transport, seabed mining, marine tourism, and the generation of tidal energy.

Seychelles established a blue economy department in 2015[117] and has based its blue economy definition on what constitutes sustainable development of ocean resources based on a balance of economic, social and environmental considerations: 'the economic activities that directly or indirectly take place in the ocean, use outputs from the ocean, and put goods and services into ocean's activities and the contribution of those activities to economic growth, social, cultural and environmental wellbeing.' (Department of Blue Economy website).

For Seychelles, due to the small size of the islands, the blue economy concept in its implementation, extends well beyond the limit of its shorelines and encompasses the entire terrestrial coastal zones. It also extends beyond the limit of the 200 nautical mile exclusive economic zone (EEZ), covering the joint management area (JMA) managed with Mauritius, and from a geopolitical security and safety — the immediate regional high seas where their maritime activities have direct impacts on the surrounding regional EEZs (as the main commercial fisheries industry depends heavily on the highly migrating tuna species), as illustrated in Figure 5.10 below.



nm = nautical mile

Figure 5.10: The marine zones covered by the blue economy sector in Seychelles.

Source: Department of Blue Economy (DBE) website

Seychelles is a pioneer and leading nation in the blue economy in Africa and comprises fisheries, tourism, and marine biodiversity protection as key sectors, and ocean research and biotechnological development, renewable energy, and deep-sea mining as upcoming sectors. The country has adopted a transformative model of the blue economy for that focuses on protection, and productive and sustainable use of ocean resources for the benefit of its population.

117 Purvis MT, Seychelles Blue Economy Strategy, 2021, http://www.finance.gov.sc/uploads/files/The_Blue_Economy_strategy.pdf

Resource governance

The Seychelles has benefitted from disciplined political leadership and measured multilateral and bilateral engagement over the past 15 years. Its comprehensive blue economy architecture includes a progressive legal and policy environment which has enabled it to secure innovative finances to implement its Blue Economy Roadmap. Despite the strong political will and leadership to develop the Seychelles marine resources and blue economy, it lacks a unified enabling legal framework to govern or support overall management and coordination of existing and emerging sectors in the blue economy. The vision and strategic priorities of the mature blue economy sectors – fisheries, tourism and environment – already have their policy actions broadly aligned with the strategic priorities identified in the roadmap for their respective sectors, as reflected in the Fisheries Policy (2019), Tourism Master Plan (2019–2023), and the Nationally Determined Contributions (NDCs) to the Paris Agreement. At the implementation level, there is however, a notable lack of a coordination mechanism to structure stakeholder engagement – both strategic decision-making and implementation.

Furthermore, although Seychelles has made progress in addressing illicit financial flows (IFFs) which includes those in the blue economy, government's efforts are yet to be centrally coordinated, as recommended by the AU's High-Level Panel on Illicit Financial Flows (AU HLP on IFFs).[118]

While efforts made in financial intelligence are welcomed and should be encouraged, a whole-of-government approach is necessary where inter-agency coordination, data sharing and cooperation on IFFs are the norm.[119]

Seychelles has taken public sector reforms to enhance the results and compliance through a sequential approach to a Result Based Management (RBM) framework across the public sector since 2015. It has based its governance management framework on four pillars: Strategic planning, Performance-based budgeting, Performance management, and Monitoring and Evaluation. The process has brought improvement in regulatory compliance, accountability and transparency in public service across all sectors, where plans and budgets are now linked to strategic government's priorities which in turns are linked with policies, expenditure, and outcomes and commitment from operational levels.

118 The latest efforts (October 2024) were under the Seychelles Revenue Commission (SRC), in collaboration with the African Tax Administration Forum (ATAF). Key stakeholders in the financial sector met to deliberate on tax evasion, a key component of the illicit financial flows. These were largely around tax-based aspects of IFFs. However, IFFs go beyond taxation.

119 Nations Office on Drugs and Crime (UNODC) provided technical support in the form of training on financial intelligence to the Financial Criminal Intelligence Unit (FCIU); the Financial Intelligence Unit (FIU); Police Commercial Crimes unit; the Revenue Commission; Customs; the Seychelles Intelligence Services and the Anti-Corruption Commission; Attorney General's office, the Coast Guard, Immigration, and Anti-Corruption Commission.

To improve compliances, accountability and transparency in the Private and Civil Society sectors, the laws that governs international businesses, local businesses and associations have been progressively amended to provide more transparency and accountability in the sectors as follows:

- Associations Act 2022 – repealing the previous Association Act
- Companies (Amendment) Act 2020
- International Business Companies (Amendment) Act 2021

All the three set of laws have been amended or replaced to provide more relevant and modern regulatory standards in the governing environment based on international best practices including new emerging issues such as better provisions for declaration and affiliations of members, compliance to Anti-Money Laundering and Countering the Financing of Terrorism laws, allows uninhibited inspections of companies registers, making companies and associations oblige to keep registers of their members, in addition to records of their financial transactions and activities.

The presence of a Fisheries Transparency Initiative (FiTI) in the country, a global multi-stakeholder partnership that supports countries in managing marine fisheries resources sustainably by enhancing transparency and multi-stakeholder participation, means that the fisheries sector is now open for public and private stakeholders' scrutiny. The (FiTI) International secretariat is hosted by Ministry of Fisheries and Blue Economy of Seychelles.

The biggest source of revenue in Fisheries in Seychelles is based on the EU agreement for allowing fisheries practices in Seychelles. Since 1984, Seychelles has held agreements with the EU to fish tuna in the country. The current EU Fisheries Access Agreement expires in 2026. The agreements are available to the public on the FiTI website.

In 2007, considering the overlap in the extended Continental Shelves of Seychelles and Mauritius in the Mascarene Plateau Region, the two Governments resolved to make a joint submission to the UN Commission on the Limits of the Continental Shelf (CLCS). The Joint Management Area (JMA) is an Extended Continental Shelf (ECS) area of about 396 000 km^2, of which Seychelles and Mauritius share joint jurisdiction. The Joint Management Area (JMA) is established through a Treaty that provides an institutional and regulatory framework for its management, including the conservation, development and exploitation of its natural resources. The treaty is unique and is the first of its kind as it makes provisions for the joint management of the largest area of maritime space in the world that is subject to joint management. The JMA is managed using a three-tiered administrative structure: A Ministerial Committee, a Technical Council and a Designated Authority (yet to be established).

Seychelles has established a commendable record of accomplishments in governance of the blue economy. Below are selected highlights. Seychelles has also implemented a debt for nature swap initiative in 2012, when it committed to 30 per cent of marine protection at Rio+20. Following that, the journey was as follows:

2014: Seychelles met main bank bilateral creditors and discussed plans to swap a portion of its external debt for funding for coastal/marine conservation projects.

2105: Seychelles held discussions with key local stakeholders about MSP, and with the Paris club creditors, announced the first-ever debt restricting for climate adaptation.

2016: Seychelles paid creditors (USD 21.6 million) buy back their debt via a loan from SeyCCAT, funded by grants and a loan from The Nature Conservancy.

Seychelles pioneered blue bonds, a financing initiative that combines public and private investment to mobilise resources for empowering African taxpayers and businesses to sustainably develop the blue economy. The Seychelles Blue Bond was formalised in October 2018 and raised USD15 million. So far, proceeds from the bond have been used to support the expansion of marine protected areas (up to 30 percent of the EEZ), improving fisheries management (developed fisheries management tools), promotion of sustainable tourism, and development of climate-resilient coastal communities (developing new climate change adaptation coastal infrastructures).

Grants and loans provided through the Blue Grants Fund and the Blue Investment Fund, are managed respectively by Seychelles' Conservation and Climate Adaptation Trust (SeyCCAT) and the Development Bank of Seychelles (DBS). Seychelles is well-established as a global leader in this emerging transformative economic paradigm, after having successfully established the following key milestones in ocean governance.

5.4.3. Findings and recommendations

Enabling environment for marine resource governance in Seychelles

Finding 1: Legal and policy environment

Several legal instruments and frameworks underpin the Seychelles' sustainable development agenda with a strong emphasis on good governance and government effectiveness, strengthening public sector service delivery and behaviour change, transparency, accountability, and strengthening financial management. The policy and legal landscapes offer a multiplicity of instruments that governing the Seychelles' blue economy concept.

Finding 2: Evolving coordination mechanism

Seychelles has relocated its blue economy portfolio from the Ministry of National Planning and Budgeting to the Vice President's Office and a department within the Ministry of Fisheries and Blue Economy, which may impact implementation of the Blue Economy Agenda. Lack of a clear process to guide the transition and lack of clear, concise and consistent messaging around the priority given to the blue economy present challenges. Establishment of a comprehensive coordinating structure for the blue economy has suffered a drop in political will following an initial failure in 2016 and 2018 to win cabinet approval of a blue economy institutional arrangement.[120]

In 2019 the cabinet of ministers approved a blue economy ministerial council chaired by the vice president of the republic, to provide strategic leadership, direction and oversight, and a multi-stakeholder forum to serve as a technical platform for advice and dialogue to the ministerial council on cross-sectoral implementation of blue economy council. However, progress has been limited; both entities were abolished in 2020 following a change of government, which opted for a more departmental structure.

In conclusion, none of the institutions mentioned above, have the legal mandate and framework to coordinate overall implementation of the national blue economy framework. There is a need for stronger communication and coordination between the Seychelles Marine Spatial Plan (SMSP) unit located in the Ministry of Agriculture, Climate Change and Environment (MACCE), and the Department of Blue Economy (DBE) currently located within the Ministry of Fisheries and Blue Economy (MoFBE) for implementation coherence to achieve the mandates and programme aspirations for the country. Additionally, there is a lack in meaningful involvement of other relevant governmental departments which also have a stake (either directly or indirectly) in blue economy/ocean matters (e.g., Sports, Health, Education, National Planning, Finance, Foreign Affairs, Agriculture, Forestry, Taxes and Licenses Authorities, to name a few) to ensure effective and sustainable outcomes of the cross-cutting and multi-sector nature of the blue economy.

Finding 3: Effective regulatory compliance and access to information

Entities at different levels implement compliances and accountability based on their function; resources are managed depending on their types and usage. For instance, specific fisheries regulations are led by the Seychelles Fisheries Authority. Levels of regulatory compliance vary from one authority to another (e.g., regulatory compliances are higher in the environmental sector, marine safety and security, but less stringent in the fisheries sector, and

120 Later, in 2019, a new proposal structure was approved and implemented, which consisted of fundamental governance changes from the previous proposals.

regulatory instruments for the hospitality, sport, and recreational, research and bioprospecting sectors are inadequate).

Seychelles has an Access to Information (ATI) law (2018) which allows the public access to information from any public body. However, apart from information exempt from public viewing, the access procedure is considered cumbersome. The DBE has also adopted a monitoring and evaluation framework that aims to enhance engagement and commitment of key stakeholders in negotiations and implementation of the blue economy programs. The framework is being revised but the country institutional consultations mission has no information on its level of implementation.

The SMSP provides a mechanism for enhancing transparency through workshops, capacity building, awareness and education campaigns for marine resources preservations.

The Fisheries Transparency Initiative (FiTI) has had a remarkable impact on transparency and inclusivity if fisheries in Seychelles. FiTI promotes informed public debates on fisheries policies and supports the long-term contribution of the sector to the national economy and the well-being of the citizens and businesses that depend on a healthy marine environment. Since its existence in Seychelles, FiTI has provided four annual reports each highlighting the annual revenue flows. The most recent FiTI report launched in 2024 was for 2022, and notes the limitation in the capacity of FiTI to deliver its mandate effectively.

There is limited capacity in the DBE for effective monitoring, evaluation and enforcement, which is also a concern in other economic sectors.

Recommendations for creating an enabling environment for marine resource governance

Legal and regulatory framework: The government is encouraged to establish a comprehensive and conducive legal and regulatory framework based on international best practice in governance and development. Such a framework will situate and enable all institutional structures and processes to effectively govern blue economy development in Seychelles, with sufficient authority and legitimacy.

Operationalise an oversight coordination mechanism on blue economy to ensure a high level of oversight, coordination, facilitation, and monitoring and evaluation of implementation of the blue economy. The mechanism should foster synergies, collaboration and inclusivity.

Enact Ocean Authority Bill: The executive arm of the government should take the opportunity during the process of enabling the Act for Ocean Authority at the National Assembly to further sensitise the legislature, to promote the blue economy agenda for Seychelles, and engage parliamentary leadership to facilitate implementation of the Blue Economy Road Map during the legal and budgetary review processes.

Improve stakeholder coordination and engagement: A coordinated platform for review of the National Development Strategy (NDS), is needed to: coordinate with a mid-term review of the Blue Economy Roadmap; promote synergies; and address the challenges of institutional coordination, harmonisation of stakeholder engagement, and public information provision and communication. It will also improve alignment and collaboration within the governance structures that implement the blue economy.

Greater inclusivity in blue economy governance institutions: The government is encouraged to strengthen decentralised governance structures that acknowledge smaller players and the Department of Blue Economy to make decision-making structures more polycentric.

Prioritise stakeholder engagement within the legal framework to drive coordination and the legal and policy environment of the blue economy: The government is encouraged to consider putting in place legal frameworks with clear, concise and coherent mechanisms for stakeholder engagement, to facilitate and encourage public participation, empower local citizens to engage effectively in the Blue Economy governance, structures to govern public meetings, access and dissemination of information, and platforms for community voices to be heard (similar to environmental impact assessments [EIAs] and land-use provisions).

Value realisation and optimisation of marine resources in Seychelles

Finding 1: Capacity limitations in sector governance and management

In terms of value realisation, the SMSP Unit is leading an assessment, which is still being consolidated, to cost management of marine protected areas; and the DBE is developing tools to address the contribution of the blue economy to the broader economy, which includes piloting a Blue Economy Accounting Tool developed by UNECA. The blue economy is currently estimated to contribute to more than 50 percent of GDP in Seychelles (UNECA, 2023). Given its small population, Seychelles needs strong capacity building across different areas. The SMSP is leading a consultancy to identify the capacity needs for implementing the marine spatial plan.

Recommendations for realising and optimising value

Increase public investment in marine resource management and research: Government is encouraged to invest significantly in research and capacity building support to improve ocean resource management, and also consider expanding international partnerships to realise this objective.

Integrate blue economy into the school and training programme curricula: Government is encouraged to incorporate blue economy in a more targeted way into the educational curricula of the primary, secondary and tertiary education institutions for long term sustainability.

Implement reform to improve the 'ease of doing business' in the blue economy sector: Government is encouraged to improve and facilitate its "Ease of doing business" criteria to leverage the blue economy to accelerate economic growth and promote industry in Seychelles. Currently, the country ranks 100 among 190 economies in the ease of doing business, according to the latest World Bank annual ratings.

Recommendations for the African Union

- Consider establishing a platform for Seychelles and other countries that have made strides in natural resource governance to share best practices, lessons learned and exchanges on institutional frameworks amongst African states.
- Join with regional multilateral agencies to attend to continental data issues and promote greater collaboration between member states on data management, e.g., Suez Canal exchange of technical expertise.
- Promote technology transfer in biotechnology in the form of laboratories, incubators, and micro-enterprises: (e.g., pharmaceutical exchange between Morocco and South Africa).

5.4.4 Conclusion

The country case studies provide evidence for understanding and improving natural resource governance, towards more effective and legitimate policymaking, implementation and oversight.

Chapter 6 explores public perception on natural resources governance in Africa to provide insights into how communities view the management of natural resources, distribution of benefits, and impacts of natural resources – minerals, land and marine – on the national socioeconomic and political landscape.

CHAPTER 6

CITIZEN'S VOICES – PUBLIC PERCEPTION STUDIES ON NATURAL RESOURCE GOVERNANCE IN AFRICA

Public opinion surveys are dominated by issues of control of and benefit from natural resources, especially in the minerals sector, rather than addressing why African economies have not developed the capacity for exploration, extraction, and processing of natural resources. Although perceptions vary according to region, socioeconomic status, and individual experiences there are areas of common interest.

The most explored question is that of **foreign exploitation** – the perception that foreign companies and governments are the primary beneficiaries of the continent's rich mineral resources and that multinational corporations exploit local resources while repatriating profits back to their home countries.

Corruption and poor governance are also top of mind with strong perceptions that government officials and local elites benefit disproportionately from resource extraction, often through corrupt practices and that, as a result, the wealth generated from these resources does not flow back to the communities from which they are extracted.

Some studies also indicate growing sentiments about **limited local involvement**. Many Africans feel that local populations have minimal involvement in the decision-making processes related to resource extraction. Although the types of decisions have not been examined in these studies, there are beliefs that African societies lack the technical skills and investment opportunities necessary to benefit directly from these industries. In this regard concerns about the relevance and efficacy of the education system and vocational training are raised.

Studies also reveal that there are growing **environmental concerns**. For instance, in southern Africa, there are concerns about the environmental impact of mining activities, leading to a perception that the benefits of resource extraction come at the expense of local ecosystems and community health. This has led to calls for more sustainable practices and better regulations.

In recent years, among populations in countries that have experienced unconstitutional changes of government, public perceptions about foreign control of natural resource sector industries have led to calls for **resource nationalism**; policies that prioritise national interests and ensure that nationals gain a fair share of the benefits derived from their natural resources. There is growing interest in increased local ownership and management of these resources.

Overall, perception studies suggest that while there is recognition of the economic potential of minerals, many African citizens view the current global and domestic structures as skewed in favour of foreign interests and local elites, resulting in limited benefits for the broader population. **Efforts for reform, transparency, and equitable distribution of resources** are ongoing themes in the discourse around natural resource management in Africa.

Public perception studies on natural resources governance in Africa provide valuable insights into how communities view the management of natural resources, distribution of benefits, and impacts of natural resources – minerals, land and marine – on the national socioeconomic and political landscape. Key areas include: 1. Trust and accountability, 2. Environmental concerns 3. Equity and fairness, 4. Participation in decision-making, 5. Impact of foreign investment, 6. Role of civil society, 7. Media influence, and 8. Socioeconomic impact.

6.1 Public perception survey

6.1.1 Trust and accountability

Studies indicate that public trust in governmental institutions is low, due largely to perceived corruption and lack of transparency in resource management. Citizens often feel that resource wealth does not benefit African taxpayers. **Table 6.1** shows a general decline in public trust in leaders and in key institutions across the continent in the period between 2011 and 2023 (Afrobarometer 2024).

Table 6.1: Change in trust in leaders and in key institutions in 30 African countries between 2011 and 2023

	2011/2013*	2014/2015	2016/2018	2019/2021	2021/2023	Difference 2011–2023 (% points)
Parliament	52%	49%	44%	40%	33%	-19
Ruling party	49%	46%	43%	40%	33%	-15
President	60%	57%	53%	52%	48%	-12
Courts of law	59%	55%	54%	52%	49%	-10
Electoral commission	48%	49%	44%	46%	40%	-8
Traditional leaders	-	58%	51%	54%	50%	-8
Religious leaders	-	73%	70%	69%	66%	-7
Opposition parties	36%	36%	32%	33%	29%	-7
Local govt. council	45%	47%	43%	42%	39%	-6
Police	52%	52%	52%	50%	47%	-5
Army	66%	66%	67%	66%	64%	-2

*Source: Afrobarometer, 2024; *2011/2013 studies excluded questions about traditional and religious leaders*

6.1.2 Environmental concerns

There is growing awareness and concern about the environmental impacts of resource extraction, including deforestation, pollution, and loss of biodiversity. **Figure 6.1** illustrates that across the five regions of Africa, the public considers the costs of extraction of natural resources to outweigh the benefits (Afrobarometer, 2023). Communities often express a desire for sustainable practices that consider environmental preservation.

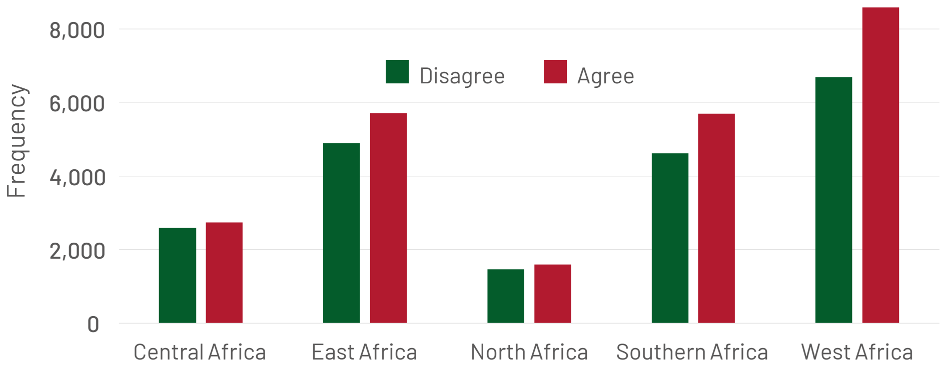


Figure 6.1: Citizen perceptions about the benefits of resource extraction across African regions. Respondents were asked: Do you agree or disagree? In general, the benefits of resource extraction to local communities, such as jobs and revenue, outweigh the costs, such as pollution.

Source: Author using Afrobarometer, Round 9 data, Survey question 73d

6.1.3 Equity and fairness

Public perception studies frequently highlight demands for equitable distribution of resource wealth. Many communities believe that benefits should reach local populations, especially those affected by resource extraction activities. **Figure 6.2** shows that in four out of five regions in Africa, the public believes that African taxpayers do not receive a fair share of revenues from natural resource extraction (Afrobarometer 2024).

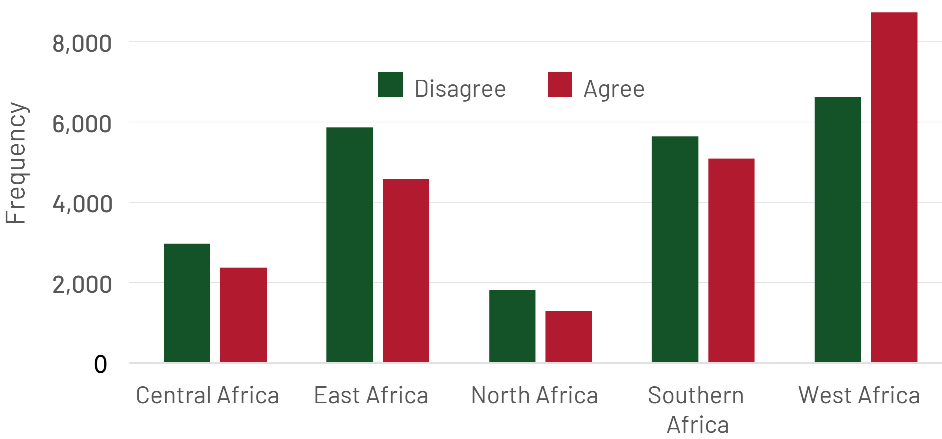


Figure 6.2: Citizen perceptions about a fair share of revenue distribution across African regions Respondents were asked: Do you agree or disagree? Local communities receive a fair share of revenue from natural resource extraction that takes place near their communities.

Source: Author, using Afrobarometer, Round 9 data, Survey question 73c

6.1.4 Participation in decision-making

There is a strong call for community involvement in decision-making processes related to natural resources. Studies have found that community engagement may lead to better governance and outcomes. Some companies involved in extractive industries have undertaken to involve communities in decision-making through foundations where they can make inputs on how funds allocated for local development projects should be spent and communities and civil society, in many cases with the help of non-governmental organisations, have sought to mobilise to seek control of natural resources. Nevertheless, many citizens in resource-rich countries remain uninvolved in decision-making and are excluded from community engagement initiatives for various reasons including fragile institutions and bureaucracies, political pressure and conflicts of interest which prevent affected communities from participating optimally (Kurniawan et al. 2022).

The participation of citizens in natural resource governance in Africa has been buttressed by political liberalisation on the continent as well as the adoption of the Sustainable Development Goals which provide a global consensus on public participation in decision-making. Communities and civil society are increasingly becoming involved in the initial stages of resource governance, including in matters such as contract negotiations for example. (UNECA, 2018).

6.1.5 Impact of foreign investment

Perceptions of foreign investment in natural resources are mixed; some view it as beneficial for economic development, while others are concerned about exploitation, loss of ownership, and environmental degradation.

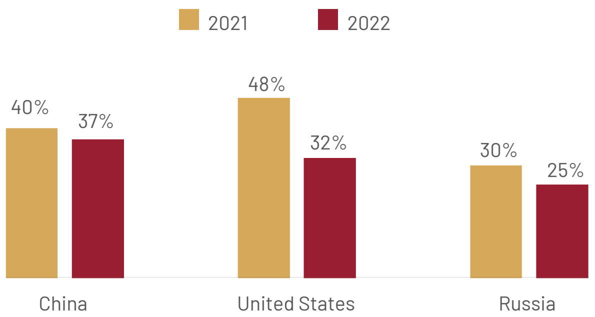


Figure 6.3: Changes in positive perceptions towards foreign investment in South Africa between 2021 and 2022. Respondents were asked: Do you think that the economic and political influence of each of the following countries on South Africa is mostly positive, mostly negative, or haven't you heard enough to say?

Studies undertaken in South Africa found that between 2021 and 2022 there was an overall decline in public perception of investments from China, United States and Russia, as illustrated in figure 11.3. The perceptions of South Africans mirrors global dynamics which are shifting from a unipolar world dominated by the West to a multipolar order. Studies undertaken by Afrobarometer also found significant proportions of respondents who indicated that they "don't know" about the economic and political influence of foreign powers in South Africa, which suggests lack of knowledge or lack of interest in the subject matter (Afrobarometer 2023).

6.1.6 The role of civil society

Many findings have emphasised the role of civil society organisations in advocating for better governance, increased transparency, and accountability in resource management. Civil society has been involved in various campaigns relating to natural resource governance, including advancing the fight for land ownership rights for women. Efforts have resulted in the introduction of laws such as the 2005 Organic Land Law in Rwanda, and the Ethiopian government's introduction of land-title certificates in both spouses' names in 2003 (UNECA, 2018).

6.1.7 Media influence

Access to information can empower communities and influence public discourse. The role of the media in shaping perceptions and raising awareness about natural resource governance is thus very significant. Level of media coverage has been identified as a contributing factor to collective action and, by transforming individual opinions into public opinion, emergence of social movements. Compared to traditional media platforms, digital media (including social media) is easier to access because of the lower cost of access, rapid circulation and more diversity. Studies have found that Facebook and Twitter had an important role to play in initiating, spreading and recording the protests that took place worldwide in 2011, including the Arab Spring. Other contributing factors notwithstanding, Facebook use has been found to be a significant predictor of potential individual participation in collective action (David 2021).

6.1.8 Socioeconomic impact

Public perception studies frequently assess the socioeconomic impacts of resource governance on poverty levels, health, education, and quality of life within communities. In a study of public perception of the impact of mining, 100 percent of respondents from a mining community in South Africa regarded mining as having a negative impact on water quality, crop yields, soil and air quality, land availability, and wildlife (Seloa and Ngole-Jeme, 2022).

6.1.8 Implications of public perception

Communities expect that the presence of mines will improve their livelihoods through the provision of infrastructure, jobs, roads, healthcare services, and schools. Public perceptions matter because they have a bearing on whether or not a mine is accepted in a community. The inability of a mine to live up to the community's expectations of addressing the challenges faced by the community can lead to mistrust in the mining entity. Corporate Social Responsibility (CSR) initiatives are undertaken by some mining companies to improve the livelihoods of communities by meeting some of their needs, while safeguarding the environment and making a profit; however, there are indications that communities around mining areas are still not receiving the expected benefits. In Ghana, research has shown that mining companies do not invest much in CSR and rather focus on investing in infrastructure; and in South Africa CSR initiatives have been found to fall short of addressing the root causes of the challenges experienced by mining communities (Seloa and Ngole-Jeme, 2022).

6.2 Findings

Divergence of views of community members on what needs they expect mines to meet can pose a challenge for the mobilisation of populations to invest in the minerals sector, and this can affect the feasibility of developing national industrial capacity in the extractive and blue economy sectors.

Negative perceptions of communities towards companies exploiting natural resources can result in tensions between the two sides.

CSR initiatives tend to be voluntary and there usually is no legally binding obligation for companies exploiting natural resources to contribute to the upliftment of surrounding communities (Seloa P. and Ngole-Jeme V. 2022).

6.3 Recommendations

There is a need to implement **more impactful initiatives** to deepen inclusion of communities and achieve a more equitable and fair distribution of natural resource wealth. Companies must be monitored to ensure that they fulfil the **environmental management plans and social and labour plans** they commit to when applying for operating licenses.

CHAPTER 7

KEY ISSUES AND RECOMMENDATIONS ON NATURAL RESOURCE GOVERNANCE

A consolidation of the recommendations for the AGR25 comprises summaries of key findings and the related recommended actions for consideration by the AU, including RECs and regional mechanisms, member states of the AU, and stakeholder institutions such as the UN, multilateral banks and national level non-state entities in both the public and private sectors.

Recommendations derive from rigorous research and country institutional consultations, and include generic and specific actions, which, through a series of reviews were considered strategic, implementable and impactful. Recommendations were articulated in coherence with the AU Tripod Framework of Development, Governance and Peace and Security which required that each recommendation integrate all three dimensions of the AU Tripod in rendering the rationale or construct of its action. Thus, each recommendation comprises dimensions of the natural resource governance sub-sector, its development aspect, and the peace and security nexus.

The veracity of the recommendations in regard to the objective of the AGR25 theme made it imperative to categorise these actions into the three lenses of the analytical framework presented herein as i) legal and policy environment, ii) value realisation and optimisation, and iii) enhancement of revenue management. For ease of reference, the recommendations are presented in three sub-sections: land resources, marine resources, and mineral resources.

The work of the AU and development of the AGR25 are guided by the following principles: sanctity of and equality of sovereigns, context sensitivity, Pan-Africanism, continuous improvement, technological innovation, and mutual respect and benefit. The recommendations embody these sacrosanct principles and seek to encourage the AU, member states and others to pursue tested innovations and explore reasoned alternatives in a measured and pragmatic manner.

Finally, the recommendations are cognisant of the diverse sociocultural, political, and economic values and realities on the continent. Africa is an amalgamation of values and systems with both homogenous and polygynous characteristics, with Afrogenic, Asian, Arabic, and European elements. Accordingly, the recommendations of the AGR25 also derive from existing normative frameworks for each of the subsectors, to ensure coherence with the various instruments and frameworks developed by the AU over the decades.

7.1 Key issues and recommendations for governance of land resources

The recommendations on governance of land resources are understood and conceived in the context of complex and persistent international and domestic political economy dynamics. These dynamics impact on the perceptions of the value, ownership, use, and control of land. Multiplicity of tenancy, insecurity of tenure, and land commodification – reduction of land and its rights into a commodity that can be bought and sold in a market – are key challenges. The recommendations, therefore, recognise that land tenure systems in Africa vary according to the different forms of colonisation experienced – particularly, the degree of settler expropriation of land – and are also influenced by diverse contemporary political, economic, social and environmental factors.

During colonial rule in Africa, four distinct land frontiers were developed.[121]

The first were **settler colonies** where European immigrants displaced Africans, with the goal of establishing a permanent society on land that was already inhabited – a historic form of dispossession and land theft also referred to as colonial imperialism.[122] These settler colonies were established mostly in southern, eastern, and northern Africa.

The second were **concessionary exploitative colonies,** confined to Central Africa and the Congo basin. The concessionaire system tended to develop in areas in which pre-existing trade was not well developed and in which trading companies were willing to invest in agriculture, forestry, and mining within a given area.[123]

The third – **autonomous peasant proprietor production** – predominated in areas characterised by developed markets and trading towns, a pronounced social hierarchy reflected in the development of pre-colonial states that controlled trade and agricultural production and labour.[124]

In the fourth type of land frontier, land was often vested in the colonial state often through **coercion, the threat of violence and unfair, exploitative trade machinations.** Land was also vested in traditional rulers, but their authority was under the trusteeship of colonial officers.[125]

121 Austin, G. (2010). 'African Economic Development and Colonial Legacies', *International Development Policy | Revue internationale de politique de développement*, 1, pp. 11–32. DOI: https://doi.org/10.4000/poldev.78

122 Wolfe, P. (2006). Settler colonialism and the elimination of the native. Journal of Genocide Research, 8(4), 387–409. https://doi.org/10.1080/14623520601056240

123 Ibid.

124 Ibid.

125 Bjerk, P. (2013). 'The Allocation of Land as a Historical Discourse of Political Authority in Tanzania', *The International Journal of African Historical Studies*, 46(2), pp. 255–282. Boston University African Studies Center.

These historic patterns dominate land law and administration in Africa to this day and its architecture has been entrenched by the resilience of neo-colonial relations between African states and the former colonial powers, the victors of the Second World War, which conceived and anchor the current world order.

7.1.1 Recommendations for enabling environment

The AU is encouraged to consider developing a Non-Compulsory Indicative Model Legislation on Land which would stipulate and include provisions on the following:

Land governance guidelines for land-use planning and development (the AU Land Policy Centre (AU-LPC) would be instrumental in this regard).

Group tenure rights for pastoral communities. Namibia's Communal Land Reform Act empowers traditional authorities to manage common lands and set limits on livestock numbers.

Land dispute resolution mechanisms, at national and local government levels, that offer holders of land rights an opportunity for mediation in dispute resolution and conflict management.

A **regional transhumance policy** to address the mobility and resource-sharing needs of pastoral communities.

Guidelines for land resettlement programmes for displaced populations and frameworks for adjudication of competing claims in post-conflict countries, with emphasis on the principle of gender equality in land adjudication and administration.

Increase public investment in land administration – source, establish and strengthen land administration institutions (with mandates and laws to oversee access to land, land use, resettlement of migrants, and refugees, etc.). Considerable investment should be made in land rezoning to reduce the cost of land administration and increase or sustain property values, which are often eroded by unregulated mixed-use property development practices.

Introduce land-law and -use literacy programmes: AU member states are encouraged to introduce land education programmes at all levels of the education system to promote land rights and reorient the population on land commodification and productivity.

7.1.2 Recommendations for optimising value realisation

Regulate land markets: The aim of regulating land markets is to reduce the ratio of land cost to the total investment. AU member states should consider developing guidelines to regulate land markets and competition to reduce land transaction costs, the unit cost of land, and prohibitive licensing fees, among other things.

Make provisions for upgrading of tenure systems: Governments should introduce legislation and mechanisms that include provisions for upgrading land tenure systems for informal urban settlements to improve tenure security of landholder, at an affordable, minimal cost. Legislation should deem customary land tenure systems comparable to surety value with land under other tenure systems. Additionally, AU member states are encouraged to establish affordable fees for land transactions and registration, especially for customary land registration, to facilitate affordability and acceleration of land transactions.

7.1.3 Recommendations for enhancing revenue management

Revise the formula for compensation and relocation of displaced persons: AU member states should develop mechanisms for financing relocations with considerations for living standards and restoration. Member states may also develop a unified land administration and data-gathering system to ensure fair, efficient land governance and handling of land disputes. The systems in place in Rwanda and Mauritius are benchmarks from which lessons can be derived.

Revise revenue allocation formulas in law: The AU should develop guidelines for member states to ensure transparent and accountable rent and resource sharing to protect affected communities and other stakeholders. The law should include elements of social, economic, and environmental standards, institutional structure with legal recognition, mechanisms for evaluating the post-acquisition circumstances, and the establishment of special funds available to support the compensation of the affected populations. The Environmental and Social Framework (ESF), the African Development Bank Group's Updated Integrated Safeguards System (ISS), and UNDP's Social and Environmental Standards provide guidance in this regard. AU member states are encouraged to consider introducing revenue management provisions that allocate rents from investments on land to human rights, and environmental, social, and labour demands for affected populations.

Enhance revenue transparency AU member states are encouraged to reconfigure decision-making on public and private investment and guarantee transparency, ensuring records are open to public scrutiny.

7.2 Key issues and recommendations for governance of mineral resources

7.2.1 Enabling environment

The legal, policy, and institutional environments of Africa's natural resources sector, particularly those of the minerals and extractives sectors, have been significantly inhibited in their development due to continentally fragmented policies and weak institutions, which have resulted in contradictory expectations in the political class, the policy community, domestic industry, and the private sector regarding value realisation and revenue management. To bring attention to this persistent and unresolved status quo, the AGR25 highlights the following overarching challenges: (i) comprised institutions (ii) limited bargaining power (iii) neighborhood effect and (iv) development of human capital.

The challenge of **compromised institutions** in Africa is both historic and contemporary and is driven by underfunding, insufficient and poorly skilled human capital, and institutional mandates that are incongruent and insufficient to the purpose and intended outcomes. The result of this – limited institutional capacity coupled with intermittent political support and negative international political influences – is diminished capacity to regulate or hold industries accountable in respect of compliance and transparency.

The AGR25 has established that African countries have **limited bargaining power** when negotiating with large multinational companies in the mineral and marine resources sectors and that this has resulted in contracts with very marginal benefits to African countries, often with much lower royalties in exchange for huge tax breaks. The lack of capacity in African countries for value addition, due to the lack of skills and limited technology, resulting in the export of raw materials with little domestic processing, greatly reduces the dividends that could be gained from the mineral resources sector.

The AGR25 also recognises the detrimental impact of the **'neighbourhood effect'** – the way in which circumstances and negotiations between governments and foreign investors in a country, can influence those in neighbouring countries within a region. This often results in countries competing for the same foreign investors, leading to a 'race to the bottom' in terms of contract terms and conditions. When a country has established a precedent for specific terms, neighbouring countries may feel pressured to adopt a similar regime of terms, despite the unwarranted cost to the country. This results in unfavourable agreements for governments, local communities, and domestic investors. Without regionally or continentally standardised agreements, the economic fluctuations or changes in regulatory environments in one country can shift investor interests and bargaining power, leading to changes in the way in which contracts are negotiated across the region or in other states across Africa.

Development of human capital has two aspects:

Mandatory community development agreements (CDAs) enforced in areas where extractive enterprises operate agreements: A specific percentage of the company's profits should be directly invested in community development projects to ensures that local communities benefit directly from resource extraction, moving beyond voluntary corporate social responsibility initiatives.

Business and human rights redress mechanisms: Robust legal frameworks are needed to hold companies accountable for human rights violations caused by their operations. The African Commission on Human and Peoples' Rights and the African Court on Human and Peoples' Rights have a crucial role to play in providing effective redress mechanisms to empower affected communities and individuals to seek compensation and remedies for human rights abuses.

GOVERNANCE FRAMEWORKS AND REGULATORY MODERNISATION

Regulatory modernisation refers to updating governance frameworks and adopting innovative technologies to improve efficiency, reduce bureaucracy, and enhance compliance in resource sectors.[126] For the oil and gas, and mining industries, modern regulatory approaches can help manage resources sustainably while attracting investment. African countries are making strides in this area, but significant gaps remain.

Zambia has implemented an online mining cadastre system that streamlines license applications and renewals. This e-governance platform minimises bureaucratic delays, improves transparency, and provides real-time data on resource allocations. The system enhances investor confidence by reducing corruption and ensuring equitable access to resources.

Nigeria has modernised its oil and gas governance through the Petroleum Industry Act (PIA) of 2021. The PIA introduced a digital oil licensing system, which automates the allocation and renewal of oil leases, reducing inefficiencies and promoting transparency. It also mandates the establishment of databases for production monitoring and revenue tracking, thereby strengthening governance and compliance in the sector.

126 Levi-Faur, D., Kariv-Teitelbaum, Y., & Medzini, R. (2021). Regulatory governance: History, theories, strategies, and challenges. In *Oxford Research Encyclopedia of Politics.*

RECOMMENDATIONS

Modernise the regulatory environment: African countries are encouraged to modernise their regulatory frameworks by adopting real-time monitoring systems to enhance compliance and public accountability, and by consolidating resource governance functions into integrated digital platforms to streamline regulatory processes. These strategies would improve efficiency, transparency, and stakeholder confidence while attracting greater investment and aligning with national sustainability goals.

MINING AND EXTRACTIVE AGREEMENTS AND STABILISATION CLAUSES

The terms of mining and extractive agreements also influence the ability of a country to fully benefit from its resources; mining agreements, and the clauses negotiated within them are a critical aspect of the regulatory framework. It is essential to consider renegotiating mining and extractive agreements to eliminate harmful clauses that may hinder long-term sustainable development and equitable resource distribution**.** Disputes continue to grow despite the considerable expertise within Africa's energy and mining sectors. Disputes that are subject to international arbitration include:

- The **Acacia Mining and Montero Mining Disputes**, between Acacia Mining (previously African Barrick Gold) and the Government of Tanzania, relating to a tax bill imposed by Tanzania.[127]
- The **Amari Dispute** regarding the cancellation of platinum and nickel ventures in Zimbabwe, which led to Amari Holdings seeking compensation for the loss of assets.[128]
- The **AngloGold Ashanti Dispute**, a case filed with the International Centre for Settlement of Investment Disputes (ICSID) in 2016, concerning a mining lease agreement between AngloGold Ashanti and the government of Ghana.[129]

While there are various triggers to such international arbitration disputes, the key concern for African nations is to negotiate fair terms and clauses in these agreements; the most detrimental clauses are those such as stabilisation provisions, which often place host governments and communities at a disadvantage.

A stabilisation clause **i**s a provision in investment agreements designed to shield foreign investors from political risks and regulatory changes in the host country. It aims to preserve the legal and economic stability of the investment throughout the project.[130]

Stabilisation clauses in petroleum and mining agreements in Africa are designed to provide long-term certainty for investors, but have notable disadvantages.

Fiscal stabilisation clauses, which protect government revenues such as taxes, royalties, and customs duties, can limit the flexibility of host governments to adjust tax rates in response to changing economic conditions. This can result in missed opportunities for increased government revenue when resource prices rise.

Legal stabilisation clauses safeguard regulations around mining, labour, and environmental laws, may prevent necessary regulatory reforms that could benefit local communities or address emerging environmental concerns.

While these clauses are intended to provide stability for investors, they can hinder the ability of African countries to adapt their policies to promote sustainable development, ensure fair distribution of resource wealth, and address social and environmental challenges. In the long term, this can undermine the broader development goals of resource-rich nations.[131]

RECOMMENDATIONS

Revisit and renegotiate clauses and provisions to ensure a fairer balance between investors and host governments, while also reducing legal challenges, particularly those arising from international arbitration.

Existing mechanisms such as national investment laws, bilateral investment treaties (BITs), and multilateral investment treaties (MITs), all of which are available in African countries, provide similar protection to investors.[132]

127 Acacia Mining Plc (formerly African Barrick Gold) v. The United Republic of Tanzania, International Centre for Settlement of Investment Disputes (ICSID), Case No. ARB/17/22

128 Amari Holdings Ltd. v. Zimbabwe Mining Development Corporation (ZMDC), International Court of Arbitration, Case No. 22147/AS

129 AngloGold Ashanti (Ghana) Ltd. v. Republic of Ghana, ICSID Case No. ARB/16/3.

130 Nalule VR, Olawuyi DS. (2023). Introduction to International Energy Arbitration Disputes in Africa. In *The Palgrave Handbook of Arbitration in the African Energy and Mining Sectors* Feb 18 (pp. 1-21). Cham: Springer International Publishing.

131 Nalule VR. What is the Problem with Stabilization Clauses in Petroleum Agreements? *Journal of Sustainable Development Law and Policy (The*). 2022 May 24;13(1):85-102.

132 For instance, in South Africa there is the Protection of Investment Act 22 of 2015. This Act aims to provide protection of investors and their investments. In Ghana, there is the Ghana Investment Promotion Centre Act, 2013 (Act 865). In Kenya, they have the Investment Promotion Act of 2004.

Specifically, AU member states should consider:

Fourth generation mining laws

While recent attention has focused on critical minerals, most governments are yet to create specific provisions for construction or developmental minerals, which are often under-regulated in many African nations. For example, in Uganda, sand and gravel are not classified as minerals under the Mining Act, even though these materials have been extensively mined by foreign companies, particularly from China. This regulatory gap limits Africa's ability to fully capitalise on its diverse mineral resources.

RECOMMENDATION

Adopt and implement fourth generation mining laws: African member states are encouraged to adopt a fourth generation of mining laws tailored to the specific needs and challenges of each mineral type.[133] This approach would involve categorising the distinct challenges associated with different minerals and developing targeted regulatory and institutional frameworks to address them.

Critical minerals regulation

It is important to note that while many African countries have yet to develop specific legislation and regulations for critical minerals, other regions worldwide have swiftly updated their legal, regulatory, and institutional frameworks. For example, the United Kingdom,[134] the United States,[135] and Australia[136] have implemented distinct strategies for critical minerals. Regionally, the European Parliament and Council have established a comprehensive framework for critical minerals through Regulation (EU) 2024/1252.

RECOMMENDATION

Universalise legislation: African Union member states are encouraged to prioritise development of specific legislation and regulations for critical minerals to keep pace with global advancements and legislation regimes. By doing so, they can create a robust legal and regulatory framework that ensures sustainable and equitable management of these essential resources.

133 For a detailed discussion on mining law modernisation see, Nalule, V.R., 2023. Modernisation of the Mining Laws and Key Issues for Consideration in Africa. In *Mining Law and Governance in Africa* (pp. 3-21). Routledge.

134 The UK government published a strategy paper on critical minerals in 2022.

135 The US Department of Energy published a critical minerals and materials strategy in 2021.

136 Australia Critical Minerals Strategy 2023–2030.

Infrastructure deficits and associated costs

A critical enabler of mining sector investments is the presence of adequate and reliable infrastructure. In sub-Saharan Africa, the average cost of power is $0.22 per kilowatt hour (kWh) – more than any other region in the world;[137] transportation costs are 100 percent higher than that of the rest of the developing world;138 and the average cost of logistics in Africa is about 250 percent of the global average. These factors increase the cost of doing business and may disincentivise potential investors.

RECOMMENDATIONS

Increase public investment in economic sector infrastructure: Opportunities offered by public-private partnership models include build, own, operate, and transfer (BOOT) arrangements whereby a significantly higher proportion of tax revenues are committed to economic sector infrastructure by reducing social sector investment in the short and medium terms. African countries could leverage their resource endowments as surety to access finance for development of critical infrastructure, optimally exploiting these resources into contract negotiations. An example of this approach is in Guinea, where the contracting parties of the Simandou concession (which holds reserves of high-grade iron ore estimated at 1.5 billion tonnes) have committed to building a 600 km railway and a port on the coast of the Forécariah Prefecture.

Certainty of regulations and administrative procedures

A major challenge posed by election cycles in democracies regarding the minerals sector is 'policy discontinuity' which creates uncertainty. Further, the consistent application of robust legislative and institutional frameworks and processes needed to generate equitable beneficial outcomes for all stakeholders often suffers subjective application of laws and procedures and diverse expectations which disincentivises investors, especially in the high-risk, capital-intensive mining sector.

Also contributing to the environment of regulatory uncertainty are factors that include duplication of regulatory frameworks and processes which create problems of which frameworks are applicable at a given time; regulatory inconsistencies where frameworks are incompatible; and complex laws and administrative procedures.[139] In Guinea, Morocco, South Africa, and Zimbabwe, regulatory uncertainty has been identified

137 How the US can better support Africa's energy Transition by the Carnegie Endowment for International Peace, 2023

138 Closing the infrastructure gap vital for Africa's transformation brief by the Programme for Infrastructure Development in Africa

139 World Economic Forum (2024). Securing Minerals for the Energy Transition: Unlocking the Value Chain through Policy, Investment and Innovation accessed at https://www3.weforum.org/docs/WEF_Securing_Minerals_for_the_Energy_Transition_2024.pdf

as militating against investors into their respective mining sectors.[140] The uncertainty is manifested in the administration of environmental regulations, labour regulations and in the taxation regime in the case of Guinea; in the cases of Morocco, South Africa, and Zimbabwe, the challenge plays out in the broader scope of administration of existing regulations.[141,142]

As a consequence, in addition to loss of potential investments, countries carry the extra burden of financing arbitration if regulatory uncertainty manifested when the investment had already been sited, and operations had begun.

RECOMMENDATION

Harmonisation of mining sector laws with regimes in interrelated sectors including trade and industry, environmental, land use, water resources management and fiscal regimes. The African Green Minerals Strategy, calls for harmonisation of mining laws and trade and industry laws, recognising the African Mining Vision's position on leveraging Africa's minerals to drive the continent's industrialisation agenda and for a broad-based sustainable growth and socioeconomic development.

7.2.2 Optimisation of value realisation

Value realisation of natural resources focuses on optimising the benefits derived from resource extraction, ensuring that these benefits contribute to economic growth and societal well-being.[143] African countries have made strides in this area, but significant deficits and disparities within and among countries and sectors respectively remain. Key issues include limited economic diversification, limited local beneficiation and domestic processing capacity, and limited artisanal, vocational and specialised technical skills.

Recommendations for enhancing value realisation in the minerals sector derive from eight key aspects: value addition, capacity for geological survey, broadening community benefits, economic diversification for reduced dependency on the sector, stakeholder engagement, multilateral cooperation, environmental integration, and policy alignment.

Significant value addition is needed at national and regional levels to optimise realisation of value from mineral resources in African countries. Capacity to measure and accurately price mineral resources is needed. This requires state-of-the-art technology and related specialised skills, especially in the extractives sector.

140 Frazer Institute Annual Survey of Mining Companies, 2022 (page 34 and 35)

141 Ibid

142 Frazer Institute Annual Survey of Mining Companies, 2023 (page 41 and 42)

143 World Bank: Extractive Industries Value Chain – A Comprehensive Integrated Approach to Developing Extractive Industries.

The use of advanced geological surveys to accurately assess mineral potential and unlock opportunities for sustainable exploration and economic growth is yet to be achieved.

African countries are yet to comprehensively engage all stakeholders, and ensure that multinational corporations, governments, and local communities benefit. This serves to reduce tensions and may prevent conflict and political instability. By entrenching activities that ensure local communities receive fair economic benefits from mining activities, the government can work with public and private mines to address inequalities and foster inclusive development in areas in and around mines.

To improve ecosystem services and functions, countries should incorporate environmental considerations into resource extraction through stringent license application processes and protocols. The granting of a mining license, for example, must be approved following a series of rigorous processes, the standards of which are agreed upon by multiple African nations. Such standards must aim to ensure that mining and extraction, invested mineral processing, and infrastructure maximise resource benefits, drive industrialisation, and enhance economic growth. Additionally, the manner in which the use of such mineral resources is governed in a country must result in the enhancement of livelihoods for each African. Therefore, policy alignment between national, regional, and continental initiatives to drive unified mining development and equitable resource management must be non-negotiable.

The AGR25 recognises the significance of diversification of national economies beyond dependence on extractive commodities to achieve stability, sustainable growth, and long-term resilience.

At regional and continental levels, there is a need for countries to strengthen bilateral agreements, foster international relations that foster intra-African cooperation, and sign, ratify, and implement continental frameworks like the AU Agenda 2063 and the African Mining Vision. This has a bearing on global-level negotiations. A united diplomatic and economic stance promotes cohesive policies and increases the negotiating power of African countries in both foreign direct investment contracts and international trade deals.

Human capital capacity deficit

A lack of skilled human capital and misaligned and misallocated human resources are the greatest obstacles to the development of any economic sector in Africa, the mineral resources sector (mining, oil, and gas) in particular. Africa has the widest technical skills gap in the world: only 5 percent of mining professionals (engineers, geologists, metallurgists) are African nationals; over 60 percent of technical roles are filled by expatriates (Africa Mining Vision, 2023).

An equally big challenge is the education mismatch. Less than 20 percent of African universities offer specialised mining or mineral engineering programmes, contributing to a deficit of 100,000+ skilled workers annually (World Bank, 2021).

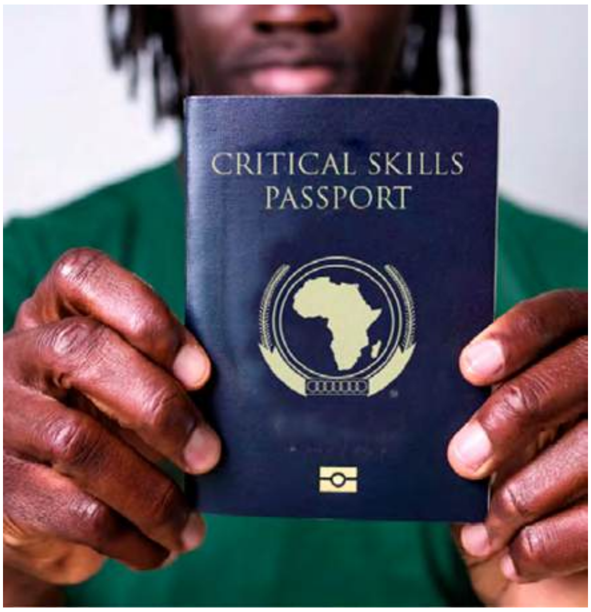
Further, Africa lacks the critical digital and sustainability skills required to develop domestic industries in the minerals sector. Over 70 percent of mining firms report shortages in skills for automation, AI, and ESG-compliant resource management (ICMM, 2022). This challenge is compounded by gender disparities: women constitute only 10 to 15 percent of the formal mining workforce, limiting sector diversity and talent pools (African Development Bank, 2023).

RECOMMENDATION

The primary step in optimising value realisation in the minerals sector is to ensure that there is **adequate skilled human capital for mining industries and related institutions.**

The AGR25 recommends that both government and multilateral institutions consider subscribing to PAMISA – the Pan-African Minerals Innovation and Skills Accelerator – a collaborative, continent-wide initiative through which to rapidly close skills gaps.

Decentralised digital learning hubs will involve partnerships with global tech firms (e.g., Siemens, Cisco) to deploy virtual reality (VR) and AI-driven training platforms for remote upskilling in automation, mine safety, and ESG compliance. It is recommended that PAMISA offer certification that is recognised by African governments and multinational mining firms.



Similarly, governments can establish comprehensive **industry-academia partnerships**. To this end the AU can facilitate the establishment of regional Centres of Excellence (CoEs) in mining hubs in major mining economies such as the DRC, South Africa, and Ghana, with curricula co-designed by firms like Rio Tinto and local universities. Such centres would integrate apprenticeships guaranteeing employment post-training.

To address the challenge of youth and gender exclusion, the AU can launch a **Women in Mining Fund** to subsidise STEM education for women and create mentorship networks with industry leaders.

At the member states level, countries can incentivise youth participation through microloan schemes for vocational training tied to job placements.

Harnessing Africa's human capital potential wherever it exists is a strategic necessity. Accordingly, an African Union-Led **Skills Mobility Framework** can be established to address the lack of labour and skills mobility in the continent. This may require, among other things, that a continental skills passport system be created to enable labour mobility across borders, to fill gaps in high-demand regions.

Efforts such as this can leverage the African Continental Free Trade Area (AfCFTA) to harmonise certification standards.

The AGR25 recognises the funding and sustainability challenges in respect of these recommendations and suggests introduction of a **skills development levy** of 1 to 2 percent for large-scale mining projects. Governments can also mobilise blended finance from the AfDB, and private sector under the Africa Mining Vision 2050 Framework.

If PAMISA is implemented it is envisaged that by 2030 more than 500,000 Africans a year will have been trained in critical skills. This will reduce expatriate dependency by 40 percent and position Africa to capture more value from its USD 2.1 trillion mineral reserves.

This approach combines localised capacity-building with scalable technology, ensuring Africa's mineral wealth drives inclusive growth rather than perpetuating dependency.

Production and export transparency

Production and export transparency is a cornerstone of effective resource governance, ensuring that the benefits of extractive industries are equitably distributed and contribute to economic growth. African countries participating in the Extractive Industries Transparency Initiative (EITI) have made commendable progress in adopting mechanisms to disclose production and export volumes and values, and the allocation of revenues from resource extraction. Ghana and Liberia, for instance, have implemented comprehensive reporting systems that detail resource flows from production sites to export terminals, enabling stakeholders to track and verify data. These measures not only enhance accountability among government and corporate actors but also build public trust and attract international investment.

RECOMMENDATIONS

Adopt real-time data reporting: AU member states are encouraged to adopt real-time data reporting and ensure public accessibility to production and export information. Implementing systems for real-time monitoring of production and exports will strengthen public oversight, ensuring that resource flows are determined accurately in both quantity and value. Additionally, policies requiring the disclosure of production and export data can enhance the credibility of resource governance. By incorporating these practices, African nations can optimise resource benefits, reduce corruption, and promote sustainable development through greater transparency.

Oversight of state-owned enterprises

State-owned enterprises (SOEs) are pivotal players in Africa's extractive industries that often control significant portions of resource production and revenues. However, an absence of robust oversight mechanisms can lead to inefficiencies, mismanagement, and corruption, which undermines their potential to drive economic growth and societal benefits. Recognising these challenges, some African countries have initiated reforms to enhance SOE governance. Ghana's state-owned oil company, GNPC, undergoes regular audits and discloses its financial transactions, providing stakeholders with critical insights into revenue management and operational efficiency.[144]

144 Ghana: Report of the Auditor-General on the Management of Petroleum Funds for the Period 1 January 2022 to 31 December 2022

Similarly, Botswana's Debswana, a diamond-mining SOE, implements transparency measures, including regular financial reporting and collaborative governance with private partners, ensuring accountability and equitable resource management.

Globally, effective oversight of state-owned enterprises (SOEs) has been achieved through practices such as public reporting, independent audits, and performance-based management. Notable examples include Norway's Equinor, which upholds strong governance through financial transparency and independent audits, and Chile's CODELCO, the largest copper producer in the world, which integrates governance best practices and aligns its operations with national sustainability goals.

RECOMMENDATION

Institute mandatory disclosure and public reporting: African countries can enhance SOE oversight by adopting best practices. Instituting mandatory public reporting, independent audits, and performance-based management systems with clear operational targets and sustainability benchmarks will foster transparency, accountability, and improved efficiency. These measures can strengthen resource governance, build public trust, and attract sustainable investment, ensuring that SOEs effectively contribute to national development.

Infrastructure for value addition

Many African countries have significant opportunities to enhance their mineral processing and value-addition capabilities, with a clear need for strategic investment in this area. In the oil and gas sector, Africa currently operates 46 oil refineries, although 18 have been repurposed for storage or are inactive. Refining capacity has remained stable since the mid-2000s, and efforts to revitalise facilities are underway. Some of the major refineries on the African continent include:

OIL REFINERIES

Dangote Refinery: Located in Lekki, Nigeria, this refinery is expected to be the largest single-train refinery in the world. When fully operational, it is expected to have the capacity to process about 650,000 barrels of crude oil per day.

Port Harcourt Refinery: Located in Alesa-Eleme, Rivers State, Nigeria, this refinery complex has a capacity of 210,000 barrels per day,

Skikda Refinery: Located along Algeria's northern coastline, this refinery has a nameplate capacity of 356,500 barrels per day,

SAPREF Refinery: Located in South Africa, this refinery has a capacity of 180,000 barrels per day.

Alexandria MIDOR Refinery: Located in Alexandria, Egypt, this refinery has a capacity of 160,000 barrels per day.

GOLD REFINERIES

Rand Refinery, Germiston, South Africa is the only gold refinery in Africa to be accredited by the London Bullion Market Association (LBMA). It has refined more than a third of the world's mined gold since 1921.

African Gold Refinery (AGR), Uganda, has a capacity of 219 tonnes per year.

Aldango Refinery in Rwanda has a capacity of 73 tonnes per year.

Gold Coast Refinery is one of two private refineries in Ghana.

Sahara Royal Gold Refinery, a private refinery in Ghana.

Royal Ghana Gold Refinery aims to refine 400 kilograms of gold a day.

Although refining facilities are limited, especially outside of the gold sector, there is great potential for growth in mineral value addition.

RECOMMENDATION

Reprioritise infrastructure for foreign direct investment: African Union member states should invest in increasing capacity to refine critical minerals, such as lithium, cobalt, and rare earth elements, which are essential for the global energy transition. By developing the necessary infrastructure, Africa can unlock greater value from its abundant natural resources. While foreign investment remains vital, there is also a growing opportunity for regional initiatives to drive funding and support the creation of infrastructure that enables value addition and beneficiation across the continent.

Asymmetry of information in contracting processes

Value retention is very low in Africa's mining sector and is estimated to be between 10 and 15 percent of the value created.[145] Contributing to this trend is the asymmetry of information between African states and private sector players resulting from limited knowledge of resource endowment and their associated economic value. Many African states have public agencies mandated to conduct geophysical and geological mapping of terrains, but these are woefully under-resourced,[146] even though many countries have policies and legal frameworks obliging national governments to allocate agreed sums to the effective functioning of these agencies.

145 Lithium-Cobalt Value Chain Analysis for Mineral Based Industrialization in Africa by the African Natural Resources Centre (ANRC), 2021.

146 African Green Minerals Strategy, 2023 (page 24).

In Ghana, the Minerals Development Fund Act, 2016 (Act 912), under section 7 paragraph (e), allocates to the Geological Survey Authority, 8 percent of the 20 percent of total mineral royalties the fund receives. For research and development purposes, the Geological Survey Agency, under the same law, is to receive an additional 40 percent or more of the 5 percent allocation of the 20 percent mineral royalties the fund is allocated.

These funds are often misapplied to administrative functions rather than technical operations which affects the ability of countries to negotiate beneficial contracts as investors argue for more rewards – including excessive and untargeted tax exemptions most of which are exploited to evade taxes – for the supposed risks they assume.

RECOMMENDATION

Invest in geological and mineral information systems, data standardisation and adoption of resource classification reporting systems: African Union member states are encouraged to increase financial resource allocation to national geological surveys by allocating and disbursing portions of mineral revenues to derisk terrains. Once terrains are derisked, countries should adopt competitive tendering processes for allocation of mining rights for concessions that have been derisked and adopt direct negotiations for terrains that carry significant risks.

Adoption of resource classification reporting systems

The AGR25 established that only the Republic of South Africa has a national code for reporting mineral and energy resources to stock exchanges and financial institutions and that the absence of this reporting system prevents African countries from appreciating and determining the volume and quality of their natural resource deposits and thereby creating complete dependence on foreign investors as to the feasibility of their extractive industries. These foreign investors operate on rules set by financial institutions and stock exchanges outside Africa, which pay marginal attention to the socio-economic benefit accruing to African countries. This leaves the control and management of Africa's natural resources to interests outside the continent. The AGR recognises that this has severely impeded the growth and development of the mineral resources sector both nationally and regionally on the continent.

RECOMMENDATION

Implement the continental reporting standards for minerals: The AGR25 strongly encourages the African Union to engage member states on the Pan-African Resource Reporting Code (PARC). Member states are encouraged to adopt and institutionalise the African Mineral and Energy Resources Classification and Management System (AMREC), a system tailored specifically to address these challenges, and an essential tool to implement AMV objectives. The AMREC, deployed with the PARC (AMRECPARC) will allow countries to determine which resreves are proven and/or probable and develop associated mineral resource reporting to attract capital, and limit low-value investments. The AMREC–PARC will make it possible for African countries to estimate the true worth of their resource endowments and will facilitate mineral resource policy and strategy formulation for broad-based, inclusive development as well as social and economic transformation.

Energy mix and mineral resources governance

Energy transition and energy progression are terms used in discussions about shifting energy systems, but hold different implications and strategies, especially in the context of African economies.

Energy transition typically refers to the shift from fossil-based energy systems, like coal, oil, and natural gas, to renewable energy sources, such as wind, solar, and hydroelectric power and focuses on reducing carbon footprints and achieving sustainability and environmental goals globally. The approach often involves adopting new technologies and infrastructures that are either carbon-neutral or have reduced carbon emissions.

Energy progression emphasises a more gradual, inclusive development of energy systems. It seeks to leverage existing energy infrastructures while incorporating new technologies to expand access to reliable and affordable energy.

Energy progression often considers the specific socioeconomic and developmental needs of regions, aiming for a balance between development, accessibility, and sustainability and is deemed preferable for African economies for five reasons:

- Many African countries require increased energy capacity to fuel economic growth, industrialisation, and improve living standards. Energy progression allows these economies to expand energy access more effectively.
- Africa has abundant natural resources, including fossil fuels and renewables. Energy progression can enable a balanced use of these resources, making energy systems more resilient and diversified.
- Existing energy infrastructures might not support a rapid transition to renewable sources. Energy progression supports gradual infrastructure development and capacity building.
- By considering existing resource utilisation and technological advancements, energy progression can help boost local economies, create jobs, and promote industrial growth. It supports a mix of short-term economic gains and long-term sustainability.
- Energy progression is adaptive to changes and allows for technological innovations without the abrupt changes associated with transitions. It helps in integrating solutions progressively based on the regional circumstances and ensuring that local needs and capacities are met.

In summary, energy progression aligns more closely with the developmental trajectories and immediate economic needs of African countries, making it a balanced strategy for achieving both growth and sustainability goals.

RECOMMENDATION

Adopt energy progression frameworks: African countries are encouraged to legislate and regulate the energy sector using the energy progression framework. This is a short- to medium-term approach that allows African countries to leverage fossil fuel availability and affordability to develop the minerals sector while gradually transitioning.

Integration of ESG standards

Integration of environmental, social, and governance (ESG) standards has become a transformative approach in extractives industries, influencing how value is realised from resource exploitation.[147] ESG principles emphasise sustainability, equitable economic benefits, and responsible governance, aligning resource management with both investor expectations and global sustainability goals.

In Africa, efforts to incorporate ESG into governance frameworks are advancing. Zambia's mining regulations require companies to adopt sustainable practices, including environmental rehabilitation and community engagement.[148] South Africa's Broad-Based Black Economic Empowerment (BBBEE) framework stands out as a regional model for addressing historical inequalities through local procurement, employment mandates, and socio-economic inclusion in resource projects.[149]

RECOMMENDATIONS

Ensure transparency in production and exports: African nations should continue to enhance production and export transparency to foster accountability and attract investment. Initiatives like those in Ghana and Liberia, which implement comprehensive reporting systems, are valuable models that promote transparency and create a more conducive environment for economic growth.

147 Isto, R. (2022). A Study of the Integration of Environment, Social, and Governance Policy in the Mining Industry. Montana Tech of The University of Montana.

148 Zambia: ESG Regulations in the Mining Sector

149 South Africa: Broad-Based Black Economic Empowerment (BBBEE) Act 53 of 2003

7.2.3 Revenue management enhancement

Insufficiency of legal frameworks

Most African countries either have no legal framework guiding the management of mineral revenues or misapply legal frameworks where these exist. Revenue management is important for four main reasons: to support national budgets in times of commodity price falls and associated revenue declines because of commodity price volatility; to support national budgets after resource depletion because mineral resources are finite; to avoid manifestation of inflationary tendencies owing to the absorptive capacities of economies; and, to enhance social legitimacy for mining projects.

RECOMMENDATION

Sovereign wealth fund management: African countries are encouraged to create sovereign wealth funds in which to invest resource revenues in times of resource booms and associated revenue increases. These can be used to support the mineral resources sector and national budgets, especially during busts and associated revenue declines. Countries should consider defining and adopting frameworks to provide clear guidelines for investment decisions regarding mineral revenues, including the requirement to invest only in the productive sectors of national economies. This may call for the establishment of Investment Advisory Committees comprising seasoned professionals to oversee the investment of these revenues. It is also recommended that member states invest in subnational transfers and payments to improve and sustain the livelihoods of host communities.

7.3 Keyissues and recommendations for governance of marine resources/blue economy

7.3.1 Enabling environment

RECOMMENDATIONS

The African Union and African countries are encouraged to accelerate ratification of the **African Charter on Maritime Security and Safety** and prioritise completion of the ratification process for the charter to ensure robust maritime security and governance, fostering cooperation among African states on maritime matters.

Implement and enforce the Port State Measures Agreement (PSMA): Rigorous inspection of vessels calling at ports will prevent, deter, and eliminate IUU fishing activities. This includes strengthening national and regional monitoring, control, and surveillance (MCS).

Harmonise regional maritime frameworks: Establish regional collaboration mechanisms to align policies and regulations across African maritime boundaries, promoting a unified approach to sustainable resource management, security, and trade. Act collectively as 'One African Voice' at international fora such as the World Trade Organization to end harmful fishing subsidies that contribute to overfishing and illegal activities.

Employ technology for enforcement: Invest in technology and training and capacity-building to improve monitoring and enforcement of maritime laws and regulations.

Fast-track ratification of the African Charter on Maritime Security and Safety: Expedite finalisation of the ratification process of the charter and its integration into domestic legislation to strengthen maritime security and safety and promote enhanced collaboration among African nations on maritime issues.

Implement and enforce the Port State Measures Agreement (PSMA): Implement the PSMA by inspecting vessels calling at ports to prevent, deter, and eliminate illegal, unreported, and unregulated (IUU) fishing activities. In addition, strengthen national and regional Monitoring, Control, and Surveillance (MCS) systems to ensure compliance with regulations.

Adopt and enforce regulations to protect the interests of small-scale fisherfolk.

Strengthen national blue economy strategies and coordination mechanisms: Develop and implement national blue economy strategies with a clear governance institutional coordination mechanism in place and aligned with continental frameworks like the African Blue Economy Strategy (ABES) and regional economic communities (RECs) blue economy strategies;

Implement integrated and adaptive management approaches: Develop holistic and integrated and adaptive management systems that consider the interconnectedness of marine ecosystems. This involves coordinating efforts across different blue economy sectors and stakeholders.

Facilitate intersectoral coordination: Institutionalise tools and processes such as Marine Spatial Planning (MSP) and Integrated Coastal Zone Management (ICZM) to facilitate blue economy intersectoral coordination.

Establish marine protected areas (MPAs) or marine parks: Designate MPAs or marine parks covering at least 30 percent of the exclusive economic zone (EEZ) for biodiversity conservation.

Engage stakeholders: Involve local communities, industry stakeholders, and other relevant parties in decision-making processes to ensure that diverse perspectives are considered and that there is a sense of ownership, accountability and responsibility in the governance of marine resources.

Support small-scale fishers: Align with the FAO Voluntary Guidelines for Securing Sustainable Small-Scale Fisheries in the Context of Food Security and Poverty Eradication by implementing policies that recognise and support the rights of small-scale fishers and coastal communities, ensuring their participation in decision-making processes.

Foster regional and international cooperation: Collaborate within the RECs and regional fisheries management organisations (RFMOs) to address transboundary fisheries issues and share best practices for marine resource management.

Strengthen regional fisheries bodies: Enhance the capacity of regional fisheries bodies to carry out their functions and mandates, including data collection, monitoring, and regulation of fishing activities within their areas of competencies.

Raise public awareness and education: Increase awareness about the importance of marine conservation and sustainable use through education campaigns, public outreach, and community involvement.

Enhance maritime domain awareness: Investing in technology and capacity building to improve monitoring and enforcement of maritime laws and regulations.

Act collectively as 'One African Voice' at international fora: Present a unified African stance at international fora such as the World Trade Organization to end harmful fishing subsidies that contribute to overfishing and illegal activities.

Promote transparency and accountability: Ensure transparency in resource management processes and decision-making. Implement mechanisms to hold decision-makers accountable, such as regular audits and public reporting.

7.3.2 Optimisation of value realisation of marine resources

RECOMMENDATIONS

Introduce innovative financing mechanisms: Explore new financing avenues such as Blue Bonds,[150] impact investing, and other sustainable funding models to attract investments into the Blue Economy.

Develop public–private partnerships: Facilitate partnerships between governments, private-sector actors, and international donors to mobilise resources for blue economy projects, ensuring long-term sustainability and shared benefits

Establish sustainable funding streams for maritime projects to ensure continuity and impact, and develop dedicated, long-term funding mechanisms for Blue Economy projects. This may involve levying taxes or fees from maritime sectors and reinvesting these funds into sustainable ocean management initiatives.

Develop technical expertise in the blue economy: African countries are encouraged to invest in programmes to develop technical expertise in marine sciences, ocean governance, and sustainable management practices, ensuring Africa has a skilled workforce to oversee its blue economy.

Enhance research capabilities in marine sciences: Strengthen research capabilities to deepen knowledge on ocean ecosystems, climate change impacts, and sustainable resource use. This should include fostering partnerships with global research institutions and promoting innovation in marine sciences.

Design and implement a rebuilding programme for overexploited fish stocks: Develop and execute a plan to rebuild overexploited fish stocks, using sustainable fishing practices based on the best available scientific evidence and incorporating precautionary approach principles.

Develop value-added products: Innovate high-value products from marine resources, such as seafood processing by-products, marine pharmaceuticals and cosmetic, to increase economic value and reduce waste.

Phase-out open access to fisheries: Gradually introduce alternative access options to ensure the biological and ecological sustainability of living marine resources. These options include user rights-based fisheries management, total allowable catch (TAC) systems, territorial user rights, ecosystem-based approaches and co-management practices.

Invest in aquaculture/mariculture: Promote aquaculture and mariculture to reduce pressure on wild fish stocks and provide food security and livelihoods for local communities.

Protect coastal and riverine ecosystems: Safeguard coastal and riverine ecosystems while ensuring that the benefits from aquatic resources are equitably distributed to local communities.

Ensure equitable access: Promote equitable access to marine resources, particularly for marginalised and vulnerable groups, to achieve social justice and reduce inequalities.

7.3.3 Enhancement of management of marine resources

RECOMMENDATIONS

Develop regulatory guidelines for restoration: Design and implement a programme to rebuild overexploited fish stocks and implement sustainable fishing practices based on the best available scientific evidence and precautionary principles. This includes introducing stringent guidelines for strengthening regional fisheries bodies so that they can optimise their functions including data collection, and monitoring and regulating of fishing activities.

Innovative financing mechanisms: Explore new financing avenues such as Blue Bonds, and debt swaps for conservation to attract investments into the blue economy. In this regard, countries put in place financing mechanisms that with low credit and interest rate risks.

Implement resource rent: Levying taxes or fees from maritime sectors and reinvesting these funds into sustainable ocean management initiatives;

Develop public-private partnerships: Facilitate partnerships between governments, private sector actors, and international donors to mobilise resources for Blue Economy projects, ensuring long-term sustainability and shared benefits;

Implement sustainable harvesting practices: Adopt sustainable fishing practices to ensure marine resources are not overexploited. This includes setting quotas, seasonal restrictions, and protecting critical habitats.

150 https://www.worldbank.org/en/news/press-release/2018/10/29/seychelles-launches-worlds-first-sovereign-blue-bond

7.4 Key cross-sectoral issues and recommendations

7.4.1 Introduce market liberalisation reforms in SOEs to optimise value realisation

SOEs play an important role in the minerals and marine resources sector in Africa. They play a central role in the strategic sectors of an economy and have an impact on fiscal policy, trade, and the macroeconomic environment. Progressive reforms of SOEs in the minerals and marine sectors therefore have profound implications for value realisation in these sectors. The AGR25 explored various models of successful SOE reforms including Deng Xiaoping's reforms in China where establishment of Special Economic Zones (SEZs) was pivotal in transforming China's economy. The SOE reforms in China offer compelling possibilities for replicable and tested approaches for improving the role of SOEs in the economy.

The AGR25 recommends that AU member states consider implementing market liberalisation reforms in the SOEs for the mineral and marine sectors. States are encouraged to consider introducing and reviewing legislation, policy, and programmes to effect some or all of the following.

Decentralisation and autonomy increases the enterprise autonomy of SOEs, giving them more control over their operations, including decisions related to production, pricing, and management. These reforms would make SOEs more responsive to market needs and competitive pressures.

Profit retention and incentives: Governments are encouraged to amend the provisions of public finance management acts (PFMAs) to allow enterprises to retain a significant portion of their profits for reinvestment and staff incentives. This would create a direct link between performance and reward.

Dual-track system: Member states are encouraged to establish a dual-track approach whereby SOEs can continue to fulfill state quotas while engaging in open market activities. This would facilitate a gradual transition from planned to market-oriented economic activities.

Performance contracts and responsibility systems: Performance contracts with specific targets for managers, promote accountability; a 'contract responsibility system' allows CEOs to operate the businesses with greater autonomy while ensuring alignment with state objectives.

Gradual market liberalisation: Member states are encouraged to undertake market liberalisation in a sequenced, selective manner to allow certain market sectors to open up initially, in order to minimise economic disruptions and provide a controlled environment for testing reforms.

Foreign investment and joint ventures: Member states are encouraged to promote foreign investment and public–private partnerships to enhance the introduction of critical advanced technology, management practices, and export-oriented production.

7.4.2 Develop legislative and policy frameworks to address the impact of colonial mining

The report recommends that AU member states reconfigure their relationship with industrialised economies by directly or collectively explore pursuing the conversation around mining dividends accrued in the colonial era with respective national governments by concerned cooperations and former colonial states, in line with the African Union theme of the year for 2025 on 'Justice for African and People of African Descent Through Reparations'. The report recommends that continuous efforts be made to address the cost of mineral exploitation in Africa by colonial corporations as well as unpaid rents to African nations and societies on the same. By implementing this recommendation, African countries can better leverage their mineral resources for sustainable and profitable development.

Regular forums for collaborative dialogue between African governments and industrialised economies are needed to discuss mutual interests, promote collaborative research and negotiate bilateral and multilateral agreements underpinned by fair trade terms, ensuring that African nations receive equitable compensation for their resources. This includes collaboration in extractives ventures that prioritise local investment and capacity-building, such as increasing local processing facilities. Equally, member states are encouraged to collaborate within their region, using inter-governmental strategies to enhance regional value chains for the mining and extractives sectors. In strengthening regional cooperation and intra-Africa partnerships, governments can improve market access and trade facilitation at an improved pricing for African mineral products on local, regional, and international markets. Therefore, the report recommends ratification and implementation of African policies such as the Africa Mining Vision that promote reduction of trade barriers between African countries for improved ease of doing business.

It is recommended that African nations include, in their national budgets, establishment of national sovereign wealth funds to manage revenues from mineral resource exploitation effectively.

7.4.3 Use AI and 4IR to develop the mineral resources sector

The AGR25 calls for enhanced exploration techniques that utilise AI-driven geophysical surveys. The report calls for increased investment in African digital technologies established by Africa-led, Africa-based institutions that may be supported by the AU. Implementing advanced algorithms that can analyse data from air, land, and space to locate mineral deposits more efficiently will enable African countries to creating predictive models that:

- Improve safety measures;
- Provide instant monitoring and evaluation of data;
- Automate industry processes;
- Maximise resource efficiency and raw material waste;
- Ensure sustainable practices;
- Ensure improved transparency;
- Improve community and stakeholder engagement in the digital era; and,
- Enhance regional and international cooperation and collaboration.

In implementing these strategies, Africa can significantly enhance its mineral resources sector while fostering economic development and promoting sustainable practices that benefit both the industry and conservation activities.

7.4.4 Consider a human-rights based approach to governing natural resources in countries experiencing conflict

The report confirms that the findings of AGR23 on Unconstitutional Change of Government (UCG) in Africa point to poor economic performance as a trigger for UCGs and, in turn, deficits in effective natural resource governance. It is advised that countries promote laws and regulations to improve socioeconomic environments, lessen external conflict and safeguard human rights, especially in conflict and post-conflict environments. The AGR25 calls for implementation of rights-based frameworks in member states that consider the rights of local proprietors and taxpayers over their lands and resources, which is vital for sustainable governance and fostering local ownership.

7.4.5 Revenue enhancement and human resources tooling in public-sector institutions

Adopting tools and strategies that enhance the capabilities of public institutions will serve to mitigate corruption, improve compliance, and install a culture of integrity and accountability in public sectors. If governments and public agencies can increase their revenue streams without raising taxes, African governments can effectively manage their natural resources. The following strategies are recommended:

- **Tax collection efficiency** entails improving the efficiency of tax collection processes to reduce evasion and increase compliance. This may involve modernising tax administration, investing in technology, and enhancing training for tax officials.
- **Public–private partnerships** (PPPs) promote collaboration between governments and private entities for public projects, in order to reduce costs.
- **Management of government assets** to generate revenue.
- **Cost recovery programmes** ensure that the cost of services is recovered.

Utilising **technology to automate and enhance service delivery** can reduce operational costs and improve citizen engagement.

- **Engagement of and transparency with the public** in national budgeting processes to increase trust and compliance among citizens, leading to better revenue outcomes.
- **Automated reporting systems** that generate compliance reports based on predefined criteria for timeous delivery, incentivising good performance, and reducing the opportunity for manipulation.
- **Digital personnel records** for secure storage of employee information that discourages tampering.
- **Continuous professional development (CPD)** programmes that require staff to engage in ongoing education about compliance, ethics, and the implications of corruption within their sectors.
- **Community engagement platforms** that use technology to facilitate community input and reporting mechanisms. Engaging local communities can promote transparency in resource management, allowing stakeholders to voice concerns or report irregularities.
- **Integrated compliance training modules** that integrate anti-corruption practices with daily operational procedures in the land, minerals and marine sectors, thus reinforcing compliance as part of the organisational culture.

7.4.6 Strengthen the capacity of tax administrators

The report urges African countries to build the capacity of tax authorities to develop an effective and fair tax framework in the mining sector and includes establishing specialised units within tax bodies to manage the complexities of mining taxation. This includes, but is not limited to:

- Establishing a **fair and effective fiscal regime** requires a blend of dynamic fiscal instruments that adapt to fluctuations in commodity prices and profitability.
- Ensure **beneficial mineral pricing and mineral valuation** for trade of mineral products with related entities.
- Governments must enforce strong **anti-avoidance and tax enforcement mechanisms** such as robust transfer pricing rules, and ensure that these rules are rigorously enforced to curb tax avoidance and profits shifting to low-tax jurisdictions by multinational companies.
- **Review and revise tax treaties and incentives** that reduce the taxing rights of host countries and enhance transparency in mining sector taxation.
- Governments must **invest resources in improving tax administration and enhancing training for tax officials**. Investing in technology and the efficiency of tax can reduce evasion and increase compliance. This improves the capacity of a government to broaden its tax base by recovering uncollected taxes, improving government asset management, and new identifying sources of revenue.
- Implement the **UN Framework Convention on International Tax Cooperation** (2025).

7.4.7 Develop, standardise, and harmonise inter-regional and intercontinental agreements

At the regional level, the report recommends a harmonisation and standardisation of mining frameworks towards enhancing overall regional negotiation strength in terms of contract with investors, but additionally, to enhance Africa's natural resourse market becomes robust, self-sufficient and in control of the entire life cycle of, for example, extraction, processing and manufacturing. By strengthening regional cooperation through initiatives such as AfCFTA and the African Minerals Governance Framework (AMGF), countries shall begin to facilitate coordinating regional approaches to secure favourable investment conditions and develop downstream industries.

The report advises therefore, that standards for extracting, processing and selling critical mineral resources be established; specifically, that African countries utilise standard agreements with the 19 countries that are members of the G20,[151] to improve mineral resource-use of African countries, but benefiting and advancing the interests of the continent.

151 The G20 forum initially focused largely on broad macroeconomic issues, but has since expanded its agenda to include, inter-alia, trade, climate change, sustainable development, health, agriculture, energy, environment, climate change, and anti-corruption. https://g20.org/about-g20/

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ANNEXURES

ANNEX. 1: NATIONAL LAND LAW AND POLICY IN AFRICA

1.1 Countries with land policies and laws

Several African countries have recent land policies and laws.

BOTSWANA

The **Botswana Land Policy (BLP) of 2019** aims to protect and promote land rights, promote sustainable human settlements, and ensure access to land for eligible citizens, promote access, equity, efficiency, land rights security, and transparency in land, and improve management systems.

The **Tribal Land Act (Act No. 1 of 2018)** law in Botswana aims to address challenges with tribal land, including the acquisition of land by non-citizens. It recognizes customary law in the formal statutory system for land rights. It also provides for the continuation of Land Boards; to vest tribal land in such boards; to define the powers and duties of such boards.

BURKINA FASO

Rural Land Law Policy 2007 focuses on securing the land tenure rights of rural population and communities through a land certification process.

Rural Land Tenure Law 2009 aims to secure land rights of rural producers, with a focus on smallholder farmers and equal access to land for all Burkinabé. It recognises customary rules and practices, decentralises land management, and enables legal recognition of individual possession rights and collective land rights, land transfers through inheritance, and land loans.

GHANA

Ghana's **Land Policy 1999** was developed to address land management issues, such as land encroachment, multiple land sales, and weak land administration systems. Its objectives include ensuring equitable access to land and security of tenure, establishing order and discipline in the land market, maintaining a stable environment for the country's sustainable social and economic development, ensuring planned land and protecting land rights.

Ghana's **Land Act 2020** establishes a broad-based framework for registering land rights and interests, and a customary land rights framework. It also seeks to enhance transparency and accountability in land governance institutions.

KENYA

The **National Land Policy (Sessional Paper No. 3 of 2009)** aims to secure rights over land and provide for sustainable growth, investment and the reduction of poverty in line with government's overall development objectives. Specifically, it provides a framework of policies and laws designed to ensure the maintenance of a system of land administration and management. The policy defines land tenure as the terms and conditions under which right to land and land-based resources are acquired, retained, used, disposed of, or transmitted. The policy needs to be reviewed to consider current and future needs; developments like the new Constitution make this more important.

Kenya's **Land Act, 2012** provides for sustainable administration and management of land and land-based resources.

The **Community Land Act 2016** mandates community land registration and protection.

MALAWI

The objectives of the **National Land Policy 2002** are to promote tenure reforms that guarantee security and instill confidence and fairness in all land transactions, guarantee secure tenure and equitable access to land to all citizens of Malawi without any gender bias or discrimination; and instill order and discipline into land discipline into land allocation and land market transactions to curb land encroachment, unapproved development, land speculation and racketeering.

The **Land Act, 2016** makes provision for various matters relating to customary land, private land and public land and powers of the minister in respect of such land.

LIBERIA

The **Land Policy 2013** the country's first land rights policy and established a framework for land rights in Liberia. It provides the Land Commission with policy recommendations for four land rights categories (Public Land, Government Land, Customary Land and Private Land) and a cross-cutting sub-category (Protected Areas). It contains definitions and obligations in relation to these lands.

The **Land Rights Law 2018** classifies land into four categories: public, government, customary, and private. The act also gives communities the right to define their customary land areas, identify their members, and create a Community Land Development and Management Committee (CLDMC).

SOUTH AFRICA

The **White Paper on South African Land Policy, 1997** takes the mandate from the constitution to establish the three legs of land reform: restitutions; redistribution and tenure reform.

The **Restitution of Land Rights Act of 1994** established a Commission on Restitution of Land Rights and a Land Claims Court. The goal of land reform is to empower farm workers, reduce inequality, and allow previously unemployed people to participate in the economy.

TANZANIA

The **National Land Policy 1995** aims to promote and ensure a secure land tenure system, to encourage the optimal use of land resources, and to facilitate broad-based social and economic development without upsetting or endangering the ecological balance of the environment. Its specific objectives are to promote equitable distribution of and access to land by all citizens; ensure that existing rights in land especially customary rights of smallholders. It was revised in 1997 but has not yet been adopted.

The **Land Act of 1999** covers the basic aspects of land, including land classification and tenure, administration, rights and incidents of land occupation, conversion of interests in land and disposition affecting land, leases and mortgages.

The **Village Land Act 1999** provides for the management and administration of land in villages. It provides for two types of tenure: granted rights of occupancy and customary rights of occupancy which can be granted to a village member only by the village council.

UGANDA

The **National Land Policy (NLP) 2013** aims to is to ensure an efficient, equitable and optimal utilisation and management of Uganda's land resources for poverty reduction, wealth creation and overall socio-economic development. It recognises customary tenure in its form to be at the level with other tenure systems, and to establish a land registry system for the registration of land rights under customary tenure. The NLP is currently being reviewed, with a focus on issues such as addressing the needs of land occupants and absentee landlords, securing government land for development and public purposes, addressing unsustainable land subdivisions, improving coordination among institutions responsible for land management and simplifying the process for acquiring letters of administration.

The **Land Act 1998** provides for the tenure, ownership and management of land; to amend and consolidate the law relating to tenure, ownership and management of land. It recognises recognize customary ownership of land.

1.2 Countries with land policies but no laws

SIERRA LEONE

Sierra Leone's **National Land Policy 2015** is its first comprehensive land policy reform since 1966. The policy aims to safeguard access to land, set the framework for large scale land investments, and improve tenure security for marginalised groups such as women and youth.

1.3 Countries with land laws but no policies

ALGERIA

Decree 75-74 of 12 November 1975 Order No. 75-74 governs the development of the cadastre system and the institution of the land register, which relates only to privately owned lands. It establishes the general land register and instituting the land register. It defines property rights and streamlining the registration system, as well as bridging the gap between customary s and formal law.

ANGOLA

The **Land Act No.9/200** recognises customary land rights in rural areas; however, it places ownership and authority over all land and natural resources to the government of Angola, including the irreversible right to expropriate land.

BENIN

The **Land Law 2013** reformed land administration bodies. It reaffirms the focus on private ownership and aims at simplifying and reducing the costs for accessing a land title. The new agency responsible for land administration has been created and just began to deliver titles, but not all the policy tools are yet in place

CAMEROON

The **Land Ordinances of 1974** established a land tenure system that recognises land ownership and use rights. The ordinances established three categories of land: public, private, and national. Public lands are reserved for public use, while private lands include privately held land and state private land. National lands are a residual category that is neither public nor private. It allows the state to allocate vacant lands for public, economic, or social interest projects without compensation or expropriation. Vacant lands include fallow lands, lands kept for future generations, and hunting grounds. It does not recognize customary land rights.

CENTRAL AFRICAN REPUBLIC

Law No. 139 of 27 May 1960, governs land tenure.

Law No. 60/76 allows individuals to obtain occupancy rights to land identified by the state for habitation.

Law No. 63 of 1964 limits land ownership to use-rights and concessions, other than state land and leaseholds. Individuals, groups, and entities can lease land from the state or private parties. State land includes natural property, such as rivers, and artificial property, such as roads. The state can grant concessions of land in its private domain to individuals and entities. It also recognises customary law but limits it to use rights. The lack of security of tenure in rural areas leads to land conflicts, which can make it difficult to sustainably manage natural resources and develop locally. Clarifying land tenure and recognising land rights can help protect populations from land grabs.

CHAD

Law No. 25 of 22 July 1967 states that the Chadian government has the right to expropriate land under customary ownership or use, or rural land that is undeveloped and deemed abandoned, if expropriation is in the public interest and for reasons of public utility. It requires landholders to register ownership rights. The law does not address critical issues of land tenure, including the evolution of communal tenure to individualised rights, rights to pasture and range land, and the pressure of a growing population on limited arable land. It is poorly applied, which has led to land conflicts in urban and rural areas, low number of land titles, non-productive agricultural land, and uncontrolled urban development**.**

EGYPT

The **Desert Lands Law 2024** regulates ownership of desert land and allows foreigners to own desert land without restrictions.

Law 230 of 1996 allows foreigners to own and occupy real estate in Egypt, but only under certain conditions. For example, foreigners must pay for property in foreign currency and transfer the money to a state-owned bank.

Law No. 15 of 1963 provides that the government must inform the relevant authorities of any transfer of agricultural land to foreigners by inheritance. In such cases the agricultural land is seized by the Egyptian government and compensation is paid.

DEMOCRATIC REPUBLIC OF CONGO

Law No. 73-021 of July 20, 1973 on the General Regime of Property, Land Tenure, Real Estate and Securities as amended and supplemented by **Law No. 80-008 of July 18, 1980.**

DJIBOUTI

Law No 171/AN/91/2nd L on Carrying Definition and Organization of Public Domains (Lands) states that all land belongs to the state.

Law No 173/AN/91/2nd L on Organization or Management of State Private Domains (Lands) makes provisions for state private land. Under the Act, State Private includes free Lands and without owner and lands acquired by the State, from donations, inheritances, or of any other manners recognized by the law. Private land is divided into two categories, namely urban land designated as such by the legislation in force and rural land which is other land. Its weakness is that it does not cover land registration and titling and management of customary land practices.

ETHIOPIA

The **Rural Land Administration and Land Use Proclamation No. 456/2005** replaced the federal Land Administration and Land Use Proclamation 1997. It was enacted for the purpose of ensuring tenure security; strengthening property rights of farmers; sustainably conserving and developing natural resources; establishing a land database and conducive land administration in the country. It regulates rural land administration and prohibits land sale and collateralisation. The proclamation permits limited land leasing (rental arrangements) and inheritance rights to be exercised and also limited forced land distribution only to irrigation development.

ERITREA

Law No 173/AN/91/2nd has the following elements: the state owns all land in Eritrea, any rights to land must be approved and recognised by the government, all rights to land must be registered in a land register, the government allocates land to citizens based on various factors and the government can set conditions for how land is used and managed. This law does not address customary land rights and formal law and gender inequality challenges in land rights.

SIERRA LEONE

The **Crown Lands Ordinance of 1960** governs the management and disposal of crown lands. Under the ordinance the governor can grant crown lands, but the grant must be made in accordance with the ordinance and be preceded by a survey of the land. Grants do not include the right to water from springs, rivers, lakes, or streams, except for domestic purposes. They also do not include the right to the foreshore or banks of navigable waterways, or to any minerals or mineral oil. The **Crown Lands Ordinance** was amended in 1961 to allow Sierra Leoneans the right to purchase, lease, or receive land as a gift anywhere in the country.

The **Customary Land Rights Act 2016** prohibits the denial of land ownership or use based on gender, tribe, religion, age, marital status, social status, or economic status.

The **State Lands Act of 1961** includes provisions for the disposal of state land, the entry of land surveyors onto neighbouring properties, and the definition of boundaries between state land and adjoining land.

SOUTH SUDAN

The **Land Act, 2009** regulates land tenure and protects rights in land in South Sudan. It classifies land as public, community, or private land and provides with respect to the registration of rights in land. It prescribes that land may be acquired, held and transferred through customary, freehold and leasehold tenure. All citizens hold freehold titles to their lands. Non-citizens may acquire leasehold for specific periods but may not possess land freehold. This Act was made before independence 2011 and is not implemented due to political instability.

ZAMBIA

The **Zambia Land Act, 1995** states that all land in Zambia belongs to the state. The president holds customary land in trust through the 288 chiefs of Zambia. It provides for the continuation of leaseholds and leasehold tenure. It also regulates leasing. It recognizes customary tenure and allows for the conversion of customary tenure into leasehold tenure.

1.4 Countries with no policies and laws

Somalia has neither land policy nor law.

ANNEX 2: INSTITUTIONAL FRAMEWORK FOR LAND GOVERNANCE IN AFRICA

2.1 Institutional frameworks for land governance

AFRICAN LAND POLICY CENTRE (ALPC)

The **African Land Policy Centre** was established to help member states implement the AU's land agenda. The ALPC's vision is to ensure equitable access to land and secure land rights and its mission is to facilitate partnerships, dialogue, and capacity building for land policy. It builds capacity for land professionals through the Network of Excellence on Land Governance in Africa (NELGA), a partnership of African universities and research institutions, improving the quality of land professionals through training, research, and monitoring, generating and disseminating knowledge and ensures that policymakers and stakeholders have access to relevant data and knowledge on land issues.

AFRICAN DEVELOPMENT BANK (AFDB)

The AfDB supports land governance through initiatives such as published research on inclusive and transparent land governance practices. The AfDB also participates in conferences and events related to land governance. The AfDB's Africa Natural Resources Centre (ANRC) advises on land policy and works with partners to ensure that African countries receive the most value from their natural resources.

UNITED NATIONS ECONOMIC COMMISSION FOR AFRICA (UNECA)

The United Nations Economic Commission for Africa (UNECA) is involved in land governance in Africa in several ways. It co-hosts the Conference on Land Policy in Africa (CLPA) with the African Union Commission (AUC) and the African Development Bank (AfDB). The CLPA is a platform for African Union member states to discuss land-related issues and make recommendations.

A NETWORK OF EXCELLENCE ON LAND GOVERNANCE (NELGA)

NELGA is a partnership of leading African universities and research institutions with education, training and research on land governance. It strengthens land related capacities in over 30 African countries, coordinated by regional academic centers in Ghana, Cameroon, Morocco, Namibia and Tanzania as well as in Rwanda and South Africa.

2.2 Institutional frameworks at sub regional levels

At sub regional levels, the regional economic commissions have developed instruments relevant to land governance.

- The Land Governance Strategy 2019 of **Intergovernmental Authority on Development** (IGAD) aims to build the capacity of member states to implement land reforms. In 2015 IGAD, collaborated with the African Land Policy Centre (ALPC), then the Land Policy Initiative, to establish a **Land Governance Unit** to lead their Land Policy Governance Project. This unit and project explicitly derive their mandate from the AU declaration on land issues and challenges in Africa. They use the Framework and Guidelines on Land Policy in Africa and also draw on other frameworks, such as the **Voluntary Guidelines on the Responsible Governance of Tenure** (VGGTs).
- The Economic Community of West African States (ECOWAS) enacted its **Regional Agricultural Policy** (ECOWAP) in 2005 to address the sustainable use of land for agriculture.
- The South African Development Community (SADC)'s **Natural Resources and Wildlife Framework of 2024** focuses on sustainable use of wildlife for economic development. The SADC has established a Regional Land Reform Technical Support Facility, in response to common land problems faced by member states, including racially unequal land distribution, and political difficulties faced in relation to financial and technical support from international donors.
- The East African Community Climate Policy (EAC)'s **Climate Change Policy of 2011** provides guidance on reducing vulnerabilities to climate change. These instruments make part of the basis of the RECs efforts towards harmonisation of land policies, ensuring equitable access, sustainable land use. RECs support member states to implement the normative frameworks on land governance.
- The **Permanent Interstate Committee for Drought Control in the Sahel** (CILSS) works with member states on land and natural resource management issues. They have established multidisciplinary approaches to develop and implement strategies to control the effects of drought and desertification, within which tenure security and sound land management play important parts.

APRM
African Peer Review Mechanism

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