

# PROSPECTS AND PROPOSALS FOR A REGIONAL APPROACH TOWARDS MINERAL WEALTH USE- THE EALA VIEW

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## *Introduction*

### **Parliament's Role in Economic Governance is 3-Fold:**

1. **Legal and Policy Frameworks** that ensure the principle of democratic governance: Parliament has a responsibility of formulating, reviewing and passing laws that ensure that there is equity, justice, sustainability, inclusion, transparency and accountability in the use of natural resources.

2. **Economic Planning:** as representatives of citizens, Parliaments have the obligation for designing inclusive consultative process for development of strategic visions, development plans, MTF, Budget Cycle and PFM frameworks. In addition, they are responsible for representing citizen interests in certain policies, treaties and contracts processes. They also have a responsibility of effectively participating in this process.

3. **Oversight and Enforcement:** Parliaments have a responsibility of ensuring compliance with the letter and spirit of the contracts, policies and development plans in their implementation.

With the discovery of mineral resources in all the countries of East Africa, there is urgency for articulating a common approach to resource utilization for development, preventing corruption risks throughout the extractive stages and enhancing opportunities and benefits for citizens and communities in the value chain.

## **Emerging issues**

Observations/Views of EALA

a) The East African Community Partner States have put in place **policies, laws and strategies in natural resources sectors.** Whilst there are areas of convergence with some countries that are regarded as good practices that Partner States can learn from, there are also areas of divergence. There is a **need for harmonization and approximation of laws** to establish regional standards and benchmarks that will strengthen governance and ensure sustainable development.

b) **Good governance entails respect for human rights**, accountability and transparency and participation of stakeholders in policy development and execution. Applying principles of good governance in the management of natural resources is fundamental in ensuring that the exploitation thereof, sets the EAC region on to the path of sustainable development.

c) The East African Legislative Assembly's core mandate is legislation, oversight and representation and that similar mandate exists in the national parliaments. These functions should complement each other, especially, in legislation and implementation of laws and policies governing natural resources.

d) There is an urgent need to have a legislation on Natural Resources in all EAC partner states;

e) The **EAC Protocol on Environment and Natural Resources that was signed in April 2006**, is not yet ratified by all Signatory Parties and as such, it can't enter into force. This delayed ratification poses a threat to natural resources Management;

g) The **Inter Parliamentary Relations Liaison Committee on Extractive Industries already exists**. The forum has so far conducted a number of field visits and meetings; However **there is need to strengthen its capacity and enhance the partnerships between Partner States** and the Committee to enrich discussions on Governance of natural resources in the region.

h) We recognize that Natural Resources are Sovereignty linked issues, they also recognize that the deepening and widening of the EAC integration, **effective and efficient management of natural resources should be a priority as contribution of natural resources to the economies of the EAC Partner States.**

i) The extractive industry is a key area of concern especially with the recent discoveries of oil in Kenya and Uganda and Gas in Tanzania. The discovery of these natural resources has created excitement and high expectations from citizens while internationally the region is the focus of international forces with interest in mining. The **existence of weak and multiple legislation in the region poses a great challenge** on the governance of this crucial resource. There is need of joint concerted efforts at the regional level to ensure that East Africans benefit out of exploitation of their natural resources.

j) **The adoption of the Africa Mining Vision 2050** by the AU Heads of State in Africa shows Africa's commitment in transforming the minerals sector into tangible gains for citizens through improved mining regimes by ensuring that there is transparency, equitable and optimal exploitation of mineral resources to underpin broad-based sustainable development at local, national and regional levels.

k) Research and studies show that all EAC Partner States are losing billions of money yearly from natural resources sectors due to low royalties, resulting from corruption in contracting processes, **weak negotiation skills and techniques, lack of enough and adequate data on natural resources among others.** Finding solutions to these challenges should be a top priority for EAC Partner States.

l) There is **huge discrepancy** in the **earnings that accrue to governments and those to mining companies** in such a way that continue to undermine the economic growth of the Partner States.

m) Observance of human rights in mining sectors was highlighted as a challenge with mine workers being characterized by low wages, poor housing conditions, lack of safety gears among other deplorable conditions.

n) **Engagement of communities affected or impacted upon by resource extraction processes is critical for effective management of natural resources**. It was further noted that natural resources are diverse with equally, diverse stakeholders. There is need for the EAC to engage with stakeholders in governance of natural resources for purposes of information sharing, peer learning and drawing best practices and lessons.

o) There is need for regional forum which will bring together all sectors in natural resources to share experiences and exchange ideas with a view of having common understanding and avoiding overlaps and contradictions.

p) Despite the fact that there is a lot of information on natural resources, the same has not been effectively shared amongst Partner States and widely publicized and circulated to inform the members of Parliament and citizens in general to enable them to confidently ask questions and demand for answers. Information Communication and Technology and especially the Internet, could be used for information sharing by posting the various legislation, policies and strategies at regional and national levels.

q) On the management of Genetic Resources, the workshop was informed that **East Africa is very rich in biodiversity** and the associated traditional knowledge that have, over the years been accessed without any benefit in substantive way. The Nagoya Protocol on Access to Genetic Resources and Fair and Equitable Sharing of benefits accruing from their utilization is an instrument, which helps protect resources from bio-piracy and enable community to gain from their Genetic Resources and Traditional knowledge through proper benefit sharing arrangements. It is high time for all Partner States to sign and ratify the Protocol to enable communities to gain from the genetic resources.

## **RECOMMENDATIONS**

From the technical presentations by experts, exchanges of experiences on the status of governance of on natural resources by representatives from Partner States and emerging issues from those, the Committee recommends the following:

i. The EAC Secretariat in collaboration with EALA Committee on Agriculture, Tourism and Natural Resources should organize study tours in order to allow **deeper and better understanding on laws relating to governance of natural**

**resources from other jurisdictions.** This will enable Members to learn more on the governance of Natural Resources especially from countries that have done well.

ii. National Parliaments are encouraged to strengthen existing capacity and follow up to ensure compliance and adherence to good Governance in the Management of Natural Resources;

iii. EALA Committee on Agriculture, Tourism and Natural Resources through the Inter-Parliamentary Relations Liaison Committee on Extractive Industries and Partner States National Assemblies **strengthen the partnership and participate in each other's activities for exchange of information and knowledge sharing**

iv. The EAC Secretariat establishes an **institutional framework / mechanism that will facilitate the implementation and effective utilization of natural resources governance and development of regional guidelines and standards that reflect good practices.**

v. The Partner States that have not **ratified the EAC Protocol** on Environment and Natural Resources are encouraged to expedite the process.

vi. The EAC Secretariat should initiate and develop programmes that will ensure **continuous interaction with strategic partners in natural resources management.**

vii. The EAC Secretariat, LVBC and LVFO in collaboration with EALA convene regular sessions and facilitate study tours for the Inter Parliamentary Relations Liaison Committee on Extractive Industries for knowledge sharing with a view of learning from each other.

viii. The EAC Secretariat should **fast track the process of development of an EAC Mining Policy** taking into consideration the Partner States' mining policies, Codes and share - holding agreements Africa Mining Vision and International instruments in the harmonization of mineral policies.

ix. EALA urges Partner States to **develop Human Resources capacity in the extractive industry sector** in order to acquire the relevant competencies, knowledge and skills for effective exploitation.

x. EAC Secretariat should **conduct Studies on extractive industries** are conducted to provide evidence for sound policy formulation of natural resources. This will inform the negotiation and development of policies that ensure sustainable development in the region.

xi. EALA urges Partner States to **invest more revenues accrued from natural resources exploitation in social infrastructures** and other strategic investments that will promote economic growth and sustainable development for the region.

xii. EALA urges the Council to **establish a regional forum on Natural Resources to serve as a platform** for dialogue and sharing of information and

experiences in the EAC region geared towards strengthening economic development and good governance in Natural Resources Management;

xiii. The EAC Secretariat should develop an **EAC Information, Education and Communication Strategy on natural resources** to include a one-stop data shop for natural resources management in East Africa, a web portal with all relevant information including laws and policies relating to exploration and extraction of natural resources; and

xiv. EALA urge Partner States that have **not yet signed and ratified the Nagoya Protocol** to expedite the process.

## **CONCLUSION**

As Africa's natural resources wealth carries a great potential for economic development, employment creation and poverty eradication , therefore, there is need for joint concerted efforts in natural resources governance to allow these opportunities to become reality.