

2021 PWYP AFRICA CONFERENCE



Adapting for resilience and collaborating for impact on natural resource governance

REPORT

24-26 MARCH 2021



INTRODUCTION

The Publish What You Pay movement works to make the governance of oil, gas and minerals open, transparent, accountable, sustainable and responsive to all stakeholders. The seventh triennial PWYP Africa Conference took place virtually from 24 to 26 March 2021, attended by PWYP members from the continent and beyond, as well as technical partners, donors and representatives from other social justice movements. The conference sought to cultivate common understanding of the roles and contributions of members to advancing PWYP's

agenda; share experiences and perspectives, and develop skills and capacities the PYWP movement needs to be more effective. PWYP priorities on contract transparency, gender equality, tax justice and the energy transition featured across the event. The conference also sought to ensure ongoing good governance of PWYP in Africa by adopting updates to the Africa Charter, hearing a feedback report from the outgoing Africa Steering Committee (ASC) and welcoming newly elected sub-regional representatives for the coming three-year term.

This report presents highlights of the three-day meeting, which was structured as follows:

DAY 1:

- Session 1: Opening speeches and keynote address
- Session 2: Multi-stakeholder panel: Responsive adaptation in a time of crisis
- Session 3: Women's rights as a resource governance priority

DAY 2:

- Session 4: Shining a light on extractive tax for optimal revenue generation
- Session 5: Contract transparency – Why does it matter and what can we do together?
- Session 6: Energy Transition – Challenges and opportunities for resource-rich countries in Africa

DAY 3:

- Governance (PWYP members only)
- Adoption of the Africa Charter
- Election of new members to the Africa Steering Committee



PARTICIPATION

There were a total of 382 participants across the first two days of the Africa Conference, of which 123 (32%) were female and 56 (15%) were youth (under 35). The majority of participants, 348 people (90%), came from the NGO/not-for-profit sector, with 17 (5%) from the private sector and 17 (5%) from government.

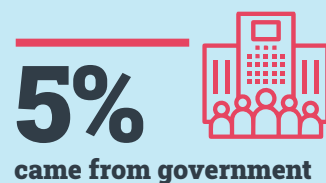
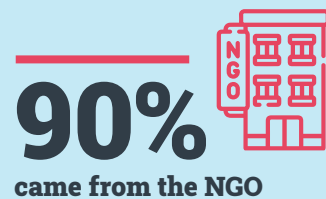
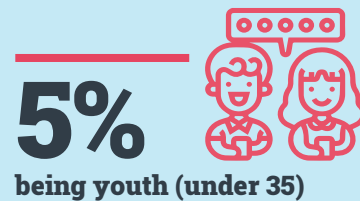
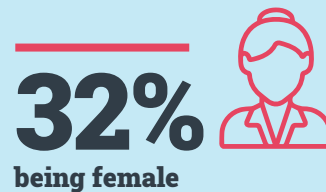
On the third day of the conference, which was for PWYP Africa members only, a total of 160 people attended, of which 48 (30%) were female and 31 (19%) were youth. The proportion of participants from a regional and sub-regional perspective was: Francophone West Africa (70, 44%), Anglophone West Africa (18, 11%), Central Africa (32, 20%), East & Southern Africa (22, 14%). Some participants did not specify location.

The Africa Conference has never been held as a virtual event before, and one of the concerns in proceeding with a virtual event was the risk of low participation due, in large part, to internet access challenges. Despite those challenges, which certainly persist, the Conference was well attended and enabled a far wider (if not as profound) level of participation than would otherwise have been the case (by comparison, the in-person Africa Conference in 2017 was attended by 93 participants). Please see further analysis of the feedback from the conference participants at the end of this report.



It has been a great opportunity to attend this conference.

Conference participant





DAY 1



SESSION 1

Opening speeches and keynote address



SESSION 2

Multi-stakeholder panel:
Responsive adaptation in
a time of crisis



SESSION 3

Women's rights as a
resource governance
priority

SESSION 1

OPENING SPEECHES AND KEYNOTE ADDRESS

PWYP's Executive Director, Elisa Peter, noted that the Covid-19 pandemic has reduced public revenues, worsened unemployment and compounded public debt in Africa. It has threatened PWYP's efforts to promote a people-centred agenda for the extractive sector and to expose corruption. Yet despite these challenges, she noted that PWYP member organisations have made significant achievements in 2020. For example, in Burkina Faso, a PWYP member organisation has been leading the drafting of a new charter on gender mainstreaming in the extractive sector by the Economic Community of West African States (ECOWAS). PWYP Burkina Faso is developing an inclusive civil society position on gender mainstreaming to ensure that women's voices and needs inform the shaping of natural resource governance throughout West Africa. PWYP members in the region have further contributed to more inclusive civil society representation on the Extractive Industries Transparency Initiative (EITI) and multi-stakeholder groups by encouraging and supporting women's participation in the groups. In Niger, following a concerted campaign by PWYP and other civil society organisations (CSOs) worldwide, three PWYP members were released after six months' imprisonment on fabricated charges. The government had detained them for protesting against alleged embezzlement of public money in the Ministry of Defence.

PWYP also launched a global campaign calling for the disclosure of all contracts regulating the exploitation of oil, gas and minerals. Building on successes in countries like Kenya and Nigeria, the campaign is designed to include more countries in 2021. Several PWYP sister organisations have also recognised the value

of having a coalition drawn from different movements. Elisa noted that these partners appreciate the value of creating compelling narratives and a powerful alliance to address complex challenges, such as entrenched inequality, climate change and the immense power of multinationals. In closing, she reiterated that the PWYP coalitions in Africa need to stand in solidarity to achieve a world where everyone can benefit from their natural resources, participate in decisions that affect them and hold the powerful to account – which is the essence of the PWYP mission to affected communities in Africa.

Robert Kasande, Permanent Secretary, Ministry of Energy and Mineral Development, Uganda,¹ noted that Article 2:441 of the Ugandan Constitution states that the government is obliged to promote transparency and accountability in the extractive sector. Several legal and policy instruments give effect to this Article.² Besides these instruments, the government follows standards that promote transparency and accountability in the extractive sector. At the regional level, Uganda is signatory to the 2006 Pact for Security, Stability and Development in the Great Lakes Region, Protocol 9 of which forbids the illegal exploitation of natural resources. In 2017, Uganda ratified the protocol and is now in the advanced stages of implementing the regional certification mechanism. Mr Kasande emphasised that the country is demonstrating its opposition to the illegal exploitation of natural resources.

Section 6 of Uganda's mining policy recognises the role of CSOs in promoting transparency and accountability among mining industry players.

¹ Mr Kasande read the speech on behalf of Sarah Opendi, Uganda's Minister of State for Mineral Development.

² The Mining Act of 2003, Section 55 of the Public Finance Management Act, Section 10 of the Mining Policy, the Third National Development Plan (2020-2021 to 2024-2025) and the manifesto of the ruling party.



The overall organisation, speakers, presentations and discussions were great.

Conference participant

In this regard, the Ugandan government would like to associate with PWYP's Vision 2025 global strategy, as a people-centred agenda for the extractives sector.

In closing, Mr Kasande declared the 2021 Publish What You Pay Africa Conference officially opened.

KEYNOTE ADDRESS

Dr Claude Kabemba, Executive Director, Southern Africa Resource Watch (SARW), focused his address on how mineral resources can drive Africa's development in the context of a post-Covid economic recovery. He reported that the United Nations Department of Economic and Social Affairs estimates that the Covid-19 pandemic pushed 151 million people into destitution in 2020 and that its long-term effects could be much worse. Key effects of the pandemic on Africa are:

- Exposure of the continent as simply a producer of minerals. This reality characterises the resource curse and perpetuates the "colonial" experience of resource exploitation and expropriation. Dr Kabemba noted a deliberate structural manipulation of the international trade regime to maintain Africa as a supplier of raw materials, while the extraction and

the refining of most African minerals are carried out by multinational firms from Europe, North America and China.³

- A price slump that has left these minerals with little economic value. As a result, Africa has been left with diminished resources to support its economic activities. Unless structural changes are made to enable African firms to gain a stronger hand in managing natural resources, the continent's minerals will do little to change the economic fortunes of Africans in the post-Covid-19 era.
- Revealing the deep social and economic inequalities in Africa. Most affected by the pandemic are millions of Africans working in the informal sector, which dominates employment on the continent. The lockdowns have left millions of artisanal and small-scale miners without income.
- Highlighting the failures of corporate social responsibility (CSR) programmes.⁴ Ironically, African governments have allowed mining companies to work as essential service providers, with many of them seeking tax relief measures, citing force majeure. These exemptions are set to diminish tax revenues.

The Covid-19 crisis has confirmed the centrality of the state, whose role needs to be redefined. For mineral resources to fuel development, Africans will need to defend democracy and fight the corruption which costs the continent about US\$88.6 billion annually, equivalent to 3 per cent of its GDP.⁵ For African economies to transform in the wake of the pandemic, substantive changes will be required regarding value addition to selected strategic minerals, as well as aggressive pursuit of a local content policy.⁶ Specifically, Africa will need to:

- promote and strengthen regional integration by taking advantage of the

³ African states depend on these firms to draw revenues from their minerals.

⁴ Mining companies have done little to support livelihoods, ease poverty or supply health care or clean water to mining communities. They have lost an opportunity to rebuild trust with mining communities. The little help these companies gave was in supplying personal protection equipment, albeit on a limited scale.

⁵ Source: Trust Africa

⁶ This is a fight that PWYP coalitions in Africa should invest in during and post Covid-19

- Continental Free Trade Agreement consume its minerals, which would then spur its economic development and transformation
- invest in science and technology – a proven springboard towards development
- achieve energy security to support growth and add value to its minerals
- mainstream gender in economic planning and activities
- join the debate on the energy transition, if it is to transfer to green energy
- use its minerals for industrialisation in a sustainable way.

Dr Kabemba stressed that CSOs must compel mining companies to invest urgently in long-term healthcare services and the provision of other basic amenities for mining communities. Companies also need to integrate communities into their operations as shareholders who earn direct royalties to use in their development, and to be involved in the energy transition discussions. He observed that the key question will be, “Who will pay for it?” CSOs need to pose this question and be at the cutting edge of discussions, to ensure Africa’s move away from fossil fuels is supported in the energy transition.

SESSION 2

MULTI-STAKEHOLDER PANEL: RESPONSIVE ADAPTATION IN A TIME OF CRISIS

This session reflected on the findings of the Covid-19 scenario-planning workshop facilitated by PWYP in October 2020. It considered the economic, political and social impact of four scenarios resulting from the Covid-19 pandemic on extractive industry governance and on PWYP's global strategy. It addressed how Africa can or should respond to drive improved natural resource governance across the continent, including in the context of climate change and the energy transition.

Moderated by PWYP board member Victoria Ohaeri, Executive Director of Spaces for Change, the session had five speakers, who responded to questions around natural resource management in the time of Covid-19:

1. Chenai Mukumba, Tax Justice Network Africa
2. Aidan Eyakuze, Open Government Partnership and Twaweza East Africa
3. Lorraine Chiponda, Africa Coal Network
4. Memory Kachambwa, FEMNET
5. Dr Solomon Dersso, Extractives Working Group, African Commission on Human and People's Rights.

Highlights of the discussions included:
The importance of citizen engagement in advocating for transparency, accountability and fiscal reforms: Open government is about advice, ideas and mechanisms needed to energise democratic governance. It is about governments making processes transparent, inclusive and participatory, and being accountable to their people. It involves stress testing, anticipating governance issues and scenario building. CSOs therefore need to use this approach to handle threats and opportunities in a fluid global context.



Now is the time for new ideas. There's a role for PWYP and others to use Covid-19 as an opportunity to mobilise citizens and to collaborate better on our shared priorities of governance and social justice.

Aidan Eyakuze,

Open Government Partnership and Twaweza
East Africa

Key obstacles facing activists in the extractive sector who challenge their governments:

Governments have become less transparent in their dealings. Inequality between and within countries has deepened. Now more than ever, governments need innovative ideas, solutions, mobilisation strategies, legitimacy and trust. PWYP and other CSOs need to i) develop approaches on how best to hold governments to account ii) mobilise citizens to respond to the challenges facing activists iii) help legitimise governments willing to work with civil society and iv) have an expansive view and collaborate with other actors to move the agenda forward. How to engage governments that are closing or narrowing civic space: Twaweza East Africa has deployed a four-point tactical agenda. It works in a specific location to empower citizens to engage with local government and with companies in the extractive sector. It also works with reformers inside the government to advance the CSO agenda, and to challenge the official narrative by telling citizens compelling stories on the importance of issues such as governments promoting and protecting human dignity and livelihoods.

How the Covid-19 pandemic has exacerbated issues of women's rights and extractive sector governance: The pandemic has heightened the vulnerability of women working in the sector, with many losing their jobs and suffering gender-based domestic violence. The failure to consider and prioritise women's realities has also promoted abuse and exclusion from the extractive sector. There is need for a transformative feminist natural resource agenda – something which PWYP members and allies, including FEMNET, are working to define collaboratively with women's rights groups, as well as those in the extractives transparency field.



Covid-19 has shown that we leave governance to governments at our own peril.

Dr Solomon Dersso,

African Commission on Human and People's Rights

The African Charter on Human Rights and the rights of people to natural resources:

Article 21 of the charter specifically addresses the question of natural resource governance in relation to the rights of Africa's people. The extractive industry has involved serious human rights violations, environmental destruction and unregulated exploitation of resources. These have impaired the wellbeing of communities in many places.

The role of the Africa Commission on Human and People's Rights within the extractive industry working group:

The commission is working to ensure that governments are implementing the African Charter and the Africa Mining Vision. In 2018, it

adopted state report guidelines and principles on Articles 21 and 24 of the African Charter. These instruments cover several issues, including financial regulation of the extractive sector, transparency and illicit financial flows. The commission has instituted comprehensive regulations to govern the extractive sector. It also acts on complaints promptly and helps seal gaps in the regulatory framework.

RECOMMENDATIONS:

- Civil society needs smart strategies to navigate the legal thickets of a country's domestic space, so it can address issues such as the mistreatment of artisanal miners or agreements between mining companies and the government in terms of fiscal implications.
- CSOs should use digital advocacy approaches to put pressure on governments.
- Governments must fully disclose all contracts with companies.⁷
- Renewable energy should be used locally and off-grid, to help ensure that all social groups, especially women, can access energy.⁸
- All sectors of society need to demand that their governments comply with the requirements of good governance, respect for all people and protection of human rights.



When women's realities are not really considered and prioritised in the extractive sector, it can lead to a promotion of the abuse and the exclusion of women.

Memory Kachambwa,
FEMNET

⁷ In Zimbabwe, the government gave a mining company tax exemption, yet public revenues were great needed.

⁸ Nearly 800 million Africans, especially in marginalised communities, lack access to energy.

SESSION 3

WOMEN'S RIGHTS AS A RESOURCE GOVERNANCE PRIORITY

This panel discussion aimed to build on the experiences of diverse stakeholders, including the extractive industry, government and civil society, in coming up with innovative ways to foster a feminist approach to natural resource governance, and to advance women's rights and gender equality in the extractive sector.

Moderated by Indra Thevoz, Policy and Country Manager at the EITI international secretariat, the session had six speakers, who responded to questions on women's rights and gender equality around natural resource extraction, and addressed women's participation and access to decision making in the sector:

1. Lydia Boarlaza, Director General of Madagascar Consolidated Mining
2. Melania Chiponda, Women Rights Activist, FEMNET
3. Mando Chiundaponde, PWYP Zambia
4. Aboubacar Kourouma, Director General of strategy & development office, Ministry of mines & geology, Guinea
5. Marieme Soda MBACKE, PWYP Senegal
6. Allison Merchant, Senior Gender Advisor, Open Government Partnership (OGP)

Highlights of the discussions include:

Case study from Madagascar on empowering women in the artisanal and small-scale mining sector: The case study profiled a pilot project by the German International Cooperation Agency, through Queensland University, that assessed the situation of women working in small-scale mining in Madagascar. These women collect raw stones discarded by mining companies as unfit for export and sell them locally at low prices. If value was added to these stones, the women would get more profit from reselling them. The project formed a women's association and trained members to cut these stones and turn them into jewellery, and to

market the products to tourists. Through the project, the women became self-sufficient and were empowered. Despite the Covid-19 pandemic, they still earned a living. Although the project ended in mid-2020, there are plans to replicate it in another part of the island, if funds are available.

Strengthening and formalising women's involvement in Zimbabwe's extractive sector:

Although only 2 per cent of women working in mining in Zimbabwe earn their living from the formal sector,⁹ mining offers a potential livelihood for women. Most women work informally in artisanal mining. Innovative approaches are needed to formalise this. Approaches include strengthening the knowledge women already have around the natural resource sector, particularly mining, and formalising women's work in the sector.

Gender disparities in Zambia's mining sector:

Research by PWYP Zambia shows that women are excluded from decision making and participation in the mining industry. To reverse this, PWYP Zambia is carrying out various initiatives, including revising its governance manual and running campaigns, such as "Show us the money". This campaign promotes women's participation in the mining sector, highlighting the income they would earn and using a gender lens to assess how women can benefit financially from the sector. Disaggregating data by gender helps determine the number of women being employed in the sector and the roles they hold, as well as the pay gap between genders. This analytical step can lead to initiatives to help improve revenue-sharing mechanisms and encourage CSR activities focused on supporting women's empowerment within communities.

⁹ The percentage of women (labour force) within the formal mining sector. The remaining percentage of women are involved in the informal and artisanal mining sectors.



If we are not going to have a feminist perspective in a just transition, it means that we could transition into a degenerative economy – a climate-just economy, without gender justice.

Melania Chiponda,
Africa Coal Network

General policies in advancing gender equality in Guinea's mining sector: Guinea is undertaking mining reforms with gender aspects at their heart. Within the sector, which is the country's main economic driver, there is a service dedicated to gender and equality, which has enabled women to access funding for their projects, through mechanisms such as the National Development Fund.

PWYP's West Africa programme to advance women's rights in extractives: In West Africa, PWYP has worked to strengthen women's rights in natural resource governance. Following research in Burkina Faso, Guinea and Senegal, PWYP national coalitions carried out several evidence-based advocacy activities, with key achievements including:

- Improved women's representation in the EITI and in PWYP governance, thanks to the adoption by multi-stakeholder group members of a Code of Conduct that requires the substantial participation of women.
- The coalition in Burkina Faso has influenced the review of the national strategy for equity and gender equality to include assessments of the impact of extractive activities on women.
- The publication of data linked to gender, especially in Senegal's recent EITI report.

- Capacity building of PWYP members and developing alliances with women's rights organisations.

Country commitments as part of the Open Government Partnership (OGP), specifically those that relate to advancing gender equality and women's rights in the extractive sector: Using a cross-cutting approach, the OGP works with governments to encourage them to be open, collaborative and responsive. Despite recent progress, open government remains a relatively unexplored method of accelerating gender equality and closing critical gaps in access to information and participation.^{10,11} The OGP looks to shift power and decision making back into everyone's hands. To date, 51 governments have made 146 commitments in the areas of extraction, water and sanitation, climate change and the environment. However, only Mexico, Nigeria and the Philippines have made commitments on extractives and gender.¹² It is important to work collaboratively and use platforms like the OGP to ensure commitments made by governments and the private sector are implemented and that accountability mechanisms are in place.

RECOMMENDATIONS:

- There is need for strong advocacy and commitments from civil society to build alliances with other actors who are knowledgeable and understand the issues.
- Women's capacity must be developed, to enable them to access employment opportunities.
- Countries must establish favourable policies that enable women to access decision making and job opportunities.
- Interventions are needed to protect and improve women's working conditions in the artisanal and small-scale mining sector. For instance, the process of

¹⁰ <https://insights.careinternational.org.uk/development-blog/opening-open-government-how-women-s-rights-organisations-strengthen-government-commitments-to-transparency-accountability-and-participation-in-the-philippines>

¹¹ <https://impacttransform.org/en/new-resource-toolkit-gia-asm/>

¹² Nigeria and the Philippines are focusing on implementing EITI standards on women's participation.

applying for a mining licence should be less technical, with simple procedures and affordable fees to make licences accessible to women.

- Women must be able to access human rights education in connection to working in artisanal mining.
- SOs need to reflect on how to support women to obtain capital and equipment to engage in artisanal mining activities.
- The OGP platform should be used to ensure public- and private-sector pledges and legislation on gender and natural resource governance are implemented. Often, governments make ambitious pledges that are not honoured.
- The design and implementation of gender-transformative extractive commitments need to be carried out collaboratively, involving governments, civil society and the private sector. Women's groups have a wealth of knowledge that would help strengthen these reforms.
- Publishing of gender-sensitive data around natural resource governance and the impact of extraction on women.
- Capacity building of women and youth to promote and protect women's rights, equal employment and ability to contribute meaningfully to extractive sector discussions.
- Strengthening the legal framework on gender equality, especially around land rights and compensation for communities.
- Developing a transformative approach or agenda that would bring women together, with a focus on redefining what the mining sector looks like for women.
- Strengthening local content policies to recognise women as agents and beneficiaries in the sector.
- Establishing strategies that link women in rural settings with government structures.
- Dedicating a percentage of extractive revenues to promoting women's empowerment in local communities.



DAY 2



SESSION 4
Shining a light on
extractive tax for
optimal revenue
generation



SESSION 5
Contract
transparency – Why
does it matter and
what can we do
together?



SESSION 6
Energy Transition
– Challenges and
opportunities for
resource-rich
countries in Africa

SESSION 4

SHINING A LIGHT ON EXTRACTIVE TAX FOR OPTIMAL REVENUE GENERATION

Over the years, African governments have increasingly recognised the importance of reviewing and reforming fiscal systems to enhance revenue generation from the extractive sector. The wave of oil discoveries in the last few years in countries like Kenya and Uganda, coupled with efforts to revitalise the mining sector, has the potential to transform the economies of these countries and bring lasting benefit for their citizens. However, this is subject to proper revenue management and governance of the sector.

Moderated by Mukasiri Sibanda, Extractives Advisor at Tax Justice Network Africa, the session covered best practices and lessons learned to help shape an effective approach for governments to generate more revenue from the extractive sector. Highlights from the five speakers include:

Viola TARUS, Inter-Governmental Forum on Mining, Minerals and Metals and Sustainable Development:

The forum supports 75 member countries to improve resource governance and decision making in the mining sector,¹³ one of the key sectors for financing development in Africa. The sector is currently undergoing a revolution. According to the World Bank, the demand for metals and minerals could grow by 250 per cent due to the energy transition. The mining sector can therefore finance development in Africa through technological innovation also set to increase the efficiency and yield of mines. To benefit from these changes, Africa will need to

tackle illicit financial flows, base erosion¹⁴ and profit shifting.¹⁵ The Inter-Governmental Forum and the African Tax Administration Forum are keen to see CSOs, the private sector and governments review countries' dominant fiscal regime and consider alternatives to maximise revenue from the sector. They have initiated a conversation on the future of resource taxation, with key questions:¹⁶

1. What is the dominant fiscal regime in the sector?
2. How can we improve its design and implementation?
3. Are there alternative options available for resource-rich countries to maximise returns from their mineral wealth?

Racheal Chagonjia, HakiRasilimali-PWYP Tanzania:

Over the past five years, Tanzania has made several changes in the mining sector aimed at increasing government control and sovereign authority over natural resources. Tanzania is practising a 50/50 sharing formula for revenue generated from investments in the extractive sector. These changes will distribute revenues across all social groups, incentivise investors and curb tax avoidance. All tax incentives being provided within the regime are computed and converted into government equity. However, the challenge of tax avoidance persists. The country lacks the institutional ability to track revenues generated by the sector. The Tanzania EITI and its practices have no direct link to the Tanzania Revenue Authority, impeding scrutiny of extractive sector revenues. Policy reforms

¹³ The Inter-Governmental Forum on Mining, Minerals and Metals and Sustainable Development works with partners including the African Tax Administration Forum (ATAF) and the OECD to address tax, base erosion and profit shifting in the mining sector. It publishes guidance documents and provides technical assistance through audit support, capacity building and advisory services to help strengthen mining fiscal regimes and revenue administration.

¹⁴ Base erosion: the use of financial measures and tax planning to reduce the size of a company's taxable profits in a country.

¹⁵ Profit shifting: when multinational corporations move their profits from countries where business takes place to countries with minimal or no tax regimes

¹⁶ The Inter-Governmental Forum and ATAF feel that discussions around these three questions should be heard in a consultative context, bringing in CSOs, the private sector and governments.

can help Tanzania improve its revenues – for example, by ensuring the Oil and Gas Revenue Management Act (2015) contains implementing regulations, and ensuring audits of the Oil Fund are carried out.

By way of reforms, the country needs legal instruments to help it manage revenues from the mining sector. These legal changes should include a revenue-sharing model for local government authorities. Laws should be clear about what constitutes local and domestic entities in the country. There is also need to develop a model to enhance domestic participation in the extractive sector and differentiate between CSR and local-content practices.

Thialy FAYE, Oxfam Senegal, tax expert:

In West Africa, the tax regime is conducive to investment and promotes the public interest – taxes are linked to both production and profits. Legal instruments are increasingly focusing on combatting tax evasion, tax fraud and illicit financial flows. To promote local development, states have created local taxes which are redistributed to communities.

Fatima MIMBIRE, PWYP Mozambique:

Since 2014, the fiscal regime in Mozambique has been based on production sharing between the company and the state. The mining sector has a production tax, using the ad valorem (value-based) methodology, enshrined in law in 2014. However, the government agreed to provide alternative fiscal exemptions that allow companies to export all their revenues from the sale of natural gas from the country, a move that heightened the chances of these firms falsifying revenues. The country needs to review the wide discretion given on tax exemptions to multinational companies and encourage tax compliance.



More needs to be done for women to occupy their space in the extractive sector activities.

Conference participant

Gideon ATUKWASE, PWYP Uganda:

Gold is Uganda's third-biggest foreign exchange earner.¹⁷ The country has enacted a fiscal regime to govern the economic benefit derived from extractives, aimed at i) ensuring sustainable use of resources ii) promoting equitable distribution of the benefits to stakeholders iii) curbing fraud, corruption and illicit financial flows iv) establishing conflict management mechanisms and v) attracting domestic and foreign investment. Uganda has several fiscal policy laws and regulations, such as the Public Finance Management Act, which spells out how the monies obtained from extractives will be used effectively. However, given the country's weakness in enforcing these regulations, CSOs, including PWYP, should pressurise the government to implement the fiscal policies promoting transparency and accountability in the sector.

¹⁷ About 99 per cent of people in the trade are artisanal miners and are not registered as taxpayers.

SESSION 5

CONTRACT TRANSPARENCY: WHY DOES IT MATTER AND WHAT CAN WE DO TOGETHER TO IMPLEMENT THE GLOBAL NORM OF CONTRACT DISCLOSURE ACROSS THE CONTINENT?

Discussions of benefit sharing or revenue management are incomplete without looking at contracts and ensuring that they benefit resource-rich countries. In 2020, PWYP launched *#DiscloseTheDeal*, a global campaign for contract transparency in the oil, gas and mining sectors. From 2021, EITI countries are required to disclose contracts signed as of 1 January 2021. This session aimed to reflect on how the resource governance movement across the world can learn from different experiences and support strong uptake of the EITI Standard. Charles Wanguhu from PWYP Kenya moderated the session, which had three panellists:

1. Christian Mounzeo, PWYP Congo
2. Gay Ordenes, EITI International Secretariat
3. Rob Pitman, Natural Resource Governance Institute (NRGI).

HIGHLIGHTS OF THE DISCUSSION INCLUDE:

Contract transparency in DRC:

Contract transparency enables equitable management of national resources. Despite having huge natural resources, the Democratic Republic of Congo (DRC) has been unable to deliver meaningful benefits to its population from resource extraction, due to poor governance (embezzlement, corruption, conflict of interest and high debt). The government has enacted a policy to obtain loans to bolster its infrastructural development, but the cost of these projects and the details of the loans are unknown. Citizens need such project details to assess whether the contracts are beneficial to

the population. The country now has laws that require contract disclosure, but the contracts have annexes which can remain hidden from the public. Although the government commits to accessibility of contracts on its website and in the official government gazette, only a few people can access contracts or understand their content.

Key challenges around contract transparency in DRC include:

- Unavailability of data on contract annexes, amendments and riders, as well as on specific strategic agreements with funders, such as China.
- Access to contracts online requires payment. Only a small section of the population can afford this or has access to the internet to review the contracts.
- Contracts are hard to read and understand.
- Lack of access to commercial agreements with China and the European Union.
- Laws exist, but implementation remains a challenge.

EITI requirements for contract disclosure and transparency:

From 1 January 2021, EITI members are required to:

- Fully disclose all contracts and licences granted, entered into or amended as of 1 January 2021. This includes full text,¹⁸ annexes, relevant documents and material exploration permits.¹⁹

¹⁸ Full text: The actual disclosure of the contract without omitting any provisions. Partial disclosure will therefore not meet the EITI requirement.

¹⁹ Countries to be guided by the existing requirements of the EITI Standard.

- Publish a list of all active contracts and licences, including exploration permits.²⁰
- Develop a work plan, including steps to address barriers to transparency, such as legislation in certain countries that prohibits disclosure of contracts; lack of political commitment towards contract disclosure, and lack of technical capacity to understand the value of contract disclosure and how to use the information contracts contain.
- Document the government's policy on the disclosure of contracts and licences. Countries will need to assess whether the policy is consistent with the practice.

Over the last two years, Equatorial Guinea, Mauritania and Ukraine have been officially disclosing contracts. There has also been systematic disclosure of contracts in Mexico, Ghana, Nigeria, DRC and the Republic of Congo. Sierra Leone and Zambia have begun examining the link between contract disclosure and domestic resource mobilisation. For purposes of validation, EITI implementing countries undergo an assessment every three years of all the requirements of the EITI Standard and whether they have been meeting them.

Actions PWYP can take, as a global coalition, to further build the norm of contract transparency:

Progress on transparency has been solid in the private sector, the international community and governments. Forty-nine countries have officially disclosed at least one extractive industry contract and 31 have laws in place to make it mandatory. More public contracts are now published than ever before.²¹

The new EITI requirement means that many countries will have to disclose contracts for the first time, enabling the detection of implementation gaps. In Africa, there are 24 EITI implementing countries, few of which have fully



These meetings are greatly informative and very empowering to capacitate us to demand transparency and accountability in the governance of natural resources.

Conference participant

disclosed all their contracts. To develop strong momentum around contract transparency, key steps include:

- Ensuring that EITI-implementing countries around the world promptly meet their commitments to establish contract transparency.
- Civil society using its place in EITI processes and in its engagement with governments and companies to keep contract disclosure at the top of the agenda.
- Scrutinising countries' lists of contracts to make sure they include all documents that need to be made public.
- Participating in any EITI country consultations around contract transparency.
- Pushing companies to make public declarations in support of contract disclosure and to actively press for disclosure in all countries they operate in.
- Finding champions among regional institutions.

Ensuring contract transparency is achieved in Nigeria:

- Using multi-stakeholder approaches to achieve contract transparency in the country.
- Working closely with the media, which has proved central and effective, for

²⁰ Apart from citizens accessing the whole list of contracts being held, this also helps tax agencies know who they should be assessing for tax payments.

²¹ <https://www.resourcecontracts.org/>

example, through radio programmes that have reached wide audiences on the importance of contract transparency.

- Meeting with parliamentarians and anti-corruption agencies to stress the importance of contract transparency in the oil sector.

Ways African coalitions can argue for better contract disclosure:

- Building collaborations, especially with experts on contract transparency.
- Strengthening the capacity of state and non-state actors to understand the essence of contract transparency.
- Supporting civil society coalitions like PWYP to push for contract transparency adoption and implementation.
- Supporting CSOs to come up with a global advocacy strategy that can be shared across the region on how the agenda should be pushed forward.
- Building the capacity of extractive communities to monitor contract terms and implementation.
- Developing a comprehensive checklist for civil society actors and citizens on standard contracts. This will also help make it easier for civil society to work with communities.

Challenges to enacting contract transparency:

- Legal obstacles, and lack of political commitment and technical capacity to understand contracts and their benefits.
- How to link contract transparency to wider reforms in a country.
- Civil society not being considered an actor in the contract transparency process.

Recommendations for civil society to increase the uptake of EITI requirements:

- Engage in advocacy demanding full and thorough disclosure from governments.
- Develop a work plan on addressing barriers to full disclosure and document government policies on disclosure of contracts and licences.
- Identify champions among regional institutions.
- Change the frame of analysis for the way contracts are discussed, away from questions such as, “How much can we get from this project?” to “What are the risks and rewards embedded in this contract and how are they distributed between citizens and companies?”
- Focus on contracts related to the sale of oil, gas and minerals by governments. The EITI Standard now encourages state-owned enterprises and governments to publish these sales agreements.



More needs to be done for women to occupy their space in the extractive sector activities.

Conference participant

SESSION 6

THE ENERGY TRANSITION: CHALLENGES AND OPPORTUNITIES FOR RESOURCE-RICH COUNTRIES IN AFRICA

The transition to a low-carbon economy has begun to reshape the extractive industries. It can contribute to a resilient post-pandemic recovery, secure sustainable development and benefit citizens. However, without a concerted and organised effort by civil society, the energy transition risks being both inadequate and unfair – undermining economic benefits and livelihoods, and weakening citizens' participation in the management of their natural resources. This session assessed the impact of the energy transition on the economies of African countries rich in oil and strategic minerals, and how to ensure the transition is economically and socially fair. It also explored how Africa should position itself on the energy transition and what role PWYP can play.

Moderated by Saliem Fakir of the Africa Climate Foundation, three panellists provided key insights:

1. Johnny West, Open Oil
2. Jean Claude Kate, PWYP DRC
3. Maybel Acquaye, Africa Centre for Energy Policy (ACEP)

Energy transition vs. countries' economic transformation: Energy transition is portrayed as a panacea for economic transformation, yet it is occurring within an unequal economic system. Its negative and positive effects need to be understood in the context of a post-Covid world in which massive, structural decarbonisation has been introduced, specifically by Europe and China. With new waves of technology that are highly dependent on strategic minerals such as cobalt and graphite, there is now geopolitical competition for these resources. Some companies are using the green label to produce this new wave of technology, including automotive companies.



The entire notion of extractives has to move towards more transparency and accountability, and towards the relationship between resource extraction and distribution in a broader society.

Saliem Fakir,
Africa Climate Foundation

The "just transition" debate is relevant for the African continent. This is not simply a matter of energy transition, but of how to achieve an inclusive economy. For the just transition to be relevant on the continent, there is a need to widen the concept to go beyond the issue of climate to broader economic development. The entire notion of extraction must move towards more transparency and accountability in the relationship between resource extraction and distribution in a broader society.

The potential impacts of the energy transition in resource-rich economies:

The Covid-19 pandemic has sped up energy transition, with fossil fuels now heading towards being wound down as a result of economic diversification. This raises the question about the implications of a just transition. Most African countries are energy poor and as a result, have a massive, legitimate need for greater access to energy.

Challenges and issues around the energy transition in DRC:

Africa cannot afford an energy transition that is unjust or unfair. The transition process needs to be fair and progressive so that governments,

citizens, communities, companies and all stakeholders can be prepared and own the process. In the DRC in 2018, the government declared cobalt a strategic mineral to be used for renewable energy. The DRC owns 51 per cent of the world's 7 million tonnes of cobalt reserves, so when demand rises, there will be pressure on the government and communities. Access to this mineral must therefore be legal, transparent and respectful of human rights. A key challenge is women and children's rights around the mining sector. In DRC, 20 per cent of the cobalt comes from small-scale and artisanal mines, where women and children are exploited as labour. The rush for cobalt is raising new issues around women and children's rights. Small-scale mining is carried out without necessary protective equipment, putting miners at risk. In addition, the DRC's government, communities and local NGOs are not ready for the energy transition, with no clarity on the use of revenue that will be generated by cobalt mining. There is a need to generate awareness among mining communities about the meaning and impact of the energy transition.

The energy transition, fossil fuels and climate change in Africa:

Africa has been severely impacted by climate change. Floods, drought and shifts in the agricultural landscape have negatively impacted the livelihoods of millions of Africans dependent on agriculture.²² While the energy transition could help Africa mitigate the challenges of food security and job losses, the reality remains that fossil fuels play a significant role in African countries, including helping them meet their energy demands. With the fossil fuel sector shrinking due to the energy transition, oil producing countries could see huge losses in tax revenue.

With the energy transition underway, there is need for full disclosure policies to be observed and for policy reforms to be carried out around



The presentations were all good. I found it very educational - it was an eye opener.

Conference participant

renewable energy. Careful thought is also needed on how national and local economies would adapt if this transition is not managed well or occurs abruptly. The transition could result in serious challenges for African economies. CSOs should mainstream this question of the energy transition to ensure it brings benefits, not harm, to African countries.

RECOMMENDATIONS:

- CSOs such as PWYP need to play a key role to ensure that companies disclose their decarbonisation strategies.
- Countries endowed with minerals should develop their systems so that they not only benefit from the export of raw materials, but also benefit from increased value addition.
- African countries should develop their domestic supply chain to be able to manufacture components needed for manufacturing items such as phones.
- African countries must invest in knowledge infrastructure, human resources and institutional development, so they can administer effective fiscal laws to generate revenues and block illicit financial flows and tax avoidance. These skills will be vital in the energy transition.

²² More than half the population in Sub-Saharan African depends on agriculture for its livelihood.

- Governments must extend contract transparency and disclosure to renewable energy.
- PWYP must determine what “beyond extraction” means in light of the very rapid decarbonisation and restructuring taking place around the world, in which Africa could be left behind.
- There is a need to provide the right instruments for transformation of economies, otherwise countries’ economic situation could worsen if the energy transition happens too fast and is not managed well.
- CSOs need to mainstream the energy transition, to help drive effective change.

- The right mechanisms need to be put in place at the onset of the energy transition, for example, disclosure policies and policy reforms such as renewable energy laws. This will make it easier for all interested parties to monitor whether reforms are being adhered to.

The real issue at continental level is to know the position Africa wants regarding the energy transition. Is it perceived as an opportunity or a human and environmental challenge? To ensure it benefits, Africa as a region must consider the energy transition.



DAY 3



GOVERNANCE
(PWYP Members Only)



ADOPTION
Of The Africa Charter



ELECTION OF
New Members To
The African Steering
Committee

Governance

The focus of the day's meeting was on governance, including the adoption of updates to the PWYP Africa Charter, a report from the outgoing Africa Steering Committee (ASC) members and welcoming the new ASC.

OPENING REMARKS

Outgoing ASC Chair Mutuso Dhliwayo gave an overview of the committee's work during its three-year mandate, citing its role and responsibilities, activities and areas of focus, as well as challenges and successes. ASC member Dupleix Kuenzob spoke on the African Charter – the governance manual for PWYP in Africa, describing areas of the charter which have been updated and the process for obtaining PWYP members' input to those updates.²³ He asked all members to read through the updated version of the charter and adopt the amendments, which are geared to improving PWYP's functioning in Africa.

ADOPTION OF THE PWYP AFRICA CHARTER

PWYP members adopted the amended charter through a yes/no vote via an anonymous Zoom link or the online Chat facility.

ELECTORAL PROCESS FOR ASC MEMBERS²⁴

The process for electing new representatives to the ASC was as follows:

1. Call for nominations launched through email and WhatsApp (15 February 2021).
2. Deadline for receiving applications (28 February 2021).²⁵
3. Deliberations at regional level to reach a consensus over preferred candidates (March 2021).
4. Presentation of elected ASC members during regional caucuses at the conference and in the closing plenary.

NEWLY ELECTED MEMBERS OF THE PWYP AFRICAN STEERING COMMITTEE (2021-2023)

FATIMA DIALLO,

PWYP Senegal – representing Francophone West Africa

JAMES KORYOR,

PWYP Liberia – representing Anglophone West Africa

FATIMA MIMBIRE,

PWYP Mozambique - representing East and Southern Africa

CHRISTIAN MOUNZEO,

PWYP Republic of Congo - representing Central Africa

BRICE MACKOSSO,

PWYP Republic of Congo, continues on the ASC in his capacity as a civil society representative on the EITI international board.

CLOSING REMARKS

Outgoing ASC Chair, Mutuso Dhliwayo, affirmed that the way the governance meeting had been conducted was a testimony to coalitions' modus operandi around the ASC leadership transition. He congratulated the incoming ASC members and wished them success as they take up their new leadership roles.

In closing, he congratulated all present for making the 2021 PWYP Africa Conference a success.

²³ Updates on the charter were made in September 2020 based on results from an online survey carried out among members of the PWYP African coalition.

²⁴ Based on the 2021 version of the Africa Charter.

²⁵ Seven applications were received.

Feedback and Learning

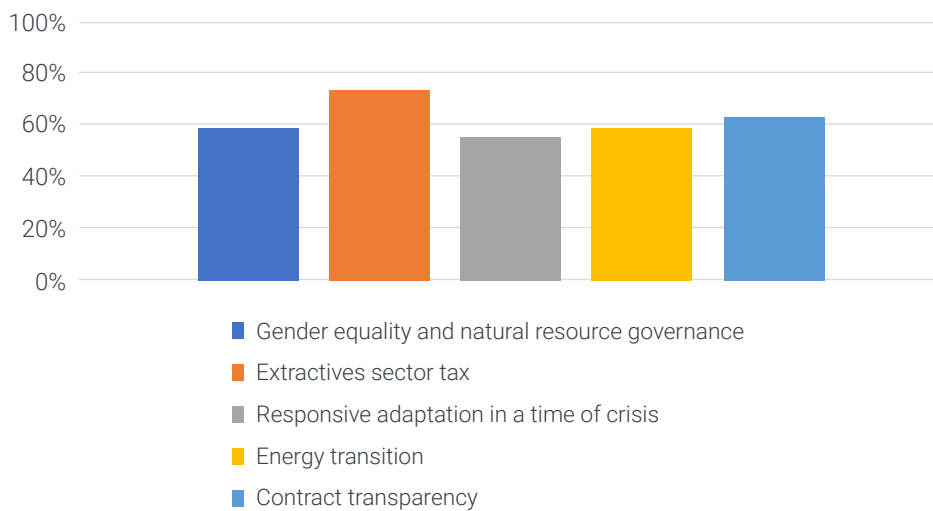
FEEDBACK SURVEY RESPONSE RATE

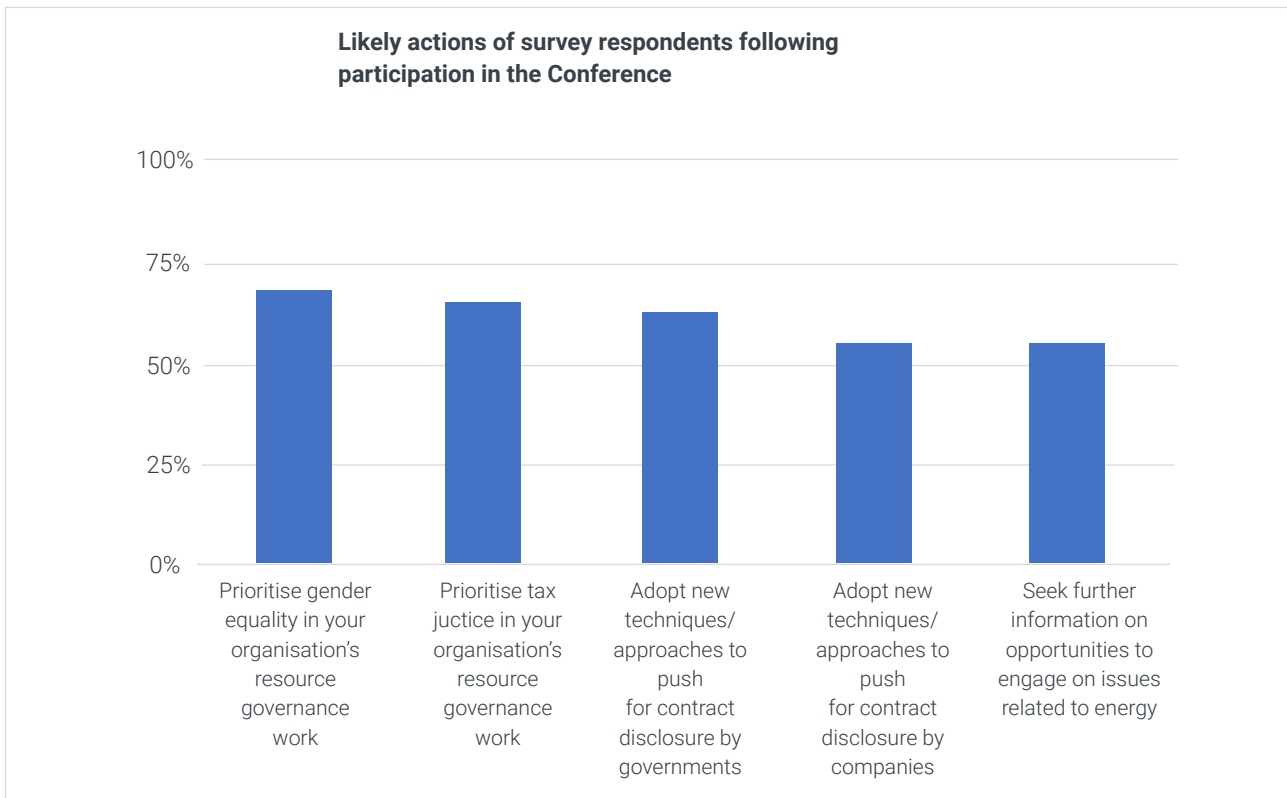
Following each session of the Africa Conference, a link to a feedback survey was shared with participants in three languages (English, French and Portuguese). Across the first two days, a total of 82 participants (29%) completed the survey; on the third day, 30 participants (19%) did so. Given the relatively low response rates to the surveys, the PWYP secretariat is considering ways to incentivise more participants to provide feedback which can help to inform improvements to both the content and the design of events and workshops.

WHAT WE HEARD – CONFERENCE CONTENT

Respondents were asked to rate the extent to which their understanding of the thematic topics featured across the first two days of the conference had improved. Overall, the majority of respondents reported that their understanding had improved or greatly improved as a result of participating in the discussions.

Proportion of survey respondents reporting improved understanding of thematic topics





Respondents were also asked what action, if any, they were likely to take following their participation in the Conference. A majority of respondents indicated that they would do one or more of the following (with just one respondent indicating that s/he would take none of these actions):

WHAT WE HEARD – CONFERENCE LOGISTICS AND ENGAGEMENT

Prior to the Conference, facilitators and organisers discussed how to encourage participants to use the (albeit limited) functionality of Zoom to engage directly with each other and the speakers. The two options available were the chat and the Q&A function, both of which participants were actively encouraged to use, in all three of the conference languages. About one fifth of the survey respondents did not feel that they were able to interact well with other participants using these functions, while the other 80% felt that some level of interaction was possible. The majority of respondents who had asked a question felt that it had been adequately answered by the speakers, while nearly one third

felt that their question had not been addressed. While it's not always possible for all questions to be answered, given time limitations, we will continue to work with moderators of PWYP events to support them to manage the Zoom Q&A function so that as many questions as possible can be answered there, either in writing or verbally. This is particularly important when there are no immediate alternative opportunities for engagement with panellists after a digital session is concluded, unlike in physical meetings.

Other suggestions from participants for how to improve the online event logistics were: to share information systematically not only by email but also by Whatsapp; to provide additional support on Zoom logistics (for example, a number of participants joining by mobile phone required a password, where those joining from a laptop did not, meaning some participants were delayed in joining sessions); to ensure that panellists speak slowly, to allow for the interpretation; to ask presenters in remote areas who may have connection issues to prepare pre-recorded presentations.



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