

United Nations Development Programme
Region: Africa
Project Document (DRAFT MARCH 2013)



- Project Title:** Harnessing Extractive Industries for Human Development in Sub-Saharan Africa
- Strategic Plan Outcome(s):** Promoting inclusive growth, gender equality and achievement of the MDGs
- Expected RBA Regional Programme Outcome(s):** Regional, sub-regional and national strategies for higher levels of pro-poor growth, and the reduction of gender inequalities formulated and implemented.
- Expected Regional Project Outcome(s):**
1. Regional institutions support inclusive and responsive governance of extractive industries and implementation of the African Mining Vision
 2. National institutions manage resource risks and enhance the linkages between human development and the extractive industries
- Expected Regional Project Output(s):**
(Those that will result from the project)
- 1.1 Regional mechanisms to support governance, transparency and accountability of extractive industries strengthened.
 - 1.2 Extractive industries and sustainable human development integrated in the African Minerals Development Centre management and advisory functions
 - 1.3 Research and analytical products on extractive industries and Sustainable Human Development produced and disseminated at regional and national levels
 - 2.1 Flexible and demand driven technical and financial support provided to countries through a Rapid Response Facility for pro-poor, sustainable & inclusive extractive industries and natural resource governance and investment
 - 2.2 Inclusive and gender responsive planning, knowledge generation/sharing and risk management strengthened through observatories in strategic/conflict prone countries.

Implementing Partner:

UNDP, Regional Service Centre, Addis Ababa

Responsible Parties:

African Union, African Minerals Development Centre, New Partnership for Africa's Development/African Peer Review Mechanism, Regional Economic Communities, UN Economic Commission for Africa, African Development Bank, academic and research institutions and regional civil society organizations

Beneficiaries:

African Minerals Development Centre, African Peer Review Mechanism Secretariat, Regional Economic Communities, Member States

Brief Description

In recent years, greater political stability, higher commodity prices and improved exploration technologies have generated a veritable boom in the African mining, oil and gas sectors. New discoveries across the region are generating high expectations among emerging resource-rich countries but also concern over possible risks. The experiences of countries with longer histories in extractive industries show that there are tremendous opportunities but also formidable challenges in turning natural wealth into long-term economic and social development. Harnessing extractive industries to advance human development has therefore become a top priority at national, regional and pan-African levels. Drawing on UNDP's corporate Extractive Industries framework, this regional project will take a two-pronged approach. First, regional institutions will be supported to enhance the governance, accountability and transparency of extractive industries and to facilitate implementation of the African Mining Vision. Second, a Rapid Response Facility will be established to meet financial and technical assistance needs for enhancing the linkages between human development and extractive industries at national and sub-national levels. Observatories will be developed in a select number of countries and conflict-prone environments to strengthen inclusive and gender responsive planning, knowledge generation/sharing and risk management. Activities will be designed to support and complement national and regional/sub-regional activities in the seven result areas of the Business Plan of the African Mineral Development Centre, which is being established as a central and strategic coordinating body for the African Mining Vision agreed to my African Union (AU) Member States in 2009. In the implementation of the project, UNDP will leverage its comprehensive and cross-cutting mandate, its impartiality and extensive country-level experience and presence, and work closely with regional and national authorities, international development partners, civil society, academia and the private sector.

Reg. Programme Period: 2008-2013*

Key Result (Strategic Plan) Promoting inclusive growth, gender equality and achievement of the MDGs

Atlas Award ID: _____

Start date: June 2013

End date: 31 Dec 2016

PAC Meeting date: 27 March 2013

Management arrangements: DIM

*This project will be rolled over into the new Regional Programme cycle (2014 to 2017)

Total resources required \$13,060,000

Total allocated resources: \$10,000,000

- Regular \$10,000,000

- Other:

- o Donor To be determined

- o Government To be determined

Unfunded budget: \$3,060,000

In-kind contributions: To be determined

Agreed by (UNDP):

24/06/13

Babacar Cissé
Director ad interim
Regional Bureau for Africa

I. INTRODUCTION

Resource-rich developing countries face tremendous opportunities and formidable challenges in turning their natural wealth into long-term economic and social development. The risks associated with abundant resources—especially non-renewable resources such as oil, gas and minerals—are well-established and come in many forms.¹ However, there is also ample evidence from both mature and emerging resource exporting countries that with the right policies, institutions and human capacities in place these risks can be mitigated. In fact in many countries, the opportunities offered by extractive industries (EI) have been seized to generate economic and social transformation and accelerate human development for current and future generations. Nowhere is this more pertinent than in sub-Saharan Africa, which despite important progress in recent years, has the lowest human development indicators and the highest incidence rates of poverty and hunger in the world. Despite acceleration of economic growth over the past decade, structural transformation has been elusive for many countries that remain heavily dependent on natural resources as drivers of growth, exports and fiscal revenue. Today, national conversations about resource exploitation typically take place in contested spaces that are often shaped by clashing interests, disempowerment of groups and social tensions. A continuous stream of reports of tensions around existing and new sites for exploration bear witness to the profound challenges that exist. Linked to UNDP's corporate Extractive Industries framework, this regional project will take a two-pronged approach. First, regional institutions will be supported to strengthen the governance, accountability and transparency of EI and to facilitate implementation of the African Mining Vision. Second, a Rapid Response Facility will be established to meet financial and technical assistance needs for enhancing the linkages between human development (HD) and EI at national and sub-national levels. Moreover, observatories will be developed in a select number of countries and conflict-prone environments to strengthen inclusive and gender responsive planning, knowledge generation/sharing and risk management.

II. SITUATIONAL ANALYSIS

In recent years, greater political stability, higher commodity prices and improved exploration technologies have generated a veritable boom in the African mining, oil and gas sectors. Moreover, new discoveries across the region are creating a new group of emerging resource-rich countries. Between 2000 and 2008, the value of natural resource rents in Africa rose six-fold from \$39.2 billion to \$240 billion.² 19 out of 46 countries in sub-Saharan Africa are now considered rich in either hydrocarbons (oil, gas or coal) or minerals (see Annex A). The importance of EI is likely to continue to grow. An additional 13 countries are at various stages of discovery and exploitation of significant reserves of non-renewable resources, but production is yet to begin or reach significant levels. Foreign direct investment (FDI) to Africa grew from about \$10 billion in 2000, to \$50 billion in 2008 with a peak of over \$70 billion in 2006.³ The primary sectors—mainly coal, oil and gas—accounted for 43% of all FDI in 2010.⁴ Nearly one quarter of Africa's GDP is now based on extractive resources, the highest ratio among all regions.⁵ Key resources include oil, gas, coal, iron ore, copper, bauxite and uranium amongst others. Yet, Africa still has tremendous unrealized potential and many of Africa's resource-rich countries are still small players globally. The key proximate cause for the unrealized potential of Africa's extractive sector is the lack of exploration on the continent. According to one set of estimates Africa's known sub-soil wealth is less than half of that of the OECD mainly because of lack of geological and geospatial information.⁶

Managing expectations of the potential benefits from current and future resource discoveries remains a challenge in many countries and communities.⁷ Still, the potential for transformation is

¹ A recent survey is Conceição, P., Fuentes, R. and S. Levine. 2011. "Managing Natural Resources in for Human Development in Low-Income Countries," Working Paper 2011-002 December, UNDP Regional Bureau for Africa.

² Africa Progress Panel (2012) "Jobs Justice and Equity: Seizing Opportunities in Times of Global Change." (page 84).

³ Africa Progress Panel (2012) (page 88).

⁴ UNCTAD. "World Investment Report 2012: Non-Equity Modes of International Production and Development. Geneva: UNCTAD (41).

⁵ For example, energy and mining contribute 69% to GDP in Angola, 29% in Botswana, 21% in Guinea, 20% in Mauritania, 11% in Namibia and 9% in South Africa. Source: Ernst & Young. "African Mining Investment Environment Survey 2011" (page 7).

⁶ Collier, P. 2010. "The Plundered Planet: Why We Must--and How We Can--Manage Nature for Global Prosperity." USA: OUP.

⁷ Kakonge, J. O. "Challenges of managing expectations of newly emerging oil and gas producers of the south." *The Journal of World Energy Law & Business* 4.2 (2011): 124-135.

well-recognised and well-founded. Revenues from extraction of natural resources is a particularly welcome source of domestic development finance as the on-going global economic recession creates uncertainty around the aid budgets of developed countries.⁸ More generally, as the outcome document from the Rio+20 World Conference on Sustainable Development entitled “The Future We Want”⁹ notes: *“mining offers the opportunity to catalyze broad-based economic development, reduce poverty and assist countries in meeting internationally agreed development goals, including the MDGs, when managed effectively and properly...and recognizes that governments need strong capacities to develop, manage, and regulate their mining industries in the interest of sustainable development”* (page 40). Moreover, at the regional level, the African Mining Vision (AMV) was adopted by the African Union in 2008 and this document articulates common aspirations for *“Transparent, equitable and optimal exploitation of mineral resources to underpin broad-based sustainable growth and socio-economic development”*.¹⁰ The high dependence on revenues from the extractive sector in some countries increases their vulnerability to commodity price volatility and creates an incentive to focus on accelerated structural transformation and translating natural resource wealth into other forms of national wealth including human development.

Human development is about the ability of people to live long lives full of choices and in ways they have reason to value. In this approach individuals are at the centre of the development process and expanding their capabilities is the ultimate outcome. Underlying principles of human development are participation, equity and empowerment. Countries in sub-Saharan Africa continue to lag behind the rest of the world on the Human Development Index (HDI), a composite measure that captures country performance on key capabilities in income, education and health. While the HDI for countries classified as “oil rich” is higher than for “mineral rich”, “non-resource rich” and “emerging resource rich” countries, this is mainly as a result of a higher income component of the Index. “Oil rich” countries severely underperform on supplementary scores of human rights and citizens’ participation. On the other hand, “non-resource rich” countries have demonstrated increased HDI over the past three decades through sustained increases in all the dimensions included in the HDI. Countries that are non-resource rich or emerging perform slightly lower on the Education Index and actually much higher on the Health Index compared to the oil and mineral rich countries. This illustrates the failure of resource rich countries to address these dimensions of human development and how non-income dimensions of human development can be achieved in the absence of large earnings from extractive industries. The group of emerging resource rich countries perform much lower on the Income index, which reflects that the group includes some of the poorest countries in the world. These countries hope to use their newfound resource wealth to accelerate human development.

Mineral rich countries in particular are faced with challenges in translating national income from their resource wealth into household income. However, there is large variation within the groups and even among the emerging resource rich countries. This includes some countries with extremely high levels of inequality. If high inequality is addressed through inclusive and gender responsive economic policies that include measures for redistribution, the link between economic growth, inequality and poverty reduction gets stronger and human development advances. The analysis of the linkages between human development and extractive industries is included in Annex B with an emphasis on the many manifestations of the resource curse but also the important variation in human development outcomes among countries. There is a large body of evidence to demonstrate the importance of addressing gender based inequalities¹¹ since there are differentiated direct and indirect consequences of mining operations on women and men. The negative impacts are usually more pronounced for women and young girls in critical areas such as health, safety and security, environmental damage and degradation, loss of land and displacement, discrimination in the mine workplace, limited voice and participation in decision

⁸ According to data from OECD, official development assistance actually fell in 2011 due to the global economic recession and tight budgets in many OECD countries is likely to keep aid levels under pressure in the coming years

(<http://www.oecd.org/dac/aidstatistics/developmentaidtodevelopingcountriesfallsbecauseofglobalrecession.htm>)
⁹ <http://www.uncsd2012.org/content/documents/727The%20Future%20We%20Want%2019%20June%201230pm.pdf>

¹⁰ African Union. “African Mining Vision.” February 2012 (page v).

¹¹ WB Report 2007 “Gender Dimensions of the Extractive Industries”; MONUSCO’s monographic series (2011) on “L’impact de l’exploitation artisanale des ressources naturelles sur le développement et l’autonomisation des femmes en RDC : Katanga, Kasai Occidentale, et Nord Kivu”; Oxfam Australia Report (2009) “The Gender Impacts of mining and the role of gender impact assessment”

making, and limited access to – and control over the economic resources generated by extractive industries. As noted by the World Bank “Gender Bias exists in the distribution of risks and benefits in extractive industries projects: benefits accrue mostly to men, in the form of employment and compensation, while the costs such as family or social disruption and environmental degradation, fall most heavily on women¹²”

The role of extractive industries in Africa’s transformation has been recognised at the regional and pan-African level for instance in the 1997 SADC Protocol on Mining, the 2003 West African Economic and Monetary Union *Code Minier Communautaire*, and the African Mining Vision (AMV) adopted by the African Union in 2009. The Action Plan for Implementing the AMV presents short, medium and long-term activities to be undertaken at national and at regional/sub-regional levels, organised in nine programme clusters. It also includes actions to mitigate the impact of mining on women’s rights such as the improvement of health, safety, environment and gender in artisanal and small-scale mining. Moreover, the New Partnership for Africa’s Development (NEPAD) Partnership and Coordinating Agency’s (NPCA) premier programme – the African Peer Review Mechanism (APRM) - which is a mutually agreed instrument voluntarily acceded to by the Member States of the AU as an African self-monitoring mechanism, was recently revised to include a comprehensive section on extractive industries as a core dimension in the assessment methodology for member countries. This further highlights the regional importance placed on the role of extractive industries in national development.¹³ Several other regional initiatives are relevant. The High-Level Panel on Illicit Financial Flows from Africa was established by the UN Economic Commission for Africa (UNECA) and was inaugurated on 18 February 2012, which is particularly relevant to Africa’s resource-rich countries, which suffer disproportionately from illicit flight of capital.¹⁴ The African Commission on Human and People’s Rights (ACHPR) has adopted a resolution on the need for a Human Rights Based Approach to Natural Resource Governance. The resolution calls on States and Parties to the African Charter to respect human rights in all matters relating to natural resource governance. The Resolution also calls upon States to ensure respect for the rights of indigenous peoples as well as the rights of women. Moreover, UNDP’s South-South Unit is developing a regional project to facilitate establishment of a global South-South Energy Initiative (SSEI) to assist Southern oil and gas economies to harness the benefits of the petroleum sector so as to create broad-based, equitable and sustainable development gains for their citizens. The intention is to have regional hubs established in addition to a global centre.

III. PAST COOPERATION AND LESSONS LEARNED

The economic, political and social risks associated with the extraction of natural resources are multiple: erosion of institutions of governance because of rent-seeking and corruption; environmental degradation and loss of bio-diversity as a result of exploration and extraction; greater likelihood of conflict when exploration, extraction and allocation of revenue fuel old grievances or create new ones; deepening of group-based inequalities such as between women and men, between regions or ethnic groups, from the uneven distribution of costs and benefits from extraction; and greater macro-economic instability and less structural transformation as a result of mismanagement of volatile resource revenues and “Dutch-disease”. However, evidence from both mature and emerging exporters of non-renewables show a range of policy options for managing the multiple risks associated with extractive industries. Some of these risks, options and some illustrative country examples are listed in Table 1. Clearly there is a wealth of lessons, experiences and knowledge being generated in the global south for countries to draw from and for development partners to leverage in their programmes of support. However, even a robust menu of discrete solutions does not guarantee that human development will advance as a result of resource exploitation. Designing, implementing and monitoring policies to manage risk associated with natural resources must be aided by strong institutional frameworks. In fact, much of the empirical literature points to institutional weaknesses, manifest through corruption, lack of rule of law and weak governance, as a major determinant of a natural resource “curse”.¹⁵ The analysis in

¹² World Bank/IFC/MIGA Fact Sheet: *Women and the extractive Industries*. www.worldbank.org/eigender

¹³ <http://aprm-au.org/document/reviced-aprm-questionnaire>

¹⁴ African Development Bank, OECD, UNECA, UNDP (2011). *African Economic Outlook 2011*. Paris and Tunis: OECD and AfDB.

¹⁵ See: Robinson, J. A., Torvik, R. and T. Verdier. 2006. “Political Foundations of the Resource Curse.” *Journal of Development Economics* 79(2): 447-468; Sala-i-Martin, X. and A. Subramanian. 2003. “Addressing the Resource Curse: An Illustration from

Annex B also shows that oil rich countries are more likely to be classified as being in “fragile situations” and score lower on measures of accountability and rule of law.

The development of independent, accountable and transparent institutions is therefore critical to sustainable exploitation of natural resource and the mitigation of the resource curse. Emerging resource-rich countries in Africa can benefit from the experiences of other developing countries that managed to put in place the right measures to exploit their natural resources while strengthening their relatively weak institutions. Botswana, Chile, Indonesia and Malaysia are good examples in this regard.¹⁶ These countries shared the goals of preserving social stability, accelerating economic growth and creating credible and stable groups of “technocrats”, often with a pragmatic use of high-skilled expatriate advisors, willing to engage and influence political leaders. Moreover, they used the resource revenues to visibly invest in public goods. Crucially, constituencies outside of the natural resource sector were considered and listened to in the management of natural resource proceeds. Critical areas for support of development partners include: strengthening measures for accountability and transparency, supporting local level mechanisms for social risk management and conflict resolution; capacity development at human and institutional levels.

Table 1: Evidence of resource risks and possible responses

Types of resource risk	Select policy options	Illustrative developing country examples
Weak governance and corruption	<ul style="list-style-type: none"> Enhance transparency of payments Inter-sectoral coordination mechanisms Inclusive and transparent processes, engage Civil society organisation 	<ul style="list-style-type: none"> Niger’s Charter of Good Governance; Extractive Industries Transparency Initiative (multiple countries) Uganda Civil Society Coalition for Oil
Environmental degradation and loss of bio-diversity	<ul style="list-style-type: none"> Environmental impact assessments Environmental regulation and oversight 	<ul style="list-style-type: none"> Azerbaijan Environmental Impact Assessment System Tanzania’s curb of mercury use by Artisanal Small-Scale Miners
Inter-generational inequity	<ul style="list-style-type: none"> Sovereign Wealth Funds Enhance structural transformation Invest in infrastructure, education, health Strengthen measures to mitigate inequality and exclusion in exploration and extraction 	<ul style="list-style-type: none"> Timor Leste Petroleum Fund, Botswana’s “Pula Fund” Malaysia’s New Economic Policy Inclusion of women in Mexico’s mining industry; creation of Women’s Miners Association in Guyana
Intra-generational and gender based inequity	<ul style="list-style-type: none"> Social protection, cash transfers Secure community property rights Affirmative action, equitable benefit distribution 	<ul style="list-style-type: none"> Social grants systems in Namibia, Botswana and South Africa Botswana’s constitutional provisions on mineral ownership South Africa’s Black Economic Empowerment; Malaysia’s New Economic Policy
Conflict	<ul style="list-style-type: none"> Comprehensive context and conflict analysis Land reform Inclusion of resource issues in peace processes 	<ul style="list-style-type: none"> Observatories in South Africa and Sudan Namibia’s Land Commission and land tax Mechanisms for Peace processes in Ghana, Kenya and South Africa
Revenue is volatile	<ul style="list-style-type: none"> Fiscal rules and stabilisation funds Hedging 	<ul style="list-style-type: none"> Chile’s Economic and Social Stabilisation Fund; and Botswana’s Sustainable Budget Index Hedging against oil price volatility in Mexico and Ghana
Revenue is not captured	<ul style="list-style-type: none"> Mining contracts Stemming capital flight, transfer pricing 	<ul style="list-style-type: none"> Contract negotiation/renegotiation in Liberia, Sierra Leone and Tanzania Strengthening audit capacity in the Zambia Revenue Authority
“Dutch-disease”	<ul style="list-style-type: none"> Macro-economic policy coordination Structural policy response 	<ul style="list-style-type: none"> Botswana’s competitive devaluations Productivity enhancements in Chile’s manufactures
Arrested structural transformation	<ul style="list-style-type: none"> Industrial policy Investments in non-mining sectors Development of linkages 	<ul style="list-style-type: none"> Malaysia’s New Economic Policy Indonesia’s investments in gas, fertiliser and agriculture The oil and ICT sectors in Nigeria

In the short term, a key challenge is maintaining oversight and managing a daunting array of interconnected and multi-layered elements (including those mentioned in the Table 1) for which different ministries, levels of government, bilateral and multi-lateral development partners, civil

Nigeria.” NBER Working Paper 9804, National Bureau of Economic Research, and; Acemoglu, D., Johnson, S. and J.A. Robinson. 2002. “An African success: Botswana”, in D. Rodrik (Ed.) *Analytic Development Narratives*, Princeton: Princeton University Press.

¹⁶ Gelb, A. and S. Grasmann (2010). “How should oil exporters spend their rents?” CGD Working Paper, No. 221. Washington, D.C: Centre for Global Development; Shepherd, B “Oil in Uganda: International Lessons for Success,” Programme Report, Chatham House, February 2013.

society, and private sector actors may have only partial insight and responsibility. Developments like in-migration into a new oil producing area present challenges across a broad range of domains, from housing and public services to public health and youth violence to infrastructure development and water rights to protection of cultural institutions. There are also challenges of timing and sequencing, without proper coordination of which oil exploration may advance before local capacities for environmental monitoring are built, or land is set aside to meet the needs of a mining concession before historical land claims have been settled, with potential negative consequences for human development. Coordinated action in resource exploitation confronts the broader reality in complex environments that “joint planning and assessment tools have not generally been used to their full potential”¹⁷, and that donor commitments both to implement “do no harm” and to “agree on practical co-ordination mechanisms between international actors” are “off track” and in fact trending in a negative direction.¹⁸ It is hard to imagine sound policy or sound execution in the interconnected arena of resource exploitation without improved national and international capacity for coordinating a diverse range of activities and for conducting participatory data collection, analysis, collaborative planning, consensus building, monitoring and conflict resolution.

Attempts to develop more coordinated and collaborative approaches in turn therefore confront the challenges of the political economy of resource development. The national conversation about resource exploitation typically takes place in contested spaces that are often shaped by clashing interests, disempowerment of groups, and social tensions. It implicates relationships that are often already tense and that are made even more so through fear of losing what one has, and fear of being excluded from future benefits. These include relationships among government, companies, communities and civil society; among the executive, parliament, different levels of constitutional government, and cultural institutions; between local communities competing for benefits; and between companies and communities in which they operate. Whatever particular subject is being discussed, the issue on the table is not only the issue on the table, but also the distribution of power, authority and benefits among the players. Even more pronounced challenges exist for post-conflict and other fragile regional, national or sub-national environments. Lack of trust and poor working relationships among stakeholders, environments that are rumor rich and data poor, long histories of grievance, lack of resilience in social and political systems stressed by resource exploitation issues, and lack of risk management and conflict prevention capabilities prove to be barriers to implementing even those solutions which on their face appear to be evident.

UNDP has an extensive track record in supporting countries to manage their oil, gas and minerals sectors as elaborated in detail in Annex C. RBA has been supporting countries and partners in managing extractive industries through a number of initiatives. Some of these initiatives are integrated fully into country programme documents and others are more *ad hoc* reflecting emerging opportunities and new requests from partners. Programmed activities are typically instituted in practice areas related to poverty reduction; democratic governance; human rights; gender equality; environment and energy; and conflict prevention. The programmes and activities draw resources from country, regional and global levels and have generated significant experiences in areas such as contract negotiations, biodiversity conservation and private sector development. The majority of RBA Country Offices have been involved in extractive industries support to the host government or engaged in some other way with development partners, the private sector, and/or civil society. A central area of past and current activities has been support for mineral and petroleum policy and legal framework review and capacity development for organizations central to that work. UNDP has also supported the development of mining, petroleum and engineering agencies in terms of training of human resources, data collection and laboratory equipment.

The Regional Project on *Capacity Development for Negotiating and Regulating Investment Contracts* was developed at the request of five African heads of states in 2008. The overarching goals of the project were to: 1) strengthen the capacity of African states to negotiate, manage and regulate large scale investment contracts, particularly, but not limited to, the natural resources

¹⁷ World Bank, World Development Report 2011, p. 192, citing Sherman, Jones, Forman, le More, Hart, & Funaki, 2009.

¹⁸ OECD (2011). International Engagement in Fragile States: Can't We Do Better? OECD Publishing (pages 15-16).

sector; and 2) strengthen their capacity for transparent and accountable pro-poor natural resource revenue management. Several country level outcomes were achieved under the project. For instance, in Sierra Leone, the project supported development and adoption of a contracts negotiations procedure and the promulgation of a new mining code in 2009. In Tanzania the project contributed to the adoption of the 2010 Mining Act. In Liberia, the Public Procurement and Concessions Act (PPCA) of 2005 underwent a comprehensive review and was amended with technical support from the project. Ultimately, the amended Act was adopted by the Liberian Legislature and signed by the President. The mining code in Mozambique was also developed with support from the project. The project is frequently cited as a good practice by partners.

Other examples of UNDP work at country level in sub-Saharan Africa include: transparency requirements for revenue information; public participation in policy and institutional development processes; and environmental and social impact studies. Some Country Offices note that they have had (and foresee) opportunities to engage government on EI issues through National Development Plans, Poverty Reduction Strategies, and National Human Development Reports (NHDRs). UNDP Country Offices also indicate that there is considerable interest from donors and civil society to collaborate and harmonize approaches. Key lessons emanating from this work, both at regional and country levels, relates to the need for a comprehensive approach that draws on the combined strength across UNDP's practice areas, the importance of fostering partnerships with pan-African and regional institutions (e.g. African Union (AU), African Development Bank (AfDB), UNECA, Economic Community of West African States (ECOWAS), East African Community (EAC) and Southern African Community (SADC)), and the need for greater coordination among a large number of national and international development partners that operate in the area.

Recently there has been an increase in demand for UNDP support in the area of Extractive Industries. Requests typically come from national governments through Country Offices both among established commodity exporters and emerging ones. A larger proportion of the requests are coming from the latter group of countries that have just discovered new resources. These countries are keen to learn good and bad practices from other countries before they design their own strategies. At the central level demand is also increasing through representatives from industry, civil society and donors who seek to partner with UNDP in specific as well as broad-based initiatives. The increasing demand for services is a sign of the confidence member countries and partners have on UNDP to provide support and the awareness that UNDP has a key role to play, as well as a sign of the urgent need from a variety of sectoral perspectives.

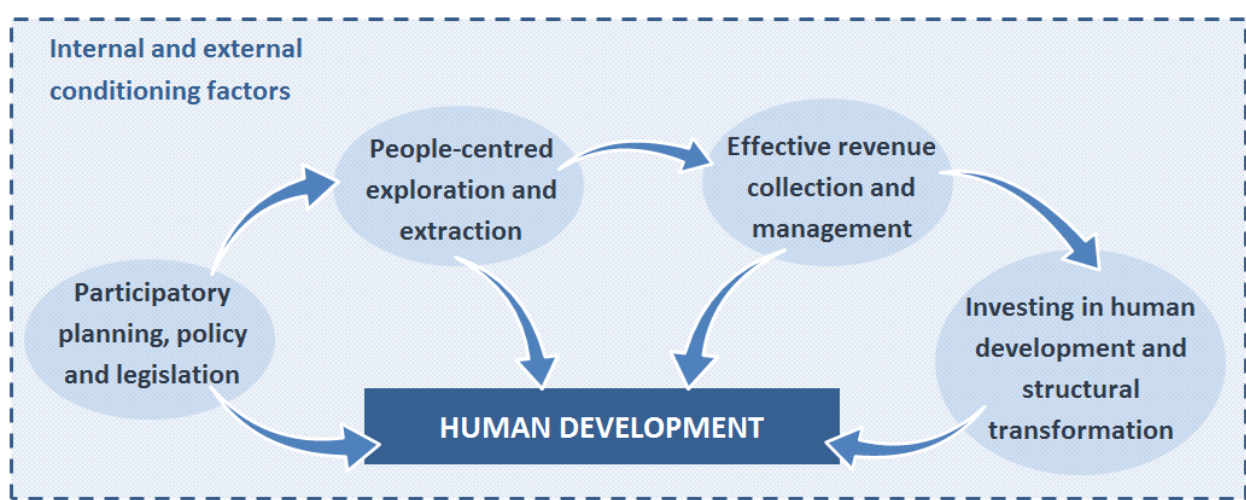
As described in Annex C, there are a large number of international and national development partners, including donors, non-governmental organizations (NGOs), networks, multi-stakeholder initiatives and academics, involved in supporting African countries manage their extractive industries. A key question is therefore what value added UNDP can bring. Four key areas stand out:

- 1) The extensive experience and knowledge that the organisation has accumulated at global, regional and country levels and across a range of practice areas including governance, conflict prevention, environmental protection and private sector development.
- 2) The neutrality and impartiality of the United Nations, which is critical for at least two reasons. First, in extractive industries strategic and commercial interests among development partners and industry need to converge with national development objectives. Second, dialogue at national and local levels often takes place in contested spaces and requires credible arbiters to ensure meaningful stakeholder participation.
- 3) The broad development mandate and ability to offer a comprehensive range of services, enables UNDP to facilitate processes whereby extractive industries policy is elevated to a national development issue that includes but goes well beyond the single-issue concerns that tend to predominate among many stakeholders.
- 4) A universal country presence enables UNDP to galvanise coordinated and continuous action within the country, between countries in South-South collaboration, and between countries and development partners in the international community.

IV. PROJECT STRATEGY

As articulated in UNDP's Corporate Framework for Extractive Industries, UNDP does not emphasize resource extraction in all cases.¹⁹ Rather, UNDP supports governments and women and men in communities to make informed choices about whether and how the extraction of non-renewable resources can take place. When resource exploration and extractions are agreed upon, UNDP work with all stakeholders to ensure that the benefits are shared equitably, which means an emphasis on pro-poor and inclusive policies, and in ways that promote realization of human rights and sustainable development. The corporate Framework guides UNDP's support across the EI value chain by focusing on four broad areas of public policy that are necessary for ensuring that extractive industries are harnessed for human development. These four inter-dependent areas are: participatory legislation, policy and planning; people-centred exploration and extraction; effective revenue collection and management; and investing in human development and structural transformation. Each of these areas can stimulate human development directly and generate significant cumulative effects through their interdependence (Figure 1).

Figure 1: Extractive industries and human development



The project builds on UNDP's support to regional and national frameworks for effective legislation and investments in the extractive industry sector by focusing on strengthening institutional and national capacity for pro-poor, inclusive and sustainable investment in EI to achieve human development objectives. The project will coordinate closely with and complement support to be provided through the UNDP's Global Programme on Extractives, the South-South Energy Initiative (SSEI) as well as UNDP Country Programmes that support sustainable utilisation of environment and natural resources for inclusive and sustainable human development.

This regional project will take a two-pronged approach. First, regional institutions will be supported to strengthen the governance, accountability and transparency of extractive industries and to facilitate implementation of the African Mining Vision. Second, support will be provided to reinforce the linkages between extractive industries and human development at national and sub-national levels. In the implementation of the project, UNDP will leverage its comprehensive and cross-cutting mandate and its impartiality and extensive country-level experience and presence, and work closely with regional and national authorities, international development partners, civil society, academia and the private sector. Regional and country activities under this project will also be able to draw on technical and financial resources developed through UNDP's Global Programme on Extractive Industries. UNDP will effectively engage with multi-stakeholder initiatives to promote partnership, dialogue and knowledge sharing between development partners, private sector and civil society in regional and cross border initiatives to promote the linkages between extractive industries and pro-poor growth, gender equality and environmental sustainability. At the national level, UNDP will promote inter-sectoral coordination and participation for enhanced

¹⁹ UNDP. "Strategy for Supporting Sustainable and Equitable Management of the Extractive Sector for Human Development," December 2012.

integration of EI in the broader economy, building on national and UN coordination mechanisms and Sector/Thematic Working Groups on EI and natural resources management.

Outcome 1: Regional institutions support inclusive and responsive governance of extractive industries and the implementation of the African Mining Vision

Under this outcome, the focus will be on strengthening regional institutions. The first output will be to reinforce regional mechanisms of the African Union Commission (AUC) and Regional Economic Communities (RECs) such as the APRM and Regional Mining Protocols that support improved governance, accountability and transparency of extractive industries. UNDP will leverage its ongoing work in support of the APRM process to strengthen the integration of relevant indicators on the linkages between the extractive sector and human development. The second output will focus on augmenting the management and advisory functions of the African Minerals Development Centre (AMDC)²⁰ which is being established to enable AU Member States to realize the AMV.²¹ UNDP will be integrated into the governance structures of the AMDC and assist in its operationalization. As indicated in Table 2, there is complementarity and substantive overlap between the seven AMDC Business Plan Results Areas and the four areas in UNDP's corporate framework. Priority will be given to activities related to developing tools for country visions, national roadmaps and mining sector policies that are AMV consistent, human rights-based and gender sensitive. These overlaps and complementarities present real opportunities for UNDP to align the project activities to support institutional capacity development at regional level and the provision of regional public goods such as analytical and policy frameworks, awareness raising around issues of common concern, information and knowledge exchanges, harmonisation of regional policies and practices, and advocacy on critical issues among AU Member States and between the AU and other global bodies such as G8, OECD and the UN General Assembly. A key asset in the partnership with the AMDC is UNDP's universal presence which will be leveraged to support implementation of AMDC activities at country level and facilitate coordination among multiple stakeholders. The third output will focus on research, production of knowledge products and convening knowledge exchanges at regional and cross-country levels.

Table 2: Overlaps and complementarities between the AMDC Business Plan and UNDP's Corporate Strategy on Extractive Industries

Areas in UNDP's integrated package:	A. Participatory legislation, policy and planning	B. People-centred exploration and extraction	C. Effective revenue collection and management	D. Investing in human development and structural transformation
AMDC Results Area:	Managing risks to participation, sustainability and equity			
1. Policy and Licensing	1-2		1, 3	1
2. Geological and mining information systems				
3. Governance and participation	1-4	4	1	
4. Artisanal and small scale mining		3		
5. Linkages, investments and diversification			3	2
6. Building human and institutional capacities	1		2	
7. Communication and advocacy				

Notes: Numbers refer to AMDC outcomes under each result area that UNDP will seek to contribute to specifically. Shaded areas represent cross-cutting issues

Sources: UNDP, "Strategy for Supporting Sustainable and Equitable Management of the Extractive Sector for Human Development," December 2012 and Results Areas of the "African Minerals Development Centre Business Plan" by AUC, AfDB and UNECA of August 2012.

²⁰ It is important to note that while the AMV and AMDC refer to mineral resources, the intention is that the focus will also include oil and gas sector activities.

²¹ AUC, UNECA and AfDB. 2012. *The African Minerals Development Centre: Business Plan*. November 2012.

Outcome 2: National institutions manage resource risks and enhance the linkages between human development and the extractive industries

National and sub-national level capacity for sustainable natural resource extraction will be augmented through a Rapid Response Facility. The facility will provide a flexible and demand-driven mechanism for providing catalytic support and technical assistance to complement nationally mobilised resources. This Facility will enable UNDP to meet demands from countries as the AMDC becomes fully operational and could with time be folded into AMDC structures. The Facility will span strategic and innovative activities, with measurable results, across all outcome areas of the project as specified in the Results and Resources Framework. While the activities of the Facility will be demand-driven some possible areas of support, reflecting current requests to UNDP, include:

- Ensuring environmental sustainability of extractive sector through the protection of biodiversity and ecosystems that the poor and women in particular depend on disproportionately for their livelihoods.
- Private sector and inclusive market development to enhance the economic linkages and employment generation potential of large-scale mining operations and activities of Artisanal Small-scale Miners (ASM), taking into account the fact that women make up the majority of Small-scale miners in Africa.
- Enhancing the incentives for private sector actors in the extractive industry sector to adhere to policies, regulation and practices that promote employment, sustainability and human development.
- Strengthening fiscal systems building on previous RBA regional programme activities in the area of natural resource management and the extractive sector, and the work of existing partners and initiatives, and go beyond contract negotiations to capacity development for monitoring implementation and other critical legal aspects.
- Research, advocacy and policy reforms to stem licit and illicit financial flows especially as these are driven by extractive industries.
- Designing mechanisms for managing the short, medium and long-term volatility of resource revenue.
- Development of industrial policies and strengthening capacities for integrated approaches to public sector investment from natural resource revenues that promote economic diversification, long-term sustainability, and inter-generational and gender equity.
- Enhancing the capacity and role of civil society organizations (CSOs) and communities to effectively engage in participatory planning, benefiting from and monitoring the use of revenues from extractive industries

A second output under this outcome, will be observatories developed in a select number of countries and conflict-prone environments to strengthen inclusive and gender responsive planning, knowledge generation and risk management. This work is premised on the understanding that the acceleration of human development becomes significantly more achievable when the full range of opportunities and risks associated with resource exploitation are surfaced, addressed and monitored on a holistic, inclusive and on-going basis. These include conflicts surfacing due to exploration and exploitation of minerals and other natural resources at both local and transboundary levels. UNDP intends to help seed the conversations and support the dialogue, reflection, planning and implementation that lead to the strengthening or nurturing of context-appropriate national institutions and mechanisms for holistic, inclusive and on-going analysis and planning. Particularly in more conflict-prone environments, such coordination of analysis and action also reinforces consensus building, early warning of conflict risks, and proactive conflict prevention along the way. While extractive activities are always at some level “local,” conflict over resources and their exploitation in Africa often enough has trans-border implications. This necessitates support roles for convening, analysing, planning, and mobilizing action among a broad range of national and international actors on a regional basis. Activities under this outcome

will be linked to the operationalization of the AMDC through its support to country roadmaps, country visions, strategic plans and laws/policies developed that are AMV-consistent.

Timing and Budget

The regional project will be implemented in three phases to align with the structure of the AMDC Business Plan, including initiation (Year 1); implementation (Year 2-5); and evaluation (Year 5). This approach will ensure that UNDP's support at the regional level will be undertaken as an integral part of AMDC support to the implementation of the AMV and reinforces the role of the AUC/AMDC as the main coordinating framework at the regional level. The project will begin with a short, 3 months, inception period that will be used to formalise the working arrangements with AMDC partners, including a joint work planning exercise and effective integration of the project within the management and advisory structures of the AMDC. During the inception period, the project baselines and indicators will be refined and the criteria for country selection and support through the Rapid Response Facility will be finalised in consultation with the UNDP Global EI Project, the Regional Service Centre and Country Offices.

Of the total budget of the project, about one-third (\$4.16 million) will be allocated to cover the direct costs of the salaries of the advisors and specialists. In addition, \$2 million will be allocated to research, production of knowledge products and convening knowledge exchanges at regional and national levels, while \$500,000 will be earmarked to support regional mechanisms and APRM assessment processes. An additional \$6.4 million will be allocated to country-level activities allocated directly or through the Rapid Response Facility based on criteria approved by a grant allocation board, chaired by the CTA/Project Manager. Local project grants will be issued on a competitive basis to countries and are expected to average \$250,000 but may be higher or lower depending on the circumstances. The Rapid Response Facility will focus on fewer countries with deeper and sustained engagement for greater impact. The criteria for access to the funds is under development, however, priority will be given to proposals that address at the national/local levels the four areas of UNDP's Extractive Industries Strategy in an integrated manner and that display strong connectivity to regional/sub-regional frameworks and results. Grants provided through the project will be aimed at providing catalytic support to countries within a longer term framework of support to the extractive sector funded through UNDP core and mobilised resources at the country level.

The project will mobilise resources in close consultation and coordination with the corporate effort to implement UNDP's Strategy for Supporting Sustainable and Equitable Management of the Extractive Sector for Human Development. Resource mobilisation will be undertaken also within the resource mobilization framework for the broader Africa regional programme.

V. RESULTS AND RESOURCES FRAMEWORK

Regional Programme Outcome: Regional, sub-regional and national strategies for higher levels of pro-poor growth, and the reduction of gender inequalities formulated and implemented

Applicable Key Result Area (from 2008-13 Strategic Plan): Promoting inclusive growth, gender equality and achievement of the MDGs

Partnership Strategy: UNDP will engage with multi-stakeholder initiatives at global, regional and national levels to promote partnership, dialogue and knowledge sharing between development partners, the private sector and CSOs in regional and cross border initiatives to promote the linkages between extractive industries and pro-poor growth, gender equality and environmental sustainability. At the national level, UNDP will promote inter-sectoral coordination and participation for enhanced integration of extractive industries in the broader economy building on national and UN coordination mechanisms and Sector/Thematic Working Groups on extractive industries and natural resource management. UNDP will engage partners to mobilise resources at country, regional and global levels to address country and regional needs and priorities within UNDP's Global Framework on Extractive Industries.

Project title and ID (ATLAS Award ID): _____

Outcome 1: Regional institutions support inclusive and responsive governance of extractive industries and the implementation of the African Mining Vision (level of support provided by RECs to governance of extractive industry in member states; level of achievement of Africa Mining Vision goals)

INTENDED OUTPUTS	OUTPUT TARGETS FOR (YEARS)	INDICATIVE ACTIVITIES	RESPONSIBLE PARTIES	INPUTS
<p>Output 1.1: Regional mechanisms to support governance, transparency and accountability of extractive industries strengthened (APRM, RECs)</p> <p><u>Baseline:</u> APRM assessments do not include EI & HD indicators; some Regional EI Protocols in place</p> <p><u>Indicator:</u> # of APRM reviews conducted that integrate EI & HD indicators; # Regional Mechanisms that integrate EI & HD in their policy frameworks</p>	<p><u>Targets (year 1)</u></p> <ul style="list-style-type: none"> APRM assessment methodology includes indicators on extractive industries and human development Assessment of Regional normative frameworks on extractive industries completed <p><u>Targets (year 2-4)</u></p> <ul style="list-style-type: none"> APRM assessments conducted in 5-7 countries Selected regional normative frameworks on extractive industries supported 	<ul style="list-style-type: none"> Develop indicators and methodology on assessing EI and sustainable human development linkages for APRM Provide capacity development support for the assessment of Extractive Industries as part of the APRM process in 5-7 countries Participatory assessment Regional normative frameworks on EI and natural resource management with CSOs and private sector representatives Policy dialogue and technical support to implementation of selected Regional Economic Communities and Transboundary Initiatives to promote accountability, transparency and enhanced contribution to inclusive and sustainable human development and structural transformation 	<p>UNDP, AMDC, APRM Secretariat, RECs</p>	<p>US\$500,000</p> <p>International consultants to support APRM assessments and TA to RECs & trans-boundary initiatives</p>

<p>Output 1.2: Extractive industries and Sustainable Human Development integrated in the African Minerals Development Centre management and advisory functions</p> <p><u>Baseline:</u> Establishment of AMDC</p> <p><u>Indicators:</u> Quality advisors in place at AMDC; Number of countries reporting that AMDC has contributed high quality advisory support; Development of human rights based, gender sensitive and environmental sustainable templates, toolkits, guidelines and policies/legislation; Extent to which templates, guidelines and toolkits are used by member States; Number of African countries with new or reformed human development extractive industry policies, legislation and regulations that are AMV consistent</p>	<p><u>Targets</u> (year 1)</p> <ul style="list-style-type: none"> • Work plans prepared • Media and communications strategy for AMV and AMDC activities developed and disseminated <p><u>Targets</u> (years 2-4)</p> <ul style="list-style-type: none"> • Implementation of AMDC business plan carried out especially Results Based Management, monitoring and evaluation [page 39] • Policy and legal templates, guidelines and toolkits that are human rights based, gender sensitive and environmentally sustainable are developed and disseminated to 10 Countries • Databases of national and international experts/advisors developed and used by AMDC, UNDP and at national level • Analyses and strategies on various aspects of the extractive industries value chain developed and in use in various countries as part of national level activities under outcome 2 	<ul style="list-style-type: none"> • Prepare and sign Memorandum of Understanding for UNDP support to AMDC • UNDP participates in the Steering Committee Meetings and the Advisory Council Meetings of the AMDC • Prepare Media and communications strategy • Develop and disseminate human rights based, gender sensitive and environmental sustainability policy and legal templates, guidelines, toolkits and training materials in various results areas (environmental, social, economic/fiscal regimes etc) • Develop and share database of advisors able to provide needed training and support to African countries in various areas (e.g. contract negotiations, policy development, fiscal regime reforms) • Conduct analysis and help develop strategies to enhance value added along the Extractive Industries value chain (including beneficiation, local content, employment creation, etc), minimize waste and environmental impacts, and ensure extractive industries addressed in national development plans, roadmaps and resource corridors 	<p>UNDP, AMDC, AfDB, AUC and UNECA</p>	<p>1 Chief Technical Advisor/Project Manager (P6) @ US\$220.000 p/a for 4 years</p> <p>3 senior advisors @ \$180.000 p/a for 4 years</p> <p>2 policy specialists (P4) @ US\$140.000 p/a for 4 years</p> <p>US\$50.000 for International Consultants in RBM and communications</p>
<p>Output 1.3: Research and Analytical Products on Extractive industries and Sustainable Human Development produced and disseminated at regional and national levels</p> <p><u>Baseline:</u> 2 pilot country studies on extractive industries (Zambia, Botswana)</p> <p><u>Indicators:</u> # research/analytical products; # knowledge exchange events organised</p>	<p><u>Targets</u> (Year 1)</p> <ul style="list-style-type: none"> • Policy-oriented research agenda developed in consultation with research/academia and civil society actors at regional level <p><u>Targets</u> (Year 2-4)</p> <ul style="list-style-type: none"> • Policy-oriented research carried out • Knowledge products, advocacy and communication material developed and disseminated including flagship report of extractive industries and human development • Knowledge exchanges at regional and inter-country-level convened (at least one per year) 	<ul style="list-style-type: none"> • Convene knowledge exchanges at country and regional level with a focus on deepening South-South relationships • Preparation of policy-oriented research, including one flagship report, in critical areas for extractive industries and human development 	<p>UNDP, Research and Academic Institutions, Regional CSO organisations</p>	<p>US\$1 million for knowledge exchanges</p> <p>US\$1 million for policy research and flagship report</p>

Outcome 2: National institutions manage natural resource risks and enhance the linkages between human development and the extractive industries strengthened. (level of integration of human development objectives in extractive industry policies and management in selected countries)

INTENDED OUTPUTS	OUTPUT TARGETS FOR (YEARS)	INDICATIVE ACTIVITIES	RESPONSIBLE PARTIES	INPUTS
<p>Output 2.1: Flexible and demand driven financial and technical support provided to countries through a Rapid Response Facility for pro-poor, sustainable & inclusive EI and natural resource governance and investment</p> <p><u>Baseline:</u> No Rapid Response Facility (RRF) in place</p> <p><u>Indicators:</u> # countries conducting results-based projects funded by RRF</p>	<p><u>Targets (year 1)</u></p> <ul style="list-style-type: none"> RRF established Review Panel to oversee RRF established Application process and operating procedures developed <p><u>Targets (year 2-4)</u></p> <ul style="list-style-type: none"> Project applications reviewed in a timely and transparent manner Fund allocated to 5-10 projects per year 	<ul style="list-style-type: none"> Establish Rapid Response Facility Develop standard operating practices to oversee functioning of the RRF Establish Review Panel to review applications. Develop application process for RRF Review and approve/decline applications for funding from RRF Conduct on-going monitoring of national level projects Conduct evaluation of national level projects 	UNDP	<p>Travel support for staff and RRF review panel - \$100,000 (\$25,000 x 4 years)</p> <p>Financial and technical assistance to countries @ \$250,000 (minimum) per country to be administered through the Rapid Response Facility</p> <p>US\$5,000,000</p>
<p>Output 2.2: Inclusive and gender responsive planning, knowledge generation and risk management strengthened through observatories in strategic/conflict prone countries</p> <p><u>Baseline:</u> no multi-sectoral, resource-sector specific "observatories" for risk management"</p> <p><u>Indicators:</u> # of countries with nationally owned, broadly inclusive, resource-sector specific "observatories" for risk management"; # of roadmaps, plans and laws/policies developed (AMV-consistent)</p>	<p><u>Targets (year 1)</u></p> <ul style="list-style-type: none"> Dialogue processes established in 2 countries on risk and collaborative approaches to risk management and conflict resolution <p><u>Targets (year 2-4)</u></p> <ul style="list-style-type: none"> Dialogue and planning processes launched in 10 countries on context-appropriate systems and institutions Functioning "observatories" for risk management" in 10 countries National mining visions and "roadmaps" prepared in 10 countries Training materials on institutional context analysis and risk analysis developed and disseminated to 10 countries. 	<ul style="list-style-type: none"> Design and/or use existing assessment tools (e.g. ICA and gender-sensitive social risk analysis) and processes to seed conversations and launch dialogue processes Develop lessons from practice that capture African, regional and global insights in a manner actionable in the local context Provide capacity development support for broadly inclusive participation in reflection and planning Provide facilitation and secretariat support for dialogue and planning processes at country-level Support technical implementation of "observatories" for risk management" as they emerge from national design processes (RRF funded projects/activities) 	UNDP	<p>Financial and technical assistance to countries @ approximately \$250,000 per country</p> <p>US\$1,050,000</p>
Project Support, M&E		Facilitate development and review of Annual Work Plans (including missions by the Director & staff to attend Project Board and AMDC Advisory Council meetings) , Progress Reports, Monitoring and Evaluation	UNDP	\$200,000
TOTAL				\$13,060,000

VI. ANNUAL WORK PLAN: 2013

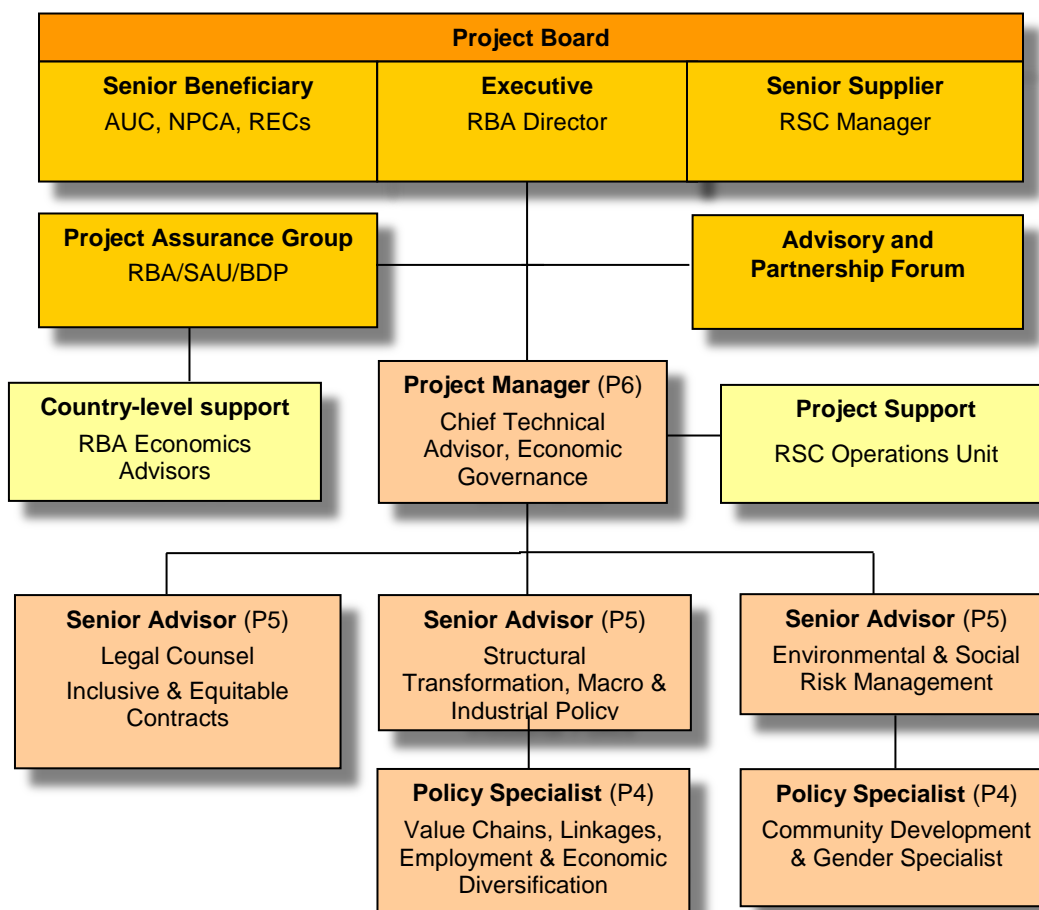
EXPECTED OUTPUTS <i>And baseline, indicators including annual targets</i>	PLANNED ACTIVITIES <i>List activity results and associated actions</i>	TIMEFRAME				RESPONSIBLE PARTY	PLANNED BUDGET		
		Q1	Q2	Q3	Q4		Funding Source	Budget Description	Amount
Output 1.1: Regional mechanisms for support to governance, transparency and accountability of extractive industries strengthened <i>Baseline:</i> APRM assessments do not include EI & HD indicators <i>Indicators:</i> Number of peer reviews conducted that integrate EI and HD indicators <i>Targets:</i> 1 peer review annually	Develop proposed indicators on EI and sustainable human development for APRM assessment-			X		UNDP, Regional Institutions	UNDP	Consultants, Validation meetings	50,000
	Carry out participatory assessment of the Regional normative frameworks on extractive industries and NRM with CSOs and Private Sector actors			X		UNDP, RECs, Research/Academia, CSOs	UNDP	Consultants, Validation meetings	50,000
Output 1.2: Extractive industries and sustainable human development integrated in African Minerals Development Centre management and functions <i>Baseline:</i> AMDC established <i>Indicators:</i> Quality advisors in place at AMDC; Number of countries reporting that AMDC has contributed high quality advisory support; Development of human rights based, gender sensitive and environmental sustainable templates, toolkits, guidelines and policies/legislation <i>Targets:</i> MOU with AU/ECA developed; 3 Senior Advisors and 2 Policy Specialists recruited <i>Related CP outcome:</i>	Prepare MOU on UNDP support to AMDC and related Work Plan and Communication Strategy in consultation with AMDC		X			UNDP, AMDC	UNDP	Consultants, Travel	50,000
	Participate in AMDC management processes and recruit Technical Advisors/Policy Specialists to support AMDC		X	X	X	UNDP, AMDC	UNDP	P6, 2xP5, 2xP4, Travel	250,000
	Develop and disseminate human rights based, gender sensitive and environmental sustainability policy and legal templates, guidelines, toolkits and training materials in various results areas (environmental, social, economic/fiscal regimes etc)					X	UNDP, AMDC	UNDP	Consultants
Output 1.3: Research and analytical products on extractive industries and sustainable human development produced and disseminated at regional and national levels <i>Baselines:</i> Studies on NRM/EI in Botswana and Zambia completed by RBA in 2012/13 <i>Indicators:</i> # Studies completed; # Knowledge exchange events carried out	Convene knowledge exchanges at country and regional level with a focus on deepening South-South relationships			X	X		UNDP	Consultants, Knowledge Sharing Events	125,000
	Preparation of policy-oriented research, including one flagship report, in critical areas for extractive industries and human development		X	X	X		UNDP	Consultants, Publication, Dissemination Events	125,000

Sub TOTAL		800,000
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EXPECTED OUTPUTS <i>And baseline, indicators including annual targets</i>	PLANNED ACTIVITIES <i>List activity results and associated actions</i>	TIMEFRAME				RESPONSIBLE PARTY	PLANNED BUDGET		
		Q1	Q2	Q3	Q4		Funding Source	Budget Description	Amount \$
Output 2.1: Flexible and demand driven technical support provided to countries through a Rapid Response Facility (RRF) <i>Baseline:</i> No RRF in existence <i>Indicators:</i> Operationalization of RRF; Number of countries applying for and receiving funding; Number of countries conducting results-based projects funded by RRF <i>Targets:</i> Establishment of RRF <i>Related CP outcome:</i>	Establish Rapid Response Facility, including standard operating practices to oversee functioning of the RRF and criteria for country selection		X			UNDP	UNDP	Consultants	250,000
	Country selection and provision of technical support through RRF			X	X	UNDP	UNDP	Consultants, Travel	1,250,000
Output 2.2: Inclusive and gender responsive planning, knowledge generation and risk management strengthened through observatories in strategic/conflict prone countries <i>Baseline:</i> no multi-sectoral, resource-sector specific "observatories" for risk management" <i>Indicators:</i> Number of countries with nationally owned, broadly inclusive, resource-sector specific "observatories" for risk management"; Number of roadmaps, plans and laws/policies developed that are AMV-consistent <i>Targets:</i> Dialogue processes established in 2 countries on risk and collaborative approaches to risk management and conflict resolution	Support design and/or use integrated assessment tools (e.g. ICA and gender-sensitive social risk analysis) in multi-sector planning processes				X	UNDP	UNDP	Consultants, Travel	150,000
	Develop lessons from practice that capture African, regional and global insights in inclusive and gender responsive planning, knowledge generation and risk management				X	UNDP	UNDP	Consultants	150,000
	Support observatories, infrastructure & dialogue processes established in 2 countries on risk and collaborative approaches to risk management and conflict resolution				X	UNDP	UNDP	Consultants, Travel	350,000
Project Support & M&E									50,000
TOTAL									3,000,000

VII. MANAGEMENT ARRANGEMENTS/PROJECT ORGANIZATIONAL STRUCTURE

Figure 2: Project Organisation Structure



This regional project will be directly implemented by UNDP RBA Regional Service Centre, Addis Ababa, Ethiopia with oversight by a Project Board comprising the Senior Beneficiaries, which include the AUC, NPCA and RECs, the RBA Regional Director as the Project Executive and the Head of the Regional Service Centre (RSC) in Addis Ababa. The UNDP Regional Director, or the designate, will chair the Project Board which is expected to meet regularly to review progress and provide strategic direction during project implementation. The Project Manager/Chief Technical Advisor (CTA), who will be at the P6 level, will be based at the RSC and with operations support from the Centre. He/she will have expertise in Economic Governance and will report to the Regional Director through the head of the Regional Service Centre. The Advisors and Specialists will report to and be directly supervised by the Project Manager/CTA. Project Assurance will be provided by the Strategic Advisory Unit (SAU) in RBA, which will assist in coordinating the support from Economics Advisors based in Country Offices and UNDP's global policy advisory services. The SAU will ensure coordination between the RBA Regional Project and UNDP's Global Project on Extractive Industries currently being developed by BDP, BERA and BCPR. SAU will also participate in the work of an Advisory and Partnership Forum comprising key stakeholders from development partners, academia, civil society and

private sectors. To the extent possible the Forum will be based on existing mechanisms, e.g. the AMDC Advisory Committee, in order to develop synergies.

Three Senior Advisors (P5 level) will work with the CTA and provide support to RECs and other regional bodies like the APRM and to countries. The Advisors will include a Legal Counsel for strengthening legal frameworks and building institutional capacities for participatory and inclusive processes that draw on existing partnerships such as the African Legal Support Facility, Extractive Industries Technical Assistance Facility and the International Legal Resource Centre of the American Bar Association and UNDP. In addition, a Senior Economic Advisor will provide policy advice and lead research and capacity development support on structural transformation, macro and industrial policy development and linkages. The Senior Economic Advisor will be supported by an Economic Policy Specialist in the area of value chains and linkages, employment and economic diversification policies. A Social and Environmental Risk Management Advisor will lead the development and implementation of the social, equity, environment risk management tools with support from a Community Development and Gender Specialist (the Job Descriptions for the Senior Advisors and Policy Specialists are in Annex).

UNDP Country Offices and Economics Advisors will provide country-level support for designing, implementing and monitoring delivery of proposals for the proposed Rapid Response Facility in collaboration with national authorities and partners. Regional Centre Advisors will also play a role in the Regional Project through contributing to project advisory work and involvement in the Rapid Response Facility. While the project will thus ensure that UNDP capacities are augmented through the direct recruitment of expert advisors at senior levels, the successful implementation of the project will also require that existing policy advisory functions in regional and central bureaux are reallocated to support the work.

A key priority during the inception phase of the project will be to explore mechanisms for integrating the project within AMDC. The intention is that UNDP joins the governance structure of the AMDC and that the advisory functions supported through the regional project become integrated into the Centre. With time the Rapid Response Facility, which will be managed by the Chief Technical Advisor, can also be folded into the AMDC.

MONITORING FRAMEWORK AND EVALUATION

In accordance with the programming policies and procedures outlined in the UNDP User Guide, the project will be monitored through the following:

Within the annual cycle

- On a quarterly basis, a **Quality Assessment** shall record progress towards the completion of key results, based on quality criteria and methods captured in the **Quality Management** table below.
- An **Issue Log** shall be activated in Atlas and updated by the Project Manager to facilitate tracking and resolution of potential problems or requests for change.
- Based on the initial risk analysis submitted (see Annex E), a risk log shall be activated in Atlas and regularly updated by reviewing the external environment that may affect the project implementation.
- Based on the above information recorded in Atlas, a **Project Progress Reports** shall be submitted by the Project Manager to the Project Board through Project Assurance, using the standard report format available in the Executive Snapshot.
- A project **Lesson-learned Log** shall be activated and regularly updated to ensure on-going learning and adaptation within the organization, and to facilitate the preparation of the **Lessons-learned Report** at the end of the project
- A **Monitoring Schedule Plan** shall be activated in Atlas and updated to track key management actions/events

Annually

- **Annual Review Report.** An Annual Review Report shall be prepared by the Project Manager and shared with the Project Board and the Outcome Board (Regional Programme Advisory Board). As minimum requirement, the Annual Review Report shall consist of the Atlas standard format for the QPR covering the whole year with updated information for each above element of the QPR as well as a summary of results achieved against pre-defined annual targets at the output level.
- **Annual Project Review.** Based on the above report, an annual project review shall be conducted during the fourth quarter of the year or soon after, to assess the performance of the project and appraise the Annual Work Plan (AWP) for the following year. In the last year, this review will be a final assessment. This review is driven by the Project Board and may involve other stakeholders as required. It shall focus on the extent to which progress is being made towards outputs, and that these remain aligned to appropriate outcomes.

Evaluation: A final evaluation of the project will be undertaken at the end of the project. A detailed evaluation plan will be completed during the inception period.

VIII. LEGAL CONTEXT

This project forms part of an overall programmatic framework under which several separate associated country level activities will be implemented. When assistance and support services are provided from this Project to the associated country level activities, this document shall be the “Project Document” instrument referred to in: (i) the respective signed SBAA for the specific countries; or (ii) in the Supplemental Provisions attached to the project document in cases where the recipient country has not signed an SBAA with UNDP, attached hereto and forming an integral part hereof.

The legal basis for this project document is the UNDP Regional Programme Document (RPD) for Africa (2008-2013) and the successor RPD for 2014 to 2017, which is currently being formulated. The administration of the project will be governed by UNDP rules and procedures as defined in the UNDP Programme and Operations Policies and Procedures within the broader policy context defined by the Executive Board.

This project will be directly implemented by UNDP.

IX. ANNEXES

ANNEX A

Table A1: Country Classifications*

Oil rich	Mineral rich	Non-resource rich	Emerging resource rich
Angola§	Botswana	Benin§	Central African Republic#
Cameroon§	DRC	Burkina Faso§	Ethiopia§
Chad	Guinea	Burundi	Ghana§#
Congo§	Liberia§#	Cape Verde§	Guinea-Bissau
Côte d'Ivoire	Mali§#	Comoros	Kenya§
Equatorial Guinea§	Mauritania§#	Eritrea	Madagascar
Gabon§	Namibia	Gambia	Mozambique§#
Nigeria§#	Niger#	Lesotho§	Sao Tome and Principe§
South Sudan†	South Africa§	Malawi§	Sierra Leone§
	Zambia§#	Mauritius§	Tanzania§#
		Rwanda§	Togo§
		Senegal§	Uganda§
		Seychelles	Zimbabwe
		Swaziland	

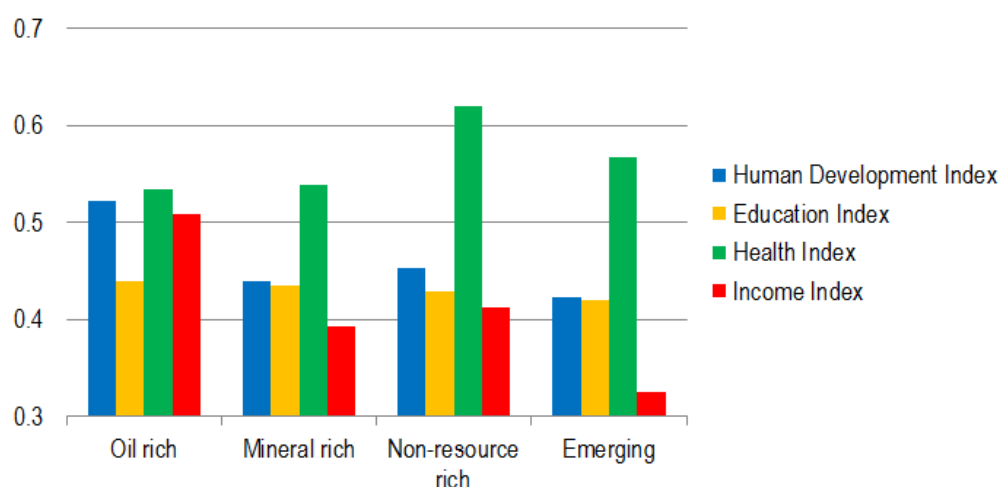
Notes: * = classifications are based on: IMF "Macro-Economic Policy Frameworks for Resource-Rich Developing Countries, August 24, 2012. The following amendments are made to the classification: Botswana, Namibia, Niger, Mali and South Africa are added to the group of Mineral rich countries, and Guinea Bissau, Kenya and Zimbabwe are added to Emerging resource rich. § = countries that have acceded to the African Peer Review Mechanism. # = countries that are compliant with all requirements under the Extractive Industries Transparency Initiative. † = South Sudan is considered part of Sub-Saharan Africa by UNDP but has been omitted from the analysis in this document due to lack of data.

ANNEX B

HUMAN DEVELOPMENT AND EXTRACTIVE SECTORS IN AFRICA

Human development takes place when people are better able to live long lives full of choices and in ways they have reason to value. In this approach people are at the centre of the development process and expanding their capabilities is the ultimate outcome.²² Economic growth is important but only as a means to a much greater end. Underlying principles of the human development approach are participation, equity and empowerment. As documented in the Africa Human Development Report 2012, human development in sub-Saharan Africa lags significantly behind the rest of the world.²³ Using the Human Development Index (HDI), which is a composite measure that includes indicators related to achievements in key capabilities such as income (GNI per capita in US\$ PPP), health (life expectancy at birth) and educational attainment (mean and expected years of schooling),²⁴ the report found that out of the total 187 countries with an HDI for 2011, the 15 lowest ranked were in sub-Saharan Africa. Among the 30 countries ranked at the bottom, no less than 28 were from the region. However, the report also found that over the past decade there have been significant improvements in many countries. In fact, nine of the ten countries with the largest gains in HDI between 2000 and 2011 were in sub-Saharan Africa. The improvements were strong across both the income and non-income dimensions of the HDI.

Figure B1: Human Development Indices (2011)
Averages for 45 countries in sub-Saharan Africa



Source: Data is from HDRO online database accessed February 2013.

Note: The Human Development Index is computed as the geometric mean of the three sub-indices (UNDP 2012).

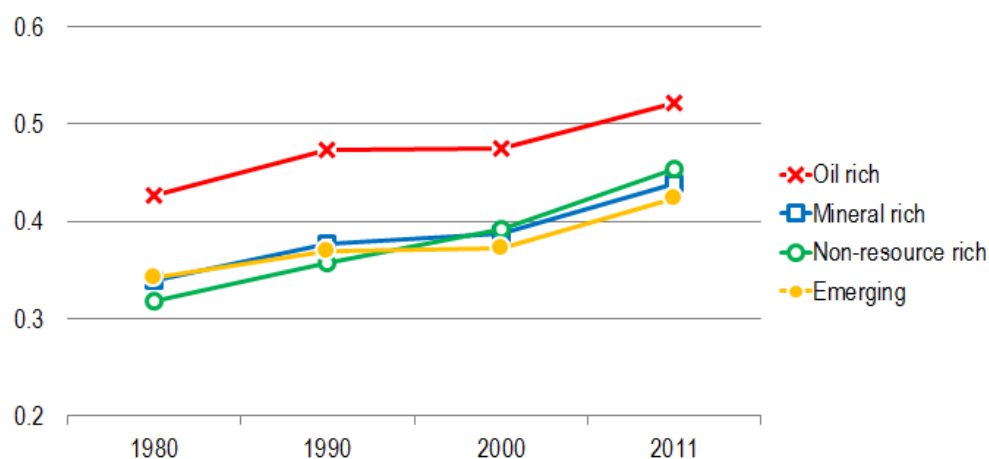
²² On the Human Development Approach see: Sen, A., 1999, 'Development as Freedom,' Oxford: Oxford University Press, and Ul Haq, M., 2005, 'Reflections on Human Development', Oxford University Press, New York.

²³ UNDP. "Africa Human Development Report 2012: Towards a Food Secure Future." New York: UNDP Regional Bureau for Africa.

²⁴ Klugman, J., F. Rodriguez, and H. J. Choi. 2011. "The HDI 2010: New Controversies, Old Critiques." Human Development Research Paper 1. UNDP-HDRO, New York.

It is useful to examine the HDI and its subcomponents by countries grouped according their extractive sectors (Figure B1).²⁵ The HDI for Oil rich countries in sub-Saharan Africa is higher than for other groups especially the group of Emerging resource rich countries in the region. It is on the Income component of the HDI that the Oil rich countries perform particularly well. Conversely, countries that are Non-resource rich or Emerging perform much stronger on the Health Index than both the Oil and the Mineral rich. This could indicate that some of the risks associated with extractive industries are insufficiently managed when it comes to this dimension. It also shows that progress in non-income dimensions of human development can be achieved in the absence of large earnings from extractive industries. Oil and Mineral rich countries also perform only slightly better on the Education Index, which could indicate further resource risks in terms of translating resource wealth into human development in these countries. The Emerging group of resource rich countries perform particularly low on the Income index, which reflects that the group includes some of the poorest countries in the world.

Figure B2: Trends in the Human Development Index
Averages for 25 countries in sub-Saharan Africa



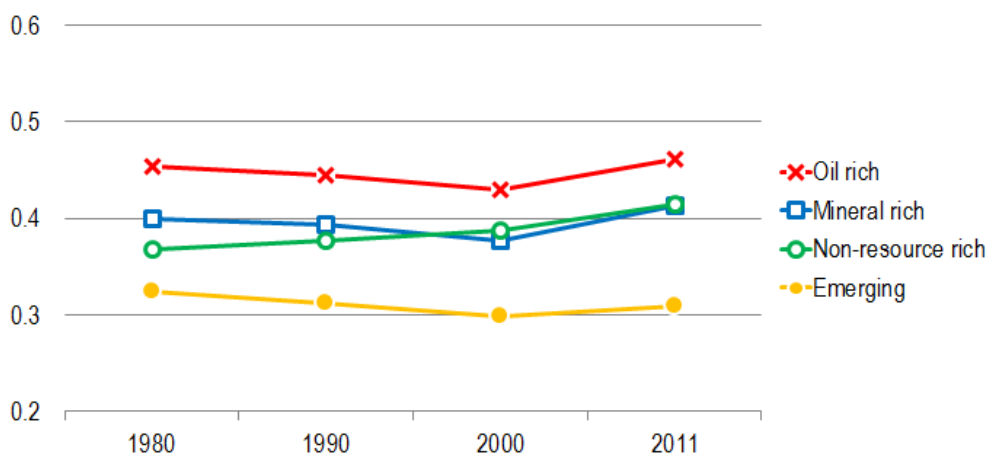
Source: Data is from HDRO online database accessed February 2013.

The HDI has risen for all four groups of countries, for which data is available, over the past three decades (Figure B2). However, the HDI stalled in the 1990s for all groups of countries except the Non-resource rich group. This group of countries has seen a sustained rise in the HDI throughout the period. These differences are reinforced when changes in the income and non-income components of the HDI are studied separately. For the income component of the HDI (Figure B3) the diverging performances are particularly striking. Between 1980 and 2000 the Income index of most countries actually fell reflecting the “lost decades” of largely negative and highly volatile economic growth rates. The exception is the group of Non-resource rich countries, which experienced steady income growth throughout the period to the extent that these have closed almost half of their baseline gap to the Oil rich countries. Over the entire period between 1980 and 2011 the Oil and Mineral rich countries have seen their Income index grow by 2-3%. For the Non-resource rich countries the increase has been 13%. The Income index among the Emerging resource rich countries fell almost 5% over the period indicating severe economic challenges even before large scale extraction has commenced.

²⁵ The classification of countries is based on: IMF “Macro-Economic Policy Frameworks for Resource-Rich Developing Countries, August 24, 2012. See Annex A for the list of countries.

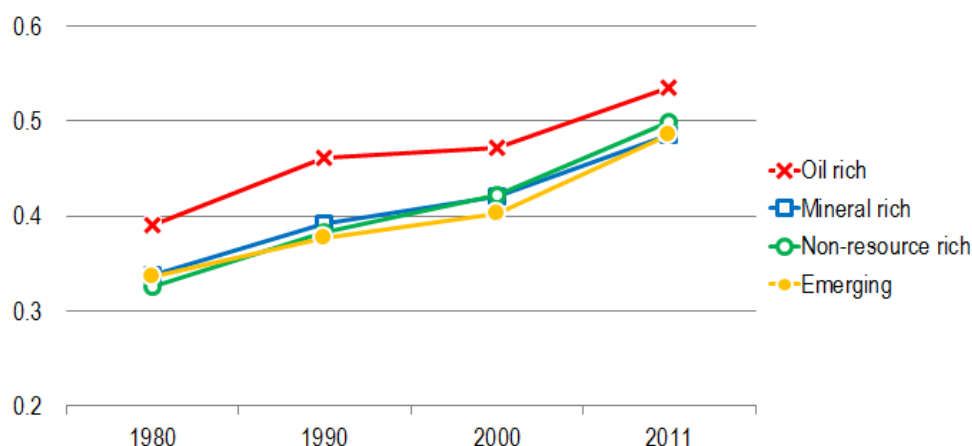
The general rise in the HDI among all four groups of countries is thus in large part attributable to increases in the non-income components of the Index (Figure B4). The Oil and Mineral rich groups of countries have both improved over the period but the improvements have been stronger among the Emerging group and especially among the Non-resource rich countries. It is however, noteworthy that the group of Emerging resource rich countries have managed to sustain improvements in the non-income components of the HDI despite the aforementioned setbacks on the Income component. This shows that economic growth is not necessarily a precondition for advances in human development.

Figure B3: Trends in the Income component of the Human Development Index
Averages for 31 countries in sub-Saharan Africa



Source: Data is from HDRO online database accessed February 2013.

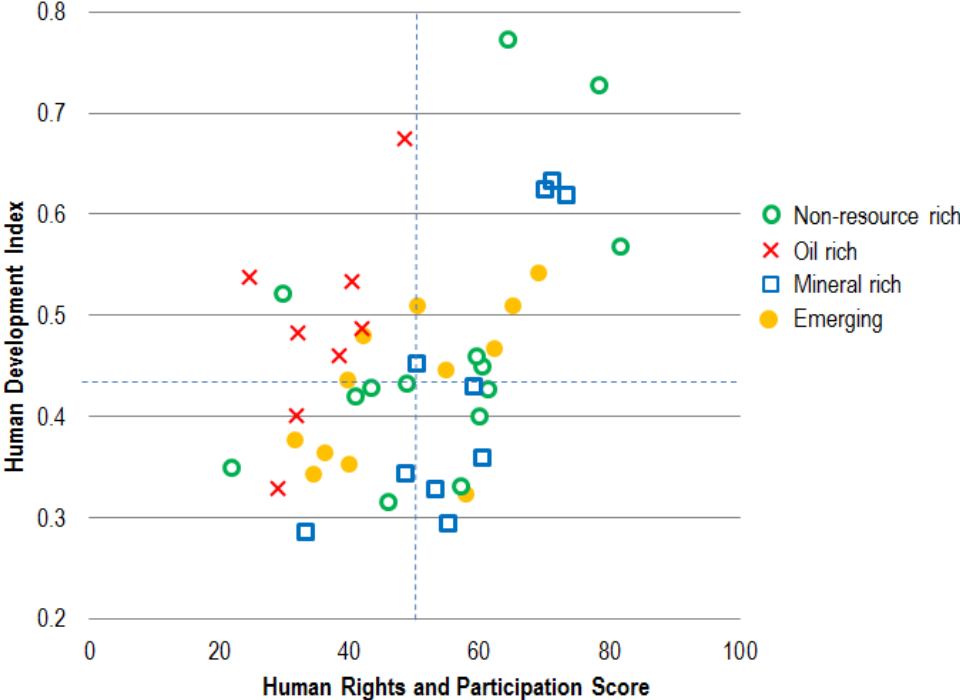
Figure A4: Trends in the non-income component of the Human Development Index
Averages for 31 countries in sub-Saharan Africa



Source: Data is from HDRO online database accessed February 2013.

The HDI is useful only as a basic measure of human development, which spans other important dimensions of human well-being including participation and equity. Again there are distinct differences when it comes to the different groups of countries on these dimensions as well. While Oil rich countries perform relatively well in terms of their overall value of the HDI they severely underperform on supplementary scores of human rights and citizens' participation (Figure B5). All the 8 countries classified as Oil-rich fall below the median for the sample. For the other groups of countries the performance is more mixed. The nine countries with the highest score is made up of an equal number of Mineral rich, Non resource rich and Emerging resource rich countries. However, these groups of countries are also represented among those scoring lowest. It is noteworthy however, that only 2 of the 10 Mineral rich countries fall below the median. This suggests that there is significant scope to strengthen human rights and participation across the country classifications, and that this challenge is not uniform across resource rich countries but particularly pronounced when it comes to Oil rich countries.

Figure B5: Human Rights and Participation



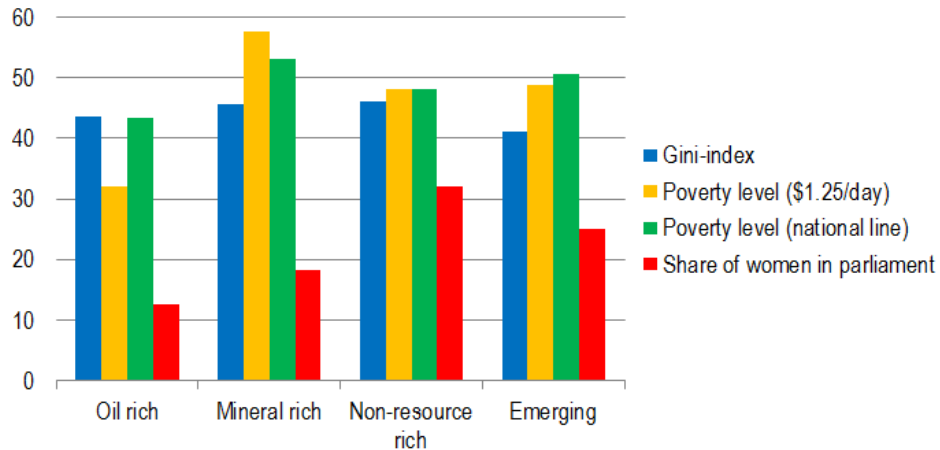
Source: Data is from the online databases of Human Development Report Office (HDI) and Mo Ibrahim Foundation (Human Rights and Participation Score). Both were accessed February 2013.

Note: Dashed lines indicate median values.

The HDI does not reflect inequalities in capabilities and opportunities, which are critical for human development. Inequality as measured by the Gini-index suggests that inequality is higher in Mineral rich and Non-resource rich countries especially when compared to the Emerging resource rich countries (Figure B6). Moreover, average poverty levels are also higher in the Mineral rich countries. That conclusion is robust to whether the international poverty line of \$1.25/day or the national poverty line is used. This suggests that Mineral rich countries in particular are faced with a critical challenge in translating national income into household income. It should be noted however, that there is large variation within the groups and even among the Emerging resource rich countries, there are some with a Gini-index in excess of 50, which is considered extremely high. If high inequality is addressed through inclusive economic

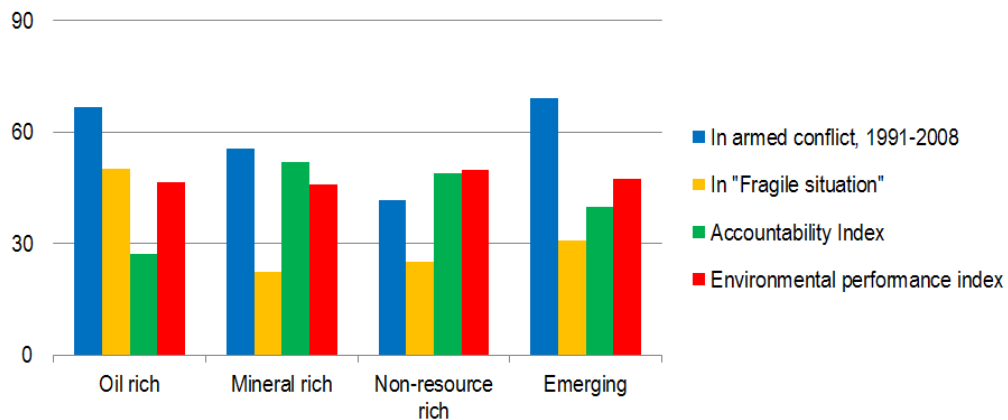
policies that include measures for redistribution, the link between economic growth and poverty reduction gets stronger and human development advances.

Figure B6: Poverty and Inequality
Averages in % for 32 countries in sub-Saharan Africa



Source: Data is from World Development Indicators online database accessed February 2013, using most recent estimates since 2000.

Figure B7: Risk and Vulnerability
Averages in % for 40 countries in sub-Saharan Africa



Source: Data is from the online database of World Development Indicators (In Armed Conflict), Human Development Report Office (Environmental Performance), Mo Ibrahim Foundation (Accountability), and World Bank (Fragile Situation).

There is a large empirical literature that links natural resource wealth with increased propensity for violence and conflict.²⁶ Almost 90% of the sub-Saharan African countries currently classified as Oil rich had experienced armed conflict at some point in the period 1991-2008 (Figure B7). That is a much lower share than for the Mineral rich and the Non-Resource Rich countries. But the share of Emerging resource rich countries is also high; 75% of these experienced armed conflict during that period. It follows that almost 60% of the Oil rich countries are classified as being in a “Fragile situation”, which is much higher than for any of the other groups of countries. Studies also show how weak institutions drive resource curse outcomes, and is also manifest in the much lower level of accountability and rule of law that characterises Oil rich countries.²⁷ Strengthening transparency is one central aspect of building accountability and a growing number of countries are signing up to international initiatives for transparency and good governance in the extractive sector. It is somewhat paradoxical that Non-resource rich countries score higher on environmental performance and policies, which are critical for resource rich countries in order to sustainably develop their extractive sectors.

²⁶ For an overview see: Ross, M. L. "What do we know about natural resources and civil war?." *Journal of Peace Research* 41.3 (2004): 337-356.

²⁷ Mehlum, H., K. Moene, and R. Torvik. "Institutions and the Resource Curse*." *The Economic Journal* 116.508 (2006): 1-20.

ANNEX C

UNDP's Past Experiences and Lessons Learned in Extractive Industries

UNDP has an extensive track record in supporting countries to manage their oil, gas and minerals sectors. RBA has been supporting countries and partners in managing extractive industries through a number of initiatives. Some of these initiatives are integrated fully into country programme documents and others are more *ad hoc* reflecting emerging opportunities and new requests from partners. Programmed activities are typically instituted in practice areas related to poverty reduction; democratic governance; human rights; environment and energy; and conflict prevention. The programmes and activities draw resources from country, regional and global levels. This Annex provides a brief summary of past experiences and lessons learned based on the preparations of the 2012 Corporate Framework, the evaluation of RBA's Regional Project and the contributions from Country Offices who were consulted during the preparation of this project document. Notably, RBA requested input Economics Advisors on the importance of extractive industries in their respective countries, the main concerns and challenges in utilising the resource, the main stakeholders in the sector (government, donors, private sector, civil society organizations), previous UNDP support, and current requests for further support.

Regional Project for Capacity Development

The Regional Project on Capacity Development for Negotiating and Regulating Investment Contracts (often referred to as Capdenerico) was developed at the request of five African heads of states in 2008. The overarching goals pursued through the project were to: 1) Strengthen the capacity of African States to negotiate, manage and regulate large scale investment contracts, particularly, but not limited to, the natural resources sector; and 2) Strengthen their capacity for transparent and accountable pro-poor natural resource revenue management. The project had fourteen outputs and four outcomes. Four outcomes were pursued: (1) Foreign and domestic investment contracts negotiated on most favourable terms for host countries, (2) Functioning sub-regional and regional networks for supporting countries involved in negotiations related investment contracts for natural and non-natural resources, (3) Accountable and sustainable management of natural resources and revenue flows arising from their exploitation, particularly in support of pro-poor policies, and (4) A well-functioning knowledge management system put in place.

A recent external evaluation determined that the project had high relevance at the regional and national level and project implementation was found to have made perceptible contributions at national levels.²⁸ For instance, in Sierra Leone, the mining contracts review process, which was supported by the project, was found to have resulted in in the development and adoption, for the first time, of a contracts negotiations procedure and the promulgation of a new mining code in 2009. In Tanzania the project was found have contributed to the adoption of this country's 2010 Mining Act. In Liberia, the Public Procurement and Concessions Act (PPCA) of 2005 underwent a comprehensive review and was amended with technical support from the project. Ultimately, the amended Act was adopted by the Liberian Legislature and signed by the president. The mining code in Mozambique was also developed with support from the Project. The project is frequently cited as a good practice by partners even if it not always known that UNDP is behind the project. Unfortunately there have been no attempts to quantify the impacts in terms of the

²⁸ UNDP and UNOPS. "BA Regional Project for Capacity Development for Negotiating and Regulating Investment Contracts. Evaluation Report," July 2012.

additional benefits obtained for countries but these are considered to be substantial. The evaluation makes a number of recommendations ranging from project management to more substantive issues. The evaluators did recommend the extension of the project based on the project's relevance and UNDP's comparative advantages in governance and development. It also recommended a regional approach, with explicit national delivery and appropriate capacity provided to country offices. The evaluation also recommended that the outputs related to the accountable and sustainable management of natural resources revenues outcome should be treated as required components that countries would need to engage in as part of any project support.

The evaluation team stressed that the project should pursue deeper partnerships with the African continental and regional institutions' active in the area, like the AU, AfDB, UNECA, ECOWAS, EAC and SADC. With regards to practical aspects, the evaluation recommended appropriate skill sets, good project monitoring, clarification of role of executing agency, and making a committed effort to connect with qualified and experienced African experts located on the continent or abroad. They also recommended shifting the logistical and other associated transaction costs associated with working with international partners to the beneficiary countries. One comparison of programmes in the area of contract negotiation support suggested that the key strengths of the project were its presence on the ground through UNDP's country and regional offices, good technical competence of its staff, and the its ability to function at the highest levels of government.²⁹ However the assessment also found that the bureaucratic structure, rules and regulations of UNDP were not optimal for a project designed to provide significant technical expertise from the private sector and support negotiations with the private sector.

Country experience and lessons-learned

The demand for UNDP's services in the area of extractive industries has been increasing recently. This demand typically comes from national governments through UNDP Country Offices. These requests are for support to improving the management of the extractive industries sector both among established commodity exporters and emerging ones. A larger proportion of the requests are coming from the latter group of countries that have recently made new discoveries. These countries are keen to learn good and useful practices from other countries before they design their own strategies. UNDP Country Offices also indicate that there is considerable interest from other donors and civil society to collaborate and harmonize approaches. Both groups of actors have encouraged UNDP to act on its role as neutral agent to facilitate progress on issues related to extractive industries in specific countries. There is also growing interest from private sector actors for partnerships with UNDP.

The majority of RBA Country Offices have been involved in EI support to the host government or engaged in some other way with development partners. The relevance of EI sectors for countries and their perceived needs affect how countries approach UNDP or respond to UNDP's projects. Tanzania and Sierra Leone, for example, were both very receptive to *Capdenerico* as it helped provide support for contract negotiations and policy/legal work at critically important and strategic times. UNDP has also supported national authorities address issues related to ecosystems, biodiversity and extractive industries through projects under the

²⁹ Vale Columbia Centre on Sustainable International Investment and Humboldt-Viadrina School of Governance. "Second Workshop on Contract Negotiation Support for Developing Host Countries," 18-19 July 2012, Columbia University, New York.

Global Environment Facility since 2005 and initiated a “Biodiversity and Extractive Industries project in 2010 supporting countries such as Mauritania and Nigeria. A central area of past and current activities has been support for mineral and petroleum policy and legal framework review and capacity development for organizations central to that work. UNDP has also supported the development of mining, petroleum and engineering agencies in terms of training of human resources, data collection and laboratory equipment. Other examples of UNDP work at country level in sub-Saharan Africa includes: transparency requirements for revenue information; public participation in policy and institutional development processes; and environmental and social impact studies (e.g. Ghana, Namibia). Some Country Offices note that they have had (and foresee) opportunities to engage government on EI issues through National Development Plans, Poverty Reduction Strategies, and National Human Development Reports. UNDP Country Offices also indicate that there is considerable interest from donors and civil society to collaborate and harmonize approaches. Both groups of actors have encouraged UNDP to act on its role as neutral agent to facilitate progress on EI issues in specific countries.

Several UNDP Country Offices indicate that they have been able to provide assistance to some governments to develop capacity of agencies and improve policies and legal frameworks, as well as contract negotiation, implementation and monitoring skills. However, this support has not always led to a reduction in poverty, especially in affected communities/areas. In other cases, UNDP support has not resulted in impacts as reforms have been stalled or delayed, sometimes as a result of serious conflicts. Economics Advisors see that UNDP’s ability to provide solid support to governments at the national level requires a number of key elements:

- Good access to technical support to develop local capacity.
- Access to information on lessons and successes from past experience in other countries.
- Adequate resource mobilization/funds.
- Strong political commitment and cooperation from government.

The experience of most Country Offices underscores that there are a variety of actors engaged in EI support activities, including the UNECA, the African Development Fund (ADF), and the World Bank, as well as several bilateral donors and international/national NGOs. In some cases, Regional Economic Communities have also provided strategic avenues for country office work in various national level efforts. UNDP needs to ensure that its efforts reflect other initiatives in order to be efficient and avoid redundancy. UNDP must also ensure that it engages with other key stakeholders at the national, regional and continental level. Good donor coordination can play an important role at the national level.

Critical areas of concern and requests from countries

The following two tables provide a summary of information received from Country Offices with respect to 1) critical concerns with respect to extractive industries and 2) on-going activities or current requests for support. The information obtained has been categorized according to the four areas of UNDP’s corporate framework for engaging with Extractive Industries. In some cases, concerns or requests may reference more than one area and this is reflected in the summary.

The material is summarized first for countries with mature extractive industries (Table C1) and the remaining countries, which thus include countries with emerging or no extractive industry sectors (Table C2A). Some countries in the latter table have announced the discovery of oil, although many are only starting production or on the verge of petroleum production. This is especially the case with oil and gas discoveries in East Africa, which will see a number of new hydrocarbon producers emerge. Countries are classified using the IMF's (2012), but includes South Sudan and three Upper Middle Income Countries in the mature category that were not included in that analysis (Botswana, Namibia and South Africa), and two additional countries in the emerging/other category (Mauritius and Seychelles).

**Table C1. Summary of responses from UNDP Economic Advisors
in Mature Extractive Industry Countries**

Country	A. Participatory legislation, policy and planning	B. People-centred exploration and extraction	C. Effective revenue collection and management	D. Investing in human development and structural transformation
Botswana +	x			x
Cameroon *		x	x	x
Chad		⊗	x	x
Congo, Democratic Republic	⊗	x	⊗	
Congo, Republic of *		⊗	⊗	
Equatorial Guinea #		⊗		x
Gabon +		x	⊗	x
Guinea	x	⊗	⊗	⊗
Liberia	x	x	⊗	
Mauritania		⊗	x	⊗
Namibia +	x	⊗	x	x
Niger		⊗	⊗	
Nigeria *	x	x	⊗	
South Africa +				x
South Sudan*	x	x		
Zambia *		⊗	x	
Concern/requests	7/1	14/8	12/7	9/2

Notes: Countries are classified based on the definition in IMF (2012) with the addition of Botswana, Namibia and South Africa (all Upper Middle Income Countries).

⊗ = Area critical and country request for support

x = Area critical but no Country request for support

= High Income Country

+ = Upper Middle Income Country (UMIC)

* = Lower Middle Income Country (LMIC)

All others are Low Income Countries

For the sixteen mature extractive industry countries that provided responses in the Country Office Scan, the most critical areas are related to people-centred exploration/extraction (14 out of 16), revenue collection/management (13 out of 16), and investments in human development and structural transformation (9 out of 16). However, most country requests for support are in the people-centred exploration and extraction (eight requests) and revenue collection/management areas (seven requests). Despite the importance attached to investments in human development and structural transformation from the Country Office perspective, there are limited requests for support (2). The limited number of requests for policy, legislation and planning support could reflect that these countries already have the legislative and regulatory systems in place. However, it may not necessarily follow that they have in place the institutional capacities to implement/enforce those laws, collect and use revenues effectively, and reduce conflict through participatory and human-rights oriented approaches.

Table C2. Summary of responses from UNDP Economic Advisors in Emerging Extractive Industry and Other Countries

Country	A. Participatory legislation, policy and planning	B. People-centred exploration and extraction	C. Effective revenue collection and management	D. Investing in human development and structural transformation
Burundi	⊗	x	x	⊗
Cape Verde *				
Eritrea	⊗	⊗		⊗
Ethiopia	x		x	
Ghana *		⊗	x	x
Guinea Bissau	⊗	x	x	x
Kenya	x	x	x	
Lesotho *	⊗	x	x	x
Mauritius +	x			
Mozambique	⊗	⊗	⊗	⊗
Rwanda	⊗	⊗	⊗	x
Sao Tome & Principe *	x		⊗	x
Seychelles +	⊗			
Sierra Leone	x	⊗	⊗	x
Swaziland *	x	x	X	x
Tanzania	x	⊗	⊗	
Uganda	x	⊗	⊗	x
Zimbabwe	x	x	X	⊗
Concern/requests	17/7	14/7	13/6	12/4

Notes: Countries are classified based on the definition in IMF (2012) with the addition of Mauritius and Seychelles (both Upper Middle Income Countries).

⊗ = Area critical and country request for support

x = Area critical but no Country request for support

= High Income Country

+ = Upper Middle Income Country (UMIC)

* = Lower Middle Income Country (LMIC)

All others are Low Income Countries

The responses from the eighteen emerging and other countries reflect the emerging nature of the extractive industries. Country Offices have flagged critical concerns under all four areas of the UNDP strategy: policy and planning in 16 countries, people-centred exploration/extraction in 13 countries, revenue collection/use in 13 countries and structural transformation in 12. The requests for government are highest in the first three strategy areas (7, 7 and 6 requests respectively), with structural transformation support being requested in only 4 countries. In summary, Country Offices identify a number of critical concerns with respect to extractive industries and countries themselves are requesting support from UNDP in a wide-range of areas. Thus, the Regional Project will need to be flexible and offer support targeted to the needs of the requesting country.

ANNEX D

Mapping of external partners in Extractive Industries

UNDP RBA will complement the regional, sub-regional and country efforts to support the sustainable and equitable management of the extractive sector. Many organisations already offer a range of technical assistance and policy advice. It is important for UNDP to identify where the gaps and complementarities are, and ultimately where UNDP can have the greatest impact. This section provides an overview of the key stakeholders engaged in the area of extractive industries grouped loosely according to the type of institution. This overview excludes the many companies that are doing business in the sector as explorers, operators and suppliers, but does include some of their industry umbrella groups. It is also deliberately incomplete when it comes to the countless national civil society and community groups who are critical in assessing and shaping national and local policies. To be effective, the regional project needs to be able to provide a framework especially for supporting Country Offices in working with multiple partners among governments, business and civil society.

- **Bilateral and multilateral donors:** Among bilateral partners Norway is probably the best example with its Oil for Development Programme that draws from that country's own and very successful experience in harnessing its hydrocarbon resources. Canada and Australia are other partners that have sought to leverage their own extensive mining experiences through their aid programmes. These two donors have also pledged financial support to AMDC. DfID, USAID and EU are among additional important bilaterals especially in terms of their support to governance and transparency issues. Sweden and Finland are also active on the mining side. For all bilateral partners, including emerging ones, development cooperation objectives are, to varying degrees, intertwined with strategic and commercial interests. Legislative changes inside developed countries matter a great deal for enabling effective utilisation of extractive resources. The recent Dodd-Frank financial regulation bill in the US and the 1997 OECD Anti-Bribery Convention are good examples. Among the multilateral institutions, the IMF has traditionally provided support through its regular consultations with member countries and through its extensive technical assistance related to EI, including for tax administration, public financial management, and revenue management. As an indication of its strengthened focus on extractives, the Fund recently launched a Managing Natural Resource Wealth Topical Trust Fund with a budget of \$25 million (funded by Australia, EU, the Netherlands, Norway, Switzerland, Kuwait and Oman) to support capacity development in 50 countries. The World Bank has an Extractive Industries Advisory Group to help it identify and promote good practices in oil, gas, and mining sectors. The Group follows up on the implementation of the agreed recommendations from its on-going series of Extractive Industries Reviews. The Bank committed an average of \$1 billion annually over the last five years to the extractives industries through lending (IBRD and IDA) and private sector financing, insurance and advisory services (IFC and MIGA).³⁰ Moreover, the Oil, Gas and Mining Policy and Operations Division of the World Bank manages a multi-donor trust fund, the Extractive Industries Technical Advisory Facility. This \$11 million facility provides advisory and capacity development services to resource-rich developing countries on contract negotiations and associated policy reforms. World Bank-led Global Gas Flaring Reduction (GGFR) initiative, which is a public-private partnership launched at the 2002 World Summit on Sustainable Development (WSSD), which aims to support

³⁰ http://siteresources.worldbank.org/INTOGMC/Resources/WBG_EI_Annual_Report_FY11_Final.pdf

national governments, development agencies, and the petroleum industry in their efforts to reduce the environmentally damaging flaring and venting of gas associated with the extraction of crude oil. The World Bank also led the Consultative Group for Artisanal and Small-Scale Mining (CASM). The African Development Bank also supply technical and financial support in areas such as investment and infrastructure development, governance and transparency and to contract negotiation, through the Africa Legal Resource Facility.

- **The United Nations system** is involved through its permanent bodies and global conferences, as well as through the specialized agencies funds and programmes. For instance, the recent outcome document from the Rio+20 World Conference on Sustainable Development in June 2012 recognizes the role of extractive industries in the intersection of social, economic and environmental sustainability challenges. It also recognizes that governments need strengthened capacities to develop, manage, and regulate their mining industries in the interest of sustainable development. The establishment of a World Centre for Sustainable Development was one distinct outcome of the Rio summit, supported by several UN entities including UNDP, UNEP, UN-HABITAT, ILO and UNU, although its distinct role in supporting extractive sector management is not yet clear.

The UN's human rights system is often engaged in matters related to investigating and advocating for the rights of vulnerable groups affected by exploration and extraction of minerals. For instance, through the Human Rights Council and the Special Rapporteur on the Rights of Indigenous Peoples, the UN system raises issues related to human rights violations. One notable document which will guide UNDP's activities will be the widely adopted and Human Rights Council endorsed (2011), *Guiding Principles on Business and Human Rights: Implementing the United Nations 'Protect, Respect and Remedy' Framework*", developed by the Special Representative of the Secretary-General, which outlines the duties and responsibilities for businesses and states with respect to human rights.³¹ The UN's Permanent Forum on Indigenous Issues works to enhance partnerships around mitigating the impacts of extractive industries on indigenous territories. Moreover, CEDAW, the Commission on that Status of Women, and other mechanisms of the Human Rights Council such as the Special Rapporteur on Violence against Women its Causes and Consequences, are also engaged in matters relevant to resource extraction.

Gabon and Belgium, which are the Co-Chairs of the Group of Friends on Natural Resources, have taken the initiative to draft a General Assembly resolution on "promoting transparency throughout the value chain of natural resources to boost inclusive and sustainable growth". The objective of the draft resolution is to encourage Member States to work towards enhancing transparency in the value chain and request the Secretary General to report to the General Assembly on existing best practices in natural resources management by Member States. This report may then form the basis for future discussion in the General Assembly of a possible role for the United Nations in promoting transparency initiatives at the international level.

³¹ See Report of the Special Rapporteur on the rights of indigenous peoples, James Anaya on Extractive industries operating within or near indigenous territories (2011).

The UN Global Compact was launched in July 2000 by the UN Secretary General as a leadership platform for the development, implementation and disclosure of responsible and sustainable corporate policies and practices. The Global Compact has specific working groups on issues such as human rights, business and peace, environment etc. and extractive companies are participating in all of these. For example, the working group on transparency and accountability has a sub-working group for the oil and gas industry. Endorsed by chief executives, it seeks to align business operations and strategies everywhere with ten universally accepted principles in the areas of human rights, labour, environment and anticorruption. It has more than 8,500 signatories in over 135 countries including many of the world's largest mining companies.

The *United Nations Interagency Framework Team for Preventive Action*, (hosted at BCPR) leads a multi-year, interagency project on natural resources and conflict working with UNDP, UNEP, UN-HABITAT, DPA, PBSO and UNDESA. In partnership with the EU, the project has produced toolkits with extensive guidance notes and on-line training on extractive industries, land, and renewable resources. The purpose of the partnership is to improve capacities of UN staff, EU delegations, and national counterparts on land and natural resources management for conflict prevention and to provide technical assistance, policy development and programme coordination between key actors particularly at country level.

UNEP has a strand of work related to conflict, natural resource management and the environment. In addition to actively participating in the *United Nations Interagency Framework Team for Preventive Action*, UNEP is undertaking an extensive environmental assessment of over 300 oil-impacted sites in the Ogoni region of the Niger Delta. The findings will be used to make recommendations for appropriate remediation activities to facilitate environmental clean-up operations.

Some UN entities offer specific analytical tools and tailored training that deal with extractive industries. For instance, UNDESA works on the System of Environmental-Economic Accounting, which contains the internationally agreed standard concepts, definitions, classifications, accounting rules and tables for producing internationally comparable statistics on the environment and its relationship with the economy. In 2007, UNCTAD used its World Investment Report to examine the role of transnational corporations and extractive industries. UNITAR provides a five weeks training course in the Governance of Extractive Industries UNDP's Special Unit for South-South Cooperation is preparing a comprehensive programme for institutional capacity development and training for southern governments.

- **Numerous civil society organisations at global, regional and national level** have been effective in highlighting specific challenges in the extractive sectors. These stakeholders range from human rights, women's, development, environmental and faith-based organisations. Some have specialized in single-issues especially around transparency, and the most effective are capable of and galvanizing public debate and action. National and international organisations are often linked either through formally established structures and subsidiaries or more loosely, though not necessarily less effectively, as part of regional or global networks. Trade unions play an important role, especially in terms of advocating for the rights of mine workers and ensuring decent pay and workplace safety.

Publish What you Pay (PWYP), is a global network of 650 organisations that work for oil, gas and mining revenues to form the basis for development and improve the lives of citizens.¹ PWYP undertakes public campaigns and policy advocacy to achieve disclosure of information about extractive industry revenues and contracts. Among the founding members of PWYP are Oxfam, Save the Children and Transparency International. The Revenue Watch Institute (RWI) provides capacity building, technical assistance, research and advocacy for effective, transparent and accountable management of oil, gas and mineral resources. In the implementation of Capdenerico, RBA partnered with RWI, the International Senior Lawyers Project and Advocates for International Development in providing technical assistance.

Third World Network (TWN) is an independent non-profit international network of organisations and individuals that serves as the secretariat for the pan-African extractive sector network known as African Initiative on Mining, Environment and Society (AIMES) Founded in 1999. AIMES is a Pan-African network of organisations, groups, communities and individuals engaged in extractive sector advocacy, in particular mining. Most recently, TWN-African, AIMES and the International trade Union Federation organized consultations on the African Mining Vision.

The Gaia Foundation is an international non-governmental organization focused on regenerating cultural and biological diversity, and restoring a respectful relationship with the Earth. They work with partners throughout South America, Europe, Africa, and Asia. Most recently, the Gaia Foundation published a report highlighting the environmental impacts of extractive industries. Global Witness have run a series of highly effective campaigns against natural resource-related conflict, corruption and human rights abuses in places such as Angola, Botswana, Congo and Sierra Leone. Its work on “Blood Diamonds” was particularly instrumental in creating the diamond certification scheme known as the Kimberly Process.

National organisations also play a critical role. In Uganda, the Advocates Coalition for Development and Environment (ACODE) has been working on local governance issues for more than a decade. ACODE has joined forces with other national and international CSOs and independent media such as the Daily Monitor and the Independent, to lead a charge for more openness around the production sharing agreements signed by the government and international oil companies exploring in the western Albertine Graben-region. ACODE has established the Uganda Oil and Gas Documentation Bureau as a source of key legal documents and analysis. Another example is Women in Mining (WIMSA) from South Africa, which was established to facilitate greater engagement of women in the mining industry. WIMSA provides support and guidance on personal growth, leadership and career development including mentorship. It also advocates for women friendly work environment, better health and safety standards etc. to advance women’s participation and leadership role in mining.

- **Academic and policy research:** Natural resource management is an established field in academia. Some examples include: the Oxford Centre for the Analysis of Resource Rich Economies; the Rubenstein School of Environment and Natural Resources at the University of Vermont; the International Mining for Development Centre at the University of Western Australia, the Centre for Sustainability in Mining and Industry and University of the Witwatersrand in Johannesburg; and the Centre for Energy, Petroleum and Mineral Law and Policy at the University of Dundee. These are important sources of

expert consultants for policy oriented analysis and for targeted training and capacity development. Top policy makers and experienced practitioners (including Ernesto Zedillo, Mo Ibrahim and Luisa Diogo) as well as leading academics in the area (including Michael Spence, Paul Collier and Anthony Venables), have created a “Natural Resource Charter”, which sets out 12 principles along the extractives value chain for governments and societies on how to best manage the opportunities created by natural resources for development. The Vale Centre on Sustainable International Investment at Columbia University is a leading forum on issues related to foreign direct investment, paying special attention to the impact of such investment on sustainable development. The International Institute for Environment and Development is expected to play a leading role in coordinating the work on Artisanal and Small-scale Miners.

- **Regional initiatives deal with cross-borders issues.** The Global Dialogue on Mining/Metals and Sustainable Development of the Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development was one of a number of initiatives aimed at promoting the implementation of the Johannesburg World Summit Plan of Implementation. Co-sponsored by South Africa and Canada, it was specifically designed to fulfill the priorities for the mining, minerals and metals sector as identified in the Johannesburg World Summit Plan of Implementation. The role of extractive industries in Africa’s transformation has been recognised at the regional and pan-African level for instance in the 2003 West African Economic and Monetary Union (WAEMU) "*Code Minier Communautaire*" and the 2008 SADC Protocol on Mining. In February 2009, the African Mining Vision (AMV) was adopted by the Heads of State and Government of the Africa Union with an Action Plan adopted in December 2011. An African Minerals Development Centre is being established within the structures of the UN Economic Commission for Africa (UNECA). Under the auspices of the UNECA the Eight African Development Forum was held October 2012 focusing on “Governing and Harnessing Natural Resources for Africa’s Development”. At the Forum an African Mineral Skills Initiative was launched in collaboration with AngloGold Ashanti. The initiative is aimed at creating the necessary skills so that African countries can take advantage of mineral development and growth opportunities.
- **Industry groups at global and national level are also important stakeholders and partners.** These bodies represent their members, lobby for their interests and can be conduits for greater dialogue between the private sector, governments and other stakeholders. The global oil and gas industry association for environmental and social issues (IPIECA) is the industry’s principal channel of communication with the UN. Industry groups such as the International Organisation of Oil and Gas Producers, World Diamond Council and the International Council on Metals and Mining (ICCM) represent their industries in multi-stakeholder initiatives (see below). UNDP was consulted by the International Council on Metals and Mining as it was developing a new toolkit to evaluate the socio-economic effects of mining at the local, regional and national levels. National Chambers of Mines and Commerce are additional important stakeholders at national level.
- **Important multi-stakeholder initiatives that include development partners, country governments, and civil society have also emerged in recent years.** Probably the best-known is the Extractive Industries Transparency Initiative, which is a coalition of governments, companies, civil society groups, investors and international organisations that seeks to promote revenue transparency. It has developed a methodology for

monitoring and reconciling company payments and government revenues at the country level. Each implementing country creates its own EITI process which is overseen by participants from the government, companies and national civil society. 21 countries currently meet its five sign-up requirements and 15 are considered EITI compliant by publishing a report that reconciles what companies say they pay in taxes, royalties and signature bonuses, with what governments report they have received. Another example of multiple stakeholders coming together is the Kimberley Process, which is a joint initiative by governments, industry and civil society that seeks to stem the flow of diamonds mined in conflict zones. It is open to all countries that are willing and able to implement its requirements and currently has 51 participants, representing 77 countries, covering approximately 99.8% of the global production of rough diamonds. The Responsible Minerals Development Initiative connects the World Economic Forum and leading global experts in the field such as World Bank Institute and the Commonwealth Scientific and Industrial Research Organisation in scoping and conducting research; and consulting with representatives from the Forum's Mining & Metals Industry Partner Group, the ICMM, the International Finance Corporation, EITI, the International Bar Association, and the Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development, as well as representatives from the public sector. It has collected the perceptions and suggestions of these stakeholders to serve as a basis for a framework for responsible mineral development. Another multi-stakeholder initiative is Open Contracting, which works at the Global, Regional, and Country level to develop a set of global principles, disclosure standards, and to develop the capacity of citizens on the ground to monitor government contracts to ensure that they receive the benefits that they should receive.

- **Electronic networks:** As part of the preparation of UNDP's corporate strategy, the Task Team relied on UNDP's Teamworks as a depository of information and to facilitate interaction and sharing of knowledge. Another network resource that the Regional Project should consider tapping into and perhaps partnering with is www.GOXI.org. Managed by the World Bank Institute, it serves as a standing forum for innovation and collaboration across stakeholders groups, countries and initiatives. The network currently has more than 1,300 members.

ANNEX E

Risk analysis

Most of the risks associated with the project are political and technical reflecting the need for harmonisation between the project and complementary activities, ensuring strong capacity of within UNDP to provide effective support, the potentially sensitive nature of some interventions and the need to ensure that interventions have impact beyond the narrow scope of any externally supported element. Given the high degree of focus on extractive industries as a source for development finance, growing interest among governments and development partners, the risks in terms of financing in the short term are low. However, this risk may increase if commodity prices experience sustained falls.

Risk	Type of Risk	Probability	Mitigation Measures
Lack of effective harmonisation with AMV and other complementary activities	Political/Technical	High	Establish effective mechanisms for coordination and collaboration in the area of Extractive Industries between RBA and AUC, NPCA, ECA, RECs.
Limited technical capacity within UNDP to provide effective support	Technical	Medium	Fast-track recruitment of specialist advisors and ensure greater coordination of current policy specialists and economics advisors within UNDP
Weak commitment to implementation of AMV and related strategies at regional, national and local levels,	Political/Technical	High	Advocacy and Technical support to oversight role of the AU & national parliaments in implementation including harmonization with sector strategies and national development strategies
Limited willingness by some governments and firms to accept the role of external advisors that seek to facilitate people-centred exploration and extraction	Political	High	Safe-guard UNDP's role as impartial advisor and facilitate open debate about trade-offs and social impact of mining
Inadequate long-term impact beyond externally funded support	Political	High	Seek strong focus on capacity development, national ownership and cost-sharing
Availability of funding to sustain activities	Financial	Low/Medium	Secure funding commitments by governments and donors; integrate activities into regional and national planning systems; develop smart/low cost mechanisms for delivery
Reputational risk associated with engagements with companies in the mining sector	Political	High	Conduct due diligence and reputational risk assessments, use caution and step-wise approaches
Complexity in integrating UNDP Project in AMDC framework	Political/Technical	High	Clarify reporting lines and project management arrangements with AMDC early in the process
Environmental degradation from exploration and exploitation, exacerbated by weak regulatory capacity and limited inter-sectoral coordination e.g. demand for water for extraction, loss of biodiversity and ecosystem services in areas where communities are highly dependent for their livelihoods	Environmental	High	Promote participatory approaches to policy development, inter-sectoral coordination and the use of integrated environmental, social and institutional assessments.

ANNEX F

Terms of Reference for Chief Technical Advisor/Project Manager (Economic Governance and Extractive Industries)

Duty Station: Addis Ababa, ETHIOPIA

Languages Required: English French

Starting Date: 01-May-2013

Duration of Initial Contract: 12 Months

Expected Duration of Assignment: 4 Years

Background:

The regional project on Harnessing Extractive Industries for Human Development in sub-Saharan Africa provides regional support for countries in the following areas in line with UNDP's corporate strategy: (A) Participatory legislation, policy and planning, (B) People-centred exploration and extraction, (C) Effective revenue collection and management, and; (D) Investing resource rents in human development and structural transformation. Activities within these areas are designed to overlap and complement national and regional/sub-regional activities in the nine programme components proposed in the African Mining Vision Action Plan. In the implementation of the project UNDP will leverage its comprehensive and cross-cutting mandate, and its impartiality and extensive country-level experience, and work closely with AUC, NPCA, RECs, member states, development partners, civil society and the private sector. The functions of the Senior Advisor outlined in these Terms of Reference will contribute to delivering specific activities under area (C).

A precondition for transforming natural resources wealth in Africa into long-term advances in human development is to ensure that governments capture the rents and manage the economic and political effects of the extraction process. In turn this is impacted by the terms under which governments enter into contracts and agreements with international companies. Typically, and particularly when it comes to mineral resources, these terms are negotiated through a process characterized by profound bargaining and information asymmetries. Moreover, often capacities to monitor implementation of contracts and ensure adherence to regulatory frameworks are weak. This can lead to sub-optimal results for the host country in the form of foregone revenues and missed opportunities for sustainable utilisation of the resource, investments in human development and structural transformation. There are also often weak policy and institutional linkages between increased revenue flows from the investments and exploitation of the natural resources and pro-poor and community development initiatives.

Description of Responsibilities:

The Senior Technical Advisor leads the provision of technical assistance and initiatives to strengthen capacities in the area of negotiation, implementation and monitoring of investment contract in the natural resource sector among national governments, regional partners and UNDP Country Offices in sub-Saharan Africa.

Under the supervision of the Manager of the Regional Service Centre, the Chief Technical Adviser will assume responsibility for performing the following duties:

- Provide thought leadership and strategic direction for the Regional Project and manage its implementation, including ensuring compliance with internal measure for operational efficiency and accountability.
- Provide guidance substantive guidance and oversight to all senior advisors and policy specialists that are recruited under the project.
- Oversee establishment and implementation of a Rapid Response Facility to support countries with direct financial and technical support.
- Serve as senior advisor on issues related to economic governance of extractive industries and facilitate the work of the AMDC in results area 3 in the Business Plan related to Governance and Participation.
- Promote strategic partnerships with key regional bodies (such as African Union and the NEPAD Agency), development partners (such as African Development Bank, Economic Commission for Africa and World Bank) and other organizations (such as Revenue Watch Institute, International Senior Lawyers Project, Extractive Industries Technical Advisory Facility).
- Develop knowledge products that can inform global policy formulation, South-South collaboration and knowledge exchange, and position UNDP as a broker of knowledge in the areas of negotiation, regulation and management of investment contracts, as well as pro-poor revenue management.
- Provide strategic advice to the senior management of the Regional Bureau for Africa in the area of natural resource management specifically in the formulation of the next Regional Cooperation Framework.
- Support the mobilisation of resources in close consultation and coordination with the corporate effort to implement UNDP's Strategy for Supporting Sustainable and Equitable Management of the Extractive Sector for Human Development to address the gap in funding at the global, regional and national levels.

Competencies:

Corporate Competencies:

- Demonstrates integrity and fairness. Shows strong corporate commitment.
- Demonstrates commitment to UNDP's mission, vision and values.
- Displays cultural, gender, religion, race, nationality and age sensitivity and adaptability.
- Values intellectual rigour and honesty.
- Responds to and supports others in the organization who request advice.

Functional Competencies:

- Champions knowledge-building and sharing.
- Makes valuable contributions (e.g., documented knowledge, community building) to UNDP practices.
- Demonstrates strong substantive and process knowledge.
- Ability and disposition to travel extensively, especially in the Africa region.
- Capacity to formulate and test/implement innovative approaches to capacity development.
- Effectively applies existing knowledge to improve performance.

- Strong strategic analytical skills combined with an ability to anticipate emerging trends and issues with implications for African development.
- Strong leadership skills and proven ability to motivate and manage a team of seasoned policy analysts in diverse development sectors.
- Dynamic, visionary leader, capable of engaging at high political, technical and analytical level with other UNDP units and international Centres of Excellence dealing with African development and to represent the Director and Deputy Directors of the Regional Bureau for Africa as needed.

Qualifications:

Education:

- Advanced university degree in Political Science, Management, Economics, Business Administration, or other related field. PhD is an advantage.

Experience:

- At least 15 years of proven track record in the area of economic governance with a distinct focus on extractive industries.
- Proven ability in the area programme and project management with strong documented results in implementation and accountability.
- Proven ability to lead and manage teams of experts.
- Proven ability to establish partnerships and/or networks in the area capacity development.
- Track record of policy reform and innovation on capacity development, strategic decision-making and organizational leadership.
- Experience in dealing public sector reform and capacity development issues
- Proven professional credibility and extensive network of international institutional and individual contacts.
- Research and publications record on issues related to economic governance in Africa and extractive sectors.

Language requirements:

- Excellent oral and written communication skills in English or French, with an adequate working knowledge of the other.
- Knowledge of a third language, preferably Portuguese, would be an asset.

ANNEX G

Terms of Reference for Senior Advisor (Legal Counsel and Extractive Industries)

Duty Station: Addis Ababa, ETHIOPIA

Starting Date: 01-May-2013

Duration of Initial Contract: 12 Months

Expected Duration of Assignment: 4 Years

Background:

The regional project on Harnessing Extractive Industries for Human Development in sub-Saharan Africa provides regional support for countries in the following areas in line with UNDP's corporate strategy: (A) Participatory legislation, policy and planning, (B) People-centred exploration and extraction, (C) Effective revenue collection and management, and; (D) Investing resource rents in human development and structural transformation. Activities within these areas are designed to overlap and complement national and regional/sub-regional activities in the nine programme components proposed in the African Mining Vision Action Plan. In the implementation of the project UNDP will leverage its comprehensive and cross-cutting mandate, and its impartiality and extensive country-level experience, and work closely with AUC, NPCA, RECs, member states, development partners, civil society and the private sector. The functions of the Senior Advisor outlined in these Terms of Reference will contribute to delivering specific activities under area (C).

A precondition for transforming natural resources wealth in Africa into long-term advances in human development is to ensure that governments capture the rents and manage the economic and political effects of the extraction process. In turn this is impacted by the terms under which governments enter into contracts and agreements with international companies. Typically, and particularly when it comes to mineral resources, these terms are negotiated through a process characterized by profound bargaining and information asymmetries. Moreover, often capacities to monitor implementation of contracts and ensure adherence to regulatory frameworks are weak. This can lead to sub-optimal results for the host country in the form of foregone revenues and missed opportunities for sustainable utilisation of the resource, investments in human development and structural transformation. There are also often weak policy and institutional linkages between increased revenue flows from the investments and exploitation of the natural resources and pro-poor and community development initiatives.

Description of Responsibilities:

The Senior Advisor leads the provision of technical assistance and initiatives to strengthen capacities in the area of negotiation, implementation and monitoring of investment contract in the natural resource sector among national governments, regional partners and UNDP Country Offices in sub-Saharan Africa.

Under the supervision of the Chief Technical Advisor for the Regional Project, the Senior Adviser will assume responsibility for performing the following duties:

- Timely and effective support given to selected countries in all phases of its negotiation, implementation and monitoring of inclusive and equitable investment contracts, including sourcing, selecting and facilitating the work of highly qualified technical assistance.
- Support to national governments and UNDP country offices in these and other countries to develop complimentary activities, if feasible within the country programme framework and in partnership with other stakeholders at the national level.
- Promote strategic partnerships with key regional bodies (such as African Union and the NEPAD Agency), development partners (such as African Development Bank, Economic Commission for Africa and World Bank) and other organizations (such as Revenue Watch Institute, International Senior Lawyers Project, Vale Columbia Centre, American Bar Association).
- Develop knowledge products that can inform global policy formulation, South-South collaboration and knowledge exchange, and position UNDP as a broker of knowledge in the areas of negotiation, regulation and management of investment contracts, as well as pro-poor revenue management.
- Provide strategic advice to the management of the AMDC.

Competencies:

Corporate Competencies:

- Demonstrates integrity and fairness. Shows strong corporate commitment.
- Demonstrates commitment to UNDP's mission, vision and values.
- Displays cultural, gender, religion, race, nationality and age sensitivity and adaptability.
- Values intellectual rigour and honesty.
- Responds to and supports others in the organization who request advice.

Functional Competencies:

- Champions knowledge-building and sharing.
- Makes valuable contributions (e.g., documented knowledge, community building) to UNDP practices.
- Demonstrates strong substantive and process knowledge.
- Ability and disposition to travel extensively, especially in the Africa region.
- Capacity to formulate and test/implement innovative approaches to capacity development.
- Effectively applies existing knowledge to improve performance.
- Strong strategic analytical skills combined with an ability to anticipate emerging trends and issues with implications for African development.

Qualifications:

Education:

- Advanced university degree in Management, Law, Economics, Business Administration or other related field.

Experience:

- At least 10 years of proven track record in participating in or providing strategic guidance and advice in contract negotiations/renegotiations, preferably both in developed and developing countries.
- Proven ability to establish partnerships and/or networks in the area capacity development for contract negotiations and revenue management.
- Track record of policy reform and innovation on capacity development, strategic decision-making and organizational leadership.
- Experience in dealing public sector reform and capacity development issues
- Proven professional credibility and extensive network of international institutional and individual contacts.
- Research and publications record on African development issues in general and contract negotiations/regulatory frameworks/revenue management is an asset.

Language requirements:

- Excellent oral and written communication skills in English or French
- Knowledge of a third language, preferably Portuguese, would be an asset.

ANNEX H

Terms of Reference for Senior Advisor (Structural Transformation and Extractive Industries)

Duty Station: Addis Ababa, ETHIOPIA

Languages Required: English French

Starting Date: 01-May-2013

Duration of Initial Contract: 12 Months

Expected Duration of Assignment: 4 Years

Background:

The regional project on Harnessing Extractive Industries for Human Development in sub-Saharan Africa provides regional support for countries in the following areas in line with UNDP's corporate strategy: (A) Participatory legislation, policy and planning, (B) People-centred exploration and extraction, (C) Effective revenue collection and management, and; (D) Investing resource rents in human development and structural transformation. Activities within these areas are designed to overlap and complement national and regional/sub-regional activities in the nine programme components proposed in the African Mining Vision Action Plan. In the implementation of the project UNDP will leverage its comprehensive and cross-cutting mandate, and its impartiality and extensive country-level experience, and work closely with AUC, NPCA, RECs, member states, development partners, civil society and the private sector. The functions of the Senior Advisor outlined in these Terms of Reference will contribute to delivering specific activities under area (C).

A precondition for transforming natural resources wealth in Africa into long-term advances in human development is to ensure that governments capture the rents and manage the economic and political effects of the extraction process. In turn this is impacted by the terms under which governments enter into contracts and agreements with international companies. Typically, and particularly when it comes to mineral resources, these terms are negotiated through a process characterized by profound bargaining and information asymmetries. Moreover, often capacities to monitor implementation of contracts and ensure adherence to regulatory frameworks are weak. This can lead to sub-optimal results for the host country in the form of foregone revenues and missed opportunities for sustainable utilisation of the resource, investments in human development and structural transformation. There are also often weak policy and institutional linkages between increased revenue flows from the investments and exploitation of the natural resources and pro-poor and community development initiatives.

Description of Responsibilities:

The Senior Advisor leads the provision of technical assistance and initiatives to strengthen capacities in the area of structural transformation and industrial policy in the natural resource sector among national governments, regional partners and UNDP Country Offices in sub-Saharan Africa.

Under the supervision of the Chief Technical Advisor for the Regional Project, the Senior Adviser will assume responsibility for performing the following duties:

- Provide thought-leadership in the area of structural transformation, industrial and private sector policy development in countries with mature and emerging extractive industries.
- Provide timely and effective support to country teams in the areas of structural transformation, private sector development and industrial policy design and implementation. This support is expected to be delivered to support processes leading to the development of country “visions” or “roadmaps” for extractive sectors, National Development Plans or sector policies and strategies.
- Support to national governments to develop complimentary activities, if feasible within the country programme framework and in partnership with other stakeholders at the national level.
- Promote strategic partnerships with key regional bodies (such as African Union and the NEPAD Agency), development partners (such as African Development Bank, Economic Commission for Africa, UNIDO, UNCTAD and World Bank) and other organizations, including the International Institute for Environment and Development.
- Develop knowledge products that can inform global policy formulation, South-South collaboration and knowledge exchange, and position UNDP as a broker of knowledge in the areas of structural transformation and industrial policy.
- Provide substantive guidance and oversight to one or more a private sector specialists working on developing local content, value chains and linkages between extractive industries and local private sectors.

Competencies:

Corporate Competencies:

- Demonstrates integrity and fairness. Shows strong corporate commitment.
- Demonstrates commitment to UNDP’s mission, vision and values.
- Displays cultural, gender, religion, race, nationality and age sensitivity and adaptability.
- Values intellectual rigour and honesty.
- Responds to and supports others in the organization who request advice.

Functional Competencies:

- Champions knowledge-building and sharing.
- Makes valuable contributions (e.g., documented knowledge, community building) to UNDP practices.
- Demonstrates strong substantive and process knowledge.
- Ability and disposition to travel extensively, especially in the Africa region.
- Capacity to formulate and test/implement innovative approaches to capacity development.
- Effectively applies existing knowledge to improve performance.
- Strong strategic analytical skills combined with an ability to anticipate emerging trends and issues with implications for African development.

Qualifications:

Education:

- Advanced university degree in Macro-Economics, Development Economics or other related field.

Experience:

- At least 10 years of proven track record in participating in or providing strategic guidance and advice in economic and private sector development and structural transformation, preferably both in developed and developing countries.
- Proven ability to establish partnerships and/or networks in the area capacity development for structural transformation.
- Track record of policy reform and innovation on capacity development, strategic decision-making and organizational leadership.
- Experience in dealing with public sector reform and capacity development issues
- Proven professional credibility and extensive network of international institutional and individual contacts.
- Research and publications record on African development issues in general and industrial development in particular is an asset.

Language requirements:

- Excellent oral and written communication skills in English or French. Knowledge of a third language, preferably Portuguese, would be an asset.

ANNEX I

Terms of Reference for Senior Advisor (Environmental and Social Risk Management and Extractive Industries)

Duty Station: Addis Ababa, ETHIOPIA

Languages Required: English French

Starting Date: 01-May-2013

Duration of Initial Contract: 12 Months

Expected Duration of Assignment: 4 Years

Background:

The regional project on Harnessing Extractive Industries for Human Development in sub-Saharan Africa provides regional support for countries in the following areas in line with UNDP's corporate strategy: (A) Participatory legislation, policy and planning, (B) People-centred exploration and extraction, (C) Effective revenue collection and management, and; (D) Investing resource rents in human development and structural transformation. Activities within these areas are designed to overlap and complement national and regional/sub-regional activities in the nine programme components proposed in the African Mining Vision Action Plan. In the implementation of the project UNDP will leverage its comprehensive and cross-cutting mandate, and its impartiality and extensive country-level experience, and work closely with AUC, NPCA, RECs, member states, development partners, civil society and the private sector. The functions of the Senior Advisor outlined in these Terms of Reference will contribute to delivering specific activities under area (C).

A precondition for transforming natural resources wealth in Africa into long-term advances in human development is to ensure that governments capture the rents and manage the economic and political effects of the extraction process. In turn this is impacted by the terms under which governments enter into contracts and agreements with international companies. Typically, and particularly when it comes to mineral resources, these terms are negotiated through a process characterized by profound bargaining and information asymmetries. Moreover, often capacities to monitor implementation of contracts and ensure adherence to regulatory frameworks are weak. This can lead to sub-optimal results for the host country in the form of foregone revenues and missed opportunities for sustainable utilisation of the resource, investments in human development and structural transformation. There are also often weak policy and institutional linkages between increased revenue flows from the investments and exploitation of the natural resources and pro-poor and community development initiatives.

Description of Responsibilities:

The Senior Advisor leads the provision of technical assistance and initiatives to strengthen capacities in the area of environment and social risk assessment and conflict prevention, in the natural resource sector among national governments, regional partners and UNDP Country Offices in sub-Saharan Africa. Under the supervision of the Chief Technical Advisor for the Regional Project, the Senior Advisor will assume responsibility for performing the following duties:

- Lead the adaptation and development of integrated tools for analysis of risks in multiple dimensions such as horizontal inequality (e.g. gender or ethnicity), environmental degradation and biodiversity conservation, and conflict prevention, associated with extraction of natural resources.
- Facilitate the application of these tools in countries preparing country “visions” or “road maps” for extractive sectors.
- Support to national governments in these and other countries to develop complimentary activities, if feasible within the country programme framework and in partnership with other stakeholders at the national level.
- Promote strategic partnerships with key regional bodies (such as African Union and the NEPAD Agency), development partners (such as African Development Bank, Economic Commission for Africa and World Bank) and other organizations focused on community development.
- Develop knowledge products that can inform global policy formulation, South-South collaboration and knowledge exchange, and position UNDP as a broker of knowledge in the areas of social risk management and community development.
- Provide substantive guidance and oversight to one or more a community development specialists.

Competencies:

Corporate Competencies:

- Demonstrates integrity and fairness. Shows strong corporate commitment.
- Demonstrates commitment to UNDP’s mission, vision and values.
- Displays cultural, gender, religion, race, nationality and age sensitivity and adaptability.
- Values intellectual rigour and honesty.
- Responds to and supports others in the organization who request advice.

Functional Competencies:

- Champions knowledge-building and sharing.
- Makes valuable contributions (e.g., documented knowledge, community building) to UNDP practices.
- Demonstrates strong substantive and process knowledge.
- Ability and disposition to travel extensively, especially in the Africa region.
- Capacity to formulate and test/implement innovative approaches to capacity development.
- Effectively applies existing knowledge to improve performance.
- Strong strategic analytical skills combined with an ability to anticipate emerging trends and issues with implications for African development.

Qualifications:

Education:

- Advanced university degree in Anthropology, Conflict Resolution, International Development, Sociology or other related field.

Experience:

- At least 10 years of proven track record in participating in or providing strategic guidance and advice in social risk assessment and conflict prevention in developing countries.
- Documented experience in developing tools for managing risks in multiple dimensions (e.g. gender, environment and conflict) and at multiple levels (e.g. community, sub-national, national).
- Proven ability to establish partnerships and/or networks in the area of capacity development for social risk assessment and conflict prevention related to natural resources.
- Track record of policy reform and innovation on capacity development, strategic decision-making and organizational leadership.
- Experience in dealing in public sector reform and capacity development issues
- Proven professional credibility and extensive network of international institutional and individual contacts.
- Research and publications record on African development issues in general and in the area of community development and risk management is an asset.

Language requirements:

- Excellent oral and written communication skills in English or French
- Knowledge of a third language, preferably Portuguese, would be an asset.