



NEPAD PLANNING AND COORDINATING AGENCY

PRESS RELEASE

Effective natural resource extraction is critical to Africa's development.

However many countries experience a lack of capacities to negotiate good investment contracts. Such complex contracts require a wide range of in-depth knowledge of international commercial law, engineering, financial analyses and economic modelling. This lack of capacity puts African countries in a weak and vulnerable position because investors often have at their disposal high level negotiation experts.

These are some of the major concerns that the NEPAD Agency drew attention to at the Fifth Meeting of the Policy Dialogue on Natural Resource-Based Development.

Speaking at the opening of the workshop, the NEPAD Director of Programme Implementation and Coordination, Mrs Estherine Lisinge-Fotabong said, "Extractive contracts are, for most of African countries, the most viable means of generating funds for the state budget and drive economic growth and prosperity more generally. When these resources are non-renewable, such as oil, gas, and mining, the need to get a good deal for these resources is that much higher."

During the three-day workshop organised by the Organisation for Economic Co-operation and Development (OECD), the NEPAD Agency and the G7 initiative on strengthening assistance for Complex Contract Negotiations (CONNEX), participants underscored the need to use natural resources for the structural transformation of the economy to ensure broader and more inclusive development.

The workshop was based on four areas of work: the creation of shared value and local development; the expenditure and revenue stabilisation funds; obtaining more favourable contracts; and the detection of corruption risks in the extractive sector.

"The objective of this dialogue is to discuss interlinkages between several sector and policies among major stakeholders of the Extractive Industry sector and to promote a multi-sectoral and multi-disciplinary approach when it comes to negotiating better deals on natural resources exploitation" said Lahra Liberti, Senior Advisor, Natural Resources OECD Initiative for Policy Dialogue on Natural Resource-based Development, OECD Development Centre.

The workshop is part of the NEPAD Natural Resources Governance Programme engagements across the continent and globally and is a key activity of the Programme, which aims to comprehensively develop the necessary technical skills of Member States to ensure that ministries are adequately prepared to initiate, implement and administer the lifecycle of projects and make informed decisions throughout the value chain in the extractives sector.

About the NEPAD Natural Resources Governance Programme

Pursuant the request of the Heads of States during the last AU Summit, the NEPAD Agency developed the Natural Resources Governance Programme articulated around 3 main intervention areas; 1) Strengthening the negotiation Capacity of African States and monitoring the implementation of CONNEX Initiative at the Continental level; 2) Improve coordination among stakeholders and actors of the extractive sector in Africa; 3)Capacity building.

###

For more information, please contact:

NEPAD Agency Communications

media@nepad.org

+27 (0) 11 256 3615

About the NEPAD Planning and Coordinating Agency (NPCA)

The **NEPAD** Planning and Coordinating Agency (NPCA), is a technical body and development vehicle of the African Union (AU). The NPCA is responsible for the implementation of the New Partnership for Africa's Development (**NEPAD**), a strategic framework for pan-African socio-economic development. In order to address critical challenges facing the continent, the NPCA facilitates and coordinates development programmes and projects, pushing for partnerships, resource mobilisation, research and knowledge management.