

Regional Policy Positions: African Governments Post-2015 Positions on Relevant Themes

Regions Refocus, an initiative housed at the Dag Hammarskjöld Foundation, has compiled below the proposals of African governments as related to the main themes of the meetings “**Policy Dialogue on the Implementation of the Africa Mining Vision and ECOWAS Minerals Development Policy**,” “**Policy Workshop on Illicit Financial Flows and Africa**” held 6-7 and 10-12 November, in Accra, Ghana, and “**Infrastructure Development in Africa: High Ambitions, High Risks**” held 25-26 August, in Johannesburg, South Africa. These government positions were articulated in the Open Working Group (OWG) on Sustainable Development Goals (SDGs), the Africa Regional Consultative Meeting on the Sustainable Development Goals (which served as the Africa regional input into the 2014 meeting of the High-Level Political Forum), the Africa Outreach meeting of the Intergovernmental Committee of Experts on Sustainable Development Financing (ICESDF), and the Common African Position (CAP). The agreed language listed comes from the outcome document of the OWG and the final report of the ICESDF, published in July and August 2014, respectively, as well as the Monterrey Consensus (2002) and the Doha Declaration (2008) on Financing for Development.

Try the “Traffic Light” exercise: Mark the positions and agreed language below with a green, yellow, or red light according to how progressive the proposal:

- ⊕ for progressive recommendations,
- ⊖ for recommendations that could be amended for greater clarity or specificity
- ⊗ for recommendations that are regressive i.e. favor corporate influence or disregard human rights and environmental agreements

Below is our assessment, as a contribution to stimulate debate.

EXTRACTIVE INDUSTRIES/NATURAL RESOURCE GOVERNANCE

Issue	Proposals (and Proponents)	Agreed Language
Natural Resource Management and Governance	<ul style="list-style-type: none"> ⊕ Ensure transparency at the national level in the management of natural resources (<u>Tunisia</u>) ⊕ Adopt additional measures to fight corruption, promote good political and socio-economic governance, transparency and accountability in the field of natural resources management; and improve the enabling environment for the involvement of civil society (<u>CAP</u>) ⊕ Enhance the quality, resilience and protection of the environment and promote sustainable exploitation, use and management of natural resources (<u>African Group</u>, goal); enhance support to maintain and regenerate natural resources and ecosystems (<u>LDCs</u>) ⊕ Promote conservation and sustainable utilization of natural resources; enhance investment in sustainable management of natural resources (<u>Southern Africa region</u>) ⊕ Improving natural resource and biodiversity management by promoting sustainable utilization of the natural resources and biodiversity, 	<ul style="list-style-type: none"> ⊖ International cooperation is needed to tackle the illicit trafficking of natural resources, including from countries in situations of conflict. Transparency and anti-corruption programs, including voluntary initiatives, are also relevant in many cases (<u>ICESDF</u>) ⊖ By 2030 achieve sustainable management and efficient use of natural resources (<u>OWG</u>) ⊕ Take urgent and significant action to reduce degradation of natural habitat, halt the loss of biodiversity, and by 2020 protect and prevent the extinction of threatened species (<u>OWG</u>)

	including land and water for the continent's economic and social transformation (CAP)	
Resource Exploitation	<ul style="list-style-type: none"> – Increase significantly support to LDCs, with a view to reaching the status of high-income developing countries, through domestic processing of raw materials and integration in regional and global value chains (LDCs) – Increase support to diversification from primary commodities in extractive industries to value addition for resource-rich LLDCs (LLDCs) – Value addition, research and development and technological innovation are key to sustainably harnessing the natural resource base for the continent's economic and social transformation (UNECA HLPF Input) – Ensure the fair and equitable sharing of the benefits arising from the use of natural resources and biodiversity for the countries that possess them, with consideration for both present and future generations (CAP) ✘ Promote value addition, pertinent R&D, and technological innovations for sustainably harnessing the natural resource base and biodiversity by developing joint ventures and private-public-partnerships to facilitate the establishment of industries in Africa (CAP) 	<ul style="list-style-type: none"> – Improve progressively through 2030 global resource efficiency in consumption and production, and endeavor to decouple economic growth from environmental degradation in accordance with the 10-year framework of programmes on sustainable consumption and production with developed countries taking the lead (OWG) + – In resource-rich countries, the management of natural resources is particularly critical... Governments can also design policies to ensure that a share of resource earnings are saved and invested for the benefit of future generations, as in sovereign wealth funds (SWFs) (ICESDF) ✘ Environmental accounting, which incorporates environmentally relevant financial flows and accounts on the use of natural resources, is another mechanism that can help policymakers internalise externalities (ICESDF)
Extractive Industries	<ul style="list-style-type: none"> – Africa's resource wealth is currently not benefiting Africans sufficiently. Put in place fiscal regimes that successfully capture fair rewards from the activities of extractive industries. Such resources should also be linked to social development initiatives (ICESDF Africa Outreach) + – We remain concerned that food security is threatened by manipulation of commodity prices, the diversion of seeds and the unsustainable use of food crops for biofuel, particularly the conversion of arable land for mining and the production of biofuel crops (UNECA HLPF Input) + – Promote processing of primary commodities by developing national value chains across sectors and designing and enforcing national content and beneficiation policies in the extractive and primary commodity producing sectors of the economy (CAP) 	<ul style="list-style-type: none"> + – Fiscal rules governing the extractive industries should ensure that the public interest is appropriately compensated (ICESDF) – Additional capacity building efforts should target institutional capacities to collect adequate revenues from extractive industries (ICESDF) – We take note of voluntary initiatives [with regard to corporate transparency and accountability], including, inter alia, the Extractive Industries Transparency Initiative (Doha)

ILLICIT FINANCIAL FLOWS

Issue	Proposals (and Proponents)	Agreed Language
Address Illicit	<ul style="list-style-type: none"> + – Halt IFFs and repatriate ill-gotten wealth in foreign banks to countries of origin by 2030 	<ul style="list-style-type: none"> + – By 2030 significantly reduce illicit financial and arms flows, strengthen

Financial Flows (IFFs)	<p>(G77/China)</p> <ul style="list-style-type: none"> ➤ By 2020 return all illicit financial resources to countries of origin (<u>African Group</u>) ➤ Promote global cooperation to address illicit capital flows and eliminate safe havens (<u>LDCs</u>) ➤ We request the international community to double their efforts to track, report, stop and repatriate illicit financial flows from the continent, by improving the effectiveness of global regulatory and institutional frameworks to combat such flows. The African Union and the General Assembly should engage rich countries in the OECD to improve their disclosure policies (<u>UNECA HLPF Input</u>) ➤ African countries can take action [on IFFs] unilaterally, for example by ending tax deductions for multinational corporations (<u>ICESDF Africa Outreach Meeting</u>) ➤ Continue advocating for regional and global cooperation, particularly from IFFs-destination countries, towards stemming the flow of illicit funds out of Africa (<u>ICESDF Africa Outreach Meeting</u>) 	<p>recovery and return of stolen assets, and combat all forms of organized crime (<u>OWG</u>)</p> <ul style="list-style-type: none"> ➤ We commit ourselves to finalizing asap a UN convention against corruption in all its aspects, including the question of repatriation of funds illicitly acquired to countries of origin, and to promoting stronger cooperation to eliminate money-laundering (<u>Monterrey</u>) ➤ We will strengthen national and multilateral efforts to address the problem of IFFs, especially money-laundering. Additional measures should be implemented to prevent the transfer abroad of stolen assets and to assist in the recovery and return of such assets, in particular to their countries of origin, consistent with the United Nations Convention against Corruption, as well as to prevent capital flows that have criminal intent (<u>Doha</u>)
Combat Corruption	<ul style="list-style-type: none"> ➤ Support to strengthen institutional capacity and regulatory frameworks for preventing corruption, bribery and money laundering, the illegal transfer of funds and other illicit activities by both public and private entities (<u>LDCs</u>) ➤ Strengthen institutional mechanisms for prevention of corruption (<u>Southern Africa Region</u>) ➤ It is imperative to curtail illicit financial flows and fight corruption in a way that ensures the efficient and effective use of resources and domestic long-term financing (<u>CAP</u>) 	<ul style="list-style-type: none"> ➤ Best use should be made of existing international standards and instruments in anti-money laundering, anti-corruption and asset recovery (<u>ICESDF</u>) ➤ Planning and execution of budgets should be based on transparency, legitimacy, accountability and participation of citizens (<u>ICESDF</u>) ➤ We are determined to combat corruption in all of its manifestations, to reduce obstacles to effective resource mobilization and allocation and avoid diversion of resources away from activities vital for development (<u>Doha</u>)

DOMESTIC RESOURCE MOBILIZATION

Issue	Proposals (and Proponents)	Agreed Language
	<ul style="list-style-type: none"> ➤ Enhance support for domestic resource mobilization of LDCs through comprehensive measures and cooperation to significantly increase the domestic resources to GDP ratio (<u>LDCs, OWG</u>) ➤ Improve domestic resource mobilization by: ensuring financial deepening and inclusion and strengthening tax structures, coverage and administration; carrying out fiscal reforms; encouraging public private partnerships; and 	<ul style="list-style-type: none"> ➤ International support to developing countries to improve domestic capacity for tax and other revenue collection (<u>OWG</u>) ➤ An effective, efficient, transparent and accountable system for mobilizing public resources and managing their use by Governments is essential. We recognize the need to secure fiscal

	deepening capital markets. (CAP)	sustainability and equitable and efficient tax systems and administration (Monterrey)
Taxation	<ul style="list-style-type: none"> ⊕ Combat tax evasion and ensure sustained mobilization of increased domestic and external resources (UNECA HLPF Input) ⊖ Improve tax enforcement capabilities, both income and trade related, including collection capacity, and the quality of information on existing and potential taxpayers (ICESDF Africa Outreach Meeting) ⊕ Domestic resource mobilization should not exacerbate inequalities. Progressive tax systems are needed (ICESDF Africa Outreach Meeting) 	<ul style="list-style-type: none"> ⊕ Prioritize real income gains at the bottom of the income distribution through progressive tax policies and VAT exemptions on basic goods and services (ICESDF) ⊕ Strengthen international tax cooperation, through enhanced dialogue among national tax authorities and greater coordination of multilateral bodies and relevant regional organizations (Monterrey) ⊖ We will step up efforts to enhance tax revenues through modernized tax systems, more efficient tax collection, broadening the tax base and effectively combating tax evasion with an overarching view to make tax systems more pro-poor (Doha)
Reforms against Profit-Shifting	<ul style="list-style-type: none"> ⊕ We invite governments to continue implementing reforms in tax administration to address transfer-pricing manipulation and sophisticated and advanced tax planning and avoidance measures that have led to significant revenue leakage, resulting from illegitimate shifting of profits to jurisdictions where lower rates apply, especially by multinational companies (UNECA HLPF Input) 	<ul style="list-style-type: none"> ⊖ Domestic actions aimed at minimizing the flow of funds to secrecy jurisdictions and international cooperation to increase financial transparency, including exchange of information, country-by-country reporting and publicly available company beneficial ownership registers, effective implementation of the Financial Action Task Force (FATF) standards and asset recovery (ICESDF)

PUBLIC-PRIVATE PARTNERSHIPS (PPPS) & INFRASTRUCTURE

Issue	Proposals (and Proponents)	Agreed Language
Foreign Direct Investment (FDI)	<ul style="list-style-type: none"> ⊗ Establish an investment promotion regime for LDCs to foster FDI in infrastructure building of LDCs (G77/China, LDCs) ⊖ Enhance the mobilization of domestic resources and foreign investment to achieve at least 40 per cent investment to GDP ratios in LDCs against the current rate of 22 per cent. (LDCs) 	<ul style="list-style-type: none"> ⊖ Adopt and implement investment promotion regimes for LDCs (OWG) ⊗ We will seek to enhance [private international capital] flows to support development... We will strengthen national, bilateral and multilateral efforts to assist developing countries in overcoming the structural or other constraints which currently limit their attractiveness as a destination for private capital and FDI (Doha)
Public-Private Partnerships	<ul style="list-style-type: none"> ⊖ Engage all stakeholders in implementation of the SDGs, including through effective, innovative 	<ul style="list-style-type: none"> ⊖ Encourage and promote effective public, public-private, and civil society

(PPPs)

and accountable partnerships in cooperation with governments that mobilize financial resources, develop and disseminate technologies and provide technical expertise (LDCs, G77/China, African Group, Southern Africa Region)

✘ Scale up global partnerships for development [...] Broadening participation by all actors, including the private sector, will further enhance the ability to harness the interlinkages for sustainable development (UNECA HLPF Input)

✘ Mixed or blended financing, including PPPs, should be prioritized (ICESDF Africa Outreach Meeting)

partnerships, building on the experience and resourcing strategies of partnerships (OWG)

➡ The promotion of private-sector financial innovations and public-private partnerships can also deepen domestic financial markets and further develop the domestic financial sector. (Monterrey)

➡ Enhance the global partnership for sustainable development complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technologies and financial resources to support the achievement of SDGs in all countries, particularly developing countries (OWG)

➡ We acknowledge the need to promote and strengthen partnerships, including PPPs (Doha)