AfCoP
African Community of Practice

Managing for Development Results

From the African Community of Practice on Managing for Development Results at the African Capacity Building Foundation

Compendium of Case Studies on Governance and Economic Development

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<td>ACBF</td>
<td>African Capacity Building Foundation</td>
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<td>ADLI</td>
<td>Agricultural Development-Led Industrialization</td>
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<td>AfCoP</td>
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<td>AfDB</td>
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<td>AMV</td>
<td>Africa Mining Vision</td>
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<td>DRM</td>
<td>Domestic Resource Mobilization</td>
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<td>EAC</td>
<td>East African Community</td>
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<td>ECOWAS</td>
<td>Economic Community of West African States</td>
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<td>EFD</td>
<td>Electronic Fiscal Device</td>
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<td>GMS</td>
<td>Gender Management System</td>
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<td>GTP</td>
<td>Growth and Transformation Plan</td>
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<td>IDS</td>
<td>Industrial Development Strategy</td>
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<td>Industrial Development and Export Council</td>
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<td>Lagos Plan of Action</td>
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<td>Managing for Development Results</td>
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<td>NEPAD</td>
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<td>Organization of African Unity</td>
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### CONCLUSIONS AND POLICY RECOMMENDATIONS

### CASE STUDY MATRIX
The issue of leadership and good governance is continuously being examined at national and international level with regard to its impact on economic development outcomes. As Africa’s Agenda 2063 and attempts to achieve the Sustainable Development Goals (SDGs) gain traction, good governance in African countries remains a topical issue with numerous studies having found that poor governance is one of the banes of development in Africa (Al Bassam 2013, ACBF 2016). It is now crucial for Africa to improve its governance systems and harness what the international community can proffer to promote good governance. This compendium provides scholarly and practical perspectives on this issue. It then puts forward several recommendations towards improving governance systems across the continent and at the country level. It also highlights the capacity needed to improve governance in Africa.

The case studies in this compendium address the issue of promoting good governance in Africa, considering country specific characteristics and Africa’s peculiarity at large. Among the major findings, the following can be concluded:

• African states ought to consolidate democracy by reviewing their constitutions to indigenize democracy rules, partly through prominently featuring chieftaincy in modern politics.

• Political dualism has some complex and diverse features, which include the parallel but complementary roles of political institutions. There will be conflict and consensus, and some apparently paradoxical features among political parties. However, these should not compromise the vision of the country for growth and development.

• Performance-contracting in state corporations is essential and crucial to achieving improved performance by employees. However, success is highly dependent on political will and focused leadership.

• The need to revamp African universities has become imperative to produce the knowledge and provide the high-level skills needed to drive good governance and development.

• Mobilizing domestic resources required for the continent’s sustainable economic development. A multifaceted approach is particularly required to curbing illicit financial outflow, given its complexities and the diverse causal factors.
Some of the key lessons learnt from the studies include: that chieftaincy contributes significantly to local participation in governance and every state should align this process with its constitution and developmental goals; institutional arrangements play a prominent role in a country’s politics and, therefore, should be recognised accordingly; it is evident that partnership, teamwork, and managerial participation in the negotiation process and quarterly performance evaluations are necessary for the successful implementation of performance-contracting in public corporations; to improve core leadership skillsets, there is need for coordination at national and institutional levels to create a synergy between universities; and lastly, the successful performance of policy reforms depends largely on the sustained commitment of leaders and the availability of the required capacity to implement and enforce provisions.
INTRODUCTION

Good governance is a normative concept referring to norms of governance (AfDB 1994). The norms include government legitimacy based on popular sovereignty and international recognition of the government; an appropriate legal framework that guarantees the rule of law; participation in decision-making by the people at all levels of the state, and on the basis of political and social pluralism; freedom of association and expression that allows the formation of civil-society organizations; a critical evaluation of government decisions; bureaucratic accountability and transparency so that unbiased decision-making by officials, and a uniform application of rules can be guaranteed; rationality of governmental organizational structures incorporating a public administration system that is highly structured and characterized by objective and predictable behaviour by officials (AfDB 1994; Wohlmuth 1998). These elements of good governance are related to the tremendous task of socio-economic development, structural change and political reform at a country level. Governance, in the past two decades, has received increasing attention at regional institutions and at a country level in Africa. Therefore, the relevance of governance in improving economic development has been gaining traction. Strategies have been created to speed up development processes, measures introduced to change development institutions, and the quality of interventions related to sectoral development has been enhanced (Wohlmuth, 1998). Stable governance has not only become a feature of development co-operation and increasingly important to donors, it is of utmost interest for development management and state reform in Africa. According to the AfDB (1994, pp.176-191), the importance of the concept of governance for African development is related to the creation of the necessary basic extra-economic conditions that are important for the growth of African economies; an effective public administration; a functioning legal framework; efficient regulatory structures; and transparent systems for financial and legal accountability.

In this context, it is public goods supplied and social services provided at country level that make governance an important development concept (AfDB 1994, p176). Recently, in Africa, good governance refers to the development potential of democratic challenges (such as accountability, rule of law, freedom of expression and association, and the public choice of government) and is a crucial element of Africa’s resurgence. In the context of market reform and provision of social services, good governance refers to the consolidation of market reforms and the prioritization of providing social services to the African poor. Good governance also necessitates the adaptation and continuous improvement of market-oriented systems in a specific socio-economic milieu (Gray & Khan 2010). The provision of adequate public goods, the possibility of public decision-making in a democratic environment, and support for a market-oriented, socio-economic system constitute the elements of a developmental role of good governance.
Based on the importance of good governance to the development agenda in Africa and the ongoing debate on the issue of promoting good governance at a country level on the continent, the African Capacity Building Foundation (ACBF), through the African Community of Practice on Managing for Development Results (AfCoP-MfDR) has prepared this compendium to address issues of governance and economic development in Africa and at a country level. The compendium presents 13 case studies. Seven are focused on good governance in relation to the legitimacy of government; appropriate legal framework; popular participation in public decision-making; and bureaucratic accountability and transparency. The remaining six consider market reform; socio-economic development; structural changes and social services provisions. The recommendations made in this compendium are streamlined and address Africa’s peculiarities and developmental characteristics. The compendium is rich in content and is an immense resource to policymakers, academia, and governments in meeting the sustainable development goals and developmental commitments within Africa especially the Agenda 2063.

This compendium is organized into five sections. Section 2 addresses the key issues around governance in Africa and outlines the background of the case studies which are presented in section 3. In section 4, key policy recommendations to improve on governance aspects discussed in this compendium are put forward. Finally, section 5 provides a matrix of the case studies.
Struggles for economic development in Africa and elsewhere are often seen as demands for better governance. However, the new consensus over good governance supported by international financial institutions represents a much narrower program of reform based on neoclassical economic theory (Gray & Khan 2010). This agenda focuses on developing governance attributes in Africa that are theoretically supposed to enhance growth by making markets more efficient (Gray & Khan 2010). Some of these governance capabilities – such as measures to improve government accountability and lower corruption – appear to coincide with goals supported by social justice movements for better governance. After the economic crisis of 2008 that affected all aspects of life – political instability, rising financial troubles for both private and public finances, and a growing number of business bankruptcies – it increased the demand for government support from good government policies to provision of market oriented reforms and social services (AlBassam, 2013). Hence, this growing public demand heightened the quest for good governance and further threatened economic development.

Over the years, the World Bank Governance Indicators have shown that most African countries are challenged by poor governance, political instability and violence, and corruption. Figures 1 and 2 show the outlook for selected African countries in 2015. Most of these countries suffer from poor governance except Mauritius, Botswana, South Africa and Namibia, which were accorded positive estimates. Their positive outlook indicates that these countries achieved good governance compared to other African countries. The benefit of good and stable governance is evident in estimates of economic growth. Economic growth in these countries is quite impressive compared to their counterparts. There are few exceptions to the relationship between governance and economic growth, such as Cameroon, Cote d’Ivoire, Egypt and Ethiopia which recorded a negative relationship between governance and economic growth. Figures 1 and 2 show that these countries were rattled by poor governance but their economic growth was highly impressive, between 6% and 10%.

There is evidence that a high degree of corruption has encroached on the activities of most of the selected African countries, except Botswana, Mauritius, Namibia and Rwanda, which were given a low ranking with a positive estimate. A near-zero positive estimate denotes that the country in question is close to zero corruption.
Country-specific performance indicates that good governance reforms should be based on a particular way of understanding economic development that draws on a very specific and full understanding of new institutional economics and new political economy. Therefore, it can be assumed that political stability and economic development in African countries can be based on institutions of political representation, accountability and market competition (Adejumobi 1996; AlBassam 2013). This has raised several concerns for policymakers and governments (AlBassam 2013). But introducing a government policy that injects money into an economy, i.e. the bail-out syndrome, is not an optimal strategy to revive the economy and attain sustainable economic development, unless this policy response is combined with an effective and efficient governing system (AlBassam 2013; Aikins 2009; Reinhart & Rogoff 2009). Providing a sustainable way forward has prompted discussions in different fora on the continent but there has so far been no consensus on the development of a lasting solution to the menace of poor governance in Africa.

ACBF through the AfCoP-MfDR platform has coordinated the documentation and publication of case studies on governance and economic development in Africa. This compendium is designed to warehouse related case studies to improve access to knowledge and use thereof.
Background
Before the advent of British rule in Ghana, chieftains were responsible for maintaining law and order, and spearheading socio-economic activities. The emergence of indirect rule by the British authorities brought political dualism to Ghana; this was subsequently maintained by Ghana’s post-colonial government. Political dualism has now transcended all political levels – national, regional, district, and village – in Ghana. At present, most political systems in Africa are based on the dualism of traditional and modern leadership. This form of governance evolved from the history, tradition, and culture of the people; as well as the European model of governance, which was imported with colonialization.

Boone (2003) noted that efficient governance at local level is key to successful democratic practice and fundamental to representative and participatory democracy. Governance at a local level in Ghana and other African countries comprises largely of two parallel political entities: chieftaincy with traditional leaders and the local government structure with government functionaries. While some studies observed a positive relationship between the two political entities (Brempong 2006, p.27), others posited that the relationship between the two is strained, with power struggles between the traditional leader and enthusiastic assembly members who feel that they wield more political power than the leaders. Boateng (2014) opined that the struggle emanates largely from the lack of clearly defined constitutional provisions regulating the dual political system.

This study attempts to explore these complex relationships and offers recommendations on how the dualism could be changed to achieve greater grassroots participation in politics.

Activities and results
The study is based on a case-study approach. It involved a desk review of literature and evidence from the field. The case study documents the features of the complex relationships in Ghana’s political dualism and provides recommendations to reform and integrate the two systems more effectively to achieve a harmonious relationship that would result in improved representation and participation by citizens in decision-making. The results of the study indicate that Ghana’s political dualism has some complex and diverse features, such as the parallel but complementary roles of the institutions and consensus and conflict. This case study shows chieftaincy has its weaknesses, but contributes greatly to local participation in governance and every state should look for ways to align the two systems with developmental goals.

Challenges and lessons learnt
The lack of comprehensive constitutional provisions controlling and regulating the political dualism is a major problem in Ghana. In addition, the correct strategies for harmonization of customary laws with Western-based statutes to ensure effective local participation, accountability, and cost-effective local government implementation remain an obstacle to
the success of dualism in Ghana. Furthermore, the challenge to deepen the understanding of the present political dualism at local and national levels and of how ordinary people can become empowered through chieftaincy remains a major concern for effective participation in the processes of constitutional rule.

In addition, since the local government functionaries are part of the local community, they must possess diplomatic skills in dealing with the chiefs to enhance smooth administration. Lastly, the need to craft a comprehensive constitutional text to regulate dualism has become imperative.

**Policy recommendations**

Political dualism in Ghana and most African countries creates an imbalance in power-sharing as government functionaries in local communities play a peripheral role while the traditional leaders play a leading role. This is largely because of the strong dependence on customary laws by the two institutions in governing local communities. Consequently, a paradoxical relationship exists in Ghana’s political dualism. Despite the inadequacies in the dual political system, the complementary role of the dualism as practiced in Ghana and other African countries is quite essential to socio-economic development, especially as a developing/emerging economy. Hence, measures to reform and integrate the two systems more effectively to promote modern constitutional democracy have become paramount. These include:

- The need to review customary laws in order to modernise outdated laws.
- The creation of a nationwide program to document all customary laws of the various ethnic groups, addressing succession issues of land ownership and inheritance.
- Undertaking a public education campaign on the laws and customs regulating chieftaincy.
- The need for Parliament to consider modalities of pay for chiefs according to their status.
- The need to review the Constitution to prominently feature a policy of traditional institutions spearheading political administration in local communities.
- The gradual alienation of traditional leaders from regular cleansing rituals, but this is to be done cautiously, to preserve the cultural significance of this ancient institution.
- A greater budgetary provision in the annual national Budget to make local governments more efficient.
- Payment of a monthly allowance or remuneration to government functionaries by the state to make modern local government attractive to the youth.
- Enactment of laws by Parliament demanding that a candidate for district chief executive must have necessarily served with distinction in the position of an assembly person, town councillor, or unit committee member before being appointed.
References


WEBLINK TO THE FULL KNOWLEDGE PRODUCT
CASE STUDY 2

Leadership in Rwanda’s Economic Development

Background
Economic transformation and leadership are vital ingredients in achieving development results in any country. Leadership as defined by Jung, Chow and Wu (2003) is an activity rather than a position of influence or a set of personal characteristics. It refers to people who take the initiative or hold responsibility for project, an idea, or a program. In 1994, Ronald Heifetz developed a leadership model focusing on adaptive leadership for change. According to Heifetz, leaders are confronted by two types of problems: technical problems, which can be solved by expertise and good management; and ‘adaptive’ problems, which require learning and innovation. By definition, adaptive challenges involve a disparity between values and circumstance. Thus, the task of the leader is to close that gap.

Managing for development results (MfDR), a management strategy that focuses on using performance information to improve decision-making, requires leadership to set and achieve goals. The strategy may require committed leaders to utilize political capital to reform entrenched systems, shape a shared vision of the future, and improve government performance.

Rwanda is a small landlocked country that is negatively affected by its geography for exports and imports. Following the genocide in 1994, the political leadership in Rwanda focused on transformational leadership to provide the framework and overall guidance for economic transformation. In addition, the government recognized the need for deep adaptive changes. Hence, teams were sent for adaptive training in Singapore and elsewhere. The leadership of the investment and trade agency were sent for comprehensive leadership training at Harvard. Consequently, Rwanda’s Gross Domestic Product grew from around US$216.2 per capita in 2000 to more than US$702.8 per capita in 2014, a 325% increase (World Bank 2017). This case study focuses on the Rwanda leadership experience in attaining economic development goals.

Activities and results
The case study examines the implementation of business improvement reforms and steps taken by Rwanda to develop an adaptive leadership mode. It describes how change was implemented at regional and national levels through local and national initiatives. To improve the business environment, technical experts studied the areas that required improvement annually and implemented those changes. Individual initiatives were welcomed, but responsibility was shared. Legal drafting teams and Rwanda’s Parliament had to work hand in hand and develop a shared understanding of their common objective. In addition, Rwanda created a national approach to poverty reduction, called Ubudehe. Ubudehe offered a decentralized and collective system of tackling poverty reduction. It is the traditional Rwandan practice and cultural value of working together to solve problems. Furthermore, Rwanda established a high-level council for industry,
the Industrial Development and Export Council (IDEC), comprising relevant ministries and agencies. Annually, indicators for economic transformation were monitored as part of the overall framework and focus was placed on developing collective leadership skills. Private and public sectors actors from different districts were trained to improve their collective leadership and co-operation.

Rwanda also promoted investment in sectors such as energy. Thus, the economy of Rwanda is increasingly diversified. A Special Economic Zone produces goods such as light-emitting diode (LED) lights, biscuits, and computers for Central and East Africa. The results of the case study indicate that through leadership, training of leaders, and strict performance monitoring, transformative economic development is possible. These were the key elements in Rwanda’s economic success after the genocide. Consequently, from 1995 to the end of 2015, the economy grew at an average of 9.8% a year, and from 2000 to 2015, it grew by 8% a year.

**Challenges and lessons learnt**

The study revealed that relationship between the public and private sectors in Rwanda is cordial, but it has lacked a very high level of participation from either. Given Rwanda’s past, there is a level of distrust between the private sector and the government. Some prominent private sector actors had been found guilty of funding the genocide. The first attempt to form a public-private structure failed because the parties had different viewpoints and could not work together without specialized intervention and training.

Following an adaptive leadership approach, Rwanda reinvented itself through creativity, structural reforms, shared responsibility, effective coordination, effective communication, leadership training, and astute political leadership. Some key lessons are:

- Innovative, flexible approaches are also important for African states to achieve their development goals and aspirations stated in the continent’s ‘blueprints’, Agenda 2030 and Agenda 2063.
- Strong political will is required to address concrete issues and exercise adaptive leadership in implementing economic reforms.
- Stopping corrupt practices is needed to create credibility.
- Implementation of transformation can be costly.
- Strict performance management is critical to economic development.
- With improved business environment and adaptive leadership, the economic growth and prosperity will inevitably occur.

**Policy recommendations**

This case study shows a success story that has used leadership training and capacity building as important determinants in achieving development results. The government has established structures for building national development and coordinating government reform efforts. It has created a well-defined, long-term reform strategy that informs the country’s short-term development goals. Consequently, key recommendations from the case study are as follows:
• Strong political will is crucial to address issues and exercise adaptive leadership in economic reforms and to stop corrupt practices.

• The country must also enjoy strong political support for private sector development, and lay heavy emphasis on adaptive leadership and capacity building for change management.

• There is need for African countries to streamline regulatory processes for starting, operating, and closing a business.

References


Domestic Resource Mobilization in Africa: An overview of the use of electronic fiscal device in VAT collection in Malawi

Background

Domestic resource mobilization in Malawi and many other African countries relies largely on tax revenue, which is divided into direct and indirect taxes (ACBF 2015). A direct tax is one paid directly to the government and cannot be shifted by the taxpayer on to someone else, whereas an indirect tax can be shifted to the final consumer. Generally, direct tax is levied on income and is charged at source, while the indirect tax is a tax on expenditure or consumption such as customs and excise duties and value added tax (VAT). The trader can transfer this tax to the final consumer by simply increasing the commodity price to include the duty or VAT. Indirect taxes are the main contributors to the Malawi central government’s revenue.

Surtax sales tax was introduced by the Malawi government in 1970/71 to broaden the tax base and increase tax revenue. In the 1971/72 fiscal year, the government raised the surtax rate from the initial 5% to 10% of the normal ex-factory selling price. In 1984, the standard surtax rate on goods and services further rose to 25% of producer prices for domestically produced goods and 30% of the cost, insurance and freight (CIF) prices plus duties for imports. In 1989/1990, the Malawi government shifted taxes from income toward consumption taxes, with an aim of reducing direct taxes and increasing indirect taxes. In 2000, the Malawi Revenue Authority (MRA) was officially opened and it has helped to modernize the tax systems and procedures in Malawi. In 2005, the law changed to recognize VAT as a tax and this further widened the tax base. The period between 2009 and 2011 saw the introduction of VAT machinery, banking services and some basic commodities. This resulted in business operations and access to finance becoming more expensive. This led to a shrinking market because of a lack of affordability by consumers. To encourage compliance and develop the private sector, the government in 2012 removed various taxes including the minimum tax based on turnover, taxes on gains from the sale of shares and VAT on several services.

Despite these reforms, Malawi’s tax system was bedeviled with low compliance, largely due to the high tax rate, the prevalence of a large informal sector outside the tax system, lack of mechanisms by the MRA to collect taxes from the small-scale businesses, under-declarations of income and profits by traders as well as tax evasions. Consequently, to address these challenges, the MRA introduced the Electronic Fiscal Device (EFD) in March 2014. The EFD records all sales transactions and provides electronic evidence of such transactions in an easy and undisputed way. It is a technological device that revenue administrators can employ to monitor business transactions. This case study examines this initiative with a focus on VAT revenue performance pre- and post-implementation, the challenges faced, lessons learnt and policy implications.
Activities and results
Prior to the introduction of the EFD, the Malawi VAT Act was amended by Parliament in July 2011 to make it mandatory for all VAT operators to acquire and use EFDs for all sale transactions. Consequently, the MRA introduced the EFD in 2014 to curb VAT administrative challenges including tax evasion through the non-issuance of tax invoices, especially by small to medium taxpayers. The EFD program was implemented in phases based on the category of the VAT operator.

In the first phase, VAT operators issuing manual receipts or using ordinary cash registers were required to acquire and use the EFDs. The first-phase deadline for VAT operators to acquire the devices was 30 June 2014. During the next phase, the program targeted VAT operators using point-of-sale (POS) systems requiring Electronic Fiscal Printers (EFP); they were followed by those that issue business to business (B to B) invoices who were required to use Electronic Signature Devices (ESD). By the end of all the phases, it would be mandatory for every VAT-registered operator to use an EFD, including any new business registering for VAT as of 6 March 2014.

The introduction of the EFD in Malawi’s tax system resulted in the following:

- Pre-EFD and post-EFD analysis revealed that VAT on average increased to a monthly average of $12.27 million post-EFD from a monthly average of $11.19 million (MRA 2016) before EFDs were introduced.

Challenges and lessons learnt
Despite the current and potential success of EFDs in Malawi, the implementation was confronted by some challenges. These included:

- Resistance from taxpayers in form of court orders restraining the MRA in 2014.
- Unwillingness of taxpayers to use the machines.
- Technical challenges with the devices.
- Falsification of sales value by some traders.
- Insufficient number of EFDs.
- Inability of EFDs to process refunds, or transactions for returned goods.
- Lack of information provided to the public that evasion is illegal and a form of corruption.

Although the EFDs have been operational for just over two years in Malawi, several lessons can be drawn to ensure better implementation in the future. These include:

- The need for more public awareness and tax education on the consumer side, to enforce the tax and to prevent consumers from being cheated with false receipts.
• The need for incentives so taxpayers will use the device.

• Legislative for the successful implementation and enforcement of the process.

Policy recommendations
Despite the several tax reforms undertaken in Malawi, revenue generated remains grossly inadequate to meet government expenditure. Consequently, the country still relies heavily on donor assistance. Thus, the following policy recommendations are formulated to improve DRM in Malawi and other African countries through taxation:

• There is need to incorporate the informal sector and perhaps reduce the tax rate to bring in businesses that may currently be evading the tax due to the perceived cost.

• The need to enforce compliance through appropriate legislations.

• Revenue Authority needs experienced legal counsels to enhance their legal standing to minimize injunction and enable more timely prosecutions;

• ICT infrastructure should be improved to facilitate the implementation of electronic tax systems;

• Intense civic education to ensure taxes are inclusive and pro-poor.

• There is need for policy consistency that will promote private sector development, revenue mobilization and formalization of the informal sector.

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Malawi Revenue Authority (2016). Electronic Fiscal


WEBLINK TO THE FULL KNOWLEDGE PRODUCT
CASE STUDY 4

Good Governance and Inclusive Election Systems: The case of Mauritius

Background
Mauritius has the reputation of being ‘an island of success’ and continues functioning as a successful, inclusive, responsive, and responsible democracy. This is because Mauritius has overcome the practices that undermine democratic progress in some African countries. Mauritius has established strong institutions for horizontal and vertical accountability. It has effective grievance-handling mechanisms and has promoted cultural and inter-ethnic cooperation through conscious and concerted efforts. It uses cultural and ethnic diversity to harness Mauritian society rather than dividing and ruining it under the guise of decentralization or devolution, as demonstrated in several countries. Mauritius created independent elections and boundary management commissions and insulated them from political interference by ensuring that civil servants do not manage them.

In 2011, The Minority Rights Group International commended Mauritius for having ‘one of the non-Western world’s lowest proportions of people living in absolute poverty’ (Minority Rights Group International 2011, p.2) in its human welfare indicators in Africa. The rights group also noted that the island nation had managed to combine growth with equity despite its great cultural diversity, adding that in many countries this may seem ‘an uncompromising basis for democracy and redistributive practice’ (Ibid). In addition, the US State Department’s Human Rights Reports frequently acknowledge Mauritius as a country where the rule of law is observed above the regional average. It has equally noted that the citizens can criticize government operations and policies openly or privately without reprisal. The media operates independently and human-rights abuses are openly and effectively investigated and handled (US State Department Human Right Reports 2002, 2010, and 2012).

Therefore, as this study seeks to examine factors that have contributed to election violence in some countries, it also examines Mauritius’s strategies and safeguards for non-violence and free elections free despite its cultural and ethnic diversity.

Activities and results
This study focuses on systematic review of previous studies and reports. It critically examines the mechanisms, processes and institutions that Mauritius put in place for engendering and sustaining democratic principles and practices (rule of law, respect for human rights and effective and efficient service). It discovered that Mauritius stands out as a small country but a big nation on the African continent in terms of democratic governance, rule of law and respect for fundamental human rights.
This is because it has avoided the trappings of executive presidential powers, has institutionalized parliamentary supremacy, and has insulated the electoral bodies from executive control or interference. The Mauritian Constitution has created space for the representation of minorities and losers in elections and has given voice to women in the political processes. Some of the factors that make Mauritius stand out include:

- **The supremacy of Parliament:** Unlike most countries in Africa, the 1968 Mauritian Constitution makes it difficult for the President to use his power of assent to a bill to dissolve Parliament.

- **Protection of constituency boundaries:** Boundary review is done on a 10-year cycle or after a national population census when such changes are deemed necessary. However, in all cases, the changes must be approved by a resolution of the National Assembly [Article 39 (1) and (2)].

- **Independence of election-management bodies:** Article 40 establishes the office of the Electoral Commissioner, who must be a practicing barrister, is appointed by the Judicial Services Commission and is ‘not subjected to the direction or control of any other person or authority’.

- **The voting system:** In Mauritius, the voting system uses the majority vote standards based on a block-vote system. It is a modification of First Past the Post (FPTP) system, which has been used to foment tension and election violence in many countries.

- **Coexistence and consolidation of statehood:** While statehood and national cohesion seem to be on the decline in several African countries, it is on the rise in Mauritius. Several factors account for that. Most paramount is the idea of a ‘rainbow nation’ and a deliberate and coordinated national recognition and respect accorded to each community group.

**Challenges and lessons learnt**

Good governance and an inclusive election system are impeded in most African countries, including Mauritius, by a wide range of problems. This study found that bad governance and electoral violence persist in most African countries due to the following;

- **Trench-war mentality in competitive politics:** Politicians in affected African countries see elections as a zero-sum game (‘do or die affair’).

- **Poor, or lack of, institutional mechanisms to rectify election irregularities:** Most electoral systems in Africa lack remedial mechanisms for discussing and charting ways for ensuring that identified mistakes are not repeated in the subsequent elections.

- **Politicization of election-management bodies:** Independent electoral bodies in some countries are not institutionally autonomous. They do not manage their own funds and their personnel are controlled by the central civil service authorities.

- **Commercialization of politics:** Politicians and business moguls make money from
electoral crises. Apart from money made from conflicts, election violence is also caused by the amounts candidates spend on bribes, treats, entertainment and vote-buying.

- **Militarization of political parties and election processes:** Most constitutions in Africa prohibit involvement of the military in party politics. This, however, has not prevented political parties from forming armed brigades and using militias in political campaigns either to mobilize support or to intimidate opponents.

Mauritius has adopted the following practices to circumvent challenges highlighted above.

- **Supremacy of the Parliament:** In most African countries, the President can use his power of assent to a bill to dissolve Parliament. In Mauritius, in cases where the President refuses to assent to a bill and the Parliament disagrees with the President’s refusal does not lead to dissolution of Parliament.

- **Independence of election-management bodies:** Article 40 states that the practicing barrister appointed by the Judicial Services Commission is not subjected to the direction or control of any other person or authority.

- **Protection of constituency boundaries:** Several African countries have changed boundaries by abolishing or splitting constituencies dominated by the opposition. For instance, Tanzania made such changes close to the 2015 elections. Zimbabwe and South Africa are not immune to this either. However, Mauritius has appointed the Electoral Boundaries Commission which has the veto power to review boundaries after every 10 years or at the conduct of a national population census.

**Policy recommendations**

Election violence is a result of bad governance, which is characterized by: disrespect for the rule of law; unrestricted powers of the executive; lack of checks and balances among institutions of the state; and curtailed parliaments and electoral management bodies that operate under the control or influence of the executive.

The lack of remedial mechanisms to prevent a repeat of violations of election rules and procedures encourages subsequent violations that lead to violence and protracted conflicts. Therefore, based on the foregoing analyses, the following recommendations involve:

- Establishing strong institutions to ensure transparency and good governance, to create conditions for national coexistence as exemplified in the case of Mauritius, which deserves the label of ‘an island of successes’.

- Guaranteeing the independence of election-management bodies as in Mauritius, where electoral commissioners are appointed by the Judicial Services Commission and are ‘not subjected to the direction or control of any other person or authority’. 
• Establishing remedial institutions charged with handling crises or conflicts arising from elections and governance.

• Ensuring equity in distribution for the common/public good. This entails avoiding marginalization of one sector of the population while favoring the other. Mauritian leadership has worked hard to cultivate a universal cultural identity promoted at all levels of government and by non-governmental organizations (NGOs).

References


CASE STUDY 5

Getting Better Performance from the Public Sector
Performance contracting in Kenya

Background
The ultimate aims of performance-contracting are to reverse declines in public-sector efficiency by ensuring that resources are focused, and to attain key national policy priorities. It is a management tool to help public-sector executives and policy-makers define responsibilities and expectations for contracting parties. Performance contracts are expected to institutionalize a performance-oriented culture in the civil service through the introduction of an objective performance-appraisal system. It measures and evaluates performance, linking rewards to measurable performance.

In Africa, following World Bank approval of performance contracting as a principal measure of reforming state corporations, performance contracting has been adopted in Gambia, Ghana, Kenya, Namibia, Nigeria, and Tanzania (Kobia & Mohamed 2006; Commonwealth Secretariat 1995). Kenya started the process of adopting performance contracting by setting up a Performance Contract Steering Committee in August 2003, and by issuing Legal Notice No. 93, the State Corporations (Performance Contracting) Regulations (2004). According to these regulations, performance is defined as ‘evaluated results of achievement of agreed performance targets’. The study documents Kenya’s experience in adopting performance contracts in its civil services and public corporations, and its contribution to effective public service delivery.

Activities and results
This paper documents Kenya’s experience in adopting performance contracting in its civil service and public corporations, and its contribution to effective public service delivery. The study discovered that in introducing performance contracts, the government targeted several ‘core’ results (Government of Kenya 2010): improving efficiency in service delivery to the public; improving performance and efficiency in resource utilization; institutionalizing a performance-oriented culture in the public service; measuring and evaluating performance; linking reward for work to measurable performance; instilling accountability for results at all levels in the government; ensuring that the culture of accountability pervades all levels of government; reducing or eliminating reliance on exchequer funding by public agencies; strategizing the management of public resources; and recreating a culture of results-oriented management in the public service. Ministries were, for the first time, required to work toward set targets, draw up service charters with their clients, and compare their performance with the best in the world. The results were so impressive that they won international recognition, with various African countries wishing to learn from
Kenya’s experience (Government of Kenya 2010: 2). Other findings were:

- Performance evaluation reports by the ad hoc evaluation task force concluded that performance contracting is valid and necessary.

- Success is highly dependent on political goodwill and focused leadership. The speedy entrenchment of the process is attributable to the consistent support and encouragement by the president and the prime minister, aided by commitment from other leading civil servants.

- According to Mwangangi (2009), focused leadership, partnership, teamwork, and manager participation in the negotiating process and quarterly performance reports were the main factors in the success of performance contracts at public corporations.

According to Trivedi (2007), there are some general lessons on implementing performance contracting. The performance-contracting document should be freely negotiated. If not, it will be accepted overtly but resisted covertly. A third party must ensure that performance contracts have been negotiated freely and that they are fair to both parties as well as the citizens/clients. Performance contracting should be evaluated by a third party to ensure fairness since one party to the contract cannot be the sole judge of that contract.

From the Kenyan experience, the following key lessons emerged:

- To institutionalize and create ownership of performance contracts, managers and citizens should be involved and allowed to manage the process, rather than importing external experts with no local knowledge.

- Governments should allocate adequate resources to achieve set targets.

- Governments should honour their financial commitments to the evaluation of employee performance.

- A performance-contracting strategy is a prerequisite for streamlining management and operations of the public service, and for improving its efficiency. But for the strategy to be fully integrated and effective, it must extend to all institutions within the three branches and various levels of government.

**Challenges and lessons learnt**

The study discovered that public services in many African countries are confronted with many challenges constraining their delivery capacities (Lienert 2003). In human resources, these challenges include a shortage of staff members with the key competencies, appropriate mindsets and the right psychological disposition. A perennial problem is paucity of financial and material supplies. A gradual erosion of ethics and accountability bedevils the public sector. But public-sector reforms meant to address these challenges achieved minimal results (AAPAM 2005).
Policy recommendations
Performance contracting can be a key element of the current public-sector transformation strategy for achieving the long-term development goals of Kenya and many other African countries, especially as it has had a positive effect on employee performance in state corporations in Kenya.

The government of Kenya may wish to consider:

• Setting performance targets, ensuring that target-setting is well organized and planned.

• Expanding target-setting to cover all areas of the organization and cascade the process to all employees of the organization.

• Linking evaluation to an incentive system so that performance can be sustained. African states should consider adopting performance contracting as one avenue towards building the capacity for achieving competitive advantage and superior economic performance.

References


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WEBLINK TO THE FULL KNOWLEDGE PRODUCT
Moving Africa’s Public Sector to the Efficiency Frontier: Lessons from the private sector

Background
The need to improve efficiency and service delivery in Africa’s national public sectors and to raise accountability has become more important in recent years given rising poverty, growing insecurity, poor governance, widespread corruption – and a consensus recognizing that these improvements are needed to achieve Agenda 2063 and the SDGs by 2030. The private sector is more efficient largely due to its profit-making nature and the need to remain competitive. It is against this background that this case study was conceived to offer a ‘Six Efficiency Activity Framework (SEAF)’ for improving the performance of the public sector in Africa based on lessons and indicators from 15 countries across Africa, including Nigeria, Egypt, Kenya and South Africa. The case study offers a SEAF to ameliorate the inefficiency characterizing public-sector activities in Africa.

Activities and results
The SEAF stems from these managerial concepts as applied to the execution of task(s). The framework updates the managerial ideology to include outputs and outcomes that have reliable time lags and that can be evaluated with their impact on desired target(s). The study adopts six concepts (or core attributes): activity planning; budgeting; implementation; monitoring and evaluation (M&E); output; and outcome. The study makes use of the transformation envelope to describe the implementation of public-sector activities. The transformation envelope comprises the concepts identified above, however, it is activity based. The assessments and core debates of the paper are central in the SEAF to public-sector activities.

The SEAF is not dogmatic, rather it draws on what is obtainable in developed countries. The framework consists of six efficiency attributes that correct the deficiencies observed in public-sector activity and delivery. The efficiency attributes are.

- Efficient selection: In Africa, the process of selecting a public-sector activity is often not demand driven, but opinion-based.
- Efficient bureaucratic process: The process needs to minimize the time and corruption associated with the disbursement of funds and procurement of resources.
- Efficient procurement: Procurement methods in Africa are very poor. Government procurement is either overestimated or not related to need.
- Efficient M&E: This is somewhat like a side mirror, showing the true picture of events in phases and showcasing performance variance.
- Efficient impact assessment.
- Efficient time lag.
Going by the application, Africa’s private sectors have seen fast gains in performance and service delivery, but most of its public sectors have impeded development activities. Public sectors will now have to be more efficient in spending scarce national resources, considering, for example, foreign aid reduction and revenue shocks due to sharp declines in commodity export prices.

Challenges and lessons learnt
Most of Africa’s public sectors lack efficient service delivery. Most activities they handle are anchored by the managerial concepts of planning, budgeting, implementation, and M&E. However, the drive to prioritize the stages of execution efficiently to reduce wastage and redundancy is absent, necessitating a framework for addressing these deficiencies. The SEAF transformation envelope is essential to successfully implementing public sector activities. It includes the planning and selection stages. This involves documenting decisions made by planning committees, the selection group, and disbursement officers who make the payment and allocation of resources at each phase of the activity. An efficient distribution chain among the core attributes coupled with a means to prioritize activities in the annual work plan of each parastatal will help ensure success of the transformation envelope.

Policy recommendations
Commitment to efficient service delivery to citizens is one of the key functions of government in any country. However, over the years, African citizens have been deprived of this right due to inefficiencies in public-sector activities. This study has identified the stages of providing services in the public and private sectors and ranked them by performance indicators. Based on the performance indicators, the study recommends that the SEAF should be appropriately applied – either by following the way the efficiency framework is prioritized in the SEAF or by adopting the efficiency framework that addresses the issue at hand – as it will be useful for according the public sector the same benefits of efficiency-driven service delivery that the private sector already has.

References
Taming Rogue Police Forces in Peaceful and Post Conflict Situations: Lessons from Liberia

Background
The integrity of police forces in Africa has increasingly become questionable over the past three decades despite a continuous series of reforms. With the rise of corruption in many countries in the past few decades, police forces have risen in the charts among the most corrupt institutions on the continent (Jennings 2007).

Armed with guns and the power to arrest, detain and control movement of people, trucks and goods, police officers become easily prone to the abuse of power. In African countries, the unrewarding terms of service for police tempt them to seek gratification for their services or to refrain from rendering their services. In the absence of strong and effective institutions of good governance and accountability, some police officers are likely to become involved in corrupt transactions even in times of peace. In times of conflict, their behavior is likely to go beyond transactional corruption if institutions of governance become weakened. They may engage in anti-social behavior through activities that are utterly unjust and in violation of citizens’ dignity and rights or completely subversive and inconsistent with the expected behavior of public officials within established norms. This type of corruption incapacitates legitimate authorities from protecting citizens and subverts the systems of governance by making them wholly corrupt.

This paper focuses on efforts by the United Nations (UN), the Liberian government and its development partners to turn what had become a rogue police force into a professional, ethical and functional body after the 14-year war. Most important, the paper recounts how the police force was moved away from human-rights violations that included rape, assault and child abuse, to becoming a dependable and respectable force in the country. The key message is that in times of peace or war, it is necessary to undertake capacity-building reforms focusing on human security.

Activities and results
This study is based on secondary sources in the form of existing articles, books and reports that have been prepared on the subject. It is purely qualitative and did not involve any field research or surveys. The paper reviews examples and case studies from a number of countries including Mexico, Northern Ireland and Tanzania to show how good governance managed to restore professionalism among the police after it had systematically deteriorated in times of peace. In Tanzania, it was discovered that decades of neglect had led to the deterioration of the police force as it became too closely related to and protected by the ruling party from any criticism by the public or the press (Scher 2009). The paper then focuses on Liberia whose police force had become completely corrupt and perennially involved in violations of human rights, especially the rights and dignity of
women and children, during the civil war between 1989 and 2003 (UN 2010).

From the study, clearly, the most effective ingredient in reform is visionary leadership. The commitment of President Ellen Johnson Sirleaf to police reform and her commitment to end or effectively reduce gender-based violence involving the police led to rapid results in stabilizing Liberia. We can conclude from the Liberian experience that the second-most effective tool for reform is capacity-building largely around sound policies and effective policy-implementing institutions.

In 2005, it was decided that, by 2007, according to available resources there should be at least 3,500 officers and that, by 2014, 20% of the force should be women (UN 2004a). The UN Mission took over the police stations from the military and police presence in communities was intensified. The UN takeover was accompanied by the demobilization of rebel forces and demobilization camps were set up. As a result, the ex-rebels were removed from the police stations that they had taken over and then reintegrated into camps (Pugel 2006; Jennings 2007). The use of an integrated mission approach combining disarmament, demobilization, rehabilitation and reintegration, known as DDRR (UN 2004b), helped to address peace and resettle ex-combatants, thereby keeping them away from crime.

Bacon (2012) provides insights into what a gendered police and security reform agenda could entail. The culture of blaming the victim in cases of assault and rape was deeply engrained during the war. The public lost trust in the police and, as a result, very few victims of gender-based violence reported incidents to the police (UN 2010, Bacon 2012). The difficulty of investigating such offenses was exacerbated by the lack of trained and committed officers, lack of confidentiality, social taboos and stigma. Under the pretext of culture, even community leaders did not help a lot.

President Sirleaf appointed women into top positions in the police force including the first female inspector-general, Munah Sieh, and Asatu BahKenneth as her deputy in 2007.

The study showed that the reforms that brought sanity to the police force, implemented by Saidi Mwema at his ascension to inspector-general, quickly waned on his retirement and with it, the confidence of the public.’

It was learnt that:

- The reform had a gendered agenda since during the atrocities, mainly rape, assault, kidnapping, extortion and all forms of imaginable corruption were borne by women and girls.

- The state of Liberia is taking a more aggressive stance in sanitizing its police force. A police spokesperson said in an interview with Voice of America:

‘Yes, we do have bad police officers, but we are weeding them out of the police on a daily

Challenges and lessons learnt
Liberia was described by the secretary-general of the UN as the ‘epicentre of continuing endemic instability’ due to the civil war that engulfed that country between 1989 and 2003 (UN 2003).
basis. We have suspended people, we have sacked people, and we have sent officers for prosecution. Some of them are in jail for 10 to 15 years for getting involved in acts unbecoming of police officers.’ (Collins 2016)

• In the case of Liberia even Jacobson (2012) who believes there have been more failures than successes in the UN peacekeeping activities, has listed Liberia on his brief list of success stories.

Policy recommendations

Considering the study, it is strongly recommended that the government should:

• Mount a new wave of security reforms that address issues of gender-based violence as a separate threat to democracy and human rights in African countries.

• Adopt policies that make security reforms a continuous process because of the changing needs of the African economies and the rise in corruption among law enforcement agencies prompted by increasing prosperity and opportunities in the region.

• Institute critical, analytical and technical studies of security reforms in general and police reforms and develop common curricula that can be shared by all police-training institutions.

• Address issues of gender-based violence and mount courses and awareness programs for law-enforcement officers on comparative practices across the continent and beyond.

• Consider possibilities of reducing the involvement of police in election processes and organize research and exchange of knowledge and experiences on how police can be involved in overseeing elections without being involved, which in some cases causes election violence.

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Why is the Petroleum Industry So Bad at Supporting African Development – A case study of oil and gas extraction in Tanzania

Background
The potential benefits of a strong gas industry to socio-economic development are well integrated into Tanzania’s gas policy and stated in its development plan. With estimated gas reserves of more than 55 trillion cubic feet, Tanzania is expected to join the regional and global gas economy (Kibendela 2013). However, investment in the oil and gas industry involves huge capital resources, which can overwhelm a developing country that has not built its own internal capacity. Consequently, multinational oil companies have been engaging with the government in exploring natural gas and oil, off- and onshore. The level of engagement of citizens and stakeholders in the extractive industry, the availability and accessibility of data on these resources and the local content policy of Tanzania’s petroleum industry are critical concerns among all stakeholders.

This study evaluates some of the contentious issues relating to petroleum exploration and production and trade in Africa: gas industry reform in Tanzania; stakeholder and public engagement; good governance; and the current capacities of institutions and technical experts to harness the resources for national development.

Activities and results
The study is based on a systematic review of reports and studies. It analyzed the challenges bedevilling the oil and gas industry in Tanzania and proffered lessons and recommendations for policy-makers to avoid the paradox of the natural-resource curse. The study found that the oil and gas industry can be very alluring specially to developing economies but very volatile with disastrous results for economies that largely depend on it. The study noted that Tanzania has put in place strategies for natural gas so that its derivatives can become key drivers in the nation’s objective to become a middle-income nation, as iterated in Tanzania’s Vision 2025. However, the results of the study revealed that most people are uncomfortable about the management of natural resources in Tanzania and are concerned about free access to reliable information on governance and policies related to the oil and gas industry. In addition, the study also revealed the limited institutional and human capacity in the Tanzania’s petroleum industry.

Challenges and lessons learnt
The transparency index on natural resources in various countries in Africa revealed that corruption and mismanagement of natural resources have led to slower economic growth in countries with more natural resources and whose economies largely depend on these resources. This paradox is generally referred to as the ‘natural resource curse’. This has often widened the gap between the poor majority and the rich few, and often intensifies political rivalries. Hence, like the petroleum industry in other African countries, Tanzania’s petroleum is bedevilled with some challenges. They include:
• **Inadequate involvement of stakeholders:** The lack of public engagement has been a major obstacle to the effective use of oil and gas resources and has been at the root of political turmoil throughout Africa. The 2013 Mtwara riot in Tanzania broke out because citizens were raising their voices to demand information, transparency, and accountability from the government in the management of the oil and gas resources.

• **Lack of good governance and transparency:** The study found that most Tanzanians are uncomfortable about the management of natural resources in the country and are pessimistic about how the petroleum industry will improve the quality of life of most of the country’s citizens. Tanzania became a member of the Extractive Industries Transparency Initiative (EITI) and the Open Government Partnership (OGP) in 2009 and 2011 respectively. Though it has ratified EITI requirements on transparency, it is yet to integrate those undertakings into national policies for proper implementation. In addition, Tanzania joined Publish What You Pay (PWYP), a civil society organization global network in 2010. PWYP demands that each member country maintain a high level of transparency and accountability for its extractive industries. Tanzania’s membership was suspended in 2015 following its failure to comply with governance and membership conditions.

• **Limited institutional and human capacities:** There is insufficient human and institutional capacity for harnessing the huge benefits inherent in the oil and gas industry as Tanzania has only a few professional and technical experts with a good understanding of the industry. Most local experts have not yet developed the skills to track the performance of foreign energy companies. Consequently, the government relies largely on information provided by foreign experts or employees of the operating companies.

The main lessons from the case study are:

• The extractive industry requires huge resources for investment, and this can easily overwhelm developing countries that are yet to develop their internal capacity.

• It is imperative for countries to diversify their economies away from a single extractive commodity.

• Citizens’ participation in resource extraction at national and sub-national level is important for positive outcomes.

• There is a need to develop local capacity (Tanzanians and African experts) in the petroleum industry. Hence, capacity development must be mainstreamed throughout the education system, and delivered using every means, including apprenticeship programs and on-the-job training.

• The need to initiate a program to develop the capacity of nationals, so that within a prescribed, reasonable timeframe, the industry would be managed and fully controlled by Tanzanians dedicated to ensuring that it is run free of corruption.
• The government should set up proper regulatory and control mechanisms to mainstream oil and gas revenue into national budget systems and empower key public and private national stakeholders to participate as fully as their capacity allows.

• Effective communication strategies must be developed to enhance information sharing.

• Also critical is the availability of financial capacity for the local private sector to participate and invest in the local infrastructure required to support new extraction.

• The government should build its reputation and develop goodwill by involving and educating people living near any proposed gas plant or any other extractive facility on the impact of such projects. It is vital that locals fully understand the changes that may affect their lives.

• Lastly, it is also important to educate policymakers to recognize how local-content policies may be used to develop both the upstream and downstream sides of the petroleum industry and for them to recognize the potential trade-offs between local content, commercial interests, inward investment, and national revenues.

**Policy recommendations**
The oil and gas industry has the potential to support the national development vision. However, in Tanzania the level of industrial capacity required to service the petroleum exploration industry is extremely low. In addition, the exploitation of these domestic resources is affected by accountability and transparency issues and by inadequate public and stakeholder engagement. To harness the full potential of the oil and gas industry, it is imperative that a strategy be put in place to develop a full range of new capacity – technical experts, policymakers, key stakeholders including citizens, the private sector, labor, and academia. The strategy will require heavy investment, which in turn will require commitment and political will. Therefore, measures to reform and create an enabling environment that attracts investment in oil and gas, and fosters and serves the public interest have become paramount. These include:

• The need to think long-term and establish a stabilization fund to save a reasonable proportion of the revenues from extractive industries to guard against disastrous volatility.

• The need for local content in every extractive policy.

• The need to establish a knowledge-transfer policy in the industry to ensure that foreign experts transfer technical skills and knowledge to nationals.

• An emphasis on the national ownership of supplier firms, and ensure that all suppliers are tax-registered in Tanzania and demonstrate that they are adequately employing and advancing the careers of Tanzanian citizens.

• Support from the country’s Commission for Higher Education for academia to develop new curricula in tandem with emerging issues in the oil and gas industry.

**References**

**WEBLINK TO THE FULL KNOWLEDGE PRODUCT**
CASE STUDY 9

From Civic Education to Anti-Corruption Education: Building on the Experiences of South Africa and Tanzania

Background
The anti-corruption crusade has been widespread across African countries as a panacea to end corruption, which has become the major challenge to Africa’s development. However, such a crusade can best be handled through education. Recently, this was absent from countries’ educational policies. Today, the menace of corruption is increasing steadily and necessitates a demand for greater transparency and accountability in governance including putting in place civic education that will incorporate anti-corruption programs in Africa. The case study proposes taking civic education to a higher level, and recommends anti-corruption education, because it will strengthen civic education and because it is the overarching element in good governance, accountability and socio-economic development. In the first decade of independence in Africa, efforts were made to decolonialize civic education and orient it to the emerging system of power and governance. Some countries leaning toward socialism, such as Tanzania, South Africa and Zambia, used civic education to inculcate values of egalitarianism and social solidarity. As a result, the study focuses discussion on South Africa and Tanzania. The major objective of the paper is to situate anti-corruption education in the main agenda of civic education in Africa. The study adopted desk reviews of book and journal publications on civic education and anti-corruption education. In addition, reports and policy documents on civic education were reviewed.

Activities and results
In the study, civic education was discussed under the colonial and post-colonial periods with much interest in Tanzania and South Africa. In Tanzania, formal civic education was introduced by the German colonial regimes. During German rule, civic education was presented to teach the political aura that dominated activities at that time. Hence, the civic education was tagged political education. Young people were taught to accept the authority of the state, the supremacy of white people and the colonial rule. The British took over the colony after the Germans. The British combined efforts with religious leaders to propagate rules about being obedient and desisting from violent protest. All efforts of the British were to build a system of alienation and removal; a system that was tailored to project the power and invincibility of the queen and the British Empire.

In South Africa, the situation was not completely different from the motives of the colonial rule in Tanzania. The transverse line demarcating the similarity between the colonial escapades in both countries was on migration. The colonizers preached to the Tanganyika people that they migrated from the South, Southern Africa to be precise, while the Bantu people (South Africans) had migrated from the North. During apartheid, the Bantu in South Africa were forced to live as a separate nation and denied South African citizenship. Thus, the distortion during the colonial era was central on two main points in both
countries. First, Africans were taught to be foreigners in their own countries and second, civic education was nothing but a tool for converting Africans into acquiescent subjects, and not into citizens. This study shows that the colonial education system had adverse effects on governance, socio-economic growth and development of these countries.

The post-colonial period sounds impressive as the abolition of the colonial rule led to the emergence of new educational systems in Tanzania and South Africa. Civic education was jettisoned for political education in Tanzania under the leadership of Mwalimu Julius Nyerere. During Nyerere’s leadership, Tanzania was based on socialism and a self-reliant educational curriculum – political education curriculum. Political education was introduced into the school curriculum from primary to secondary schools, with the aim of transforming the education system into a socialist and independent system and removing the colonial background (Nyerere 1967). The political education was practiced among the youth and workers; the system bred efficiency and improved activity. The political education was halted after the end of one-party rule (Komba 1996). Multiparty politics has dominated the political scene in South Africa since independence in 1994. Therefore, there was an absence of opportunity for a one-party system, unlike Tanzania, to dictate the shape and path of civic education along the lines of political education or its dominant ideology.

In South Africa, civic education retained most of its colonial features and any reforms were within the realm of education reform. Studies reviewed on post-apartheid South Africa show that most South Africans had not completely embraced the values of liberal democracy. They argue that ‘While increasing levels of education are routinely found to be one of the most important predictors of support for democracy, in South Africa, education does not increase demand for democracy’ (Finkel & Stumbras 2000; Finkel & Ernst 2005; Mattes, Denemark & Niemi 2012). This could be because of the failure of the apartheid regime to adjust its policies to the aspirations of its people and the fact that the end of apartheid did not imply that South Africans were ready to adopt the values that would make democracy work.

In summary, the colonial and post-colonial regimes have shown that education – be it civic or political reforms – has been a dominant strategy for changing the social system and beliefs of African citizens, especially in Tanzania and South Africa. Corruption has been a major bane of development in Africa over the years; therefore, incorporating anti-corruption policies into the education curriculum could be a panacea to the long-lingering development menace in Africa. This can be realized through civic education, which is taught from primary to secondary school levels.

**Challenges and lessons learnt**

The developmental challenge that arose from the colonial regime was that the colonial education system in South Africa and Tanzania was in general used to block dialogue between communities. This indicates that social and economic interactions among communities were restricted, which slowed trade, growth and development. Most education received during this period was based on local content, and young people were socialized into belonging to their community, which had reduced regional integration that would promote growth and development. The aim was also to suppress nationalism and enhance
ethnic chauvinism. The main lesson learnt from the study is to enable African states to understand that civic education is essential in sustaining their constitutional calls for democracy and that the lack of strong commitment to the fundamental values and principles of democracy is a major impediment to free and open society.

**Policy recommendations**

Despite the shortcomings of the presentation and teaching of civic education by the colonial masters, advancing democratic societies in Africa has become a growing concern. The Tanzania policy provides a good framework for the continent. The paper strongly recommends that:

- The old-style civic education courses, which concentrated heavily on the structure of the state, should be replaced by courses that touch on critical issues of good governance, transparency and integrity systems.

- Coordination is required at regional and continental levels to develop a common approach to the development and delivery of civic education.

- Research needs to be supported to identify models of civic education that work and those that have failed.

- International exchange of information on anti-corruption education needs to be encouraged and supported through research.

- African capacity-development institutions should urge African states to redesign and implement civic education programs that will make anti-corruption the main agenda of civic education in Africa.

**References**


**WEBLINK TO THE FULL KNOWLEDGE PRODUCT**
Domestic Resource Mobilization for Successful Implementation of Development Programs in Africa: A Focus on Ethiopia

Background
Domestic resource mobilization (DRM) can be defined as the generation of resources from domestic sources and their allocation to economically and socially productive investments. DRM has become a mantra in Africa and other parts of the developing world because of its tremendous potential and vital role in successful implementation of the continent’s development and transformative agenda. DRM has become a central theme in several high-level discussions in Africa. The African Union (AU) Agenda 2063 emphasizes the importance of DRM for effective implementation of the agenda and the achievement of the intended development results. In addition, DRM is imperative to the successful implementation of the SDGs and the achievement of Africa’s development priorities. The increased drive for DRM is underpinned by the fact that DRM has the potential to increase the resources mobilized internally by African countries, thereby enhancing their self-reliance and weaning them from aid dependency; ensuring Africa’s ownership over its development strategies; and enhancing social contracts and accountability between governments and their citizens. Thus, in recent times, several African countries have recorded an increase in DRM, which has yielded corresponding increases in the resources available to governments to drive their development agendas. These achievements can be attributed to positive economic growth, tax reform and increasing resource revenue in resource rich-countries.

However, many countries in Africa still have challenges in mobilizing adequate domestic resources to finance their development strategies. The inability of these countries to optimize the potential benefits of DRM is attributable to many structural, institutional and human capacity challenges. The ACBF Africa Capacity Report (2015) highlighted the following capacity challenges: a very narrow tax base and a huge informal sector; high levels of capital flight; tax evasion and avoidance; proliferation of tax exemptions; the lack of legitimacy of tax administrations; relatively low penetration of the formal banking sector; and the lack of human, technical, legal, regulatory, and financial capacity to deal with illicit financial flows (IFFs).

Given dwindling and erratic donor assistance and the resources required to implement the SDGs, it is imperative for African governments to adopt strategies that will enhance their capacity to mobilize adequate resources internally. Thus, the study throws light on the benefits of DRM in Africa, using a case study on tax reform in Ethiopia, and highlights some of the challenges and strategies that can be leveraged by African countries to increase the mobilization of domestic revenue.
Activities and results
The activities include a desk review and an assessment of secondary information on DRM. These include a review and documentation of international trade tax reform as a means of increasing DRM in Ethiopia. The study reveals that IFFs posed a major obstacle to Ethiopia’s DRM. Consequently, the Ethiopian government has implemented many reforms aimed at strengthening the country’s capability in curbing IFFs to increase DRM. Though these reforms have not yielded the desired outcomes, they have led to:

• An improved legal framework to tackle money-laundering.

• Improved public financial management (PFM) and procurement.

• The introduction of tax reform in 2008 aimed at simplifying the tax administration system through the establishment of a single body – the Ethiopian Revenues and Customs Authority (ERCA).

• The adoption of a proclamation on media and the freedom of information in 2008 to strengthen the inclusive monitoring and external oversight of none-state actors.

Challenges and lessons learnt
Ethiopia has not been able to fully exploit its DRM potential due to structural and institutional challenges. The key constraints to DRM in Ethiopia include IFFs emanating from money-laundering, trade mispricing, corruption and other illegal activities such as human-trafficking. According to Culpeper and Bhushan (2010), Ethiopia lost about US$16.5 billion between 1970 and 2008 due to IFFs. This represents about 2.3% of the total IFFs from the continent, which was estimated to be a little over US$854 billion during the same period. Consequently, the Ethiopian government implemented reforms aimed at strengthening the country’s ability to prevent IFFs.

The key lessons learnt from the case study are:

• It is not enough to initiate policy reforms and rules without sustained leadership commitment and availability of the requisite capacity to implement and enforce the provisions.

• It is critical to identify the driving forces and the key players involved in IFFs to be able to institute the appropriate checks.

• It is also evident that the availability of effective and resilient institutions coupled with highly skilled and well-motivated human resources is fundamental to the fight against IFFs in Ethiopia.

• State actors, non-state actors and international stakeholders need to collaborate if the fight against IFFs in Africa is successful.

Policy recommendations
The potential benefits of DRM in helping African governments to mobilize adequate resources to finance their development strategies are enormous. Therefore, it is imperative for countries to develop capabilities including skills, systems and processes that will improve tax collection, administration and utilization to fuel the continent’s development. Key policy recommendations that can be implemented to improve DRM in Africa especially through taxation include:
• Formulation and implementation of tax reforms that are linked to the country’s growth strategy and properly sequenced to ensure that they generate long-term results that respond to the intended development results.

• Improving tax collection and administration capabilities.

• The expansion of the tax base, by motivating compliance and capturing more people and businesses in the tax net.

• Increasing the tax mix. Countries must ensure that there is a fair balance in the different taxes to avoid overdependence on only a narrow type of tax, which makes the country vulnerable to the changes in the global economic and trade dynamics such as trade liberalization and the fall in the oil prices on the world market.

• Collaboration of development partners with African countries by supporting policy reforms, skills and systems development as well as the fight against IFFs.

• Efficient and effective use of tax resources;

• Linking the formal, semi-formal and the informal financial sectors to facilitate effective mobilization of savings and to stimulate investment.

References


Background
The quest for inclusive growth and sustainable development in African countries has been recognized by several donor agencies such as the UN Economic Commission for Africa (ECA) and the World Bank (Chang, 2012). However, Africa needs an active industrial policy to realize these goals and sustain its growth (Chang, 2012). Industrial development is an optimal strategy to promote the structural transformation of African economies. It allows countries to completely harness and benefit from their natural resources, and ensure long-term development through the private sector. But in practice this has been abysmal and most African countries have no clear industrial policies (Altenburg, 2010).

The AU Agenda 2063 underlines the pan-African vision of giving a significant role to industrialization. More specifically, the action plan for the accelerated industrial development of Africa is a central strategy of the Agenda. This accelerated industrial development is aimed at mobilizing financial and non-financial resources to enhance Africa’s industrial performance. Over the years, policies have focused on macro-economic stability, taming inflation rate, exchange-rate controls, reviving traditional exports and liberalizing the economy (Whitfield et al 2015). These are contained in the structural adjustment policy prescriptions by the World Bank and International Monetary Fund. As constructive as the intention of these prescriptions was, they failed to include industrial policy development that could further propel growth for Africa. As stated by Lopes (2013, p.2) ‘Today, the weak African industrial structure still has to move out of shadow of those interventions e.g. structural adjustments’. This indicates that across African countries, the period of structural adjustment was one of de-industrialization. Hence, industrial policies remain paramount for Africa’s development. Ethiopia has an underdeveloped industrial sector, which stretches beyond manufacturing to include construction and mining. With its significant potential, it has therefore put in place industrial policies to enhance its contribution to domestic structural economic transformation and job creation. The goal is to move workers from poorly productive agriculture to industries and services, with higher productivity and better-paying jobs. It is evident from Ethiopia’s strong and consistent economic growth between 2004 and 2014 that the industrial policies are working. Hence, the need to focus on Ethiopia’s industrial policies, how they are implemented and the challenges encountered prior to and after implementation.

Activities and results
Ethiopia’s underdeveloped industrial sector goes beyond manufacturing; its construction and mining sectors have significant potential. It has therefore introduced industrial policies to enhance industry’s
contribution to its structural economic transformation and job creation. Despite its strong and consistent economic growth in 2004-2014, Ethiopia remains a low-income country and has been unable to foster structural transformation. Manufacturing’s share in gross domestic product is slightly higher than 4% and its share of employment was 4.7% in 1999. Industry’s 18.5% growth from 2013 to 2014 was driven by construction and mining (World Bank, 2015). To improve industrialization and enhance growth, Ethiopia implemented its first Growth and Transformation Plan (GTP) in 2011. The maiden edition of the plan was implemented until 2014 with a strong focus on industrial development. The second edition, from 2016 to 2020, aims to increase exports from industry and agriculture. This link between industrialization and agriculture is not recent, having been formulated in the early 2000s. Ethiopia is one of the few African countries to have experimented with and implemented, for more than a decade, a full-fledged industrial development strategy (IDS).

An integral component of the government’s agenda revolves around agricultural development-led industrialization (ADLI).

The study finds that five to 10 years after the enactment of the 1995 constitution and related agricultural policies, agricultural growth, poverty and food security had not shown any significant gains. Forward and backward production linkages remained weak, in part due to lack of demand. Extra income in Ethiopian households was generally directed to buying food rather than agricultural inputs. Moreover, the impact of the land certification program on smallholder tenure security was stunted by lingering tenure concerns. While the program’s resulting certificates had some positive effects on tenure security (land rental and leasing are legal), and on other outcomes such as land-related investment, land insecurity persisted.

**Challenges and lessons learnt**

It is difficult to evaluate the extent to which the Ethiopian industrial strategy has been implemented and to determine its positive and adverse effects, direct and indirect effects and so on. Industrial policies have not yet been systematically and independently evaluated. Again, monitoring and evaluation capacities are seriously limited in Ethiopia, not only for industrial policy. Despite a growing awareness of the need for monitoring and evaluation, fully independent third-party evaluations are rare (Altenburg 2010). A regular review of policies and instruments needs to be instituted to identify bottlenecks and capacity gaps. Policies must be framed to address capacity needs and constraints. If this had been done in Ethiopia, the evaluation would have shown that agriculture cannot lead industrialization in Ethiopia. It was observed that, sound industrial policy requires close collaboration between the government and the private sector, to ensure its relevance and effectiveness. Too limited involvement of private investors in manufacturing can condemn it to fail, despite initial goodwill and solid strategic choices (Chang, 2012 and Yong, 2014).

The Ethiopian private sector does not meet the requirements to make it effective and to allow it to participate in implementation. Nor has industrial policy been able to develop the sector, as the focus on foreign investment has been too acute to ensure sizable results. Consultation with the private sector should help identify potentially strategic emerging industries. Current industrial policy, despite a clear focus on growth-oriented entrepreneurship, has failed to create additional markets to make the
entrepreneurship competitive. More so, stakeholders must be consulted to identify sectors with high growth potential. Subsequently, the list of industrial priority sectors must be flexible and allow for change.

**Policy recommendations**

It is recommended that policies and instruments are reviewed regularly to identify bottlenecks and capacity gaps. Policies must be framed to address skills development for increasing a firm’s productivity as well as to address the capacity needs and constraints of an agriculture-led industrialization. A deep, independent evaluation should be undertaken to review and revise the national industrialization strategy. Lastly, the need to reward innovative business with coaching from experienced business people, and with ad hoc programs helping small firms to connect with larger ones are essential.

**References**


CASE STUDY 12

Increasing Kenya’s Oil and Mineral Wealth – Avoiding the resource curse

Background
Over the past decade, Kenya has discovered and is now exploiting huge oil deposits. But can it avoid the ‘resource curse’? The paradox of having huge natural resource wealth underground is that, when exploited, it leaves citizens as poor as ever, if not worse off than before the discovery. This is sadly the case in Africa. Kofi Annan (2014) insists upon Africa becoming the prime beneficiary of their resources.

This is not the case with countries like Norway, where success has been recorded in the translation of oil wealth into high economic growth. Botswana, in Africa, reinforces the view that strong political institutions and good governance are preconditions for managing resources well (Kumah-Abiwu et al 2015). Regional and community tensions, corruption, labour and market inflexibility and weak institutions can rob a nation of the wealth of its oil, as is the case with Nigeria (AfDB, 2007).

Africa seems to have entered an era of greater transparency with potential to bring greater accountability in managing natural-resource revenue. Twenty-four sub-Saharan Africa countries are now following the Extractive Industry Transparency Initiative (EITI), and other programs, to lift the veil of secrecy. Kenya’s discovery of huge oil deposits has raised concerns about how the country can avoid the resource-curse paradox experienced by other African countries such as Nigeria. How the paradox will affect Kenya remains the purpose of the case study. The case study proposes some steps for Kenya to keep the oil curse at bay. It also reviews the gains and pitfalls of extracting oil, globally and in Africa.

Activities and results
The paper reviews the gains and pitfalls of extracting this wealth globally and in Africa. The paper finds that weak government institutions can result in the collapse into the unwanted paradox situation. The study also finds that Kenya could become a major exporter of oil and minerals if current exploration is a guide. Discoveries such as Tullow Oil’s find in Turkana County are bound to transform the economy. The government of Kenya is, however engaged in the following:

- Reviewing legal, regulatory, and fiscal frameworks: The government is committed to reviewing these frameworks for the inclusive and transparent management of hydrocarbon resources.
- Social investment: Social investment by extractive industries is also crucial to avoiding the resource curse.
- Benchmarking with best practices and enactment of land laws: Kenya is learning
from the best practices in the sector. It has conducted several benchmarking visits and embraced Norway’s management practices that balance environmental protection with revenue management.

**Challenges and lessons learnt**
Kenya’s nascent resource prospects are promising, with drillers estimating that the Rift Valley could yield 10 billion barrels of oil, as exploration accelerates, but Kenya still faces nine main obstacles that stand in the way of effective resource exploitation (Omiti & Kiyah 2013).

- **Weak legislation:** The legal framework requires considerable revision to equip and expand Kenya’s mining into a thriving sector (Manson 2013). Enacting the much-anticipated mining and revenue-sharing laws should be prioritized.

- **Water scarcity:** Although Turkana has large underground water reservoirs, Tullow Oil must create community water reserves to avoid clashes with local communities, there and in Kitui/Kwale (Kakonge 2015).

- **Insecurity:** Partly owing to poverty and age-old practices like cattle-rustling and infighting over grazing land and water, inter-community clashes will persist unless addressed.

- **Long-standing marginalization:** As the North Rift Valley and northern Kenya, where oil has been discovered, have been neglected by successive governments, oil companies in Turkana must navigate the history of historical marginalization and local demands for benefits. Any signs of ‘exploitation’ will be seen as perpetuating earlier disenfranchising policies (Okoth 2015).

- **Stakeholder concerns:** Local communities are grumbling over resource inequity (Ngasike 2013; Gikundi & Mosoba 2012). Such disputes and disruptions should be handled speedily to ensure oil companies are not exposed to unnecessary financial risk.

- **Environmental challenges:** The national and county governments should address potential environmental issues by guarding against pollution or oil spills feeding into water aquifers.

- **Rising unemployment and disrupted livelihoods:** Kakonge (2015) fears that the oil industry will create fewer jobs for Turkanas, disrupt their natural way of life, and destroy their livelihoods, grazing lands, and ancestral shrines, all in return for meagre compensation. Such realistic concerns should be addressed.

- **Ambiguity in the tax structure:** Jubilee Coalition’s cancellation of certain licenses and an increase in royalties and state-share as part of draft policy for the sector could hurt the economy.

- **Economic diversification:** When oil revenue poured into Nigeria, the government totally neglected other non-oil sectors, Kenya should internalize these lessons, and prioritize economic diversification.

Drawing from the AU (2009), AfDB and AU (2009), and Kenya’s experience, and lessons from other
countries, a framework of six main avenues is proposed for Kenya.

- **Human capital development:** Kenya could finance mining-sector training through the proceeds from a transparently managed sovereign fund.

- **Legislation:** It would be prudent to anchor any revenue-sharing programs in law (akin to Ghana’s Revenue Management Act). The creation of a sovereign fund with community, county government, national assembly, and senate representation will guarantee representation of resource use.

- **Mining capacity development:** Promoting artisanal and small-scale mining (ASM) as a strategy for putting the sector in national hands (as in Ethiopia) must be a priority, with an eye on Botswana’s and Ghana’s experiences, where local cultures have been integrated into local mining (Kobena et al 2014).

- **Environmental management:** This must be central to mining contracts in Kenya. All such contracts must be environmentally compliant: to protect communities from poor waste disposal, to gradually rehabilitate wasteland, and to transfer reclaimed land back to communities.

- **Local community and civil society involvement:** Local stakeholders’ involvement in managing mineral-resource extraction is vital for promoting transparency and accountability.

- **The business environment:** A conducive business environment is critical; it should therefore prioritize free national and regional factor flows.

**Policy recommendations**

- Strong institutions are needed to avoid the resource curse in Africa (Ologunla et al 2014), an imperative that gave impetus to the Africa Mining Vision (AMV).

- The AMV urges Africa to invest in three areas: human capital development, mining sector capacity, and the business environment.

- Cheru (2014) proposes some rebalancing of hitherto unbalanced ‘rules’, including developing bargaining capacity; ensuring there are transparent systems for awarding contracts; moving further to beneficiation, diversification, and industrialization; providing transparency in collecting and using resource rents; adopting environmental practices and standards; and strengthening institutions that govern land rights and access to land.

- The national and county governments, with Tullow Oil, must invest heavily in conflict resolution. By ensuring that locals’ share in the oil wealth is large, including development and jobs, they can minimize tension and create a better investment environment (Halakhe 2014).

- No matter how high oil prices go over the long term or how strong the temptation facing politicians is to set price ceilings or generalized energy subsidies, these are losing strategies that Kenya must avoid.
• Kenya should be persuaded to sign up to EITI to promote accountability and transparency in its oil revenue use.

• Mining contracts should be an all-inclusive process with stakeholder representation. The African Legal Support Facility hosted at AfDB supports member countries in writing transparent contracts.

• Successful application of the framework requires inclusive engagement of the three main stakeholder groups, namely the oil production companies, the local communities and the national government.

References


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WEBLINK TO THE FULL KNOWLEDGE PRODUCT
CASE STUDY 13

Local Content in Ghana’s Petroleum Industry – Solid policy undermined by capacity gaps

Background
More than half the 54 countries of Africa are endowed with non-renewable natural resources that play a vital role in their economies. But despite the enormous potential, this endowment has for fast-tracking inclusive economic growth and social development, some African countries are among the poorest, most unequal, and most conflict-ridden. Indeed, hydrocarbon-producing African states are confronted with the paradox of poverty, largely due to weak forward and backward linkages of the oil and gas industry leading to a small contribution of the sector to the gross domestic product in resource-rich countries. Given the Nigerian example, Ghana is cautioned to utilize its oil industry to develop other sectors and not allow oil to become the death of all the other sectors.

Policies related to the extractive sector are therefore crucial for African countries endowed with large natural-resource reserves, especially minerals, oil and natural gas. These resources have a weighty impact on local economies, foreign investment, and trade. Hence, the study seeks how to leverage Africa’s extractive sector for inclusive structural transformation through local content policies. However, little is known about the implementation and capacity challenges of local content policies in Africa, and even less is known about how investors respond to these policies. This case study on Ghana is an attempt to increase the body of literature on both the scientific and policy sides.

Activities and results
This study reviewed the various challenges facing resource-rich African countries and made recommendations on how Ghana can effectively combat them through local content policies. Local content brings about employment and training of local people, buying of supplies and services to enhance local suppliers, supporting community development work (IPIECA, 2011). A look at countries like Brazil, Indonesia, Norway and Venezuela has shown that local content policies can improve matters (Tordo et al 2013). These policies have enhanced national value creation along the oil and gas value chain by creating jobs, adding value and encouraging foreign direct investment. The study concluded that local content is critical to creating linkages between national economies and the global hydrocarbon value chain. Consequently, Ghana passed a Petroleum Commission Act and a Local Content and Local Participation in Petroleum Activities Policy Framework in 2011, having learned from countries like Nigeria. In 2013, it released its Petroleum regulations. The 2011 framework gave a strong role to the government in the framework’s implementation, establishing the Local Content Committee (LCC) to oversee, coordinate, and manage the overall implementation process. Ghana’s local content policies emphasize ‘the promotion of
maximization value-addition and job creation, using local expertise, goods and services, businesses and financing in the petroleum industry value chain and the retention of benefits within Ghana’ (Tordo et al 2013). Making local content mandatory means that every stakeholder in oil and gas must have an annual local content plan for its projects, activities, operations and transactions.

The Enterprise Development Centre was created in May 2013 to help Ghanaian companies take advantage of business opportunities arising in the oil and gas sector, building capacities through training and other business services.

**Challenges and lessons learnt**

Ghana has two sets of challenges: internal (relating to the policy itself) and external (linked to the business environment).

- In the mining sector, local beneficiation and value addition are concentrated in forward linkages, while side and backward linkages need to be strengthened.

- Ghana earned US$1.4 billion from commercial production and export of oil from 2011 to June 2013. However, of the 77 million barrels of oil produced, only about 13 million went to Ghana National Petroleum Corporation as Ghana’s share. Foreign multinationals have the largest share, leaving few benefits to companies owned by nationals who can provide local content.

- Implementing local content requires human capital, procurement of goods and services, equity participation and project finance.

- Ghana’s local content policy in the petroleum industry shows that, if aligned with the national development strategy and supported by capacity development efforts, local content requirements can play a positive role in driving economic transformation.

- Ghana offers compelling evidence that commitment and expenditure on local content can contribute to increasing employment, allowing the country to better benefit from oil and gas exploitation.

- Other countries appear set to emulate Ghana’s model, which strives to leverage the extractive value chain and promote local content to help generate sustained and inclusive growth.

- Ghana still faces challenges in policy coherence, implementation gaps and capacity constraints.

**Policy recommendations**

- Adopt the Africa Mining Vision (AMV) as endorsed by the AU, which advocates for greater fiscal space and responsive taxation to allow African countries to optimize extractive-industry rents for development.

- Add value through beneficiation, including a multi-sectoral approach to mineral development that catalyses economic structural transformation, while mitigating negative effects.

- Carry out specific and directed research and associated action that is required to achieve the AMV action plan’s goal of appropriate and
meaningful use of natural resources to catalyse broad-based growth and development.

- Adopt the Country Mining Vision (CMV) at the national level (i.e. domestic-driven AMV) to expand and broaden local ownership, participation and control in the mineral resource sector through mineral beneficiation, value addition and local content policies. This must outlive political and electoral cycles.

- Introduce sound, detailed and realistic institutional frameworks for the implementation of the local content policy. They should be capable of providing effective oversight, closely monitoring compliance and performance of the requirements of local content in Ghana.

- Ghanaian local content regulations should be gradually implemented in phases, aided by capacity-building in place or with new ones conceived for the sector.

- Capacities should be built to encourage local specialized firms to merge and be able to jointly apply for jobs and opportunities in the sector.

- Capacities must be built to ensure sustained growth of local service providers in the sector.

- The government should make efforts to establish broad-based policies to encourage a business-friendly environment and a proactive private sector ready to use the opportunities offered.

- Short-term investments are necessary to develop capacities and longer-term investments would later make it possible to train a skilled, technical local labour force.

References


CONCLUSIONS AND POLICY RECOMMENDATIONS

This compendium compiles several case studies that address governance and economic issues. The various issues of governance particularly in leadership and provision of social services, and understanding the relationship of governance to growth and development were extensively dealt with. Prominent issues are well articulated: such as gender participation in the leadership of African countries and the historical evaluation of governance gaps that have emerged since independence related to providing social services. Thus, it becomes imperative to intensify efforts to close this governance gap, and to proffer solid foundations for democratic and effective governance. The new paths – in terms of strategy – to follow were substantially delineated in the case studies.

This compendium also illustrates the factors that are responsible for the lingering poor governance and the strategies that will foster new hope in achieving sound and effective governance systems in African countries. The essential factors for developmental states are also documented. These factors are yet to be implemented in most Africa countries. Some indicators of change towards a greater role for democracy-oriented and development-supporting strategies are part of the vital contributions of this compendium to Africa’s development.

Finally, the following recommendations are made to improve on key governance aspects discussed in this compendium.

**Leadership commitment and increased political will remain pertinent:** First and foremost, good governance strongly depends on leaders’ commitment and political will to efficiently manage public affairs with all the requisite ethics and morale. Therefore, it is important to develop transformative leadership skills among African leaders and advocate for the establishment of systems and structures that promote strong leadership and political will toward development issues.

**An inclusive growth is necessary:** Recent economic growth on the continent was not accompanied by increased equality in terms of wealth sharing and access to socio-economic services. Therefore, it is crucial to propel development in all spheres of the economy as promoted by the “Leaving no one behind” motto of the SDGs.

**It is important to support tertiary education:** To achieve the desired development, African countries need to see tertiary education, especially university education, as an investment in the future. As such,
priority should be given to training and education in relevant fields for African development especially the science, technology and innovation fields, where African countries need more capacities and critical technical skills to support their socio-economic growth.

**Increasing financial domestic resources remains a major goal:** Promotion of good governance in African countries should also seek to establish the appropriate mechanisms and strategies to ensure that sufficient financial resources are mobilized within the country. This requires reducing illicit financial flows and increasing tax collection among others. Most importantly, efficient governance structures should be in place to effectively invest the resources mobilized in the most needed development sector.

**Improving governance of the oil and gas sector is crucial:** The extractive industry remains an important source of wealth for many African countries. However, this sector needs more effective governance mechanisms to ensure it contributes to socio-economic development of the continent. Key issues like contracting, local content, value addition, taxation and accountability should be considered and appropriately addressed.
## CASE STUDY MATRIX

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