



Project Evaluation: Summary Report

Africa NA: Regional Resource Governance in the fragile States of West Africa

Project Title:	Regional Resource Governance in the fragile States of West Africa
Project number:	2011.2274.6
Country/Region:	Africa NA
CRS sector:	150
Overall goal:	Not applicable
Implementation period:	Oct. 1, 2009 - Sept. 30, 2015
Total costs:	7.518.600 EUR
Contracting authority:	BMZ
Lead executing agency:	Regional intervention without lead executing agency
Implementing organisations (in partner country):	National Ministries in charge of mines, MRU Secretariat, CSOs, firms
Other involved development organisations:	Government of Australia
Target group according to offer:	Poor population in the region (Mano River Union)
Executing agency:	Not applicable

Project Description

The political and social conditions in the Member States of the Mano River Union (Côte d'Ivoire, Guinea, Liberia and Sierra Leone) are particularly influenced by the mineral resources of the region. The management of specific mineral resources played a key role in the financing of conflict during the civil wars in Liberia and Sierra Leone and continues to affect the region in a structurally destabilizing manner even today. The existing conditions in the countries of this region continue to hinder cooperation between the state, private sector and civil society for a development-oriented use of mineral resources. With improved exploitation of the region's resource reserves (e.g. diamonds, iron ore, gold, petroleum and timber), West African States could mobilize own capital for large-scale development projects. Crucial in determining whether this potential is actually used are the political will and the capacity of partner governments, the interest and will of private sector actors as well as the skills (level of organization, information access) and the commitment of civil society. The project "Regional Resource Governance in the Fragile States of West Africa" addresses processes in which the political and economic incentive systems are to be reconciled with development objectives in the fragile regional context. The project (module) objective is: The enabling environment, as established by the state, the private sector and civil society in the fragile states of West Africa to implement their extractives sector regimes in a development-oriented manner, is improved. The German contribution is aligned to the core strategies of its partner countries (poverty reduction strategies and resource policies). As one component of the BMZ regional approach "Fragile States of West Africa", the project supports its partner countries in their efforts to reduce their dependence on external assistance in the long term. It contributes thereby to implementation of reform initia-

tives put forward in the Africa Mining Vision (AMV). The reinforcement of transparency in the extractive sectors of the fragile states of West Africa is also part of the resource strategy of the German Federal Government (October 2010). In Liberia, the project is co-financed by the Government of Australia. To achieve its objectives, the project pursues a conflict- and gender-sensitive capacity development strategy. With this, the project combines measures of personnel, organizational and network development with strategic advisory services at local, national and regional levels. The main modes of delivery are the engagement of long- and short-term experts in the fields of mining and good governance, further education and training / skills building, procurement of material goods in limited quantities, as well as the provision of financial contributions to individual measures of a pilot nature engaging local civil society, for example, to conduct seminars on conflict and gender-sensitive local development planning. The project's target group is the poor population of the MRU region, especially in selected poor and conflict-prone mining areas.

Overall score based on OECD/DAC criteria:	Assessment based on OECD/DAC criteria:
Overall score of the intervention: 13 Points: successful	<i>Assessment for individual OECD/DAC criteria:</i> <i>Relevance: 16 Points</i> <i>Effectiveness: 13 Points</i> <i>Impact: 13 Points</i> <i>Efficiency: 12 Points</i> <i>Sustainability: 12 Points</i>

Relevance

Tax compliance and transparency in the extractives sector regimes and local development in mining communities are high priority areas for the Governments of Sierra Leone and Liberia as well as for the private sector, civil society and especially the population in the region. The project's aims are well reflected in the PRSP (Agenda for Prosperity, Pillar 2) of Sierra Leone as well as in the second PRSP (Agenda for Transformation) of Liberia. International standards, such as EITI, the Africa Mining Vision (AMV) and the Natural Resource Charter (NRC) are key intervention areas in both partner countries. In many areas international lessons learned and best practices are applied, for example, in the model local Community Development Agreements (CDAs). In Liberia the project plays a central role in the Minerals and Mining Act (MMA) update process and other legal and regulatory reform initiatives. The general relevance of the regional project is ensured as a consequence of its high degree of demand orientation.

Effectiveness

Performance indicator	Target value according to offer	Current status (results of evaluation)
Public revenues from the extractive sector amount to at least 20% of the value of exported raw materials in at least one fragile state in West Africa	20% of export value (9/2015)	In Liberia, the weak data situation is currently preventing sound measurement of progress in implementation using this indicator. In Sierra Leone, a slight increase to 12.7% has been indicated for fiscal year 2012, combining both industrial and artisanal and small-scale mining (ASM). It is questionable whether the target value can be achieved by the end of the current phase. In any case, it is noteworthy that the project has contributed significantly to the improvement of the data situation.

Three central modifications of law in the raw material sector are established considering gender aspects and officially endorsed	3 central modifications (9/2015)	In Liberia, the project supports the ongoing updating of the Mining Act (with regulations) and the development of a work plan for the regulation of artisanal and small-scale mining. In Sierra Leone, the project supports the legal establishment of the EITI process (SLEITI Act), the ongoing updating of the national sector strategy and the development of guidelines for Community Development Agreements (CDAs). In the latter field, gender aspects play an important role. The achievement of the target value is expected before the end of the current phase.
Private contributions to local development plans increase in ten mining areas marked by conflicts by a total of 1 Million USD.	1 Million. USD in private contributions (9/2015)	In Liberia, the project is supporting participatory development planning in mining communities. So far, USD 150,000 has been contributed from private sources. In Sierra Leone, the project is working on the preparation of CDAs. The implementation of CDAs is to start in the current year. The achievement of the target value by the end of the current phase is therefore still uncertain at this point in time.
A regional agreement of the Mano River Union established with active participation of national technical committees on peace-promoting use of mineral resources for sustainable development is available and published	One regional agreement (9/2015)	On MRU level the project is working closely together with other donors, especially with the EU and USAID on the Kimberly Process ¹ and with the African Development Bank (AfDB) on regional harmonization of tax policy, aiming to curb tax evasion that is facilitated by cross-border smuggling of diamonds and precious stones. For this second topic, a regional agreement is in preparation. The achievement of the target value is possible by the end of the current phase.

High-level developmental effects (impact)

The project contributes to reducing Sierra Leone's and Liberia's economic, political and social fragility. This is evidenced, for example, by both countries' EITI compliance, international recognition of the new cadastral system in Sierra Leone and gradual but consistent improvements in many governance indicators in both countries. The project intervenes in a sector that is crucial for future economic growth in the region. It aims to render this growth broader-based through a wide range of interventions, in particular through increased local content and improved local community development. The updated MMA in Liberia requires mining companies to contribute to increased local content and implementation of local development plans. This will improve conditions for local economic growth and local employment in the medium and long term. With this, the project will contribute indirectly to poverty reduction and a more stable environment in mining communities. Improved transparency, access to information and knowledge will help to reduce misperceptions and false expectations related to mining. The good visibility of the project incites other donors to support resource governance in the region.

Efficiency

The main outputs (goods and services) provided directly and indirectly to the project's target groups are advisory services, training, IT systems and related services, consultations, reports and studies, conferences and logistical support for diverse partners in state and non-state institutions. Many of these outputs are delivered through joint funding arrangements, e.g.

¹ The Kimberley Process Certification Scheme (KPCS) aims to prevent so-called "conflict diamonds" from entering the mainstream rough diamond market. See Cf. www.kimberleyprocess.com.

sector benchmarking, in the design of CDA processes, in cooperation with MRU and through development partnerships with the private sector. Project staff members cooperate closely with their partners while minimizing substitution effects. This encourages partners to take up their responsibilities, reducing costs and increasing local ownership. The regional approach facilitates efficiency gains through economies of scale based on sharing of experience and best practices in diverse pilot schemes e.g. the mining cadastre system.

Sustainability

Reforms in policy, legal and regulatory frameworks to which the project has contributed are very likely to be sustainable. With the new MMA in Liberia, policy and process advice is expected to lead to sustainable institutional change with a prospect for improved long-term performance in the implementing agencies. There is an enhanced sense of ownership on the part of the project's partners in state and non-state institutions. Tools introduced by the project e.g. MCAS are expected to have low follow-up costs and already show some very positive rates of return. With the provision of training through local partners, the project favours creation of sustainable capacities to provide training and skills building after project completion. Risks of staff fluctuation and reliance on particularly well-qualified individuals are mitigated through improvements in the institutional environment and elaboration of handbooks and manuals that facilitate knowledge transfer. In many processes, project implication is being gradually reduced and partners are increasingly assuming responsibility. Measures to develop partner capacity take human resources, organisational development and strategic aspects into account that are important for ensuring the sustainability of these capacities.

Impressum

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