

- ***Several economies in Africa are sustained by the extractive industry, with most national budgets dependent on mining and petroleum exports***

The African Development Bank's African Natural Resources Centre (ANRC) and the African Legal Support Facility (ALSF) hosted a dialogue on responses by governments and the industry to the COVID-19 pandemic in the extractive sector, focusing on South Africa, Ghana, Nigeria, and Kenya.

The session, held 21 October and moderated by ALSF Director Stephen Karingizi, brought together policymakers and stakeholders to evaluate the effectiveness and sustainability of these measures in focal countries.

Umar Isa Ajiya, Group Executive Director at the Nigeria National Petroleum Corporation (NNPC), made the point that national oil companies should set aside risk funds to minimize the impacts of unforeseen events. Nigeria's heavy reliance on oil revenues, oversupply and the dramatic fall in demand for example, has impacted its economy, he said.

"The federal government has had to cut its expenditure and reschedule debt, where necessary," Ajiya stated.

In his remarks, Ben Aryee, Advisor to Ghana's Lands and Natural Resources Minister, predicted a brighter outlook for the Ghanaian Gold sector in 2021. "Gold has become a safe-haven and an investment of choice for many investors, as gold prices continue to increase due to economic uncertainty," he noted.

Ghana plans to launch a \$400 million - \$500 million Initial Public Offer at the London Stock Market in October, in a bid to take advantage of the precious metal's strong performance this year.

James Ng'ang'a, Acting Secretary of Petroleum at the Ministry of Energy and Petroleum in Kenya, said the COVID-19 pandemic had led to difficulties in contract negotiations with oil and exploration companies.

The Chief Executive Officer of the Ghana Chamber of Mines, Sulemanu Koney, called on mining companies to establish good relationships with communities, which they can leverage on in the event of a crisis.

In her contribution, Valérie Marcel, an Associate Fellow at Chatham House and

project lead for the New Producers Group, emphasized the need for more resilient systems to the “new normal.”

She noted that the pandemic had created a storm for the global petroleum industry - all at a time of efforts to decarbonize economies are gathering pace.

In separate presentations, Antonio Pedro, Director, UNECA, Central Africa and Claude Kabemba, Executive Director, South Africa Resource Watch, urged governments and industry players to implement the Africa Mining Vision (AMV) fully to curb the impact of the pandemic on the sector.

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AMV is a policy framework created by the African Union in 2009 to ensure that Africa utilizes its mineral resources strategically for broad-based inclusive development. However, eight years after its inception, implementation has been slow and there is a low level of awareness of the framework among key stakeholders in the mineral sector.