

The Mediterranean in a Multi-polar World up to 2030

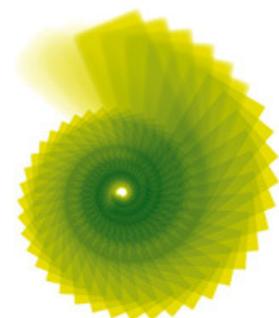
GOOD GOVERNANCE OF MINERAL RESOURCES IN THE MAGHREB: THE CHALLENGES AND OPPORTUNITIES OF REGIONALISATION

The countries of North Africa are endowed with an abundance of natural resources such as oil, gas and phosphates. The mining and hydrocarbon sectors contribute to economic growth, employment and exports but they present both short and long term challenges to policy makers. Oil and gas offer highly volatile revenues from exports which makes it more difficult for those countries which are endowed with such resources to conduct stable macroeconomic policies. The Maghreb is both the locus of abundant reserves of natural resources and economically dependant on them. Water stress also defines the region and will impact ever more on patterns of economic growth, population settlement, agricultural and industrial patterns of production in the decades ahead. Mineral and water resources are not available to the same extent across this vast geographical area as the producers of oil and gas face greater water stress than their neighbours. All countries however have witnessed an ever greater concentration of population and economic activity along the coast to the detriment of inland areas from where the revolts of 2010-2011 started.

The concept of inclusive growth – a growth that provides rapid and sustained poverty reduction to allow people to contribute to and benefit from economic growth, not least in the regions where hydrocarbon and mineral resources are produced, has climbed in recent years to the top of the policy and research agenda. The political and social instability which characterises the Middle East and North Africa region today underlines how poor the recent track record of long term economic growth benefitting all citizens has been in resource rich countries. Local populations have not enjoyed much benefit from the products extracted from their land, notably hydrocarbons and phosphates. Ensuring that the population of poorer mineral rich regions which are far from the coast benefit from their mineral wealth is thus one of the key challenges faced by ruling elites, new and old, in the Maghreb.

Countries across the Arab world and in the Maghreb in particular are being transformed by recent events. The imbalances in wealth, in regional development and in access to education which had prevailed for decades and been enshrined internationally in the Washington Consensus are being questioned, sometimes radically. The debate which focuses on what proportion of the mineral wealth and water resources it produces a given region is entitled to is of particular interest. People who live in mineral producing regions are increasingly vocal in their insistence that they benefit more from the value added chain which starts with phosphate rock, or oil or water. In Tunisia in particular, they refuse to accept policies which channel the income earned from phosphates in the form of skilled jobs in industries on the coast or in major cities. They insist more must be done to offer local opportunities for work in the region of production and help them out of the dire poverty that is their lot.

This poses a broader question of how resources are managed – or mismanaged, and of the quality of economic governance in the Maghreb. Governments are having to recast economic management in ways where privatisation and the laws of the markets are not the only references. It suggests that political leaders should say upfront what their strategy is, why they are choosing certain solutions rather than others. It also suggests they should be more accountable, more responsive to popular and regional wishes. For old timers this evolution is akin to opening a Pandora's box of populist demands, for others, notably in a younger generation, what is happening is a welcome change to what they perceived to be a stultifying orthodoxy – one which was imposed by force and never negotiated. This poses the



question of local and regional self-rule and the broader issue of the ways in which wealth re-distribution is operating.

North-West Africa today is faced with the challenge of redesigning the way power and wealth are distributed. This is by no means a new discussion, or one which is exclusive to this region. Indeed, arguments about the distribution of water and of the profits accrued from mineral resources have been at the centre of some of the bitterest controversies of recent years in countries across the globe, in particular those with a relatively large level of local self-government. The discussion has gone beyond purely domestic arenas, with institutions such as the World Bank, the International Monetary Fund, the UN Economic Commission for Latin America taking a keen interest in comparative approaches, benchmarking, lessons learnt and best practices. North Africa, unfortunately, has been more often than not been absent from those debates and today the region needs to discuss such issues and listen to experiences which have taken place further afield, notably in Latin America and Africa. A seminar about the good governance of mineral natural resources in a context of regional and local empowerment, connecting emerging national debates within the region with those happening internationally, seems particularly relevant.

Francis Ghilès

Senior Research Fellow, CIDOB. Convenor of the Seminar

November 2012

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GOOD GOVERNANCE OF MINERAL RESOURCES IN THE MAGHREB: THE CHALLENGES AND OPPORTUNITIES OF REGIONALISATION

Barcelona, 29th – 30th November 2012

PROGRAMME

Thursday, 29th November 2012

Venue: Restaurant Quo Vadis, c/ Carme 7, Barcelona

20.00

Opening dinner

Welcome address:

Carles A. Gasòliba, president of CIDOB, Barcelona
Mohammed Belmahi, Chairman of OCP Foundation, Casablanca

Keynote address:

Miguel Ángel Moratinos, Senior Diplomatic Advisor to the Global Dry Land Alliance, Doha;
Foreign Affairs Minister of Spain (2004-2010)

Friday, 30th November 2012

Venue: CIDOB, c/ Elisabets 12, Barcelona

08.30 - 08.45

Welcome

Jordi Vaquer, Director of CIDOB, Barcelona

08.45 - 09.45

Session 1: Good Governance of Natural Resources

Comparing national and local debates about good governance of natural resources in a regionalised context across a range of countries and continents offers a number of lessons. What might the Maghreb learn from these experiences?

Chair: **Abderrahmane Hadj Nacer**, Founding Partner, IMBank, Algiers and Tunis

Rabah Arezki, IMF World Institute, Washington DC
Antoine Heuty, Deputy Director, Revenue Watch, New York

09.45 - 11.15

Session 2: Mining and Mineral Resources

Oil and gas allow for rapid wealth creation but hinder the development of a broader industrial framework of production that can transform a whole economy. Might Algerian and Libyan oil and gas wealth be used to leverage broader economic growth in the Maghreb? Is there room for cooperation with Gulf countries in the fields of agrobusiness and petrochemicals? The exploitation of phosphates and iron ore has a high environmental impact and often fails generate the benefits it should for the country let alone regions where it is produced.

Chair: **Amina Ben Khadra**, Director ONHYM, former Minister of Energy of Morocco, Rabat

Khaled Kaddour former Director of Energy, Ministry of Industry, Tunis

Carla García Zendejas, Senior Program Officer, Due Process of Law Foundation, Washington DC

Walid Belhadj Amor, DG Comète Engineering, Tunis

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11.15 - 11.45 Coffee-break

11.45 - 12.45 **Session 3: Water Resources**

Water resources already represent a major challenge to economic development across the region. Fresh water is scarce and the management of both river basins and subterranean water reserves is crucial to agriculture, tourism and simply the sustainability of human settlement in an arid region like Northwest Africa. Water stress is increasing in countries on either side of the Mediterranean.

Chair: **Eckart Woertz**, Senior Fellow, CIDOB, Barcelona

Aurelio Rubio, ADBYSE Consultores, Madrid

Omar Aloui, CEO Agroconcept, Rabat

13.30 - 15.00 Lunch

15.00 - 16.30 **Round Table Session and Recommendations**

Chair: **Carlos Cosin** – President Abengoa Water, Madrid

Amina Ben Khadra, former Moroccan minister of Energy, Rabat

Adel Awni Dajani, member of the Board of Aman Bank Libya, Tunis and Tripoli

Abderrahmane Hadj Nacer, founding partner, IMBank, Algiers and Tunis

Conclusions:

Francis Ghilès, Senior Research Fellow, CIDOB.

Convenor of the Seminar,

+ OCP representative to be announced

16.30 End of the seminar and departure of participants

