

2025 HIGH SCHOOL MODEL AFRICAN UNION AGENDA

At University of Pittsburgh Thursday, March 13th 2025 8:00am - 2:30pm

Agenda Item I: Natural Resource Management for development

That Africa is well-endowed with natural resources, particularly in essential mineral resources, such as gold, diamond, lithium, cobalt, manganese and hydrocarbons among others is not in doubt. While there has been an intensified exploitation of these minerals since colonial times, the Africa continent remains impoverished. The International Monetary Fund (2021) estimates that Sub-Saharan countries lose about \$470 million and \$730 million annually to corporate tax evasion in the extractive sector. This figure can be higher due to under invoicing and other related extractive sector malpractices.

Other staggering estimates show that Africa loses 50 billion dollars[1] a year to illicit financial flows, majority of which is in the mining and mineral extractive sectors. This occurs on the back of weak laws and regulatory institutions. Relatedly, it is multinational corporations that dominate in Africa's mineral sector rather than African companies, which is a continuation of the colonial resource extraction architecture. Foreign dominance in the extractive sector enables profit repatriation out of the continent. The phenomenon puts pressure on local currencies of the respective countries, triggering inflation and related economic distortions. Closely related to this is the fact that the much-needed financial resources required for investment in social development in the resource rich African countries becomes scarce due to capital flight which is prevalent in the natural resource extraction sector.

The extractive sector in Africa is characterized by dispossession and displacement of people, unequal distribution of wealth generated from the resources and conflicts. Natural resource extraction has also been linked to Africa's debt crises[2]. Yet, there have been many initiatives to enhance Africa's resource management and governance. In 2008, many African countries adopted the Africa Union's the African Mining Vision (see African Union, 2009 for full document) as a new manifesto for the extractive sector restructuring to drive development. Despite this effort and many

before this, the status quo prevails with an ever-intensive ecological destruction and impoverishment of populations on the continent (Osei-Owusu, Danquah & Towa, 2022).

Questions for discussion

- 1. What is the status of natural resource extraction in your country currently?
- 2. How are your citizens participating in the extractive sector?
- 3. What policies have you put in place to ensure natural resources are sustainably exploited and used for equitable socioeconomic development?
- 4. What structural reforms are required at the national, regional and continental levels to enhance Africa's natural resource governance to propel development?

References/ Resources

- [1]https://www.un.org/africarenewal/magazine/december-2013/africa-loses-50-billion-every-year
- [2] https://www.wider.unu.edu/publication/rethinking-african-debt-and-exploitation-natural-resources
- African Union (2009). African Mining Vision. Addis Abeba: African Union.
- International Monetary Fund (2021). Tax Avoidance in Sub- Saharan Africa's Mining Sector. Washington DC: IMF
- Osei-Owusu, A.K., Danquah, M., Towa, E. (2022). Unravelling Africa's raw material footprints and their drivers. WIDER Working Paper 2022/115. Helsinki: UNU-WIDER. https://doi.org/10.35188/UNU-WIDER/2022/249-2
- World Bank. (2023). Africa's Resource Future: Harnessing Natural Resources for Economic -Transformation during the Low-Carbon Transition (English). Africa Development Forum Washington, D.C.: World Bank
- Natural Capital Index
- Extractive Industries Transparency Initiative
- Investigating the Extractives Industry in Africa
- Extractive Industries Data Portals (EIDPs) for West Africa
- How Illicit Financial Flows Drain African Economies
- Why All Eyes Are On Zimbabwe's Lithium Industry
- The Secret Reasons Why The World Depends On Africa
- Curbing Illicit Financial Flows from Resource Rich Developing Countries

Agenda Item 2: Data and Development in Africa

Data is the new gold, so the saying goes. Contemporary socioeconomic development, namely the 4th industrial revolution is driven by data, information and statistics. Data is used for modeling, simulation, targeting, marketing and predictions among others. Currently, developed countries (USA, for example) and some leading Global south countries such as China, dominate the data economy with questions of data sovereignty becoming concerns for researchers and policy makers. Yet, the digital divide makes Africa's attainment of digital data independence a challenging feat. This is because, not many countries in Africa have the digital data infrastructure nor the legal

structures to benefit from the huge datasets generated by people and about people on the continent and its diaspora.

In addition, data infrastructure and systems are sustained by the labour of a highly educated population, research and development. With very sophisticated data management and storage regimes and systems, developed countries have immense advantage not only to extract data from the developing countries, but to use these data for their own advancement. This phenomenon, exacerbates the global structural inequality (Benyera, 2021). Africa is a young continent with the median age of its population estimated at 19 which is demographic dividend required for development. However, this is not currently the case, even though this critical mass of energetic and creative youth is eager to contribute to development on the continent. On reflecting on Africa's participation in the data driven economy in tandem with its high youth population, there is a case to be made for strategies and policies to harness the benefits of data for socioeconomic development. This forum will center Africa's development on the question of data and how this is essential in Africa's futures.

Questions for discussion

- 1. What is the status of data systems and infrastructure in your country?
- 2. How is your country leveraging on the ongoing data revolution to propel development?
- 3. What role can African youth play in digitalization, AI and the future of data systems on the continent and globally?
- 4. What policies do we need to put in place at the national, regional and continental level to ensure data protection and leveraging on it for socio-economic development?

References/ Resources

- Benyera, Evaristo (2021). The Fourth Industrial Revolution and the Recolonisation of Africa: The Coloniality of Data. Routledge: New York
- <u>Demirgüç-Kunt, A, Klapper, L, Singer, D & Ansar, S. (2022). The Global Findex Database 2021:</u> <u>Financial Inclusion, Digital Payments, and Resilience in the Age of COVID-19. Washington DC:</u> International Bank for Reconstruction and Development / The World Bank.
- <u>Mutuku, L. (2020). Big Data in Africa: Mapping Emerging Use Cases of Big Data and Related Technologies. Nairobi: Local Development Institute</u>
- The Global Findex Database
- Internet Poverty Index by World Data Lab
- World Bank Database
- ICDL Insights: How can Africa address its Big Data challenges?



