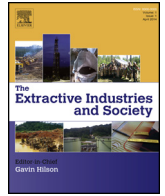




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Viewpoint

A bumpy road: Maximising the value of a resource corridor

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ABSTRACT

Resource corridors are not new concepts. Corridors such as the Maputo Development Corridor, the Walvis Bay Development Corridor and TRIDOM have been active in different regions in Africa. The potential for shared infrastructure to support sustainable development has been widely discussed and debated by spatial and development partners. These initiatives present a vehicle to transform and ensure equitable distribution of benefits from sector specific operations. This is evident in the recent resurgence of interest in resource corridors, as highlighted by their position in numerous development and regional strategies. Those featuring resource corridors include the New Partnership for African Development (NEPAD), the mining policy framework developed for the United Nations by the Inter-Governmental forum on Mining, Minerals, Metals and Sustainable Development and more recently the Africa Mining Vision 2050, developed for the African Union by UNECA. Corridors are also on the agendas of regional entities, such as the African Development Bank, the Asian Development Bank and the East African and Southern African Development Communities.

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1. Introduction

The resource corridor is not a new concept. For more than a decade, it has been a focal theme of a number of initiatives in different regions of Africa, including the Maputo Development Corridor (MDC), the Walvis Bay Development Corridor and the Tri National Dja-Odzala-Minkébé (TRIDOM). The potential for resource corridors, anchored by an extractives project, to support sustainable development has been widely discussed and debated by spatial planners and development partners. Resource corridors present a vehicle to ensure equitable distribution of benefits from a specific (mining) project by creating linkage to other parts of the economy. This is also evident in the resurgence of interest in resource corridors in numerous development and regional strategies. Examples of high profile development strategies that feature resource corridors include the New Partnership for African Development (NEPAD, 2016), the Mining Policy Framework developed on behalf of the United Nations (IGF (Intergovernmental Forum on mining minerals, metals and sustainable development), 2013), and, most recently the Africa Mining Vision 2050 (A.U. African Union, 2009) developed for the African Union by the United

Nations Economic Commission for Africa (UNECA). Resource corridors are also on the agenda of regional entities, such as the African Development Bank, the Asian Development Bank and the East African and Southern African Development Communities (African Development Bank (AfDB), 2015).

However, the transformative benefits of these initiatives have yet to be fully realised. So far, the road to development has been bumpy and many initiatives have failed to maximise their value for poverty reduction and national development. To this end, the viewpoint provides a brief overview of the potential developmental opportunity of a resource corridor, an examination of why in many instances it has yet to reach its full potential, and, presents five 'critical success factors' that need to be met in order for such projects to achieve their stated aims of sustained economic development, diversification and poverty reduction.

The viewpoint summarises and elaborates upon the main findings from in-depth research undertaken as part of a wider project on resource corridors funded by the World Wildlife Fund (WWF) and UKaid, and implemented by Adam Smith International (ASI) (2015): *Integrated Resource Corridors Initiative* (IRCI). As part of this project, a review of the literature was undertaken as well in-depth interviews with over 40 stakeholders from across Africa and Asia, including representatives from industry, development and non-government organisations, and academia. Many participants were also involved with the development and implementation of a number of resource corridors, including the MDC. Following the

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collection of primary data, details of the research were then shared and discussed with representatives from all stakeholder groups at a number of international workshops – the latest being in Dar es Salaam in June 2016¹ – in order to clarify findings and disseminate lessons learned. The purpose of the viewpoint is therefore to share the main findings of the original research beyond the project stakeholders and report, and in doing so, contribute to the wider academic debates on resource corridors. First, the opportunities and challenges to ensuring successful research corridors are briefly outlined before five critical success factors are presented. For the purpose of this discussion, a resource corridor is defined as ‘a sequence of investments and actions to leverage a large extractive industry investment in infrastructure, goods and services, into sustainable, inclusive economic development and diversification along a specific geographic area’ (ASI, 2015: 10).

2. Opportunities presented by resource corridors

Resource corridors present a range of positive development opportunities. These are briefly summarised here.

Resource corridors require effective collaboration and coordination. Within a country, resource corridors are a vehicle for bringing a range of stakeholders, such as the private sector, communities, governments, donors, together, aligning incentives and improving coordination between different parts of government. Through a combination of public and private investments aimed at improving infrastructure and an institutional framework that promotes and facilitates coordination, the Maputo Development Corridor is considered an excellent example of how different stakeholders can align around a corridor project. Part of the success of the MDC stems from the alignment of national and cross border objectives, demonstrating the importance of effective regional integration.

Resource corridors can be particularly beneficial for landlocked countries and their neighbours, enabling two states to benefit from the resources of one. Spreading the benefits beyond the anchor project² provides economic opportunities for towns and villages located away from urban centres that may otherwise be overlooked. Such infrastructure is of vital importance to many communities. Remote and isolated communities are often cut off from economic opportunities and removed from political processes. With limited economic opportunities, local patronage networks can take hold, constraining development. The development of infrastructure can therefore bring great benefits to isolated communities, opening them up to new trading opportunities.

3. Why have resource corridors not realised their potential to date?

Despite the many positive economic and development opportunities presented by resource corridors, many initiatives have not realised their full potential. Although the implementation of resource corridors represents transformational potential to maximise potential opportunities and investments by both state and non-state actors and ensure sustainable, environmentally sound development, outcomes are often being lost.

Many resource corridors are facing similar problems. Poor planning and a lack of community engagement has so far led to limited achievements, and nothing close to the proposed results. Currently, most active and planned resource corridors

are unlikely to achieve sustainable development outcomes, particularly in relation to local economic benefits, and environmental and social impact. In 2014, for example, the Kenyan Government established the Lamu Port Southern Sudan-Ethiopia Transport (LAPSSET) Corridor Development Authority to pursue the development of resource corridors in the county. This ambitious project is expected to elicit significant economic gains for Kenya. However, at the local level, LAPSSET has exposed concerns with a lack of community consultation and planning. This has led to an increased risk of conflict, and with the potential for this grievance to spread along the corridor it could potentially derail the project.

A second reason why many resource corridors are unable to reach their full potential is due to government capacity. Government agencies responsible for the strategic implementation of resource corridors are all too often ill-equipped, ill-informed, and lack the capacity to apply an integrated approach to planning. Consequently, governments often fail to consider the accumulative impacts of numerous ad hoc developments or realise the synergies that could be created between them. Resource efficiencies resulting from economies of scale are therefore being lost. For example, the North South corridor, linking the port of Durban to the Copperbelt in the Democratic Republic of Congo (DRC) and Zambia, faced this challenge early on and in response established a cross-cutting Project Preparation and Implementation Unit to oversee work.

A lack of collaboration between different stakeholders can also inhibit the potential of resource corridors. The scale and size of a corridor development project can be significant, and in many cases, cross-border. However, the original research found that numerous agencies often work in relative isolation to one another. A lack of dialogue between government agencies, donors, civil society, the private sector, and communities is a recipe for conflicts and inefficiencies. A lack of coordination and policy coherence between sectors duplicates efforts and wastes resources. Furthermore, poor collaboration promotes enclave developments which fail to create opportunities that could benefit all sectors and local communities. One example is the Nacala corridor, the railway connecting the coal mining areas of Moatize in Zambia, through Malawi to the Nacala Port in Mozambique, which currently lacks overall coordination and thus is at risk of becoming an enclave development.

Poor or inadequate planning can also result in resource corridor development projects failing to reach their potential. Without comprehensive, upfront assessments of the potential social and environmental consequences of resource corridor projects, many risk being unable to adapt to changing circumstances. During the planning stage, it is therefore important to understand the potential demographic shifts and resulting demands for services and infrastructure that may occur, or, for example, the impacts of climate change, in order to mitigate such risks and ensure resource corridors can be resilient and adaptive to change.

Another example of poor planning in resource corridor development projects is the failure to acknowledge high conservation value areas and establish the necessary migration corridors between them. This further exacerbates the risk of conflict and negative impacts, and livelihoods, communities and ecosystems may be compromised. For example, the degradation of sustained supply and quality of water and other ecosystem services, particularly when considering the competing demands from extractive industries and human settlements that follow. This ultimately undermines development prospects – particularly for the poor and vulnerable. Indeed, even where assessments do exist, they are typically limited to site specific Environmental Impact Assessments (EIAs) of individual projects and therefore miss the opportunity to integrate environmental and social considerations into key strategic decision-making. Forward

¹ Integrated Resources Corridor Partnership Annual Workshop Meeting, Dar es Salaam, Tanzania, 20th –22nd June 2016.

² Within a resource corridor initiative an anchor project is a large scale infrastructure that other industries cluster around.

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