

Introducing the Natural Resource Charter



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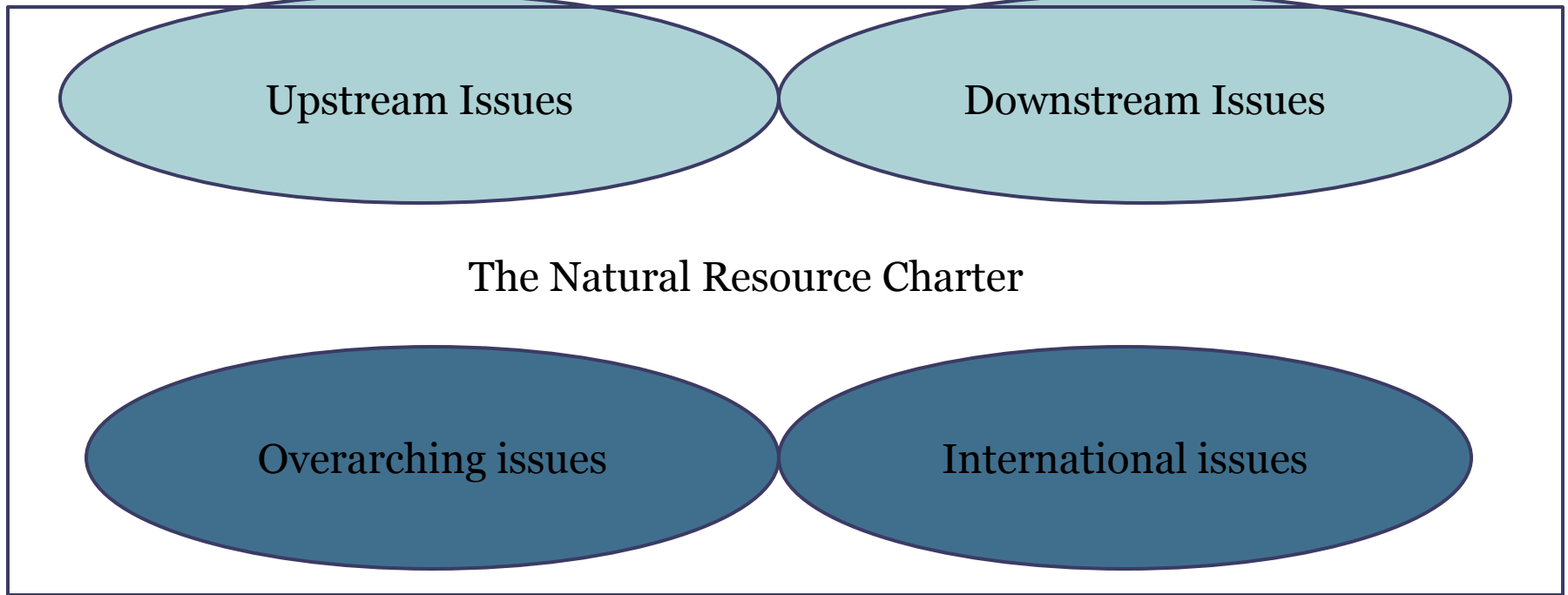
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Why a Resource Charter?

- Learning from the past: the resource “curse”
- Harnessing the opportunities created by resource abundance
- Not just about accountability and transparency, but also a practical manual.

The Value Chain



The Precepts

1. The development of natural resources should be designed to secure the maximum **benefit for the citizens** of the host country.
2. Extractive resources are public assets and decisions around their exploitation should be **transparent** and subject to **informed public oversight**.
3. **Competition** is a critical mechanism to secure value and integrity.
4. Fiscal terms must be robust to **changing circumstances** and ensure the country gets the **full value** from its resources.
5. **National resource companies** should be competitive and commercial operations. They should avoid conducting regulatory functions or other activities.
6. Resource projects may have serious **environmental and social effects** which must be accounted for and mitigated at all stages of the project cycle.
7. Resource revenues should be used primarily to promote **sustained inclusive growth** through enabling and maintaining high levels of domestic investment.
8. Effective utilization of resource revenues requires that domestic expenditure be **built up gradually** and be **smoothed** to take account of revenue volatility.
9. Government should use resource wealth as an opportunity to secure effective public expenditure and to increase the **efficiency of public spending**.
10. Governments should invest in a manner that **enables the private sector to respond** to structural changes in the economy.
11. The **home governments** of extractive companies and **international capital centers** should require and enforce best practice.
12. All **extraction companies** should follow **best practice** in contracting, operations and payments.

Who is it for?

- The Charter is primarily for the citizens of resource-rich countries
 - As a guide for their governments: policy makers and civil servants
 - As a document for sharing experiences and best practice between countries
 - As a means of holding governments to high standards in resource management (especially by civil society groups).
 - Whilst also outlining better practice for resource companies and international banking centres

What next?

- Consultation phase: inviting wide-range of stakeholders across countries and extractive resource sectors to offer insights, suggestions and feedback on the Charter
- And beyond:
 - Capacity building for implementation of Charter and improving local civil society capabilities
 - Political engagement and international processes
 - Updating and refining of Charter implementation guides

Thank-you

www.naturalresourcecharter.org

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