The Natural Resource Charter in Africa: a tool for national strategy and evaluation

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What Is The Natural Resource Charter?

• An independent document put together by large group of experts, academics, policy-makers, in consultation with stakeholders drawn from industry, government and civil society

• A set of twelve precepts of resource governance and economic management, incorporating latest research and country experience

• Addressed to governments. To help them in decisions to best manage oil, gas and mineral resources.

• Governed by an Oversight Board composed of figures drawn from the Global South: Ernesto Zedillo, Abdulatif Al-Hamad, Luisa Diogo, Mo Ibrahim, Shengman Zhang.

• The Charter has no political heritage or sponsorship. The ‘living document’ is continually revised and updated to incorporate latest best practice.
• It is a living document and knowledge gathering process, from all stakeholders

• It is now being used as a framework for training and capacity building: targeting government and civil society

• Countries are starting to use it as a tool for self-assessment along the whole decision chain
The chain of decisions

- Overarching issues of governance
- Discovering the resource
- Capturing the value
- Managing the revenue
- Investing for development

Roles of international actors

Natural asset → Cash asset → Reproducible asset
The Natural Resource Charter

Precept 1. Strategy, rules and institutions
Precept 2. Accountability and transparency
Precept 3. Exploration and allocating licenses
Precept 4. Taxation
Precept 5. Local effects
Precept 6.Roles of national resource companies
Precept 7. Investing the revenues
Precept 8. Smoothing expenditure volatility
Precept 9. Public spending
Precept 10. Private spending
Precept 11. Roles of international companies
Precept 12. Roles of international governments
NRC as a tool

• For training and capacity building
• Assessment Framework
• Designed for use by government, with other stakeholders
Pilot uses of the NRC
## Assessment methodology

<table>
<thead>
<tr>
<th>Precept 1</th>
<th>Precept 2</th>
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<tbody>
<tr>
<td>Securing the greatest social and economic benefit for the people</td>
<td>Successful natural resource management requires government accountability to an informed public</td>
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<tr>
<td><strong>Does the development of oil deliver significant economic and social benefits to citizens?</strong></td>
<td><strong>What are the shortfalls in availability of information or disclosure requirements?</strong></td>
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<td><strong>Are there critical ‘leakages’ in the sector in terms of overall revenue or benefits accruing to the country?</strong></td>
<td><strong>Are clear standards set for all actors involved in the natural resources industry? Are there any restrictions on bodies to hold responsible parties to account?</strong></td>
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Objectives and Outcomes

1. Prioritization
2. Coordination

To support...
3. Action Planning
4. Monitoring
NRC in Africa

• Has been endorsed by the ADB and adopted by New Partnership for Africa’s Development (NEPAD) as a flagship programme

• Is working to incorporate the African Mining Vision principles in the methodology
  • Can also use the country exercises to help countries identify support provided by AMDC
  • Can also be a complement to African Peer Review Mechanism
Next Steps

• **Planning and Collaboration:** Framework coordination and methodological review

• **Implementation:** Exercises by the end of 2013: Sierra Leone, Tanzania