



OECD Development Centre 4th High-level Meeting of the Governing Board

3 October 2017

Policy Statement on Natural Resource-based Development

On the occasion of the 4th High Level Meeting of the OECD Development Centre on 3 October 2017, the members of the OECD Development Centre:

- recalled their Communiqué issued on the occasion of our Third High-Level Meeting held on 2 June 2016, welcoming the results of the Development Centre's policy dialogues and, more specifically, the important achievements of the Policy Dialogue on Natural Resource-based Development;
- acknowledged the vital role of tripartite engagement, through multi-stakeholder dialogue, experience sharing and peer-learning among host governments, industry and civil society as a means to promote mutual understanding, build trust, strengthen mutual confidence, and work towards mutually beneficial solutions and improved development outcomes;
- recognised that collaborative strategies between host governments, industry and civil society are needed to maximise value from resource development, based on a clear articulation of their respective roles and responsibilities and noted with satisfaction that participants in the Policy Dialogue have converged around the common objective to leverage the extractive sector to achieve long-term, competitive, diversified and sustainable development, and identify other sectors or segments of production that can be developed to global standards;
- recognised the need to adopt a systemic approach, calling for genuine and unprecedented coordinated efforts to align multiple investment decisions across different sectors to fully exploit the transformational potential linked to the development of natural resources, and noted the positive influence that responsible business can have on natural resource-based development;
- considered that in a context of increased volatility of commodity prices, countries, especially natural resource-rich countries, struggle to generate revenues from their natural resources to pursue development objectives, while attracting and sustaining investment;
- acknowledged the need to identify workable options that can help countries to cope with sharp fluctuations in market conditions and noted with satisfaction that the Policy Dialogue is contributing to the internalisation of lessons from the end of the last super-cycle, shifting away from short-term reactions and fostering long-term approaches;

- recognised the need to bridge asymmetry of information and lack of capacity at the local level in order for resource-rich countries to fully reap the benefits from their natural resources;
- recognised the environmental dimension of extractive projects, and the importance of developing a long-term vision for the sustainable management of extractive resources;
- emphasised the importance of building an up-to-date common understanding of the underlying context, associated opportunities, gaps and resources needed to fill them;
- recognised that developing countries with a small portfolio of extractive projects face increased challenges, given their heavy reliance on natural resources as a source of income and their limited ability to diversify risk and optimise revenue across the wide range of production through macro-economic management;
- welcomed the OECD Development Centre's development policy tools on *Collaborative Strategies for In-Country Shared Value Creation: Framework for Extractive Projects*; *Corruption in the Extractive Value Chain: Typology of Risks, Mitigation Measures and Incentives*, and the *Guidance to Assemble and Manage Multidisciplinary Teams for Extractive Contract Negotiations*;
- expressed their support for the work of the OECD Development Centre to improve our understanding of the policy options, trade-offs and implications related to the multi-dimensional and interrelated challenges of natural resource-based development.
- encouraged the OECD Development Centre to:
 - support the voluntary implementation of the *Framework on Collaborative Strategies for In-Country Shared Value Creation* at country-level to support the development of strategies for resource-based value creation, including through the domestication of the Africa Mining Vision, with a view to developing linkages and fostering upgrading, to examine any existing barriers, and make concrete policy recommendations on how to remove constraints; and to identify practical examples of collaborative solutions that can be replicated or adapted to different contexts;
 - promote the implementation of best practices and standards for the mining sector with a focus on preventing and addressing negative impacts.
 - develop, through an open and inclusive participatory process, and building on the experience of relevant international initiatives, guiding principles for durable extractive contracts, so that host governments and investors can have a common reference to shape durable, equitable and mutually beneficial relationships;
 - strengthen understanding of revenue leakages that divert resource revenue from the budget and provide concrete responses, including through the development – in close coordination with the OECD Centre for Tax Policy and Administration and relevant stakeholders – of sector-specific guidance to effectively tackle the specific challenges related to base erosion and profit shifting (BEPS) in the mining sector, and improve

transparency and counter corruption in the trading of oil, gas, and minerals and, possibly, forestry;

- assess the advantages and disadvantages of spending mechanisms to use natural resource revenues to support the implementation of the 2030 Sustainable Development Agenda, drawing lessons from country experiences, such as through the continuation of the Policy Dialogue’s thematic dialogues to encourage peer learning, and the development of guidance and lessons learned on effective revenue spending and management options;
- engage with relevant OECD Committees to discuss the policy tools and recommendations on natural-resources and development, promote their uptake across OECD and non-OECD countries and relevant stakeholders and report back on the results of this Policy Dialogue.