POLICY DIALOGUE ON NATURAL RESOURCE-BASED DEVELOPMENT
In May 2012, the OECD Council at Ministerial level adopted the OECD Strategy on Development. The Strategy aims to strengthen OECD’s contributions to “higher and more inclusive growth in the widest array of countries”, promote further OECD engagement with Partner countries and foster better mutual understanding and co-operation.

The Policy Dialogue on Natural Resource-Based Development is an integral part of this endeavour and consists of a multi-year structured process to foster knowledge sharing and peer-learning among producing countries – OECD members and Partner countries alike – on how to best harness natural resources for more inclusive and broad-based development. Learning from peers, including successes and failures, shall pave the way for cross-fertilisation of practices, domestication of approaches, with due consideration given to context specific factors, as well as the progressive development of new collective wisdom through a common knowledge base. The current focus is on extractives.

In line with the spirit of the Strategy and given the cross-sectoral nature of the issues to be addressed, the Policy Dialogue is being designed as a horizontal, cross-directorate OECD initiative, involving relevant Directorates that can contribute or lead in specific policy domains.

**The Policy Dialogue on Natural Resource-Based Development aims to:**

- Ensure OECD’s continuous relevance as a global policy network where developing, emerging and advanced economies can constructively discuss issues of common interest and explore approaches to common challenges, drawing on evidence-based comparative analysis as a collective knowledge base.

- Foster cost-effective peer-learning and knowledge sharing on how to overcome common challenges.

- Provide evidence-based comparative analysis of participating countries’ policies and identify best practices.

- Create an enabling environment for the development of collaborative approaches conducive to mutually beneficial outcomes.

- Develop compendiums of good practices, principled guidance and tools.
Thematic focus and expected deliverables

The Policy Dialogue is structured around four thematic work streams with specific output results:

- **Shared Value Creation and Local Development**: i) carry out Country Reviews on Natural Resource-based Value Creation and ii) develop a guidance framework on how to operationalise shared goals through collaborative efforts for in-country value creation.

- **Revenue Spending and Stabilisation Funds**: carry out comparative analysis of country practices to assess the performance of stabilisation funds and public investment options.

- **Getting Better Deals**: help governments determine benchmark prices for commodities (minerals) and best practices for balanced negotiation through a better understanding of the different components that contribute to risk and return. This work is intended to enable countries tackle more effectively transfer pricing issues and reduce asymmetry of information in contract negotiations in response to G8 and G7’s calls to improve transparency in extractives.

- **High-Risk Profile of Corruptive Behaviours in the Extractive Sector**: identify red-flag scenarios in extractives and best practices on how risks have been addressed at both the public and private level.

Expected benefits and outcomes

It is expected that this initiative will:

- Foster common understanding of opportunities and constraints faced by participating countries as well as mutual learning through experience-sharing.

- Enable participating countries to design policies and shape collaborative solutions reflecting their specific priorities and objectives, while taking into account underlying costs and benefits and potential collective adverse externalities.

- Identify ways to strategically co-ordinate with the private sector, with a view to achieving mutually beneficial outcomes for both investors and host governments.
A peer-learning and knowledge sharing community of oil & gas, coal, minerals producing countries
**Structure of the process**

A distinctive feature of the Policy Dialogue lies in its unique structure so as to enable the sharing and co-creation of collective knowledge through OECD and non-OECD continuous dialogue and collaborative analysis.

A multi-pronged approach looking at the interactions among different policies to improve competitiveness of resource-based economies can be expected to be more efficient than focusing on individual outcomes.

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**The knowledge sharing value chain**

- **Step 1** Building a community of knowledge holders
  - Creating a community of knowledge holders through the careful selection of participants with political and technical expertise and knowledge on the issues.

- **Step 2** Defining the knowledge frame
  - Conceptualising the knowledge frame and identifying a common question or challenge.

- **Step 3** Co-creating knowledge
  - Synthesising knowledge and building common ground and convergence through a dynamic, iterative, flexible and adaptive process of policy dialogue and knowledge sharing.

- **Step 4** Reconceptualising the knowledge frame
  - Reconceptualising the knowledge frame taking into account the perspectives and views shared and the conclusions agreed upon during the various iterations.

- **Step 5** Testing the new knowledge
  - Shaping and implementing innovative solutions derived from newly developed knowledge.
  - Monitoring effectiveness of implementation and learning lessons.
Membership

OECD and Partner countries targeted by this initiative are producers of oil, gas, coal, minerals and metals. Membership is also open to OECD countries that have development co-operation strategies and programmes focused on natural-resource based development (associate members).

Participation in the Policy Dialogue involves the payment of modest entry fees so as to ensure a level playing field across participating countries in terms of minimum commitment, continuous engagement and full ownership of results. Participating countries are expected to support the implementation of the work programme through the provision of additional voluntary contributions.

Every participating country plays a role as both knowledge holder and knowledge recipient, while the OECD Development Centre acts as a neutral knowledge broker, by facilitating the generation, systematisation and access to tacit or newly developed collective knowledge.

All participating countries engage in the process on an equal footing to shape and take this initiative forward. All countries are expected to commit to: i) sharing relevant information and experiences (i.e. policies and case-studies); ii) clearly articulating their knowledge needs, indicating which countries they would like to learn from in order to build or further refine their knowledge base; and iii) contributing to carry out the programme of work.
- **Countries formally engaged**: Chile; Germany; Guinea; Kazakhstan; Liberia; Mongolia; Morocco; Norway; Peru; Switzerland; and Zambia.

- **Other participants in Policy Dialogue Meetings**: Australia; Austria; Bolivia; Brazil; Colombia; Democratic Republic of Congo; European Union; Finland; France; Ghana; Korea; Malaysia; Mexico; Mozambique; Netherlands; Nigeria; Oman; Philippines; Russian Federation; Senegal; South Africa; Sweden; Tanzania; United Kingdom; United States.
Members of the Expert Advisory Board

Mining and oil & gas industry involved in public-private dialogues
Regular consultations with stakeholders

The involvement of stakeholders on a structured basis is a specific component of the process. A Business Consultative Platform has been set up to fully appreciate the implications of policy options and work towards strategic co-ordination with governments with a view to achieving mutually beneficial outcomes.

An Expert Advisory Board composed of representatives of international organisations and institutions has been established to catalyse efforts, promote effective collaboration, avoid duplication of work and fill the implementation gap.

Looking ahead

Drawing on the experience and lessons learnt from the Dialogue, participating countries may consider broadening the scope of this initiative by including issues such as those related to renewable resources not covered in the initial phase.
The OECD Development Centre

The OECD Development Centre brings together 27 OECD and 22 Partner countries. It was established in 1962 as an independent platform for knowledge-sharing and policy dialogue between OECD member countries and developing economies, allowing these countries to interact on an equal footing. Its Members set the biennial work programme through its governing board and finance the Centre. The Centre co-operates closely with the other parts of the OECD, particularly those also working on development, including the Development Assistance Committee (DAC) whose role is to improve OECD donors’ aid policies. The Development Centre draws attention to emerging systemic issues likely to have an impact on global development and more specific development challenges faced by today’s emerging and developing economies. It uses evidence-based analysis and strategic partnerships to help countries formulate innovative policy solutions to the global challenges of development. In addition, the Development Centre engages with a wider set of actors that go beyond its country membership. In particular, through its Networks of Multinationals (Emerging Market Network – EmNet), Foundations Working for Development (netFWD), Think Thanks (Development Finance network – DeFiNe) and heads of communication in DAC Development Agencies (DevCom).

For an overview of the Centre’s activities, please visit www.oecd.org/dev
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