



WORKSHOP REPORT FORM

Number and title of workshop

1.3 Corruption, Conflict and Contestation in Natural Resource
Governance_____

Date and time of workshop

___30 October 17:30_____

Moderator (Name and Institution) ___Jim Schweithelm, ARD, Inc._____

Rapporteur (Name and Institution) _____Stephen Carpenter, ARD, Inc._____

Panellists (Name, institution, title)

- Ms. Regina Birner, International Food Policy Research Institute, Senior Research Fellow Development Strategy and Governance Division
- Mr. John R. Heilbrunn, The Colorado School of Mines, Associate Professor, The Graduate Program, International Political Economy of Resources, Division of Liberal Arts and International Studies
- Mr. Donald Bowser, Consultant, ARD, Inc.

Main Issues Covered

- Corruption in the natural resources and energy sectors
- Roots, drivers, enablers, and approaches to reducing conflict and corruption found in natural resource governance drawing on recent work in the Asian and African regions
- The extent to which state and non-state actors have used renewable (e.g. timber) and non-renewable (e.g. oil) resources to finance armed conflict
- Presented case studies from Tajikistan, Ghana, Indonesia, other regions to describe programmatic interventions used to counter corrupt practices, promote sustainable resource management, and defuse or decelerate conflict

Main Outcomes

- Increased level of knowledge of the interplay between corruption, conflict and natural resources in different political and economic contexts

Main Outputs

- Models of public-private partnerships for resource governance
- Case studies of successful (and unsuccessful) demand-driven, community-based resource governance initiatives
- Case studies of successful approaches to supply-side resource governance policy design and implementation



Recommendations, Follow-up Actions

- Establish well-designed laws for natural resource management, ownership rights; develop robust enforcement mechanisms
- International organizations / NGOs can play a significant role in creating incentives for anticorruption reforms by establishing country-level transparency requirements, for example EITI requires audits and compliance with transparent revenue management practices
- Decentralization of authority if done carefully can effectively empower community-based organizations and user groups, establishing mechanisms for checks and balances. However, decentralization of authority, if not carefully implemented, can lead to decentralization of opportunities for corruption
- Decentralization efforts should not pass the entire burden for enforcing transparency and accountability in natural resource management to the poorest sector of the populace. A successful effort will involve local stakeholders together with public sector actors
- To introduce an effective anti-corruption intervention for natural resources management, government, civil society and the private sector must work together
- To ensure effective management of resources, education is critical, perhaps even the “magic bullet.”
- To combat the shadow state’s control over natural resources, the panellists recommended rule of law reforms, strengthening property rights, and enforcing laws that prevent powerful state and non-state actors from tunnelling assets out of the country

Workshop Highlights (including interesting quotes)

- Patrick Alley of Global Witness raised the question of whether EITI was effective at reducing corruption in the extractive industries
- Peter Eigen and Frank Vogel, co-founders of Transparency International, attended the workshop and contributed to the question-and-answer portion. Mr. Eigen discussed the role and effectiveness of EITI and indicated that this may be an area for further exploration
- A gentleman from the political opposition in Trinidad and Tobago raised a question about the claim that state revenues from natural resources must be kept confidential. He asked whether such a claim is ever justified or employed simply to keep government revenues opaque
- A woman from the DRC raised the issue of exploitation of natural resources to continue the conflict in that country, and whether the international community could introduce mechanisms to curb corruption related to natural resources management. Panellists noted that natural resource revenues from the DRC are used to buy weapons from shadow state actors in Central Asia who themselves benefit from exploitation of natural resources in their own countries.
- A gentleman from the IMF asked what specific intervention is most effective in creating the political will for change. Panellists emphasized importance of education



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Signed

Stephen Carpenter _____