

Short WORKSHOP REPORT FORM

Number and title of workshop: Taking the Fight to the Ground: Addressing Poverty, Corruption and Accountability in Resource-rich Countries at the Sub-National Level.

Coordinator: Ian Gary, Sr. Policy Manager, Extractive Industries

Date and time of workshop: Friday, 12 November, 17:30 – 19:30

Moderator: Ian Gary, Sr. Policy Manager, Extractive Industries

Rapporteur: Zoe Reiter, Senior Programme Coordinator, Transparency International

Panellists

Epifanio Baca, Grupo Propuesta Ciudadana, Peru

Mam Sambath, Executive Director, Development Partners in Action / Chair, Cambodians for Resource Revenue Transparency, Cambodia

Solinn Lim, Regional Program Coordinator, Extractive Industries, Oxfam America, Cambodia,

Steve Manteaw, Campaigns Coordinator, Integrated Social Development Centre (ISODEC), Ghana

Main Issues Covered

Country experiences from Indonesia, Cambodia, Ghana and Peru on corruption issues in extractive industries at the sub-national level.

1.5 billion live on less than 2 dollars a day in resource-rich countries. Many living in communities around resource-rich areas in particular are often worse off due to corruption and misuse of revenues and management of resources.

Less attention has been paid to management and accountability issues vis-à-vis extractive industries at sub-national level than national and regional level.

Particularly given global processes of decentralization, government entities at sub-national level are recipients of large amounts of money from revenues. Therefore the “resource curse” is being pushed down to sub-national governmental (SNG) level. The ability of local and provincial governments to absorb and manage resources and revenues is inadequate. It is key to build capacity of watchdog organizations focusing on SNG level. This is especially important given that these SNGs are often responsible for spending on health and education.

Main Outcomes

Weak capacity at SNG level to manage and execute funds generate:

- Increased corruption in construction of public works projects
- Increased political disputes between rival groups that may lead to crime
- Increased clientelism
- As a consequence, weakened government
- Excessive public expenditure distorts salaries and affects agriculture. Public employees can be paid much more highly than agricultural workers.

CSOs are intervening with capacity building initiatives at the grassroots on issues of economic literacy, budget advocacy, community expenditure tracking, etc to enhance the demand side of accountability.

Main Outputs

See above

Recommendations, Follow-up Actions

Overall, there is a need for strengthened levels of transparency, accountability and citizen participation in planning and oversight of resource revenues at sub-national level. This will improve expenditures in areas of health and education and local infrastructure of most vulnerable communities (poor and indigenous communities).

Need to synchronize reporting requirements with national-level reporting requirements such as EITI and for EITI mechanisms to become legal requirements via Congressional legislation.

CSOs and donors must continue to support multi-stakeholder activities that strengthen incentives for participatory planning and citizen oversight of extractive industry management, contracting and revenue flows as SNG level.

Incentives for citizen participation and oversight must be concrete and outweigh costs of such participation.

Adequate access to information laws and enforcement of those laws is a necessary tool for ensuring effective citizen and CSO monitoring.

Workshop Highlights (including interesting quotes)

With respect to extractive industries and development, analysis should consider all the links of the value chain. Monitoring the generation, distribution and use of revenues is key, but it is also critical to consider contract transparency, the impacts of investments, and the community's right to prior and informed consultation about whether or not to exploit local resources at all. (Presentation of Epifanio Baca).