



DfID SDG16 Event | 9 December 2015

# Natural Resources and SDG 16

- Target 12.2 By 2030, achieve the sustainable management and efficient use of natural resources.
- Within Goal 16
  - Substantially reduce corruption and bribery in all their forms
  - Develop effective, accountable and transparent institutions at all levels
  - Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements
  - Significantly reduce all forms of violence and related death rates everywhere

# Large Literature on the “Resource Curse”

- Many possible channels. Many macro. But also many micro.
  - Weakened tax gathering, weakened state-society linkages (McGuirk, 2013)
  - Local grievances arising from unequal distribution of costs and/or benefits of natural resource production between sub-national regions (Asal et al., 2015).
  - Risks of conflict financing, e.g. through illicit mining, “rebel taxation”, bunkering (Fearon 2004)
  - Rival service provision by producing companies that may crowd-out the state
  - Weakening of legislatures and bureaucracies relative to executives (Besley & Persson, 2010)

# Large Literature on the “Resource Curse”

- Key lesson: Important connections with general institutional environment.
  - Investors seek out stronger environments, not weak environments
  - Adverse effects seen especially in institutionally weak environments
  - Bonus for general institutional strengthening

# Very little literature on interventions

However there are answerable questions:

- What are the effects of greater **transparency** and of different forms of **public engagement in national policy making**?
- Can **local engagement of stakeholders** (affected communities, oil extraction firms, local government and civil society groups) reduce local grievances?
- How can the **oversight** role of legislatures and civil servants be strengthened?
- Do **local investments** by firms waylay local grievances, or exacerbate them by (say) creating new benchmarks for service provision quality?
- Can **direct distribution** of resource revenues (e.g., cash transfers) reduce corruption and popular grievances?

# Key Questions

1. What high level interventions could be examined rigorously?
  1. technical support for elaborating natural resource legislation (requires cross country variation)
  2. the effects of providing technical support to contract negotiation (cross-contract variation)
  3. providing support to enhance sector level transparency (e.g. through the development of national information offices).
2. What priority **micro interventions**?
  1. interventions to enhance **citizen oversight of extractive firms**
  2. interventions to **enhance oversight of government.**