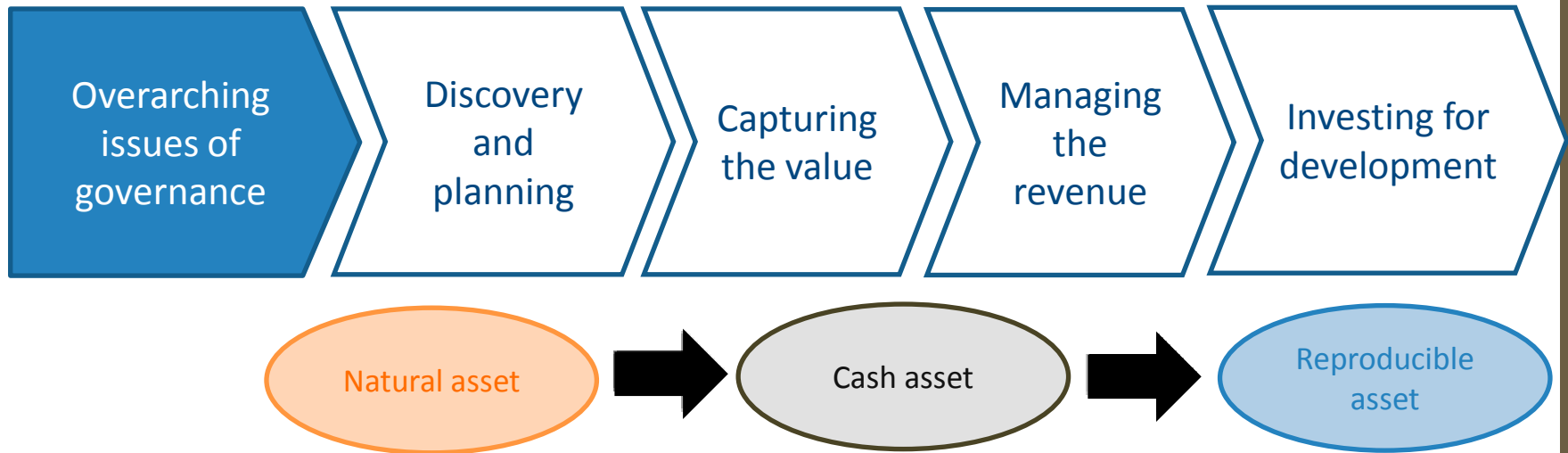


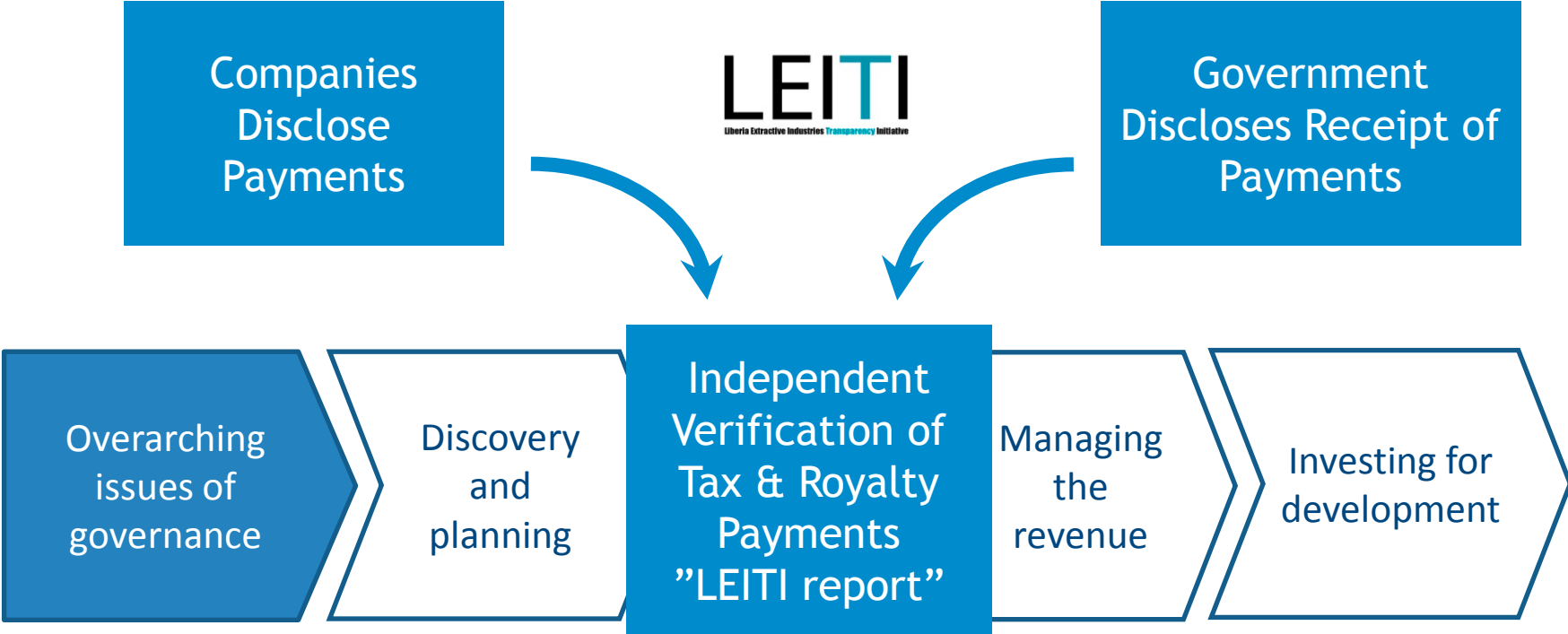
# Managing resource revenues for economic development

**Jim Cust**  
**University of Oxford &**  
**Natural Resource Charter**

# The chain of decisions



# Transparency is the right place to start:



Companies  
Disclose  
Payments

Government  
Discloses Receipt of  
Payments

Overarching  
issues of  
governance

Discovery  
and  
planning

Independent  
Verification of  
Tax & Royalty  
Payments  
"LEITI report"

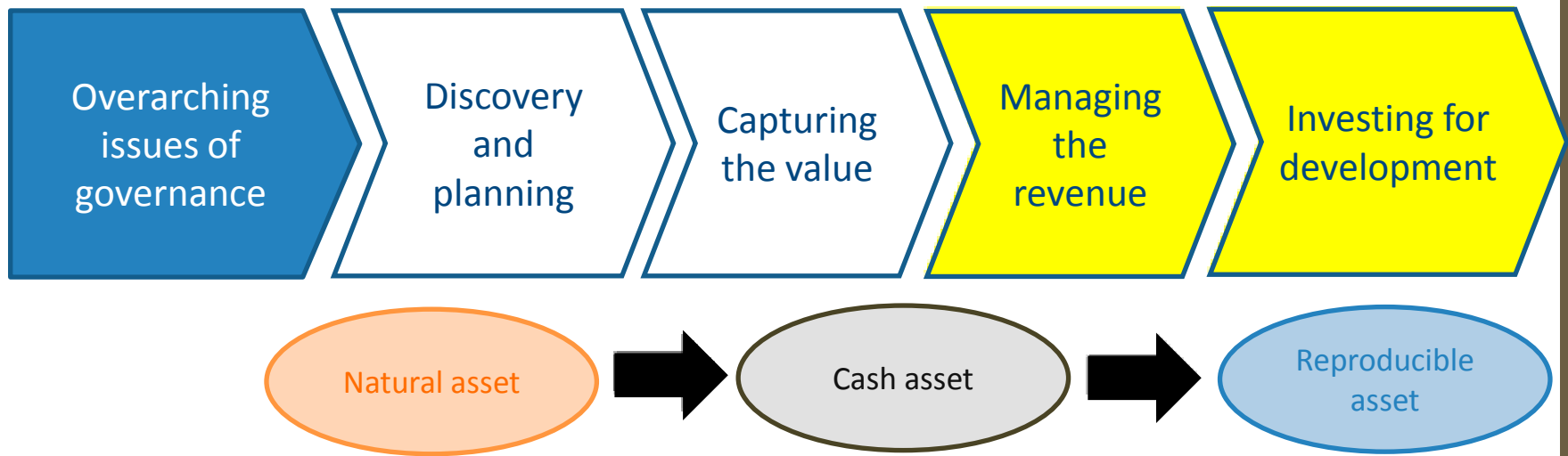
Managing  
the  
revenue

Investing for  
development

Natural Resource Charter is a  
tool to examine entire chain  
of decisions



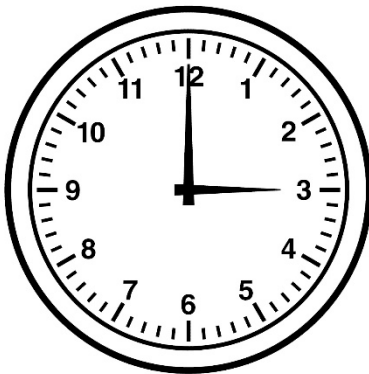
# The chain of decisions



# The Desired Policy Package

- 3 Policy **clocks**:

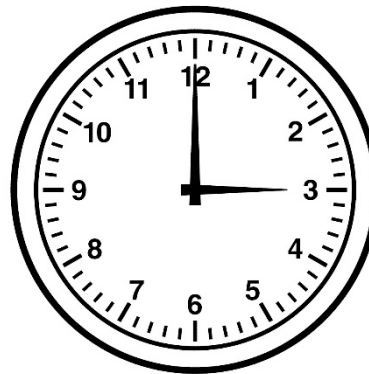
Depletion



Timeframe:

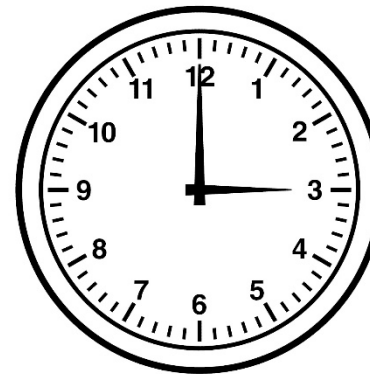
A generation

Investing in  
Investing



A decade

Riding commodity  
price tiger



Erratic

# The Desired Policy Package

- 3 Policy **choices**:

## Depletion

**How much to spend?  
How much to convert to assets?**

## Investing in Investing

**What spending can best build absorptive capacity?  
(park some abroad?)**

## Riding commodity price tiger

**What mix of instruments to use to manage revenue volatility?  
(stabilization fund? hedging?)**



# The Desired Policy Package

- 3 Policy **narratives**:

Depletion

**Ensuring a  
legacy for the  
next  
generation**

Investing in  
Investing

**Job creation  
from  
investment in  
wider  
economy**

Riding commodity  
price tiger

**Putting  
revenue aside  
for a rainy day**





# Political Tripod

- Rules
- Institutions
- Critical mass of informed citizens

