



World Energy Outlook 2008
International Energy Agency
12 May 2008, Maputo

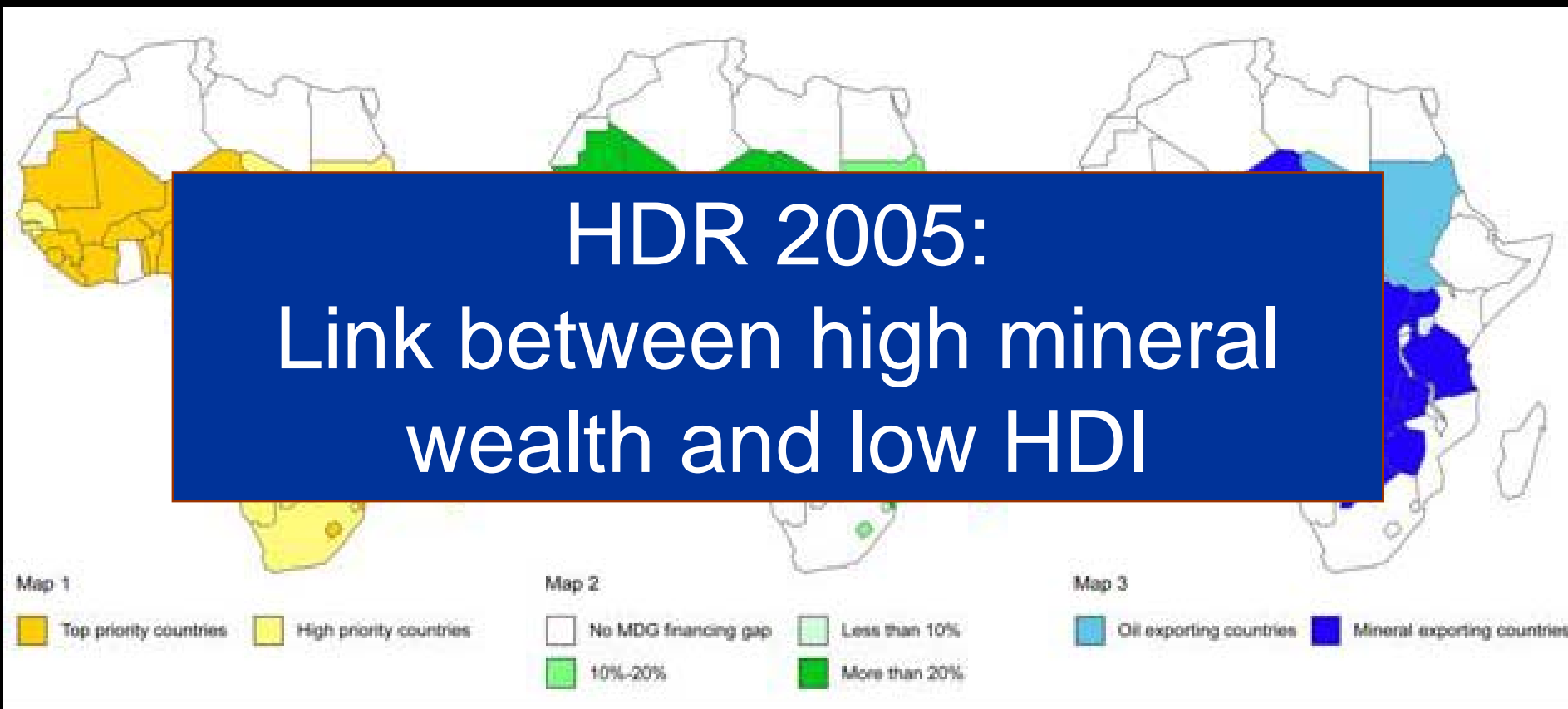
**Session 3: Revenues Management – what
works and what does not work**

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MDG Top and High Priority Countries, MDG Financing Gap (2015), Oil, Gas and Mineral Exporting Countries





Intended Reach of Ongoing Initiatives on Resource's Revenues Management and Governance

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		ITII	PWYP	OSI	CRS	IBP	GRI	IMF	SWAp/GBS	PRSPs	Aarhus Convention	KP
Transparent and economically prudent (with respect to revenue generation) investment agreements negotiate between Governments and companies	Govt Comp				X							
Companies disclose what they pay to governments	Comp Govt		X				X					
Governments and national oil (NOCs) companies disclose what they receive	Govt NOC	X	X					X				
Credible formal (auditors) and informal (civil society) oversight systems for payments and receipts	CSO	X	X	X	X	X		X			X	
Governments disclose the criteria or policies upon which they allocate resource revenues	Govt							X	X			
Governments facilitate participation by civil society in deciding the allocation criteria, policies and priorities, ie achieving 'downward accountability'	Govt CSO							X	X	X	X	
Governments build transparent budgeting and expenditure frameworks and systems	Govt							X	X			
Governments disclose the distribution of revenues to ministries and lower layers of government, eg provincial level	Govt							X	X			
Governments implement transparent and fair procurement procedures relating to expenditure of resource revenues	Govt							X				
Credible formal and informal oversight systems for revenue distribution, budgetary allocation and tracking, and procurement			X	X		X		X	X	X	X	
Outcome performance monitoring and evaluation , with credible oversight, ie impact on poverty						X			X	X	X	
Local development and Service Delivery - MDGs												

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Workshop 2008



Revenues' Cycle

Generation of Revenues

Use of Revenues

Production processes and commercialization

Payments to governments

Revenues stabilization and savings

Fiscal & macroeconomic policy

Budget allocation to reduce poverty & promote growth

Budget execution (national & local)

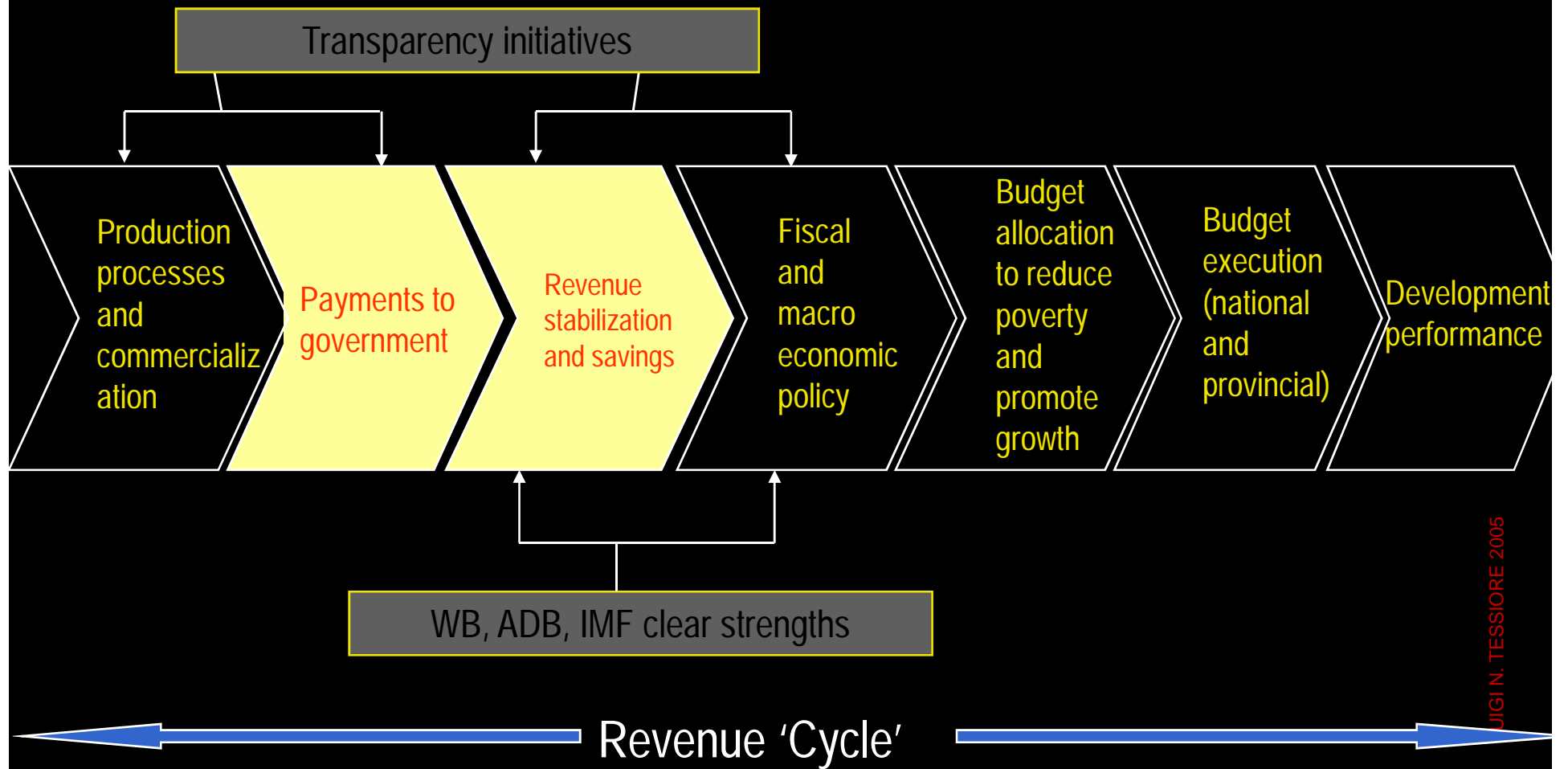
Development effectiveness

NRNR Revenues' Cycle

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Revenues' Cycle Assistance



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Rationale for the local approach

- **Increased impact:** high sustained market price of Mineral resources (next 5-10 y);
- **Increased social responsibility:** open public-private partnerships from local to central levels for poverty reduction actions;
- **Increased sustainability:** endogenous source versus exogenous source;
- **Increased transparency and accountability:** local management & direct social oversight (CSOs participation);
- **Commonly accepted:** new oil (and mineral) revenues management legislations accept the “local principle”;



Revenue Cycle's Governance

Levels	Attributions	Tools & Activities
Supra-National Cross-Border	Dialogue, Negotiations, Harmonization,	Bi-multilateral Treaties & Joint Activities
Central Government	Contracting, Macro Stabilization Investments Programming & Execution	Budgeting, Sectoral Investments Plan, Escrow Accounts
Local Government	Local Planning, Services Delivery	Implementation Local Development Plan & Funds
Private Sector, MSME, CSO	Contracting, Investment, Oversight, Dialogue	Execution Productive Activ. Consumer, Use of Services

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What can governments do to develop local capacity, given that it is crucial to ensure that revenues benefit the energy poor?

Local Content
=
Local Development
?



SECOND PART

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Diamond's for Development



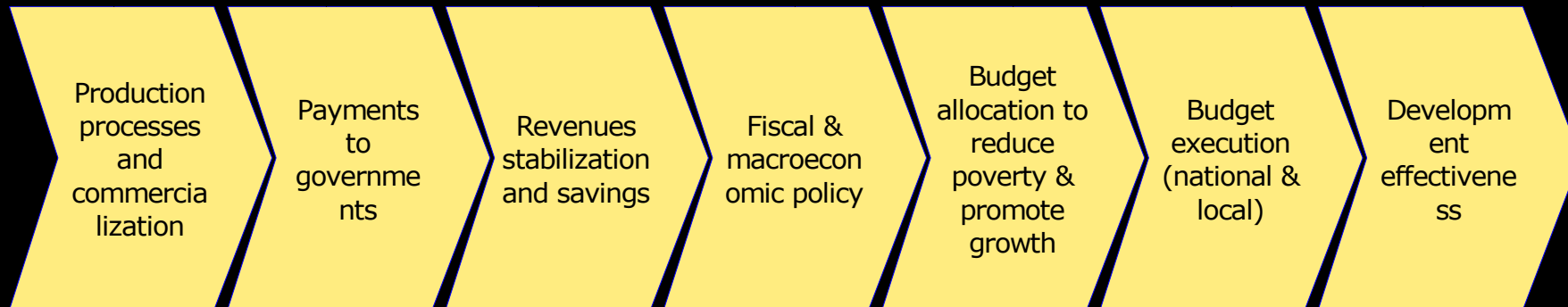
Liberia



D4D Rationale

Transparency Initiatives

D4D



Kimberley Process

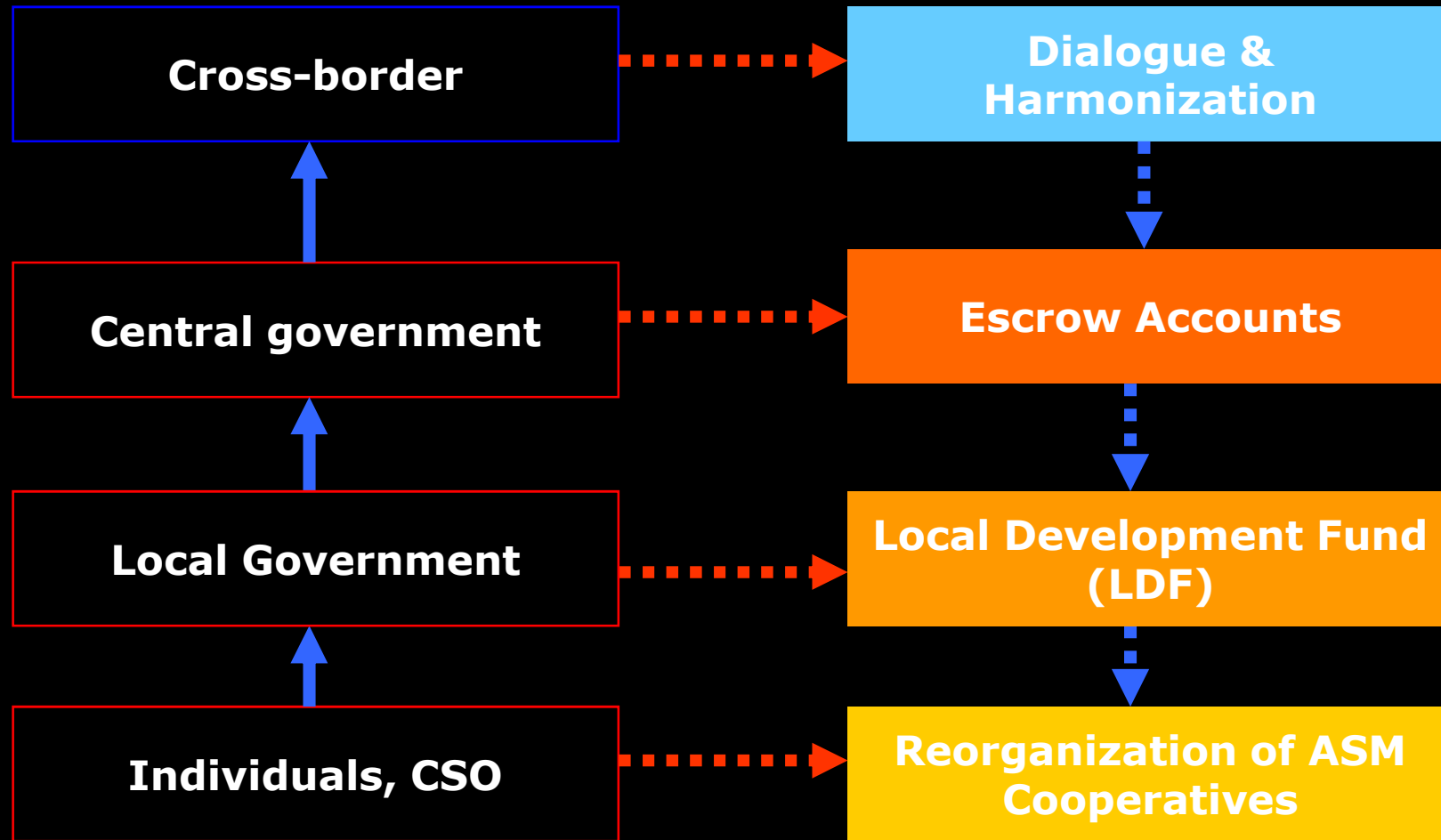
GEMAP Partners



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Interventions at all levels of the revenue cycle

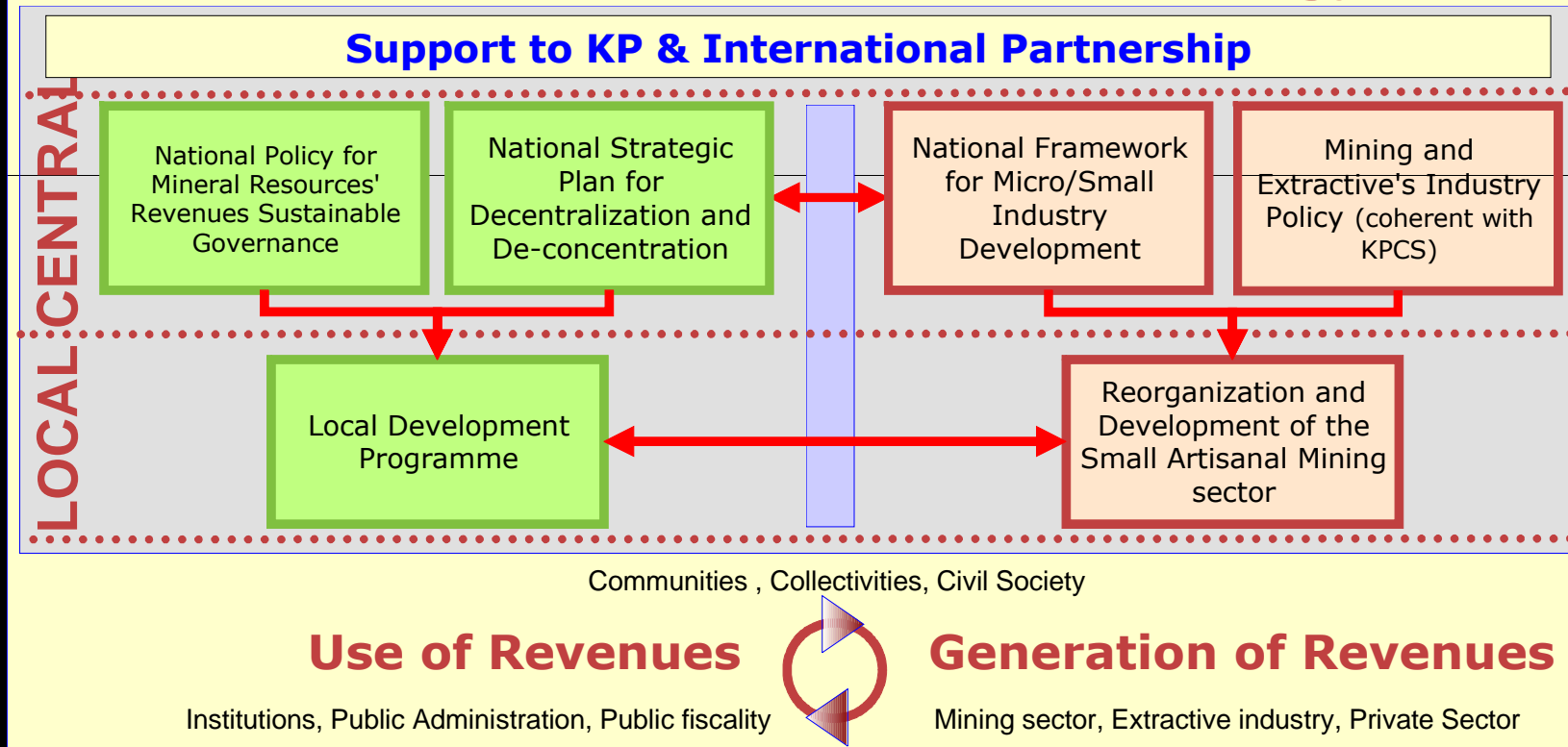


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D4D Framework

Diamonds for Development elements for an operational strategy



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