

Briefing Note: Natural Resource Charter Assessment Framework

The Natural Resource Charter assessment framework has been developed as a performance management tool that governments can use to improve prioritization, action planning, coordination and monitoring of extractive resources and their revenues. In 2012, it was adopted by the New Partnership for Africa’s Development (NEPAD) steering committee as a flagship Natural Resource Governance program.

1. Background

Since the launch of the Natural Resource Charter (NRC), there has been widespread demand from governments and civil society in resource-rich countries to use the Charter as a tool to measure progress and challenges across the 12 precepts.

This is already being done in many countries. In Ghana, the Civil Society Platform on Oil and Gas used the Charter in 2011 to create an Oil Readiness Report Card to evaluate preparations for the management of oil revenues. And last year in Nigeria, a country-led process, supported by the NRC international secretariat, convened a high level panel of Nigerian experts – including former government officials, extractive professionals and other civil society representatives - to score petroleum governance and economic governance across all 12 precepts under the title of the Nigerian Natural Resource Charter.

Recognizing the potential that these initiatives have to contribute to constructive decision making, the NRC has developed a self-assessment framework to be used by governments. This framework is built on the principle that successful resource management requires engagement with a series of interlinked issues ranging from how to create the right environment for responsible investment, to fiscal terms, contracts, institutions and regulations, to macroeconomic management and strategies for sustainable development. Decision making strategies must therefore take a comprehensive view. This ensures that governments improve coordination within their own ministries and agencies as well as with other stakeholders and development partners.

2. Objectives and Scope

The NRC assessment framework provides governments with a detailed methodology to conduct their own comprehensive self-assessment. Under the process, governments convene an expert panel of local specialists to oversee and implement the exercise. In the initial benchmarking phase, the framework can be used to (a) score governance and economic management performance across all 12 precepts to identify priority issues, capacity gaps and opportunities; and (b) develop a national extractive governance action plan in order to address priority issues. Beyond the benchmarking phase, the framework results can be used to (c) link government with targeted technical assistance and capacity building programs offered by the NRC and partner organizations. The framework can also be used to (d) monitor performance over time through official repeat scoring at set intervals of time. The scope of each of these objectives is outlined in figure 1 below.

Figure 1 – Overview of the Scope of Assessment Framework Objectives

Objective	Type	Scope
Prioritization	PHASE I	To effectively prioritize issues, the scoring must be comprehensive , covering all 12 precepts of the Charter.
Action Planning		An action plan should identify a plan of action to address priority issues including deliverables, responsibilities and timescales for action. Given the wide range of issues at stake, multi-stakeholder engagement from government, civil society and the extractive industry is preferable. Such a plan can be used to coordinate government, donor, civil society and extractive industry activities relating to the governance and economic management of the extractive sector.
Coordination	PHASE II	Linkages can be established between government institutions and capacity development / technical assistance programmes provided by the NRC and partner organizations.
Monitoring		Governance and economic performance can be tracked over time through regular re-scoring exercises. Effective monitoring requires the assessment process and the scores it produces to be made public .

3. Country Selection

The Natural Resource Charter provides support to specific countries wanting to use the assessment framework. General criteria guiding country selection are:

- **Resource-Rich:** the country should have substantial current or anticipated production of sub-soil mineral assets including oil, gas, and minerals relative to the rest of the economy.
- **Demand Driven:** there must be strong internal demand, both from government and civil society, for an NRC process.
- **Government Invitation:** governments will be expected to formally invite the NRC and its partner organizations, including NEPAD, to support an assessment exercise.
- **Emerging Producers:** the NRC speaks to all resource-rich countries, however initial phase implementation may have greater value-added in country contexts at earlier stages of resource development.

4. Process and Organization

The process and organization of the assessment framework will be specifically tailored to each unique country context. Nevertheless, each exercise will share the same basic characteristics.

Process: Exercises will center on the deliberation of an expert panel of local extractive sector and public financial management specialists. Experts will meet a set number of times over a period of six to eight months. Inputs to these meetings will include locally produced research, and technical guidance from members of the NRC technical advisory group and international secretariat. In some exercises, there will also be scope for public consultation to feed into these deliberations. Outputs from each exercise will include a research report and priority scores for each of the 12 NRC precepts. In exercises with an action planning objective, a third key output will be national extractive governance and economic management action plan.

Organization: Each exercise will be convened and led by **government**. The **NRC International Secretariat** will support the government in the planning and design process. Once an exercise is underway, the NRC secretariat's role will focus on convening experts, providing technical support and organizing international peer review of research outputs. Local organization will be led by three institutions. These will comprise: an **expert panel**, which will oversee the assessment activities and report findings and recommendations to government; a local **network of researchers**, which will carry out research using the NRC methodology; and a local **coordination team**, or secretariat, which will coordinate communication between the expert panel and the research team, and lead on in country logistics.

5. Next Steps

During 2013 the NRC and its partners have the following plans for the assessment framework:

- **Planning and Coordination:** Building on the first benchmarking workshop held in December 2012, the NRC is planning to host framework coordination workshops in late 2013 with key framework providers to build upon and establish linkages between existing tools and indices that cover specific sections of the Natural Resource Charter.
- **Implementation:** At least two countries will have started using the self-assessment framework during 2013. We anticipate two to three further countries will start using the framework in 2013.
- **Evaluation:** There are plans to establish an assessment framework working group in late 2013. This group will meet on a biannual basis to assess framework methodology as part of a framework improvement plan.

For more information about the Natural Resource Charter assessment framework, please contact Rob Pitman at rob.pitman@naturalresourcecharter.org.