**Important Note:**

This learning resource was developed as part of the Professional Development for Livelihoods Advisers Website (PLOW) which was operational between 2006-2008.

PLOW was funded by the Department for International Development (DFID) and supported the professional development of DFID livelihoods advisers. PLOW hosted 17 learning modules of which this is one. Modules were produced using guidance provided by the Livelihoods Technical Competence Framework that described technical competencies, knowledge, and experience required by DFID Livelihoods Advisers.

PLOW modules were designed to help advisers get up to speed on areas of the competency framework, to prepare for new postings, or to refresh existing knowledge on particular subject areas. They were produced and developed by a partnership comprising the Programme of Advisory Support Service (PASS) and Livelihoods Connect based at the Institute of Development Studies (IDS). Each module was written by an expert or experts in the subject and provided:

- an overview of the subject in a briefing note;
- key texts;
- a summary of recent policy debates;
- points on where to find other resources; and
- a glossary of key terms used in the briefing note.

Although the learning modules produced were written with the DFID Livelihoods cadre in mind they were accessible to a global audience through the website.

Twelve of the original PLOW modules are now hosted on the Evidence on Demand website. This PLOW module was produced between 2005 and 2008 and has not been updated since. Some of the material that it draws upon may no longer represent current thinking and some of the links to resources may no longer exist. Nevertheless, we believe that it is still a useful resource that provides useful reference material.
Natural resources are not just economic resources, they are political resources. Access to resources and distribution of their benefits are often politically charged and contentious. Underdevelopment, environmental degradation, poverty and famine result not so much from a lack of natural resource wealth but from decisions and systems—often political in nature—on the distribution of resource wealth and relevant citizen rights. Mismanagement of these resources can contribute to and exacerbate conflict and corruption. Good governance is key to managing natural resources and promoting economic growth. It is central to poverty reduction; it is estimated that over eighty percent of poor people depend on natural resources for their livelihoods.

Governance reforms are taking place across Africa and Asia. These reforms (both directly and indirectly) have profound implications on which individuals and institutions will be empowered to decide on using and managing natural resources. At all levels—from the local to the national to the international—actors compete to control access to and benefits from natural resources. How these competitions are resolved and to who's benefit, lies at the heart of natural resource governance.

Contents:
- Briefing Note
- Key Texts
- Policy Debates
- Further Reading
- Glossary

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1 Claire Ireland is an environment and development specialist. Her work has focused on the governance of environmental and natural resources, applying sustainable livelihood approaches for pro-poor growth, ensuring the effective contribution of natural resources to economic growth and linking local and global environmental perspectives to wider poverty reduction processes.

2 Taylor Brown is a political scientist. His work focuses on governance and institutions and how they shape the livelihoods of poor people. Taylor is particularly interested in the social and political factors that constrain or facilitate pro-poor change.
The political economy of natural resource use

Natural resources are not just economic resources, they are political resources. At all levels—from the local to the national to the international—actors compete to control access to and benefits from natural resources. How these competitions are resolved, and who benefits, lie at the heart of natural resource governance.

At a local level, those who control resource use often control other levers of power. Understanding local politics in many parts of Africa and Asia, therefore, requires an understanding of the role that customary authorities (chiefs), local elders and local state administrators play over resource use. In many circumstances, communities have also crafted common pool resource regimes to govern resource benefit streams and to settle competing claims and disputes.

At the national level, there are four ways in which a county’s political system can be linked to the way its natural resources are used:

1. In countries where the rule of law is not well established, property rights regimes are likely to be weak or ambiguous. This can lead to wasteful competition to acquire resources, rent seeking and conflict between resource users.
2. In countries where the political system is unstable or unrepresentative, individuals’ claims to future benefits from a resource are likely to be less secure than in more stable and representative political systems. This creates few incentives to conserve natural resources and can lead to depletion of resource stocks.
3. If a country’s natural resources are capable of generating significant rents, but institutions of democratic governance and the rule of law are not well-established, corruption by government officials often undermines or dilutes the potential for public benefit.
4. The mix of private-versus-public goods produced by a nation’s natural resources is influenced by its political system. A forest, for instance, can provide either non-exclusive, public good outputs such as habitat and watershed protection, or appropriable private good outputs such as sellable timber. When the country’s government does not represent the interests of the entire population, but rather acts on behalf of select groups, the use of resource stocks to provide public good benefits may be under emphasised.

At an international level, natural resources cannot be adequately governed by individual countries acting alone. Governing large-scale river systems, ocean resources, and atmospheric goods and services, for instance, all require international consensus and shared and legitimate forums for inter-governmental decision making. Forging international agreements to govern natural resource use, however, requires overcoming significant political barriers and coordination, monitoring and enforcement problems. The challenges facing effective international governance of natural resources include:

- demonstrating the need for international rules in the first place (e.g. on trade and resource use);
- the ability of international institutions to foster consensus;
- the ability of international institutions to create win-win outcomes in disputes between states; and
- ensuring transparency on compliance with international rules once they are established.
Implications of ‘good’ and ‘bad’ NR governance on livelihoods

Natural resources are ‘governance-intensive’ assets. In low-income countries, natural resources usually make up a significant share of the total wealth, one that is substantially larger than the share of the industrial or service sectors. Good governance of these natural resources can improve the livelihoods of millions of poor people. Poor governance often leads to corruption, conflict and intensified poverty.

The livelihoods of poor people are likely to be enhanced in circumstances of ‘good’ NR governance—where property rights regimes are predictable, secure and fair; effective institutions govern common pool resources; and the benefits of resource rents flow to the bulk of the population and not just to elites. In these circumstances, it is more likely that poor people are able to invest in the sustainable use of their resource base and use these natural assets as a foundation on which they can build a sustainable livelihood.

In situations in which there is ‘bad’ NR governance, poor people face few incentives to manage their resources for the long run and significant barriers to building a sustainable livelihood. Insecure and biased property rights regimes can foster social and economic exclusion and generate conflict. A lack of effective management of the commons can lead to unregulated competition and resource degradation, while the elite capture of resource rents can prevent the benefits generated by natural resource wealth from reaching poor people. All of these processes have a tendency to undermine the sustainability of poor people’s livelihoods and to increase their poverty and marginality.

Governance in the forestry sector

Forests have a number of characteristics which make their governance particularly complex. These include:

- the nature of the resource--trees are slow growing and forests offer multiple benefits to different people;
- the nature of rights--forest resources are subject to competing de facto and de jure claims of ownership; and
- the value of forest resources--they offer both market and non-market benefits, the public goods they generate are often undervalued, and forests are open to abuse and illegal operations.

Forestry's inclusive focus (linking the global to the national to the local), the issues of forest tenure and collective rights, and the importance of forest resources in rural livelihoods all reinforce the linkages between good governance, public accountability and poverty alleviation. Elements of good governance in the forest sector include transparent and equitable relationships between stakeholders, public accountability and participatory decision making.

Improving forest governance also has the potential to improve governance more broadly:

- decentralisation of forest management has changed the balance of power and decision making between central government and the periphery;
- relationships between government and civil society have benefited as donor-promoted participation in forestry has created significant space for citizens' voices to be heard; and
- the transfer of rights over forest resources has contributed to turning participation into citizenship.

Current governance concerns in the forest sector include:

- Forest law enforcement and governance (FLEG) processes and their importance to curbing illegal logging and trade in forest products (see section on policy debates);
- Reform of property rights and access to resources for the poor (see section on policy debates); and
- Changing roles of different players (local, national and international) and what this means for improved forest regulation (see section on further reading).
Governance in the fisheries sector

There is a strong relationship between the overall quality of governance in a country and its vulnerability to illegal, unreported and unregulated (IUU) fishing. Good governance appears to go hand in hand with good monitoring and control systems and procedures, the political will to enforce regulations, cooperation with neighbours on surveillance, the elimination of possibilities for IUU activity, and active participation in regional and sub-regional fisheries agreements. Unless aid targeted at improving monitoring and control systems is accompanied by efforts to improve wider governance, the potential benefits in terms of reducing vulnerability to IUU fishing are likely to be undermined.

Current governance concerns in the fisheries sector include:

- **Failures in current fisheries governance**: Global reviews of the current state of fish stocks by the FAO and others indicate that prevailing systems of fisheries governance have been largely ineffective at controlling access to fishery resources. As a result, fish stocks are being depleted in many local and almost all international fisheries.

- **The need for new fisheries regimes**: At an international level, there is a need to strengthen the design and enforcement of international fisheries agreements. At a local level, there is a need to support the development of robust common property fisheries management in coastal, river and lake fisheries.

- **The poverty impact of effective fisheries governance**: The contribution of fishing to household livelihoods and food security can be substantial. Fishing can be part of a diversified livelihood strategy upon which households rely to spread economic risk in an uncertain environment. It can also provide an important safety net for the poor and an accessible and/or affordable source of protein to poor non-fishing households. Good governance in the fisheries sector can therefore improve the food security and livelihood prospects of not only fishers (especially artisanal fishers) but also fish traders, processors and the non-fishing poor.

- **Transparency of fishery concessions**: In countries with weak overall governance and accountability, fishing concessions have sometimes been awarded in an opaque manner to the detriment of local fishing industry, artisanal fishers or government coffers.

- **Need for greater regulation and monitoring of the environmental impacts of aquaculture**: Although commercial aquaculture can create valuable employment, some forms have negative environmental impacts. These include damage to ecologically important habitats, excess groundwater abstraction, salinisation of adjacent cropland and chemical pollution by effluents.

Governance in the non-renewable sectors

A non-renewable resource is a natural resource that cannot be re-made, re-grown or regenerated on a scale comparative to its consumption. Examples include oil, natural gas, gold, diamonds etc. Extraction of these non-renewable resources can leverage substantial wealth for a country. Often, however, non-renewable wealth is associated with corrosive effects on economic and political life of developing countries, including rent-seeking and government ineffectiveness. Good governance is central to fostering sustainable and equitable development of non-renewable resources for the benefit of the poor.

Two hypotheses dominate governance in the non-renewable sector. These are:

1. **Dutch Disease**: When an economy that is heavily reliant upon agriculture or resource-based exports experiences a rapid—but possibly temporary—increase in the price of oil and minerals or discovery of new reserves and deposits, dramatic economic growth usually results. This boom ‘crowds out’ the other sectors of the economy. In an open economy a substantial current account surplus appears, leading to currency appreciation, thus rendering the existing (non-resource) exports uncompetitive in world markets.

2. **The natural resource curse**: an affliction in which the possession of abundant and valuable resources results in poor governance and feckless economic behaviour. The presence of resource wealth in a country is often associated with instability, economic stagnation and decline. The sudden influx of state revenues from natural resource extraction may effectively
disenfranchise a citizenry. Revenues from oil exploitation, for example, frequently dwarf the tax base and lessen politicians’ responsiveness to the electorate.

Although non-renewables sectors are frequently implicated in economic mismanagement, conflict, corruption and civil strife, this is not inevitable. The solution is better governance. Enhanced fiscal management and transparency, for instance, can improve accountability and reduce scope for corruption and elite capture. Sound policies, legislation and codes of conduct can help to protect rights and entitlements, eliminate unacceptable practices (such as child labour), and contribute to the fair distribution of benefits. DFID and other development actors are actively supporting these sorts of governance reforms in resource rich countries and exploring ways to strengthen the political will required for them to be effective in practice.

In many developing countries the bulk of mining is carried out through the artisanal and small-scale mining (ASM) sector. Better governance of ASM has the potential to reduce corruption, conflict and civil strife. Alienating or ignoring the sector has the potential to exacerbate poverty, corruption, human rights abuses and even violent conflict. Policy options such as sanctions on mineral exports often exacerbate the situation of miners while fostering corruption among officials. Revenue transparency (e.g. the Extractives Industries Transparency Initiative) and commodity trading transparency (e.g. the Kimberley process for diamonds) have had more success in improving the governance of the ASM sector. Both processes enable civil society to hold their governments to account for the benefits accruing from resource exploitation and provide assurances to consumers that minerals are ‘corruption and conflict free’.

**Common themes and lessons**

The form and quality of government systems (structure, power, effectiveness, efficiency, rights and representation) underpin sustainable natural resource use. Common governance questions which affect the effective contribution of natural resources to sustainable livelihoods include:

- Are effective incentives/sanctions in place?
- Can trade be used as an instrument to leverage better governance i.e. consumer power to bring about global governance?
- Do ‘easy resource rents’ reduce incentives for economic reform and diversification?
- Are governance systems (particularly in the collection and use of revenue from natural resources) accountable and transparent?
- Can decentralisation or devolution help to improve the sustainable management of resources?
- Are common pool resources properly recognised?
- Are natural resources markets clearly understood or are market failures undermining their sustainability?
- Is political power exercised fairly? If not, who is disadvantaged?
- Are property rights clear and enforceable?
- Do all have equal access to the formal justice and legal system?
Nature, Wealth and Power - Emerging Best Practice for Revitalising Rural Africa
USAID in collaboration with CIFOR, Winrock International, WRI and IRG (Recommended reading - Governance Chapter written by Jesse Ribot & Peter Veit pages 25-31)

Building on lessons learned from more than 20 years of natural resource based development in rural Africa, this paper presents principles and steps that can serve as a guide to investment there based on case study examples. The paper recognises that natural resources will continue to drive African economies for decades to come and that access and control over resources is the major governance issue, especially for rural people. It describes how consideration of the resource, economic and governance dimensions of natural resource management are critical for sustainable livelihoods to be achieved. In the governance chapter (pages 25-31) a number of principles and action recommendations are made to help improve governance of natural resources in order to bring about sustainable economic growth.

The Drama of the Commons

This book re-evaluates learning on ‘governing the commons’. It provides a summary of the basic economic theory underpinning common property resource rights and resource use. Chapter two focuses on the large body of empirical work on common property. Scholars of common property have shown that markets or private property arrangements and state ownership or management do not exhaust the range of plausible institutional mechanisms to govern natural resource use. This is based on hundreds of separate case studies of successful common-pool resource governance; each such study has generated different conclusions about what counts as "successful" resource management. The multiplicity of causal variables, and the lack of attention to how the effects of these variables depend on the state of the context, has created gaps in explanations of how common property institutions work.
Illegal logging and the international trade in illegally logged timber is a major problem for many timber-producing countries in the developing world. It causes environmental damage, costs governments billions of dollars in lost revenue, promotes corruption, undermines the rule of law and funds armed conflict. It retards sustainable development in some of the poorest countries of the world. Consumer countries contribute to these problems by importing timber and wood products without ensuring that they are legally sourced. In recent years, however, producer and consumer countries alike have paid increasing attention to illegal logging. What are the current initiatives doing to support the sustainable trade of forest products?

Natural Resources and Violent Conflict - Options and Actions


EU Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan The EU Action Plan for Forest Law Enforcement, Governance and Trade (FLEGT) is the European Union’s response to the global problem of illegal logging and the international trade in illegally-harvested timber. At the core of the Action Plan are Voluntary Partnership Agreements (VPA) with timber-producing countries that wish to eliminate illegal timber from their trade with the EU. In the UK, DEFRA and DFID, together with FCO, work jointly on this issue.

Reform of property rights and access to resources

A person or community’s rights to land and other natural resources defines their natural resource tenure. Legally, tenure is a bundle of both rights and obligations: the rights to own, hold, manage, transfer, or exploit resources and land, but also the obligation not to use these in a way that harms others. In other words, tenure defines property and what a person or group can do with it— their property rights. However, tenure is not only a legal concept but a complex social institution, often involving traditional practices and customary authorities as much as formal laws. It governs ownership and access to natural resources, which is the gateway to use and benefit from these resources. As such, tenure is key to poor people’s ability to derive income and subsistence from natural resources i.e. a sustainable livelihood. Yet so often reform of property rights and access does not lead to the desired outcome. Why are some groups that use common pool resources able to prevent the ‘tragedy of the commons’ while others are not?
DFID supported initiatives:

Rights and Resources Initiative - an international coalition supporting local efforts to:
- Substantially increase the forest area under local ownership and administration, with secure rights to conserve, use and trade forest products and services; and
- Dramatically reduce poverty in the forested areas of the world. For more information see http://www.rightsandresources.org/

Rights and Trade Initiative

Since early 2000 Forest Trends and Rights and Resources, along with the Center for International Forestry Research (CIFOR), and Peking University, have worked with partners in China and across the region to fill information gaps and build a knowledge base on the Chinese forest market and the industry and export trade of China's Asia Pacific supplying countries. Initiative partners are engaged in three types of activities:
- Analysing Chinese market trends and policies and the impacts and implications of these trends on China and supplying countries;
- Strengthening networks of forest market and policy analysts and advocates in China and the East Asian region; and
- Engaging policy and market leaders in China and key supplying countries in East Asia to advance pro-poor policy and market reforms.
- Visit: http://www.rightsandtrade.org/index.html

Forest trends - a non-profit organisation that aims to advance sustainable forestry and forestry's contribution to community livelihoods worldwide:

Who Owns the World's Forests?

Who Conserves the World's Forests?

Resource Tenure and Property Rights: Access and ownership WRIlink to resources on this issue.
Find out more: http://www.wri.org/publication/content/8067

Rights, Livelihoods and Natural Resources

ODI multidisciplinary programme looking at the rights of the poor. This webpage has a link to a number of papers including:
- Public Goods and Private Rights: the Illegal Logging Debate and the Rights of the Poor;
- Illegal Logging in Central America: Tackling its Impacts on Governance and Poverty; and
- Action Research on Poverty Impacts of Participatory Forest Management (ARPIP).
Find out more: http://www.odi.org.uk/rights/What_we_do/Rights_Livelihoods.html

What does the global fisheries crisis mean for the livelihoods of the poor?

Harvesting resources from seas, lakes, and rivers is a source of sustenance and livelihood for millions of people. However the nature of fishing and the condition of the marine and freshwater resources it relies on has changed radically over the last 100 years. In the last half century, a tide of new technology—from diesel engines to driftnets—has swept aside the limits that once kept fishing a mostly coastal and local affair. The result has been a rapid depletion of key stocks, and serious disruption and degradation of the marine and freshwater ecosystems they live in—what many have termed a 'global fisheries crisis'. Unfortunately, pressure on fish stocks is primed to increase even as stock conditions continue to worsen. Demand for seafood products is projected to continue growing at 1.5 per cent per year through 2020. Despite these troubling statistics, most people have little idea of what the ‘fisheries crisis’ is, or what it means to them.

Fishing for answers - making sense of the global fisheries crisis
The empirical evidence seems to suggest that resource rich countries have a propensity to exhibit conflict, corruption and civil strife. Instead of being at the top of the table for poverty reduction and sustainable development many resource-rich developing countries are consistently at the bottom (e.g. Sierra Leone, Angola, DRC). Examples of success stories built on mineral wealth are few (arguably Chile and Botswana). Is this link causal and inevitable? Most commentators believe that mineral wealth can contribute to development but that governance of mineral wealth has been poor.


Lifting the natural resource curse Paul Collier (2003) Oxford University


Geologists have arguments based on very long time horizons, metallurgists on increasing material recyclability and efficiency. However, in development terms the non-renewable resources sector (e.g. oil, gas and mining) is legitimately included in the sustainability agenda by virtue of the fact that it converts natural capital into other forms of capital, generating more sustainable livelihood opportunities.


To dig or not to dig? (2002) A discussion paper by WWF

In the early 2000’s a multi-stakeholder Extractive Industries Review asked if World Bank investments in the non-renewables sector were compatible with the goals of poverty reduction and sustainable development. It concluded yes, but on condition that good governance was in place and due regard was given to environmental and social safeguards and the protection of rights.

Extractive Industries Review - can extractive industries (oil, gas and mining) projects be compatible with the WBG's goals of sustainable development and poverty reduction IFC (2004)
Download full document: http://www.ifc.org/eir

Further Reading

Contents:

Resource Centres

Further Reading:

- Economic Theory Underlying Common Property Rights and Resource Use
- Good and Bad Natural Resource Governance
- Political Economy of Natural Resources
- Governance in Fisheries
- Governance in Forestry
- Governance in Non-Renewable Sector

Resource Centres

World Resources Institute (WRI)

The World Resources Institute is an environmental think tank that aims to link research with practical outputs that improve people's lives. They have a dedicated programme focusing on Governance and Access of Natural Resources and the Environment.
Web: http://www.wri.org/

Global Witness

An independent organisation aimed at breaking the links between natural resources, conflict and corruption. Areas of particular focus include: combating conflict diamonds; natural resources conflict; forests; corruption in oil, gas and mining; independent forest monitoring (IFM)
Web: http://www.globalwitnessteam.org/index.php

International Association for the Study of the Commons

A non profit organisation devoted to understanding and improving institutions for the management of resources that are (or could be) held or used collectively by communities in developing or developed countries.
Web: http://www.iascp.org

DFID Governance and Social Development Resource Centre

The Governance and Social Development Resource Centre (GSDRC) supports the knowledge needs of the international development community in relation to governance, conflict and social development. Contains a document library and topic guides. Includes DFID commissioned papers including 'What is the resource curse'.
Web: http://www.gsdrc.org/

Overseas Development Institute (ODI)

Independent think-tank on international development. A number of their research groups and programmes focus on different aspects of natural resource governance. See below for the two most relevant.
Web: http://www.odi.org.uk
a) Rural Policy and Advisory Group (RPPG)
The group focuses on pro-poor growth and livelihood security, better engagement of productive sectors in policy processes including poverty reduction strategies and the local, national and international governance and implementation structures to make a reality of environmentally and socially sounds policies.

b) Forest Policy and Environment Programme (FPEP)
Within FPEP there is currently a research centre focusing on environmental governance. This research centre recognises that forestry provides an important entry point for governance initiatives.
Web: http://www.odifpeg.org.uk/index.html

The International Institute for Environment and Development (IIED)
An international policy research institute and non governmental body working for more sustainable and equitable global development
Web: http://www.iied.org

a) Natural Resources
IIED’s Natural Resources work divides into three areas Drylands; Agriculture, Biodiversity and Livelihoods; and Forestry and Land Use. All these areas address governance issues in some respect.

Within the Forestry and Land Use programme there is a specific research theme on **Making forest governance work for marginalised groups**. Through a range of projects, IIED focuses on how good forest governance can work to benefit marginalised groups, those who do not normally have a voice in the decisions which affect their access and use of forest goods and services

b) Governance
Governance is a cross cutting theme and within the governance programme a project has been set up called the **Forest Governance and Learning Group**. The forest governance learning group works in Africa and Asia to exchange learning and develop ideas on forest governance - and helps to make them work for practical, just and sustainable forest use.

**Further reading**

**Economic Theory Underlying Common Property Rights and Resource Use**


**Understanding Institutional Diversity** Elinor Ostrom (2005) Princeton University Press. Recommended reading - Chapter 9 ‘Robust resource governance in polycentric institutions’

**The Tragedy of the Commons** Hardin (1968), Science 162, pp 1243-1248

**Extensions of "The Tragedy of the Commons"** Hardin (1998) Science 280, Number 5346 pp 682-683


**Good and Bad Natural Resource Governance**
Key Sheets for Sustainable livelihoods - Sovereignty and Global Governance ODI (2002) Looks at the issues of global governance of natural resources and proposed three principles for a better strategy for improved global governance


Lifting the natural resource curse Paul Collier (2003) Oxford University

Reducing Poverty and Sustaining the Environment - the Politics of Local Engagement Edited by Stephen Bass, Hannah Reid, David Satterthwaite, and Paul Steele(2005). DFID sponsored publication through IIED that addresses the role of politics in natural resource management through a series of case studies of experiences at regional, national and local levels in low and middle income countries.

Democratic Decentralisation of Natural Resources - Institutionalising Popular Participation Jesse Ribot (2002) World Resources Institute


Political Economy of Natural Resources


International Political Economy: Some African Applications Paul Collier (2006) Oxford University. Looks at global public good and bads and what the international community can do to contribute to sustainable resource use.

Political Economy and Natural Resource Use Robert Deacon & Bernardo Muller (2004) University of California

Governance in Fisheries

Fisheries Management and Science Programme (FMSP) - produced innovative research on marine and inland capture and enhancement fisheries management. Sustainable use of the worlds oceans, coastal areas and inland water bodies is critical for global food security, employment and income generation and governance is at the heart of this. Key programme lessons on governance and other related themes can be found on the site.

Web: http://www.fmsp.org.uk/
Read Key Lessons: http://www.fmsp.org.uk/KeyLessons.htm

Key sheets for sustainable livelihoods -

Includes key sheets on:

Key sheets on fiscal reform in fisheries - specific key sheets on fiscal reform in the fisheries sector produced in 2004

From Participation to Governance - a critical review of the concepts of governance co-management and participation and their implementation in small-scale inland fisheries in developing countries Bene and Neiland (2006) World Fish Centre and CGIAR
(Please refer to PLOW CD for full PDF Version)

Governance in Forestry


Best practices for improving law compliance in the forestry sector FAO & ITTO (2005)

Rights and Resources Initiative - international coalition supporting local efforts to (a) substantially increase the forest area under local ownership and administration, with secure rights to conserve, use and trade forest products and services and; (b) dramatically reduce poverty in the forested areas of the world.
Web: http://www.rightsandresources.org/

Illegal logging website hosted by Chatham House provides background information on key issues in the illegal logging debate, together with news stories, information on events, key documents and links to other relevant websites.
Web: http://www.illegal/logging.info/
**Governance in the Non-Renewable Sector**

Buy online [http://www.geolsoc.org.uk/index.html](http://www.geolsoc.org.uk/index.html)

**Good Practice - Sustainable development in the mining and minerals sector** - Resource for guidance on the implementation of good practice at mining and metals operations around the world. The site aims to support the implementation and effective achievement of the [ICMM Sustainable Development Principles](http://www.icmm.com/). It also encompasses a host of additional issues lying outside the scope of these principles.

**Communities and small scale mining website** - Communities and Small-Scale Mining (CASM) is chaired by the DFID and housed at the World Bank. Established in response to international recognition of the need for an integrated approach to address the challenges facing ASM communities. CASM collects and shares lessons learned from the past decade of development efforts but also contributes to the improvement of new efforts, especially given the limited resources available for work within the sub-sector. CASM is developing good practice toolkits and guidance notes for various stakeholder groups to improve the design and implementation of policies and programs.
Web: [http://casmsite.org/](http://casmsite.org/)

**Extractive Industries Transparency Initiative (EITI)** - The EITI aims to ensure that the revenues from extractive industries contribute to sustainable development and poverty reduction. At the core of the initiative is a set of Principles and Criteria that establish how EITI should be implemented. The EITI Source Book outlines the principles and criteria.
Web: [http://eitransparency.org/](http://eitransparency.org/)
**Glossary**

**Common Pool Resource** A natural or man-made resource from which it is difficult, but not impossible, to exclude potential beneficiaries obtaining benefits from its use. Common pool resources are subject to problems of overuse, because they are subtractable unlike pure public goods.

**Common Pool Resource Regime** An institutional arrangement which is in place to manage the preservation, maintenance and consumption of a common-pool resource.

**Dutch Disease** Results when a steady reliance on agriculture or resource-based exports is affected by a windfall gain from a rapid— but possibly temporary— increase in the price of oil and minerals or discovery of new reserves and deposits. The resource boom ‘crowds out’ the other sectors of the economy. In an open economy a substantial current account surplus appears, leading to currency appreciation. Thus rendering the existing (non-resource boom) exports uncompetitive in world markets.

**Governance** The institutions and processes through which power is exercised, decisions that concern the public are made, citizens are given voice and decision makers are held to account.

**Natural Resources** The institutions and processes through which power is exercised, decisions that concern the public are made, citizens are given voice and decision makers are held to account.

**Non-Renewable Resource** A natural resource that cannot be regenerated, re-made or re-grown on a scale level to its consumption, unlike a renewable resource.

**Point Sourced Natural Resources** Resources such as oil and minerals which have a tendency to lead to production and revenue patterns that are concentrated, rather than being diffused through the economy.

**Political Economy** The interrelationship between political and economic institutions and processes. That is the relationship between governments and markets and vice versa. Political economists are interested in analysing and explaining the ways in which various sorts of government affect the allocation of scarce resources in society through their laws and policies as well as the ways in which the nature of the economic system and the behaviour of people acting on their economic interests affects the form of government and the kinds of laws and policies that get made.

**Renewable Resource** Any natural resource that depletes more slowly than the rate at which it regenerates. In other words, it may be used but not used up. It may be so abundant that it is almost impossible for it to deplete, or it may have a way of regenerating itself. This is different to a non-renewable resource.

**Resource Curse** The idea that the presence of so called ‘point sourced’ natural resources in a country is often associated with instability, economic stagnation and decline.

**Resource Rents** An economic term of abnormal or supernormal profit which derives from the exploitation of natural resources. There are two main reasons of the existence of resource rent: The scarcity of the natural resource and the possible impact exploitation will have on natural growth of the resource in future.

**Safety Nets** A term used to describe a collection of services provided by the state which prevent individuals from falling below certain levels of poverty.

**Sale of Booty Futures** Where a rebel group receives a payment from fringe elements in the corporate world, in return for entitlements to natural resource extraction in the future should the rebel movement succeed.

**Tragedy of the Commons** The theory of the tragedy of the commons suggests that if property over natural resources is held in common each individual has a rational incentive to overexploit that resource.
to maximise his gains, and to ignore the costs to the rest of the community (Hardin 1968). In Hardin’s formulation, so long as population growth is contained, this problem does not occur, as the number of users remains under control. When population numbers rise, long term sustainability is undermined and common property results in overuse of the resource.