HOW THIS MODULE IS ORGANIZED

Module 1: Setting the Scene

This module provides an overview of the course and how the course is organized, along with a brief introduction on the objectives of the course. In the beginning of the session, each participant is asked to introduce him/herself. Participants are also asked to write down both their expectations and concerns regarding the course.

The training on "Improving the Governance of Extractive Industries" is the second training organized by the Asia Pacific Regional EI Knowledge Hub. The training is held on 28 April – 10 May 2014 in the Faculty of Social and Political Science and is facilitated by expert facilitators and resource persons. The course focuses on five issues in extractive industries including: socio-environmental impacts; revenue management; tax, royalty, and contract terms; coalition for reforms; and expanding disclosure requirements of EITI.

This module consists of 3 sessions:

Session 1: Getting to Know Each Other

Session 2: Course Introduction and Participants Expectations

Session 3: Setting Group Guidelines, Monitoring, and Self-Assessment

Module 2: Assessing Social and Environmental Impacts in Extractive Industry Operations

A comprehensive understanding of socio-environmental impact is needed for academics, bureaucrats, as well as civil society activists to engage with the extractive industries issues. This course aims to help participants to gain a thorough understanding of the extractive industries operations in the region and the associated risks. Thus, the participants may acquire better appreciation of the unique biophysical characteristics of the region and the known social issues attached to the use of natural resources. This program also aims to provide participants with the capacity to implement meaningful and effective instruments and is also important to developing participant's skills to manage or mitigate social and environmental risks and estimate downstream economic benefits once an EI operation is underway.

After completing the course, the participant is expected to understand four aspects. First, to become sufficiently acquainted with EI operations and specific risks; second, to implement Environmental Impact Assessments (EIA) and Free, Prior and Informed Consent (FPIC) processes more effectively; then third, to learn how to perform natural resources valuation vs. economic gains estimated through financial modeling; fourth, to gain awareness of some international EI Standards and their potential application in the region.

This module consists of 5 sessions:

Session 4: Extractive Industry Governance Value Chain

Session 5: Risks, Drivers for and Against Extraction

Session 6: Enabling Effective Environmental Impact Assessments (EIA)/ Free, Prior and Informed Consent (FPIC)

Session 7: Natural Resource Accounting and Cost–Benefit Analysis

Session 8: Stakeholder Monitoring and Promoting Social Accountability

Module 3: Tax, Royalty and Contract Terms

In order to help their countries generate strong revenue flows from the extractive industries, it is important for civil society activists, bureaucrats, and also academics to develop a strong understanding of the terms that govern the flows of revenues between extractive countries and governments. The course will provide a strong background on the financial rules included in contracts and legislation that set payment obligations, and the interaction among various elements of the extractive industry legal system.

This section of the course will be divided into 5 sessions. First, it will provide an introduction to legal hierarchy and key contract forms and terms prevalent in the oil and mining industries. Second, it will detail the structure of fiscal systems and key terms that will enlighten the participants on differentiating and analyzing major revenue streams such as royalty, production share, state equity, and income taxes. Third, the course will introduce participants to common pitfalls and loopholes in fiscal design, which provides a strong basis for anticipating and managing possible revenue shortfalls. Fourth, we will organize a stylized financial model, which will enable participants to put the sessions into practice and assess potential returns under a hypothetical fiscal scenario, to enable stronger analysis of fiscal terms. Finally, the course will cover key features related to the monitoring of fiscal obligations.

The participants will possess a simple modeling exercise delivered by the facilitator and resource person. After the course, the participants are expected to advocate and strengthen their institutions with their knowledge.

This module consists of 5 sessions:

Session 9: Introduction to Fiscal Systems

Session 10: Which One the Best Fiscal System?

Session 11: Legal Hierarchy/Contract Forms and Terms

Session 12: Participant's Country Case Study

Session 13: Monitoring of Fiscal and Tax Obligations

Session 14: Modeling of Financial Benefits

Module 4: Revenue Management

Through this module, participants are expected to have a broader understanding of the fiscal policies for resource rich countries. This session will provide an overview of some challenges of managing natural resources revenues, including ways to address challenges through the design of fiscal policies and improved governance of relevant institutions. During the three days, participants' analytical skills will be enhanced through assessment of some study cases, practical examples and their challenges, identifying issues, and also group work. There are real life data/country case studies to be used during the session; the organizers will use regional examples such as Indonesia, Timor Leste, Philippines and Malaysia, and also global examples such as Norway, Peru, Ghana and Azerbaijan. Group work will be included in the session and the topic will be adjusted where possible to the issues within participants' home countries.

This module consists of 6 sessions:

Session 15: Over view and Challenges to Managing Resource Revenues Macro Economic Frameworks

Session 16: Macro Economic Policy Options

Session 17: Public Financial Management & Budget Process

Session 18: Revenue Sharing and Sub-National Revenue Management: Spending Management and Local Content

Session 19: Linking Revenue Management with Sustainable Development

Session 20: EITI: Introduction to Basic Principles and Overview of 2013 Standard.

Session 21: Local Government in Natural Resource Management

Module 5: Coalition for Reforms

This session is designed to provide the participants with an overview of policy advocacy strategy to establish a coalition among stakeholders in promoting governance reform in extractive industries. By the end of the session, it is expected: (1) an increased level of awareness and understanding among the participants on the importance socio-environmental issues in building coalition to promote governance reform in extractive industry (2) an increased level of understanding among the participants on the stages of policy advocacy strategy including problem mapping, stakeholder mapping, and building relevant and contextual strategies (3) an increased capacity of participants in building relevant and contextual strategy in resource governance (4) Participants are equipped with the capacity in integrating Environmental Impact Assessment (EIA) and Social Impact Assessment (SIA) in building coalition and shaping policy.

This module contains 5 sessions:

Session 22: Policy Advocacy Strategies

Session 23: Coalition for Reform at Practice Focusing on EIA

Session 24: Coalition for Reform at Practice Focusing on SIA

Session 25: Post-training activities

Session 26: Post-training activities

MODULE 2:
ASSESSING SOCIAL AND ENVIRONMENTAL IMPACTS IN EXTRACTIVE INDUSTRY OPERATIONS

Session 4: Extractive Industry Governance Value Chain

Learning Objectives	Methods	Materials
Identify areas for engagement/intervention across the value chain	Presentation Group discussion	Hand out
Provide a strong rationale for citizen oversight in all aspects of the extractive sector		

Discussion:

- Why is oversight of the extractive sector important?
- What does it involve?
  - Discuss in pairs (5 mins)
  - Share in plenary (10 mins)
- What is the EI Governance Value Chain?

Task:

- Working in 4 groups, draw an EI Value Chain on Flipchart naming each part of the chain (10 mins)
- What are the Issues for Engagement?

Task:

- In 5 groups discuss and list the areas of intervention in each part of the value chain
- Each group will focus on 1 assigned part
- List on Flipchart (15 mins)
- Present in plenary (3-5 mins)

Session 5: Risks, Drivers for and Against Extraction

Learning Objectives	Methods	Materials
Introduce the nature of extractive industry and its characteristics that may lead to acceptance or refusal on its activity.	Presentation Group discussion Case based learning	Hand out
Define what extractive industry is and understand how the commodities (especially petroleum, coal and mineral) are extracted. Besides that, know the characteristics of extractive industry which may lead to acceptance or refusal on its activity by the community		

Session 6: Enabling Effective Environmental Impact Assessments (EIA)/ Free, Prior and Informed Consent (FPIC)

Learning Objectives	Methods	Materials
Gain a framework in understanding the risks and impacts associated with Extractive Industry operations on the environment and the people	Presentation Group discussion	Handout
Learn about initiatives in undertaking effective EIA and FPIC processes		

GROUP EXERCISE

The rural town of San Andres lies on the mountainous area of Central Philippines. Its vegetation cover ranges from native forest to grounds that have been extensively cleared for agriculture encompassing 30 villages and 50,000 people. A 200 km2 of rugged terrain with steep slopes and several mountain peaks and gorges is at the heart of the landscape of San Andres. Three river systems, Tapyas, Tigbak and Malanog, run through San Andres from which 70% of the farmers get their farm irrigation, as well as gather firewood, wild root crops, and other bare necessities. More than 350 species of plants and animals, including the Tamaraw (Bubalus Mindorenses) an endangered animal, have been noted to be inhabiting the mountains San Andres.

Six months ago, a consortium of foreign businesses from Japan and China announced they'd build "Asia's largest nickel mine" on the mountainous terrain of San Andres. While some of the residents welcomed the prospect of more jobs and modern development, others are more concerned about how such mine would affect their lives and ecosystems. The concerned citizens of San Andres have joined with researchers from the University of the Loyola and actively oppose the plan through community education and activism. Environmental activists from Manila have also joined the controversy supporting the opposition to the project. Among others, they argue that the better location of the mine would be the adjoining town of San Roque which has lesser biodiversity. The proponents of the plant are refusing to relocate because it would cost an additional 25 million dollars to them. The proposal of a nickel mine is not the only issue facing San Andres. Many of the town's subsistence farmers do swidden farming and continue to do so in converting more forest areas into arable land. For example, a recent study by researchers at the University documented that in the last 10 years alone 50% of the town's forest cover have been lost due to land conversion. In addition, illegal trade of wildlife animals and plants also persist in San Andres. In 2001, San Andres' once-booming mountain trekking and Tamaraw-sighting was shut down and the mountains had to be close to the public for a period of 10 years, due to near extinction of some flora and fauna. For this reason, local NGOs and community activists, with the help of international organizations, are working toward developing a mountain resource management plan that empowers farmers and other community members. The plan was drafted by representatives of the municipal government, the religious sector, members of San Andres' farming industry

and other stakeholders and draws on research by foresters and geologists from academe and the international community. The plan emphasizes farming and ecotourism as the primary economic activities for the area. There is already an agreement on the plan; the only remaining challenge is to raise the 100 million pesos for it implementation.

The Minister of Environment has called a meeting to determine whether it is possible to obtain consensus on the nickel mine. If there is no consensus, he/she will make a unilateral decision to approve or disapprove the ECC. The following people are attending the meeting:

- **The Environment Minister** – who will chair the meeting (assisted by the Director of the Mines and Geosciences Bureau)
- **The Mayor** who needs to determine whether the project should be given LGU endorsement.
- **The Village Chieftain** who represents the community that will be directly affected by the plant
- **The Company Representative** proposing the project;
- The **Environment NGO Representative** who opposes the project;
- The **Aide to the Congressman** who supports the project;
- The **Scientist** from the university who opposes the project;
- A **Development Specialist** from an international organization, ready to provide assistance to mitigate impacts of project or to support alternative programs..

All these individuals have publicly stated positions on the controversy. However, their positions are actually much nuanced when asked more privately.

Instructions

1. Each participant will have 30 minutes to prepare for the meeting with the DENR Secretary. During that time, he/she will receive specific instructions on her positions and interests. She is also encouraged to consult and talk to other stakeholders during this time – to assess positions, build coalitions, etc.

2. The Environment Minister shall develop a strategy on how to run the meeting and build consensus. The meeting will run for one hour. During the meeting, a participant could get new instructions that could change her positions in the negotiations.

3. The meeting shall end with the Environment Minister summarizing the results – identifying the consensus that was agreed and the remaining contentious points. Or if there is no agreement, he/she will announce her decision to approve or disapprove the ECC.

Session 7: Natural Resource Accounting and Cost-Benefit Analysis

Learning Objectives	Methods	Materials
Equip the participants with an appreciation of the multi-faceted effects of extractive operations to the ecological system.	Presentation Group discussion	Handout
Provide a framework in throughly understanding the costs and benefits of extractive industries, as a tool in decision and policy-making.		

Sagittarius Mines, Inc. (SMI), a subsidiary of Xstrata PLC, has proposed a Copper-Gold Mine Project located at the southern Philippine Island of Mindanao, worth $5.9 Billion. An open-pit mine measuring up to 800 meters deep and affecting four provinces, is planned to be in active operation for 17 years, and will necessitate associated facilities such as a 400-watt coal-fired power station, 100-kilometer long pipelines, and a sea port of its own, among others. The mine is estimated to contribute up to 11% of the annual GDP of the provincial regions where it will be located, provide employment to as much as 10,00 workers, and directly pay government taxes and charges amounting to US$ 7-8Billion over its entire life cycle.

The mine site is currently inhabited by approximately 4,000 local villagers living in 870 households, of which 70% are indigenous peoples living largely traditional lives, who will all be displaced. The mine site also supports a high diversity of 1,000 flora and 280 fauna species, of which some are in the Philippines or international threatened species list. Key potential impacts include contamination of downstream surface water and contamination of local community groundwater supplies, increase in downstream flood, aquatic habitat loss, and generation of approximately 1.65 billion tons of waste rock and 1.1 billion of mine tailings, 90% of such wastes being potentially acid forming.

a. Chair – Department of Environment and Natural Resources (DENR)
   Department of Social Welfare and Development (DSWD)
a. Department of Agriculture (DA)
b. Department of Health (DOH)
c. Department of Labor and Employment (DOLE)
d. Department of Trade and Industry
e. National Commission on Indigenous Peoples

Instructions

- Based on each Department's competency, the Department Heads are expected to raise points that will go into the base scenario, options, expected value , uncertainty and risk, and net overall impact.
- The meeting shall end with the DENR Secretary summarizing what needs to be done to do a proper cost benefit analysis

Session 8: Stakeholder Monitoring and Promoting Social Accountability

Learning Objectives	Methods	Materials
Explain the basic concept and principle of Environmental and Social Assessment, and stakeholders' accountability.	Presentation Group discussion	Handout

MODULE 3:
TAX, ROYALTY AND CONTRACT TERMS.

Session 9: Introduction to Fiscal Systems

Learning Objectives	Methods	Materials
Explain the global fiscal systems in extractive industries, oil and gas in particular, its segments and dimension	Presentation Group discussion	Handout

Session 10: Which One the Best Fiscal System?

Learning Objectives	Methods	Materials
An explanation about how governments, NOCs and IOCs work together in the process of negotiating an oil contract, and what types of contractual relations are likely to lead to better outcomes for country governments.	Presentation Group discussion	Handout
Define the aspects distinguishing existing systems and also define other relevant aspects		
An understanding of how the different systems operate and, in particular, of the core fiscal elements.	Methods	Materials

Session 11: Legal Hierarchy/Contract Forms and Terms

Learning Objectives	Methods	Materials
Explain about the legal hierarchy, contract forms and general terms in EI.	Presentation Group discussion	Handout
Case study from the experiences of several countries.		

Session 12: Participant's Country Case Study

Learning Objectives	Methods	Materials
Participants from each country are required to reflect on how extractive industry contributes to state revenue.	Presentation Group discussion	Handout
Reflect on each fiscal system in effect.		
Recount the incentive infestation type from NOCs and/or IOCs.		

Session 13: Monitoring of Fiscal and Tax Obligations

Learning Objectives	Methods	Materials
Explain understanding the content of an obligation.	Presentation Group discussion	Handout
Explain the way to analyze an obligation.		
Explain the way to find information and how to monitor enforcement of an obligation.		

Session 14: Modeling of Financial Benefits

Learning Objectives	Methods	Materials
Review the fundamental principles for calculating government fiscal revenues from resource extraction projects, by using the simplified model below based on government fiscal revenues from taxation of a mine.	Group exercise	Exercise handout
Create a series of cash flow models for various scenarios by using various different assumptions around fiscal instrument rules and resource pricing.	Group exercise	Exercise handout
Analyze the impact of the different scenarios on government revenues.	Group exercise	Exercise handout

MODULE 4:
REVENUE MANAGEMENT

Session 15: Over view and Challenges to Managing Resource Revenues Macro Economic Frameworks

Learning Objectives	Methods	Materials
Understand the macroeconomic implications of utilizing mineral resources on developing economies	Presentation Group discussion	Handout

Part I: Assessing Petroleum Revenue Management Challenges

Petronia, a small middle-income country, is expected to become a significant producer of oil and gas, producing about 2.5 billion barrels of crude over the entire production period from 2018 to 2037. Government revenue from oil and gas alone could exceed $130 billion over this period. With production ramping up soon, the government is just now developing its policy framework for the sector. Key economic data on Petronia is provided in Table 1.

Table of Key Economic Data

	2011	2012	2013
Gross Domestic Product (billion USD)	102	97	100
Per capita income (USD)	10,200	9,700	10,000
Population (million)	10	10	10
Poverty (% of population living under $2 a day)	15	18	15
Total government revenue (billion USD)	30	20	25
Total government spending (billion USD)	35	27	33
Of which:			
Recurrent Expenditures (consumption)	25	26	30
Capital Expenditures (investment)	10	1	3
External debt (% of GDP)	19.6	27.8	35.0
Imports (billion USD)	45	43	45
Exports (billion USD)	55	50	53
Years of oil remaining at expected production levels	23		
Government effectiveness indicator percentile (World Bank)	22nd percentile		
Monetary regime	Fixed exchange rate (100 Petronian pesos per USD)		

You and your team have been asked by the Minister of Finance to assess Petronia's preparedness for managing this massive oil and gas revenue windfall. As such, each group will prepare a maximum 5 minute presentation on each of the four questions below.

Questions

1. Potential consequences of an oil revenue windfall

What are the major macroeconomic challenges and opportunities that Petronia and the Government of Petronia might face once large oil revenues start entering the economy and government coffers? Specifically, what might be their impact on variables such as:

- The exchange rate
- Prices (tradable and non-tradable)
- Trade
- The national budget and government spending efficiency
- Poverty rates and economic development
- Financial sector lending

Please mention the potential economic, social and political impacts of the oil revenue windfall.

2. Current response to a negative fiscal shock

In 2012, Petronia experienced an economic contraction, due in large part to a failure in its largest export crop, cocoa. GDP shrunk by nearly 5% that year. Since the government and the central bank do not have any national savings beyond three months-worth of foreign reserves held at the central bank, the government had to respond by one or several of the following options to either reduce or cover the budget deficit:

- Raising taxes
- Cutting expenditures
- Borrowing from locals or foreigners
- Ask international donors of the international financial institutions (e.g., IMF) for financing

a. The government responded by borrowing more and reducing spending by $7 billion. Was this the correct response? Why or why not?
b. In cutting the budget, recurrent expenditures (mainly salaries and food subsidies) continued to increase, while capital expenditures were cut. Was this the correct response to the fiscal crisis? Why or why not?
c. How might the presence of large oil revenue inflows have changed the choices available to the government?

Session 16: Macro Economic Policy Options

Learning Objectives	Methods	Materials
Understand policy options for managing extractive revenues	Presentation Group discussion	Handout

GROUP EXERCISE

Part I: Assessing Petroleum Revenue Management Challenges

Petronia, an Asian middle-income country, is a significant producer of oil and gas. Oil prices are currently near their historical high at $100 per barrel. With production ramping up further this year, the government is just now developing its policy framework for the sector. Key economic data on Petronia is provided in Table 1.

Table of 2012 Key Economic Data

Population (in million)	10
Poverty (% of population living under $2 a day)	15
Per capita income (USD)	10,000
Total government revenue (billion USD)	40
Government oil revenue estimate (billion USD, based on $100 per barrel price assumption)	22
Total government spending (billion USD) *Of which:* *Recurrent Expenditures (consumption)* *Capital Expenditures (investment)*	45 40 5
Years of oil remaining at current production levels	25
Oil as a percentage of exports	80
External debt (% of GDP)	30
Gross Domestic Product (GDP – in billion USD)	100
Government effectiveness indicator percentile (World Bank)	32nd percentile

Questions

1. Petronia's external debt equals 30 percent of GDP. The average interest rate on this debt is 7 percent per year and average maturity is five years. Based on the information provided, what is your assessment of whether or not Petronia is on a sustainable debt path? What additional information might you need in order to make this assessment?
2. Is the government of Petronia managing its finances in the best interest of future generations? In other words, is the government being 'fiscally responsible'? Why or why not?
3. Assume that major economic turmoil suddenly depresses the Brent oil price index from $100 to $50 per barrel.
    a. What would be the impact of the oil price decline on Petronia's government budget?
    b. How might Petronia's overall economy be affected?
4. Petronia presently does not have any national savings beyond three months-worth of foreign reserves held at the Central Bank. Yet, due to the decline in oil revenues, it must make important decisions. Essentially, it has four choices: Cut expenditure, increase taxes, finance the budget deficit by borrowing from locals or foreigners, or ask international donors or the international financial institutions (e.g. IMF) for financing.

a. What are the advantages and disadvantages of each choice?

b. Assume that the government has chosen to cut expenditures to balance the budget. Should it focus on cutting recurrent spending (e.g. government wages; social programs; operations and maintenance of existing infrastructure) or capital spending (e.g. new infrastructure) and why?

5. As the Government of Petronia starts preparing its 2014 budget, what would you advise it to do to protect itself against oil price volatility in the future?

Part II: Policy Options for Dealing with Volatility

Following a collapse in the oil price and the ensuing economic upheaval, the President of Petronia has decided to adopt a long-term perspective to managing public finances. She wishes to enact a fiscal rule that will help mitigate the disastrous effects of oil price declines, save some oil revenues for future generations and create the right incentives for the government to spend oil revenues well.

The Government of Petronia has asked you to prepare a brief presentation analyzing three options (see below). You have been asked to assess the implications of the saving-spending decisions proposed by the government for the macroeconomic stability and the sustainable development of Petronia.

Using the tools you picked up at the Summer School on Governance of Oil, Gas and Mineral Revenues, you have already produced a government revenue forecast for one of Petronia's oil fields, the Aladeen Field, using a $100 per barrel forecast (see Table 1). While other fields and discoveries may provide other revenues from the sector, your analysis should be based on this projection.

The three options are:

Option 1: A Permanent Income Hypothesis (PIH) rule that determines how much oil revenue the government will save and spend. The PIH rule calls for 3% of oil *wealth* to be spent in any given year; the rest is to be saved in a single Petroleum Fund which will act as a savings and stabilization fund. The amount to be spent is being called "Estimated Sustainable Income" or ESI. ESI is calculated as:

$$ESI = \dot{0.03} \times \left(V + \sum_{t=0}^{n} \frac{R_t}{(1+i)^t} \right)$$

where:

- V is the estimated value of the Petroleum Fund at the end of the Fiscal Year
- R_t is expected petroleum revenue in year t
- i is expected return on Petroleum Fund investments over the long-term
- n is the expected number of years until oil runs out

Assuming that that the average nominal yield on Fund investments (*i*) is 3 percent, you come up with the following estimates for ESI:

Table of Oil Revenue Projections for Aladeen Field and Saving-Spending Estimates Under Option 1

Year	Output ('000 barrels per day)	Government Revenue from Aladeen Field (million USD)	NPV of Oil Revenues (million USD)	ESI Oil revenue and Petroleum Fund interest spending (million USD)	Oil revenue saving (million USD)	Petroleum Fund size (million USD)
2010	0	0	15267	0	0	0
2011	106.9	900	15267	458	442	442
2012	120.5	1010	15267	471	539	994
2013	120.5	1083	15267	488	595	1619
2014	120.5	1484	15267	507	977	2645
2015	120.5	1796	15267	537	1259	3983
2016	101.4	1804	15267	578	1226	5329
2017	89.0	1587	15267	618	969	6458
2018	79.5	1400	15267	652	748	7400
2019	69.9	1213	15267	680	533	8155
2020	61.6	1053	15267	703	350	8750
2021	56.1	946	15267	721	225	9238
2022	50.7	839	15267	735	104	9619
2023	46.6	759	15267	747	12	9920
2024	43.8	706	15267	756	0	10168
2025	41.1	652	15267	763	0	10362
2026	38.4	599	15267	769	0	10503
2027	35.6	546	15267	773	0	10591
2028	34.3	519	15267	776	0	10652
2029	32.9	492	15267	778	0	10686

Option 2: Expenditure growth is limited to non-oil GDP growth. Whenever this rule creates a budget surplus, that surplus is deposited into a Petroleum Fund. The Fund may be drawn on in case of deficit, conditional on the rule being met. Once the Petroleum Fund reaches $10 billion, annual interest from fund investments can be added to government expenditure, even if it breaks the rule.

Example: Assume non-oil GDP growth is 4 percent. This means that spending can only increase by a maximum of 4 percent. Assuming that there was a balanced budget in the previous year, if oil and non-oil revenue together increases by 5 percent, then one percent of government revenue will be saved in the Petroleum Fund.

Option 3: The Government of Petronia will hedge oil prices by entering into a series of 1-year forward contracts with international investment banks (e.g., Goldman Sachs). This way it will lock in the price it gets for a barrel of oil and not be subject to wild swings in oil prices. The Ministry of Finance will manage the government's hedging strategy in consultation with a council of financial experts.

Questions

1. Please analyze the implications of each option with a particular emphasis on (a) mitigating the negative effects of oil price volatility; (b) fiscal sustainability and inter-generational equity; (c) improving the quality of public investment; and (d) opportunities for mismanagement or corruption.

2. What transparency and accountability provisions would you recommend to safeguard petroleum revenues and petroleum funds against mismanagement and corruption?

Session 17: Public Financial Management & Budget Process

Learning Objectives	Methods	Materials
Understand public finance	Presentation Group discussion	Handout
Learn about the budget process		
Understand ways to assess the budget process		
Share country experiences in the budget process		

Session 18: Revenue Sharing and Sub-National Revenue Management: Spending Management and Local Content

Learning Objectives	Methods	Materials
Provide a background on the tools available to mining and oil-affected communities and sub-national governments to help them benefit from the presence of the extractive industries beyond the investments made by the national government in health, education, infrastructure and social programs	Presentation Group discussion	Handout

Session 19: Linking Revenue Management with Sustainable Development

Learning Objectives	Methods	Materials
Provide participants with an analytical framework for thinking through appropriate development strategies for resource-rich regions.	Presentation Group discussion	Handout
Inform participants on the opportunities available to communities and countries to benefit from the presence of extractive activities, as well as the constraints to shared-use of infrastructure and other local content plans.	Presentation Group discussion	Handout
To make the theory to be practical by suggesting tools for assessing local economies and creating development plans	Presentation Group discussion	Handout

References:

- Acemoglu, Daron and James A. Robinson (2012) *Why Nations Fail: The Origins of Power, Prosperity and Poverty.* Crown Publishers: New York.
- Collier, Paul (2010) *The Plundered Planet.* Oxford UP: Oxford.
- Commission on Growth and Development (2008) *The Growth Report: Strategies for Sustained Growth and Inclusive Development*. World Bank: Washington DC. Online at: http://siteresources.worldbank.org/EXTPREMNET/Resources/489960-1338997241035/Growth_Commission_Final_Report.pdf
- Klugman, Jeni (ed.) (2002) *Poverty Reduction Strategic Plan Sourcebook*. World Bank: Washington DC. Online: http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTPOVERTY/EXTPRS/0,,contentMDK:22404376~pagePK:210058~piPK:210062~theSitePK:384201~isCURL:Y,00.html
- Lin, Justin (2011) *New Structural Economics: A Framework for Rethinking Development and Policy*. World Bank: Washington DC. Online at: http://siteresources.worldbank.org/DEC/Resources/84797-1104785060319/598886-1104951889260/NSE-Book.pdf
- Natural Resource Charter Precept 9 and Precept 10
- Revenue Watch Institute (2012) *Diversification in Resource-Dependent Countries*. Revenue Watch Institute. Online at: http://www.revenuewatch.org/publications/diversification-resource-dependent-countries
- Rodrik, Dani (2007) *One Economics, Many Recipes: Globalization, Institutions and Economic Growth*. Princeton University Press: Princeton.
- Swinburn, Gwen and Fergus Murphy (2004) *Making Local Economic Development Strategies: A Trainer's Manual*. World Bank: Washington DC. Online: http://www.worldbank.org/urban/local/toolkit/docs/full_manual.pdf
- Toledano, Perrine et al. (2014) *A Framework to Approach Shared Use of Mining-Related Infrastructure*. Vale Columbia Center for Sustainable International Investment. Online: http://www.vcc.columbia.edu/files/vale/content/A_Framework_for_Shared_use_Jan_2014.pdf
- Vale Columbia Center (2013) *Summary and Feedback from the Shared-Use of Mining-Related Infrastructure Expert Workshop – November 2013.* Online: http://www.vcc.columbia.edu/files/vale/content/Infrastructure_Expert_Workshop_-_Summary_Report_VCC_Nov_2013_.pdf

Session 20: EITI: Introduction to Basic Principles and Overview of 2013 Standard

Learning Objectives	Methods	Materials
Give an overview of EITI, its background, process and content	Presentation Group discussion	Handout
Equip the participants with the capacity to go deeper in EITI Standard		
Ensure that participants can mobilize EITI Standard and EITI experiences in the region, as international best practices standard for their advocacy		

Group Discussion

Each country identify 1 EITI policy area (or sub topic) that will be there priority. Discuss:

- What does the EITI requirement say? (is there an encouraged area as well?)
- How can countries strengthen their adaption of this requirement? (see the RWI recommendations and country examples)
- How will you advocate for this in your country?

Reference www.revenuewatch.org/eitiguide

Session 21: Local Government in Natural Resource Management

Learning Objectives	Methods	Materials
An extent of devolution in the Philippine and how it affects mining.	Presentation Group discussion	Handout
compare the Philippine local government law with participants' own country systems		

MODULE 5:
COALITION FOR REFORMS

Session 22: Policy Advocacy Strategies

Learning Objectives	Methods	Materials
To provide a framework of policy advocacy strategy in coping with socio-environmental issues in promoting governance reform in extractive industries	Presentation Group discussion	Handout

Session 23: Coalition for Reform at Practice Focusing on EIA

Learning Objectives	Methods	Materials
To provide a framework of social and political factors that contribute to the resource governance, such as political dynamics at the national and local level, specific features of civil society organizations, the existence of indigenous groups, conflict-sensitive perspective in policy advocacy strategy	Presentation Group discussion	Handout

Session 24: Coalition for Reform at Practice Focusing on SIA

Learning Objectives	Methods	Materials
To equip participants with problem mapping skills for policy advocacy strategy in resources governance based on the various social and political contexts	Presentation Group discussion	Handout

Session 25: Post-training activities

Learning Objectives	Methods	Materials
To equip participants to establish coalition among stakeholders (government, civil society and business society) in resources governance based on the various social and political contexts	Presentation Group discussion	Handout
To equip participants to establish relevant and contextual strategies in resources governance based on the various social and political contexts		

Session 26: Post-training activities

Learning Objectives	Methods	Materials
To equip participants to establish coalition among stakeholders (government, civil society and business society) in resources governance based on the various social and political contexts	Presentation Group discussion	Handout
To equip participants to establish relevant and contextual strategies in resources governance based on the various social and political contexts		