

The Extractive Industry: Information Transparency, Participation, and Inclusion

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Outline

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- ② Types of Information We Need
- ③ People's Participation and Inclusion
- ④ EI Revenue Management

Information Transparency

Why the information transparency in the EI sector should matter?

- ▶ Just for understanding the context, for leisure purposes or increasing knowledge.
- ▶ Information or news can be useful when its transform into data.
- ▶ The data will be beautiful when people use it to bring a large discussion and the knowledge sharing on the topic.
- ▶ The data will be powerful when people, firms, the government, and policy makers use it to have a better decision for today, the next 2 years, 5 years , or in the long-run.

Information Transparency

- ▶ When we have the data, by using critical reading and critical thinking, it will lead you to have many questions, concerns, or happy with the information of a particular topic.
- ▶ The data will also allow you to develop your innovative thinking and acts to solve an issue in a particular area—they help solve social problems.

Types of Information We Need

▶ **Types of Data**

- Legal documents and other regulations
- Policy papers
- EI production and revenues data
- Public expenditure data as the budget from EI revenue sources
- Investment information and contracts
- News
- What else?

▶ **How we can access to these data?**

- Google is your friend,
- Media outlets,
- Government agents' website and so more ...

Types of Information We Need

- ▶ An example, the Republic of the Congo with assistance from the IMF and the World Bank, has made significant progress in improving transparency and accountability in the oil sector.
 - Starting in 2003, the government oil revenues are being certified quarterly by an external auditor.
 - The government has published data and acted to improve the sector:
 - Organizing the seminars, workshops, conferences (for parliamentarians and the public),
 - Oil revenue,
 - Oil firms' audit information,
 - Monthly oil production and revenue data,
 - The production sharing contracts for all oil fields.
 - By doing so, they act to reform oil firms (accounting system, internal controls, management information system, and reporting and accountability).

People's Participation and Inclusion

▶ **Why People's Participation is Important?**

- Your opinion is important for the government's decision, and firms and stakeholder's decision
- The more perspectives, the more input
- Community ownership
- Sharing benefits
- Monitoring and evaluation the process of development
- For demonstrating your ability to act and being active citizens

▶ **Who Participates?**

People's Participation and Inclusion

► How to Ensure Participation?

- Freedom of speech, political, culture, and socioeconomic are usually the main barriers for youth's participation in the process of development in Cambodia.
- The government, CSOs, NGOs and shareholders have a significant role to promote the participation.
 - For example, to promote youth's participation, they should support by providing the medium and long-term funding.
 - Social media strategy.
 - Technical support and motivational reinforcement.
 - Mentorship and consultation.
 - Provincial Expansion.
 - Capacity development.
 - Stakeholder collaboration.

EI Revenue Management

Table 1: Saving and Spending Model

Model	Definition	Benefits & Risk	Note
Big-Push Spending	All the current revenues.	Accelerate growth, but face macroeconomic instability and Dutch Disease risks.	Not recommended for weak-institution countries. Applied in Vietnam.
Bird-in-Hand	Real returns on current assets.	Prudent and simple saving, but loss of growth opportunity.	May not be recommended for LDCs. Applied in Norway.
Sustainable Income	Real returns on the sum of current assets and future revenues.	Help avoid boom-bust cycle, but face uncertainty in the future revenue estimation.	Applied in Timor Leste.
Revenue Benchmarking	A fixed/variable share of average of revenues/Moving Average.	Flexible (stabilizing and saving), but need clear benchmarking and long-term development objectives.	Applied in Trinidad, Tobago, and Ghana.

Source: Heng, D. and Ngo, S. (2013). Extractive Industries Revenue Management: A Tale of Six Countries. Research Report 4, Cambodian Economic Association.

EI Revenue Management

- ▶ We are not getting clear about the EI savings or spending model in Cambodia.
- ▶ However, the revenue management should benefits for current and future generation.
- ▶ The EI spending should uses to promote the growth of economic, households, and well being of the nation.
- ▶ They should to put more efforts to promote EI financial transparency and accountability.

Conclusion

- ▶ Four key principles—accountability, transparency, participation, and inclusion—have in recent years become nearly universal features of the policy statements and programs.
 - Those focusing on governance, on democracy, and on human rights.
- ▶ We usually question about the impact of these four principles.

In the new economy, information, education, and motivation are everything. —William J. Clinton, the 42nd president of the United States (1993-2001).

Thank You!

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