Imagine there’s no ‘Resource Curse’
– Contribution of Collaborative Initiatives –
by Jill Shankleman∗

Scope
This paper expands on presentations made at the Woodrow Wilson Centre for International Scholars in January 2008, and at the Columbia University/Economist Conference on the State of the Planet ’08 in March 2008. It addresses the risks to peace and development presented by newly-found oil wealth in poor countries with weak governance; reviewed the important collaborative initiatives launched in the last decade by groups of companies, NGOs, governments and international organizations to address these issues; then posits what more is needed if the current oil boom is to realize its potential to jump-start sustainable economic development.

The Resource Curse
The ‘resource curse’ is evident when oil (and, to a lesser extent, gas or minerals) are major exports from a country, but this trade is not accompanied by broad economic development and improvements in the standard of living of citizens. Further, resource-based development is often associated with high levels of corruption, non-democratic government, and, in the worst cases, with violent conflict.

The principal underlying cause of the resource curse lies in the revenues that oil production yields for governments. In most countries, states own sub-soil resources. Some, especially in the Middle East, rely more or less exclusively on state owned companies to produce oil. Others sell the rights to exploration and production to oil companies on the basis of some sort of profit split with the state, or require collaboration between international oil companies and state enterprises. Whatever the model, governments gain significant revenue streams from oil production, especially when, as now, prices and profits are high. According to the International Monetary Fund in 2007, over 50 countries can be designated as rich in hydrocarbon and mineral resources. Many of these are low and middle-income countries in which resource revenues (principally in petroleum-rich countries) account for over 50 percent of government revenue or export proceeds.1

These government revenue streams pose significant economic problems for all resource rich states, and additional difficult political challenges in states without pre-existing democratic institutions. The economic problems are generally better understood, and potentially easier to manage, than the political problems.

The core economic problems are twofold. First, reliance on oil revenues means that government income is likely to be volatile year on year, a function of oil output and prices. Such variability in government income is widely associated with inefficient government spending. Second is the risk of ‘Dutch Disease’, the condition named after the experience of the Netherlands in the 1970s when its North Sea gas fields were developed; resulting in a stronger exchange rate and consequent decline in the non-petroleum economy. Dutch Disease is especially important in terms of development and stability because the oil industry is capital rather than labour intensive – once oilfields and pipelines have been constructed, employment levels are low. So an economy in which oil is the only strong sector is likely to be one with high unemployment and the associated risks of instability.

However, in relation to the economic challenges of oil wealth, much has been learned from the experience of the 1970s oil boom, and from the approaches of resource-rich countries that have been successful in avoiding the curse, such as Norway and Botswana. Governments are becoming aware of the risks posed by revenue volatility and Dutch Disease. Systems to stabilize the revenues coming into the government budget year on year are increasingly being put in place, and, in some cases, major efforts are being made to create a business climate favourable to non-oil activities.2

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The more challenging political problem of oil wealth is a linkage between oil wealth and poor governance. This has three aspects. The existence of oil revenues appears to weaken the imperative for governments to secure a tax take from other sources, such as personal and business incomes. This can result in less accountable government, and in limited efforts by government to invest in the human capital (education, health), infrastructure (e.g. electricity), or institutions (police and justice systems) necessary for development. It is reflected in the low rankings that some oil rich countries have compared to ‘non-oil’ countries with similar levels of GDP/capita in the United Nations’ Human Development Index.\(^3\) A second political problem widely associated with oil wealth is high levels of corruption. For example, the selling of oil concessions, handling of oil revenues, and allocation of oil sector service contracts offer opportunities for corruption unless undertaken transparently. Oil, gas and mineral rich countries are prominent amongst those perceived as having high levels of corruption in the annual surveys conducted by Transparency International.\(^4\) Third, oil wealth can become a trigger or incentive for violent conflict. Conflict can arise from competition between elite groups for control of oil wealth; from the enhanced capacity to execute violent conflict with weapons and soldiers financed through oil earnings; and from secession movements seeking control of the oil wealth originating from their part of the country.\(^5\) (The pervasive nature of these political problems in relatively poor countries with oil wealth is indicated by the small number of such countries that meet the criteria for ‘above average’ performance on the standard governance indicators reflecting ‘Ruling Justly’; ‘Investing in People’; and ‘Encouraging Economic Freedom’ applied by the United States Millennium Challenge Corporation in selecting countries eligible for assistance.\(^6\)

A third aspect of the resource curse is the damage that carelessly executed oil operations can have on people and the environment. A strong commitment is needed on the part of companies and local regulators to apply high environmental standards and to ensure that negative impacts on people and communities, for example, through land-take for pipelines and oil wells, are understood and avoided. Since the industry first started in the nineteenth century there have been recurring examples of oil spills and air pollution, of people swept off land on which they lived and farmed, and of heavy-handed security forces protecting the industry. Many oil-dependent countries lack the regulations and institutions to ensure that high environmental and social standards which can prevent such local damage are applied.

### Impacts of High Resource Prices

The issue of the resource curse, and its avoidance, is pertinent to a growing set of countries as high prices stimulate a search for resources worldwide. Small oil fields; resources once considered ‘stranded’ because of the costs of extracting them; spoil tips from earlier mining operations from which residual ore can be extracted, are all coming into play. Much of the activity started in the last few years, since prices began rising in 2004, is being carried out by small, entrepreneurial, risk-taking companies – oil ‘independents’ and mining ‘juniors’. Exploration is underway in countries previously not thought of as petroleum or mineral producers – including the politically unstable and weakly governed such as Eritrea and Ethiopia, Gaza, Cambodia; production has ramped up elsewhere, for example, in the Democratic Republic of the Congo, Angola, Equatorial Guinea. As of mid-2004, half the sub-Saharan African countries were offering oil blocks for exploration.

Growing demand from fast-industrializing China (and India, Brazil) is also resulting in the entry of Chinese, Brazilian and Indian extractive companies into the global market for exploration and production concessions. These include companies operating on a scale comparable to that of the largest western resource companies. A ranking of the world’s largest listed energy companies, in December 2007, put PetroChina in first place above the USA’s largest oil company (ExxonMobil) as measured by market capitalization; Gazprom, at number 3, above Royal Dutch Shell; Chinese Sinopec and Brazil’s Petrobras above BP, Total, BHP Billiton and Chevron.\(^7\)

High resource prices, and competition between a growing set of companies for concessions, have important effects in empowering the governments of resource-rich countries. Whereas in times of low prices resource companies could to a considerable extent, dictate the terms under which they would operate in a country, now the governments are dictating terms. Around the world, the terms of concession contracts and tax regimes are being
changed to give governments a greater take. Also, governments have greater scope to reject donor conditionality, such as pressures for revenue transparency.

**Corporate Social Responsibility and Multi-Stakeholder Partnerships**

From the late 1990s, non-governmental organizations (NGOs) started to make a compelling case that investment in extractive industries was often directly harmful to the citizens of poor, resource-rich countries and was a contributing factor behind many protracted civil conflicts. Companies were challenged to consider what their responsibilities were for the resource curse, and what they could do to help make resource wealth a ‘blessing’. Particular focuses of attention were ‘conflict diamonds’, the lack of transparency about the contracts between extractive industry companies and governments, especially about what companies were paying to governments in the form of royalties, taxes etc; human rights abuses by security forces protecting industry operations; and a failure to consult with communities close to their operations, and to understand and avoid having negative environmental and social impacts. As well as challenging individual companies, NGOs argued that international financial institutions, notably the World Bank, needed to look beyond the GDP impacts of the oil, gas and mining industries and recognize negative impacts.

This push from NGOs followed a period in which new patterns of interaction between non-governmental organizations and corporations had begun to be established, especially in Europe, and in relation to environmental issues. Some companies were consulting with environmental NGOs as well as with government bodies and academics when environmental impact studies were being done, and applying the practice of ‘stakeholder consultation’ to the development of strategies to address environmental problems. The staff of large international NGOs and major extractive industry companies started to become familiar with each other and to understand each other’s interests and priorities. On the back of this experience, an approach amongst some companies and some NGOs to addressing the new set of ‘resource curse’ issues was to look for ways of collaborating to bring about change.

Three major collaborative efforts related to the extractive industries and resource curse issues were developed at the turn of the twentieth century: the Kimberley Process targeting conflict diamonds; the Extractive Industries Transparency Initiative seeking transparency about government revenues from oil, gas and mining; and the Voluntary Principles on Security and Human Rights setting standards for security provision. A striking aspect of these initiatives was their origin in dialogue between companies and NGOs followed swiftly by successful efforts to engage the governments of the home countries of the companies and NGOs involved, notably the UK and US. This multi-stakeholder approach was mirrored when in 2001 the World Bank Group launched its ‘Extractive Industry Review’, setting up a multi-stakeholder panel to consider whether, and under what conditions, the group should be involved in supporting the extractive industries as development agents. As discussed below, in the case of the Kimberley Process and the EITI, the role of governments has become more prominent than that of corporations as the systems they established have taken root; in contrast, the Voluntary Principles on Security and Human Rights remain largely an industry and NGO driven initiative with more passive engagement by the government participants.

**The Kimberley Process**

Launched in 2003 after three years of negotiation, the Kimberley Process aims to prevent trade in diamonds from financing violent rebellion. The governments that have signed up to the process must introduce and apply legislation limiting trade in rough (uncut and unpolished) diamonds to stones that are certified as conflict-free. Participant countries must present evidence of compliance and report diamond trade statistics. Over 99% of rough diamond production is from countries that belong to this
scheme, and all the major diamond importing countries and regions (including the United States, the European Union and China) are members too. Members are prohibited from trading diamonds with non-members. Industry bodies and NGOs are involved in the management and review of the process.

The Extractive Industries Transparency Initiative (EITI)

In parallel to the launch of an NGO coalition called ‘Publish What You Pay’, targeted particularly at corporations, in 2002 a group of extractive industry companies, NGOs and supported by a number of western governments launched the Extractive Industries Transparency Initiative (EITI). EITI sets standards for disclosure of payments received by governments from extractive industry operations in their countries. The underlying assumption at the launch of EITI was that increasing transparency and knowledge of revenue flows will empower citizens to hold governments to account, and that mismanagement or diversion of oil wealth away from spending on social and economic development will be discouraged. Early involvement in EITI or national versions of EITI led a number of countries, notably Nigeria and Azerbaijan, to disclose information on oil revenues that was previously not public information. In some cases, for example Nigeria, extractive industry companies are now required by law to disclose payments made to the government.

Since its inception, EITI has become steadily more structured, and with a greater focus on action by the governments of resource-rich countries than actions of companies. It is the governments of resource-rich countries that can choose to be members of EITI, companies and NGOs are defined as ‘supporters’. Explicit criteria define the obligations of countries that adhere to EITI, and financial assistance is available to help countries put these systems in place. Nevertheless, the multi-sectoral nature of the scheme is maintained in that at the country level, EITI requires multi-stakeholder involvement in defining and supervising the system.

Most recently, in April 2008, the World Bank launched EITI Plus Plus initiative. EITI focuses on transparency about the revenues paid to, and received by, governments. It only addresses transparency in the letting of concessions, and in the use made of revenues where country schemes define this as within their scope. Now, the bank will make available to governments of resource-rich countries technical assistance for capacity building across the “entire value chain,” from contracting to oversight to collecting and spending what international corporations pay.

The extent of producer country participation in EITI is less than that in the Kimberley Process. Working under rules established in 2006, twenty-three countries had (as of May 2008) met the criteria required of ‘candidate country’. None, as yet, are defined as an ‘EITI compliant’ country. The validation system for certifying EITI compliance was only put in place in February 2008 and a number of countries have started on the validation process. Some major oil and mineral producing countries are not involved in EITI, for example, Angola, Botswana and Trinidad and Tobago.

The Voluntary Principles on Security and Human Rights (VPSHR)

The UK and US governments, and a group of extractive industry companies and NGOs agreed the VPSHR at the end of December 2000. The principles seek to establish voluntary standards for security at extractive industry sites. The principles guide companies on how to “maintain the safety and security of their operations within an operating framework that ensures respect for human rights and fundamental freedoms”. Specifically, they promote a wider approach to risk assessment than is conventional to incorporate assessment of the risks that operations present to communities; propose steps to ensure that individuals with a record of human rights abuse are not involved in providing security; encourage the use of contract conditions and negotiated agreements with governments to ensure the minimum use of force and consultation with communities on security issues.

From a start with nine company participants, two governments and nine NGOs, participation in the VPSHR has expanded to include eighteen companies and two industry associations (as observers) and added the governments of Norway and the Netherlands. Outside the VPSHR ‘club’, other companies have adopted the principles without becoming involved in the multi-stakeholder process.

Environmental and Social Standards and the Equator Principles

The other important development that relates principally to the local impact aspects of the ‘resource curse’ is the development of international standards for social and environmental management of private sector projects. The World Bank’s Extractive Industry Review, and the group’s work on a number of high-profile and controversial oil and gas projects (notably the Chad Cameroon and BTC projects) lead the International Finance Corporation (the private sector financing arm of the World Bank Group) to revise its environmental and social policies into a more comprehensive set of standards for the environmental and social management of projects. These Performance Standards apply to all projects that the IFC (and its sister organization, the Multilateral Investment Guarantee Agency – MIGA) are involved in, including extractive industry projects. These standards apply, inter alia, requirements similar to those of the VPSHR. In addition, the World Bank Group requires extractive industry projects it supports to be transparent about payments to government.

The Environmental and Social Performance Standards have developed into de facto ‘international standards’ since the launch in 2003 of the Equator Principles, by a group of commercial banks involved in project finance. Under the Equator Principles, the banks commit themselves to require that major projects they are involved in financing apply the performance standards to their impact assessment and management. (The Equator Principles do note, however, address revenue transparency.) As of May 2008,
fifty-five commercial banks, regarded as covering most commercial project finance, had signed the Equator Principles. (In 2007, of the almost US$ 75 billion total debt tracked in emerging markets, almost US$ 53 billion, accounting for just over 70% of project finance, was subject to the Equator Principles.)

Like the Kimberley Process, EITI and the VPSHR, the system has developed in the few years since being launched into an increasingly structured system. In 2006, the principles were revised to include a public reporting requirement; and in May 2008 signaled a move formalizing the operating structure, voting procedures and annual meeting arrangements, as well as monitoring of fulfillment of the public reporting requirements for signatory banks.

Consequences

One consequence of the collaborative initiatives to address resource curse issues discussed above is that since 2000, the policy framework within which OECD-based banks, major extractive industry companies, international organizations and OECD governments approach the extractive industries has changed significantly to address key aspects of the resource curse. A consensus has developed about what is needed to mitigate the risks (economic, political and local), and on the relevant responsibilities of donors, banks and companies. The collaborative initiatives discussed above, Kimberley, EITI, the VPSHR, the IFC Social and Environmental Performance Standards and the Equator Principles, have been important in defining the key components of this consensus and in establishing mechanisms for addressing them.

However, except for the Kimberley Process which has achieved nearly comprehensive take-up, these initiatives have to date been adopted at a policy level mainly by OECD-based organizations, and to a lesser extent by smaller OECD-based extractive industry companies; or by banks based outside the OECD, or the governments of resource-dependent countries. (An important exception is Brazil – the leading Brazilian oil and mining companies are involved in EITI; Brazilian banks are amongst the adherents of the Equator Principles.) As yet, none of the Chinese extractive industry companies that have a growing international footprint are involved in EITI or the VPSHR; and no Chinese bank has signed up to the Equator Principles.

However, two factors might lead to greater interest being shown by Chinese companies and officials. Firstly, Chinese companies operating in Africa have begun to experience problems similar to those that led major Western companies to become aware of resource curse issues. Chinese workers have been kidnapped in Nigeria; strikes protesting employment conditions have erupted at mines in Zambia; there have been security incidents resulting in deaths in Equatorial Guinea and both the Chinese government and the oil company CNPC have been under persistent pressure to take on a role in influencing the government of Sudan to change policy in Darfur. Second, several processes have started that expose Chinese companies and officials to the consensus approaches to resource curse avoidance. For example, the government of Norway sponsored a report undertaken collaboratively by Norwegian and Chinese researchers on government and company perspectives on risks associated with operating in the petroleum sector in Nigeria. The report addressed resource curse issues such as revenue transparency and local benefits. The private sector financing arm of the World Bank group, the International Finance Corporation (IFC) has started working with Chinese regulators and Chinese financial institutions to adopt international environmental and social good practices in the Chinese market. Some Chinese companies have joined the UN-sponsored Global Compact. Within China, late 2007 saw moves from the government requiring state-owned enterprises to be responsible to stakeholders and the environment while achieving business purposes. In meetings shortly after this document was released, Chinese mining companies investing overseas expressed interest in understanding how concepts of ‘sustainable development’ and tools such as environmental and social performance standards might be applied to their operations.

A further consequence of these initiatives is consideration of expanding them beyond petroleum and minerals to other natural resources, particularly timber; and expansion of mechanisms developed through the Kimberley Process to other minerals, such as coltan and gold.

Further, the initiatives have reinforced the capacity of governments, companies and NGOs to work together. EITI, through the requirement that country programs are multi-stakeholder based, has also had the effect of drawing in a wider set on NGOs, specifically country-based organizations.

Results

It is not possible to systematically demonstrate positive results from these initiatives in terms of reducing the risks of resource curse. In part this is a function of time. As discussed above, since they were started, the Kimberley, EITI and VPSHR initiatives have developed increasingly rigorous systems, but there has been little time yet to see their results. In particular, it is too soon to expect revenue transparency in a country achieved as a consequence EITI to have an impact on governance and corruption via civil society pressure.
Results are also limited due to the significant number of countries and companies that are, so far, not involved. Thus only eighteen of the fifty-five countries listed by the IMF as currently or potentially mineral or hydrocarbon rich were listed in May 2007 as EITI ‘candidate countries’. Though there has been a steady expansion of the number of companies supporting EITI or participating in the VPSHR, and the major OECD operators are involved in both, participation still covers a minority of the companies active in the sector. And in terms of the application of high standards of social and environmental management, as required by projects supported by the World Bank Group or Equator Banks, this accounts for only a proportion of extractive industry projects worldwide since many do not seek project financing. (This may change if capital is less readily available through the market.)

Further, questions are routinely raised, especially by NGOs, about the depth of engagement by participants, both governments and companies. A recent report by Transparency International evaluates forty-two leading oil and gas companies ‘on their current policies, management systems and performance in areas relevant to revenue transparency in their upstream operations’ and concludes that revenue transparency is not yet common practice in the industry, that there are wide variations in company practice, and that regulatory approaches produce systematic impacts.

Is a Deeper and Wider Approach Needed?

Efforts are underway to increase the effectiveness of the Kimberley Process, EITI, the VPSHR and the Equator Principles; to draw in a wider set of governments and companies, and to be more specific about the obligations of participation. This is important and necessary. However, alongside this ‘deepening’ there is also a need for ‘widen ing’.

A characteristic of each of the initiatives discussed in this paper is that they focus primarily on avoiding the negative impacts of resource wealth. The implicit assumption is that if the negatives can be avoided, then positive results will follow. This strategy has two weaknesses. Firstly, much stronger action may be needed to ensure positive development benefits through extractive industry developments – in particular for impacted communities and by actively developing backward and forward linkages to ensure multiplier effects through the economy i.e. local businesses playing a greater role in the supply chain; enhanced producer-country access to energy; local processing of minerals. While some extractive industry projects do include pro-active steps to enhance local benefits (e.g. this is something that the World Bank group encourages in investments it supports), and some concession contracts include ‘social investment’ or ‘local content’ requirements, there are no standards for this as there are for risk mitigation. The extent to which governments or companies focus on development benefits, and the results achieved, are variable and inconsistent at the country and company level. Secondly, a focus on risk avoidance, and on bad governance, may be limiting the acceptability of efforts to avoid the resource curse to stakeholders in resource rich coun-
tries. It appears to consider only problems and not to be sufficiently focused on helping the people and governments of resource rich countries secure benefits from their natural resources. As one company spokesman described it to me, “In (Country X) the government sees EITI as ‘a bad boys‘club’.” Another executive, from a different country, explained to me that though the international social and environmental standards were good, they are lacking because “they do not lay down that companies must provide positive benefits or set a framework for doing this well”.

Conclusions and Recommendations

We need a new paradigm for developing petroleum and mineral resources in poor countries that builds on, but takes further, the initiatives concerning conflict, transparency, security and human rights and social/environmental risk mitigation. The new paradigm should also explicitly link resource exploitation with development. Not in the old-fashioned way by just expecting development to happen, but in a way that is informed by recognition of the resource curse and seeks to address these risks from the outset. This new model would have five elements.

1. Transparency – in the selling of concessions; contract terms; the payments made to governments, and the use made of these payments. Transparency has also to be accompanied by awareness raising – particularly amongst the media and thought leaders in producing countries – so that transparency is followed up by substantive consideration of how to manage this income.

2. Economic management systems – to address the inflation and revenue volatility issues associated with oil revenue dependency; legal and institutional reform to create an environment in which the non-oil economy has a chance to grow. Because this is the only hope for creating the employment that is essential to stability.

3. Environmental, social and security standards for resource extraction operations – to protect people and the environment. We have the standards – but they need to be applied much more widely.

4. Fourth, any ‘new’ oil state must negotiate revenue shares between the different levels of government – especially with the producing region – before the money flows. And in the context of clarity about which level of government pays for what. Once, as today in the Niger Delta, there is violent conflict over the share to go to the central and state governments, resolution is extraordinarily difficult. Why 13%? Why 50%? Why not 100%?

5. The final element is new. It is the re-structuring of extractive industry projects so that they are explicitly and comprehensively framed as development projects rather than investment projects that through some (undefined) trickle down, should be designed to actively promote development. A development-centred approach to oil (or mineral) resources might mean, for example, looking at ways of providing the local community with a shareholding in the venture. It would include using the industry’s demand for infrastructure such as power, water, telecommunications, waste

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disposal, to create the incentives for investment in larger systems serving the needs of the wider community. It could involve slowing down the pace of resource projects to match the pace of capacity amongst local people and businesses to supply the industry and therefore gain more of the economic spin-offs. It would include community monitoring of impacts, etc.

In the same way that projects have to have an environmental and social impact study before starting, and in many countries governments require a technical and commercial feasibility study too, there should also be a development plan showing specifically how – across its lifetime it will contribute to social and economic development, locally as well as nationally, what the investor will do, what the government will do etc.

How to make this happen? Building on the experience that the extractives sector already has of tri-sector partnerships between companies, governments and NGOs a group should come together to outline a set of voluntary principles along the lines of the five principles outlined above. This would best be done at the producer country level. A start anywhere will set the ball rolling and create some momentum for change. We have seen this already with EITI. Once there is a clear statement of what is needed this forms a basis around which people in the country can mobilize, and against which progress can be measured. I would try to make this happen in one of the emerging and fragile countries where resources are being developed. Like Uganda, Eritrea or Ethiopia, or South Sudan where new institutions are being built. There are windows when elites are persuadable. We need to seize those times. And as good examples build up, the case becomes more persuasive.

In conclusion: we know about the resource curse, but we also know that petroleum and mineral resources will continue to be exploited. The task is to work on ways of making this one-off opportunity of resource extraction really deliver good things for the people living on top of petroleum and minerals. We need to overcome the resource curse and transform resource extraction into the development opportunity that is so sorely needed. This requires a holistic approach that joins up many of the pieces we are already getting to know – then adds something extra too. A positive vision.

Notes
2 The World Bank’s ‘Doing Business’ data base shows year on year country rankings on the ease of doing business as well as a wide range of specific analyses of different regions or aspects of the business environment. See http://www.doingbusiness.org.
5 There is an extensive literature on oil and conflict. The issues are excellently summarized and contextualized in Paul Collier, The Bottom Billion, Oxford University Press, 2007.
8 Ref. Global witness etc.
9 See http://www.unglobalcompact.org/.
10 See http://www.eitransparency.org/.
11 See http://www.eitransparency.org/.
15 See, for example, http://au.china-embassy.org/eng/xw/2889945.htm.
18 Brandtzæg et al., Common Cause Different Approaches: China and Norway in Nigeria, research report 2008-014, see http://www.eitransparency.org/node/318.
20 See http://www.unglobalcompact.org/.
22 IMF, op. cit.

Alpine Convention

Standing Committee in Monaco

The 37th Standing Committee convened in Monaco from 26–28 March 2008. After a number of formal decisions including agreeing to the proceedings from its 36th Session, the meeting recognized the report of the Compliance Committee and on the basis of its mandate requested a summary report be produced for the upcoming Ministerial Conference in France. The Chair was requested – following discussions in the Compliance Committee – to make proposals for accommodating the procedure in view of prior experience.

A report of the Working Group on Transport was agreed to and the Steering Committee will prepare proposals at its next meeting for presentation to the Ministerial Conference. Additionally, the Working Group was requested to produce a new draft of its mandate for the period 2009–2010.

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Discussion ensued on the first draft of an action plan for the implementation of the declaration on climate change, as adopted at the Ministerial Conference in 2006. In this connection, the Chair was requested to limit proposed measures to those of a mainly transboundary nature and thus foster further Member State cooperation.

Continuing, the report of the Working Group on Natural Disasters was acknowledged with special interest, as was a report from a Working Group concerned with the election of protected areas for inclusion under the World Heritage Convention.

The meeting then welcomed a proposal from the French Presidency regarding the implementation of Article 19 of the Tourism Protocol – in view of innovative and sustainable initiatives – for a special prize to be awarded at the next Ministerial Conference. A decision on the criteria for selection of recipients will be discussed at the 38th Committee meeting following subsequent electronic distribution.

A longer discussion dealt with the second part of the Report on the State of the Alps: “Water in the Alps”. As stated in the Multi-Annual Work Programme of the Alpine Conference for the years 2005–2010, the Report is an instrument designed to provide the broader public with information and appraisals of the main developments taking place in the Alps, and at the same time it serves as a basis for strategy development for politics and administration.

Under the agenda point: “European Dimension of the Alpine Convention”, the Permanent Secretariat was requested to present a summary of all project proposals in connection with this program. The Secretariat was also asked to present a report at the 38th meeting of the Standing Committee on the progress in preparing a congress for the creation of a transboundary mountain village network in the Caucasus region.

A report from Italy was taken special note of, as it outlined the progress of LEXALP, an online information system working to harmonize the legal terminology among all Member States.

Finally, a special concern was raised regarding the use of motorized land and air vehicles in the Alpine region. A general inquiry in all eight Member States will be undertaken.

Compliance Committee

Convening in Paris, the 10th Meeting of the Compliance Committee mainly worked on its report to be presented to the 9th Ministerial Conference in France. Members also thanked the presiding French Government for its proposals concerning the future work of the Committee; a topic to be covered at the next meeting of the Standing Committee.

Regarding the adoption of the Declaration on Population and Culture, it was decided that the Committee should review its implementation. As there was no basis for such a review and considering that the French Chair – in view of the forthcoming Presidency of the EU – would be unable to prepare such a paper, CIPRA and IUCN offered their assistance in drafting a questionnaire, following the same structure as previous questionnaires prepared for the Convention and its protocols. Moreover, the Committee decided to convene an extraordinary meeting before the next Standing Committee meeting to approve the questionnaire and thus ensure that the process is not postponed until the Slovenian Presidency beginning in 2009.

Lastly, the Committee resolved that after the 10th Ministerial Conference, all previously submitted reports from the Member States will be returned to them with an explanatory note requesting their amendments or updates in consequence of the Committee’s report at the Conference.

Notes
1 See “36th Standing Committee: Towards France 2009” in Environmental Policy and Law, 38/1–2 (2008) on page 86.
4 LEXALP can be accessed online at: www.eurac.edu/lexalp.

Bozen, Alpine town of the year 2009 Courtesy: CIPRA