



**15th INTERNATIONAL
ANTI-CORRUPTION
CONFERENCE**

**MOBILISING PEOPLE:
CONNECTING AGENTS OF CHANGE**

**BRASÍLIA BRAZIL
7-10 NOVEMBER 2012**

Short Session Report: Global Solutions

Session Title: Mobilising people: connecting agents for change in the oil and mining sector

Date & Time: 7 November 18.00-20.00

Report prepared by: Francisco Paris, Regional Director, EITI International Secretariat

Experts:

Zainab Ahmed, Executive Secretary, Nigeria EITI (NEITI)

Greg Thompson, Director, Transparency International Australia

Elisabeth Ungar, Director, Transparencia por Colombia

Eduardo Bohorquez, Director, Transparencia Mexicana

Peter Eigen, Former Chair of EITI and Founder of TI

Daniel Kauffmann, Director Transparency International

Moderated by: Jonas Moberg, Head of EITI International Secretariat

Session coordinated by: Francisco Paris, Regional Director, EITI International Secretariat

Main Issues Covered (500 words or more, narrative form)

The session discussed the different challenges in both oil and mining sectors from Australia to Latin America. Managing oil and mineral wealth not always lead to acceptable development outcomes. The session was introduced by Jonas Moberg, Head of the EITI International Secretariat by briefly explained the EITI as one of the tools developed to tackle governance issues in the sector. Zainab Ahmed from NEITI discussed the plight of Nigeria in converting vast mineral wealth into development, or as it is often referred: the resource curse. Zainab shared how NEITI has been a catalyst for public discussion, including civil society's debate, about governance of the sector. She also recognised that although NEITI has led to

improvements in tax collection and financial management, there is still work to do in ensuring proper accountability of the sector. Greg Thompson shared the Australian experience from supporting the EITI in 2005 to realising that the best way to achieve the goals of helping to construct sound governance of the sector was by implementing the EITI in its vast mining sector. Additionally, the complex Australian setting for mining which involve federal and states governments collecting revenues and the issue of how revenues flow in the economy merit using tools like the EITI for domestic reasons. Elisabeth Ungar from Colombia gave a detailed account of the multiple challenges faced by the Colombian extractive sector: weak institutions to regulate mining, extensive illegal exploitation connected to illicit flows, unaddressed environmental, social, economic and political risks, and lack of consultations and inclusion of minority rights, among many others. While the EITI could certainly help to face many of these challenges it is not enough and many other solutions will be needed. Eduardo Bohorquez shared Mexican experience pondering the role the EITI could play in improving governance of the extractive sector. While recognising that much has been achieved in having an array of initiatives at disposal to address governance issues that were not available few year ago, Eduardo also shared the difficulty in choosing the best combination of these tools. In relation to the EITI model of multi-stakeholder governance, Mexican stakeholders identify that it represents an innovative and powerful new model of open governance that could be very effective for improving the management of Mexican extractive wealth. Peter Eigen reminded the audience that solutions like the EITI followed the initiative of global civil society rather than being an imposition from the developed north for less-developed countries. He also reminded all that EITI's focus on only a part of the complex set of challenges was a tremendous starting point rather than a limitation. Finally Peter reminded us that in a globalised market place, globalised governance solutions are required. Daniel Kauffman shared five concluding remarks: 1) While recognising it is important to find a good balance between holistic and focused solutions, it was fine to find niches and use comparative advantages strategically; 2) Too much emphasis in ticking boxes type of solutions should not overlook results and impact on the ground; 3) Data generated by solutions like the EITI need to be connected at the macro level to allow proper analysis and informing decision making; 4) Huge amount of data to be produced by regulations like the Dodd-Frank and more disaggregated EITI reports will need to be accompanied with

clever use of this micro data; and 5) Capacity gaps need to be answered with a vast capacity building effort drawing from unconventional sources like more collaboration with private sector which is a repository of expertise that could be used to fill those gaps.

Main Outcomes/Outputs

- **Excellent discussion of the many issues affecting good governance of extractive sectors.**
- **Excellent breath of shared experiences both geographically and thematically**
- **Excellent coverage of the different aspects affecting good governance of oil and mining**

Recommendations, follow-up Actions (200 words narrative form)

Capacity building to fill gaps among agents is needed

Using expertise in private sector could help to fill these gaps

Using different tools/initiatives available strategically, recognising comparative advantages including identifying niches in which great effectiveness could be achieved.

Boosting the use of data both at macro level (linkages to economic indicators) and at micro level (disaggregated information) is pressing.

Highlights (200 words please include interesting quotes)

Many solutions are required to tackle challenges in oil and mining.
EITI model is good practice for open governance.
Different solutions, the EITI one of them, are needed and should be used strategically.
EITI is usually a great starting point that can be an effective catalyst in bringing better governance of the oil and mineral wealth.
Solutions like the EITI serve well less developed institutional setting and more advanced institutionally developed ones as well.

Key Insights Recommended to be included in the IACC Declaration

Resolution on EITI discussed by TI last Tuesday.

Rapporteur's name and date submitted
Francisco Paris – 7 Nov 23.30
