# **Extractive Industries** Fact Sheet

# **KEY TAKEAWAYS**

- Extractive industry commitments have been consistently popular among members of the <u>Open Government Partnership (OGP)</u>, showing high levels of ambition and strong early results.
- However, most extractive industry commitments focus on increasing transparency. More commitments are needed that incorporate civic participation and accountability mechanisms.
  - OGP members should continue to find synergies between OGP and the <u>Extractive Industries Transparency Initiative (EITI)</u> by applying policies like open contracting, beneficial ownership transparency, and licensing transparency to extractives sector management.

# WHY EXTRACTIVE INDUSTRIES?

More than 50 OGP countries depend on oil, gas and minerals as their most important sources of government and export revenues. However, many of these governments have failed to properly address the institutional and policy challenges that come with the governance of these natural resources. Applying open government values of transparency, participation, and accountability to extractive industries can decrease corruption, safeguard community interests and needs, and support environmental sustainability.

# **STATUS QUO**

- → OGP and EITI synergy: 29 countries are members of both OGP and the EITI.
- → Need for participation and oversight: Most extractive industry commitments involve increased transparency. About half of commitments include participatory elements, and only one in five commitments involve public accountability.
- → Inclusive elements are growing: Prior to 2019, no members had made gender-focused extractive industry commitments. Since then, four countries have used their OGP action plans to work on meeting EITI requirements related to gender.

Open Government Partnership

Commitment data analyzes all commitments through the 2020 action plan cycle. As of 2020, OGP consisted of 98 national and local members.

#### **COMMITMENT PROGRESS**

Currently, 15 OGP members are implementing extractive industry commitments from their 2019 or 2020 action plans. Members have made fewer extractive industry commitments in recent years (see figure below). Altogether, just over half of OGP national members have made 148 total extractive industry commitments since OGP was established in 2011.



# WHAT ARE OGP MEMBERS DOING?

- → Implementing EITI requirements
- → Publishing extractives data and regulations
- → Engaging citizens to monitor extractives management

# WHERE TO NEXT

The following recommendations summarize key actions for OGP members to implement:

# **Increasing Scope**

→ Find synergies between EITI and OGP by applying policies like open contracting and beneficial ownership transparency to extractive sector management.

 Collect and disclose beneficial ownership information, including levels of ownership and any politically exposed people.

→ Go beyond the EITI standard in environmental disclosure to consider climate change mitigation and alternative-use analysis.

# **Improving Transparency**

- Publicly disclose licenses and publish information on the licensing process.
- Publish data on state-owned enterprises.

→ Perform gender-responsive analysis in the project planning phase and publish environmental, health, and social impact assessments with gender-differentiated impacts of extractive industries.



# **NOTABLE COMMITMENTS**

#### **Recent Results**

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# Philippines - Improving Transparency of Extractive Industries (2015)

One of the Philippines' first extractive industry commitments aimed to improve participation in the EITI by convening a multi-stakeholder group composed of civil society, business, and government and submitting annual reports that document revenues from extractives. Due to the creation of the innovative multi-stakeholder group, the Philippines was announced as "the first country to achieve satisfactory progress against the EITI standards." The Philippines continued efforts to sustain extractive industry transparency in their 2019 action plan.

# Côte d'Ivoire - Increasing Participation in Mining Development (2016)

In their 2016 action plan, Côte d'Ivoire committed to increasing participation in extractive industry decision-making. Eight local mining development committees were established to allow those who live near mines to help allocate funds for mining projects. These committees are responsible for implementing and monitoring projects, managing local development funds, and overseeing spending.

# **Commitments to Watch**

# Burkina Faso - Ensuring Transparency in the Mining Sector (2019)

Since massive increases in gold production have led to a recent expansion of the mining sector, Burkina Faso has worked on several reforms to achieve greater compliance with the EITI standard. In their 2019 action plan, Burkina Faso committed to making information about the mining sector and its EITI involvement more accessible to the public, including by publishing information online in seven local languages.

# Mexico - Transparency of Forestry, Water, and Fishing Management (2019)

Mexico aims to increase information transparency of their management of water, forest and fishing resources by 50 percent, as measured by Mexican civil society organizations' <u>Natural Resources Transparency</u> <u>Index</u>. The commitment includes the creation of civil society monitoring groups that will work to create proposals for improvement of transparency.

### **IRM QUICK STATS**

According to OGP's Independent Reporting Mechanism (IRM), extractive industry commitments are much more ambitious and achieve stronger early results than the average OGP commitment.

#### **Commitment Performance**





#### All OGP commitments

Ambition - Ambitious commitments are those that the IRM finds would make transformative changes if fully implemented.

Early Results - Strong early results indicate the commitment made significant improvements to government openness.