



DIRECTORATE FOR FINANCIAL, FISCAL AND ENTERPRISE AFFAIRS

Extractive Industries Transparency Initiative Multi-stakeholder Conference

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OECD Committee on International Investment and Multinational Enterprises Statement by Marinus Sikkel, Chair

As Chair of the OECD Committee on International Investment and Multinational Enterprises, I am pleased that the OECD is participating in today's conference. The general principles of transparency and accountability underpinning the Extractive Industries Transparency Initiative (EITI) are essential to achieving the international community's goal of promoting integrity and sustainable growth in the global economy. The recent G-8 Declaration on Fighting Corruption and Improving Transparency places the fight against corruption and the push for transparency in the context of promoting sustainable development and stronger investment climates in developing countries. The OECD fully subscribes to this goal and the recognition of the important steps governments must take to enhance transparency. It also recognises that multinational enterprises can make an important contribution to the sustainable development of the countries in which they operate and considers that enhanced transparency by multinational enterprises should go hand in hand with improved public sector governance.

OECD's on-going activities in such areas as combating bribery and corruption, promoting improved corporate governance and encouraging corporate responsibility all complement EITI's efforts to enhance transparency:

- The *OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions* requires each signatory to criminalize the bribery of foreign public officials by companies based in its territory. The Convention, and related OECD Recommendations, provides a broad blueprint for eliminating the pernicious practice of foreign bribery by companies to obtain or retain business in other countries.
- Improving corporate governance is another area where the OECD makes a distinctive contribution. The OECD is currently exploring how the *OECD Principles of Corporate Governance* can be applied to state owned assets. This project is of obvious interest to the many state-owned oil and mining companies, whose governance practices also form important parts of the broader transparency picture in extractive industries.
- Transparency is also one of the themes of the *OECD Guidelines for Multinational Enterprises*. The OECD Guidelines are voluntary recommendations to multinational

enterprises which are applicable world-wide. All OECD governments, the European Commission and a growing number of non-OECD governments are committed to their effective implementation. They are supported by follow-up procedures which allow discussion among governments, business, trade unions and NGOs of issues relating to implementation of the Guidelines and clarification where needed of the meaning of the Guidelines in specific circumstances.

- As part of its work under the Guidelines, the CIME concluded a study on the challenges facing extractive industries as they operate in regions characterised by conflict and widespread human rights abuses. The study's findings are consistent with the premises underlying EITI; it also contrasts contracting practices in OECD and non-OECD countries and highlights the importance of host government observance of fiscal control standards as well as good governance of state-owned enterprises which are partners of extractive industry foreign companies.

I am glad that the OECD has been given opportunity to participate in preparatory meetings for EITI. I believe that co-operation should continue, consistent with our institutions' respective functions, mandates and procedures.