TWELFTH PLENARY MEETING OF THE POLICY DIALOGUE ON NATURAL RESOURCE-BASED DEVELOPMENT

Building collective knowledge for actionable policies

ANNOTATED AGENDA

20 – 21 June 2019 - OECD, Paris
(OECD Conference Centre, Room CC6)

ABOUT THE POLICY DIALOGUE

The Policy Dialogue on Natural Resource-based Development is a multi-year intergovernmental process of knowledge sharing and peer learning among OECD and partner countries producing minerals, oil and gas on how to harness natural resources for structural transformation and more inclusive and broad-based development. Compared to other fora, the added value of the Policy Dialogue on Natural Resource-based Development lies in its unique structure designed to facilitate the generation, systematisation, and access to tacit and newly developed collective knowledge through collaborative OECD and non-OECD evidence-based policy analysis.

The Policy Dialogue focuses on four Work Streams: (i) Shared Value Creation and Local Development; (ii) Revenue Management and Spending; (iii) Getting Better Deals, and (iv) Domestic Resource Mobilisation (tackling BEPS, corruption and commodity trading transparency).

The Policy Dialogue is a cross-directorate OECD initiative, led by the Development Centre and involving relevant Directorates that can contribute or lead in specific policy domains, namely, the Centre for Tax Policy and Administration (CTPA), Development Cooperation (DCD), Environment (ENV), Financial and Enterprise Affairs (DAF), Global Relations Secretariat (GRS), Legal Directorate (LEG), Public Governance and Territorial Development (GOV), and Trade and Agriculture (TAD).

For more information, visit the website: http://www.oecd.org/dev/natural-resources.htm

OBJECTIVES, STRUCTURE, FORMAT OF THE EVENT AND PARTICIPANT EXPECTED CONTRIBUTION

This two-day meeting will bring together representatives of governments, international organisations, extractive industries, civil society, and think tanks and will provide opportunities to advance the work under the different Streams of Work, according to the roadmap agreed upon at the Eleventh Meeting of the Policy Dialogue on 12 - 13 December 2018.
The first day **20 June 2019**, will begin with two sessions to advance the outputs under the Thematic Dialogue on Commodity Trading Transparency. The afternoon will feature a session to share the finalised version on the *Guiding Principles of Durable Extractive Contracts*, followed by a session to discuss their potential use and uptake.

The second day **21 June 2019**, will feature a thematic discussion under Work Stream 1 on the shared-use of transport infrastructure providing mutual benefits for governments and industry beyond the extractive sector, followed by a session to advance work under the IGF/OECD joint project on BEPS in mining.

The objectives of the meeting are as follows:

**Work Stream 1 - Shared value creation and local development**

- Participants will discuss the different types of arrangements for enabling multi-purpose and multi-user transport infrastructure and associated risks and benefits. An additional example will be tabled for discussion for possible inclusion in the online *Compendium of Practices*, which supports the implementation of the Framework for Extractive Projects on *Collaborative Strategies for In-Country Shared Value Creation Framework for Extractive Projects*.

**Work Stream 3 – Getting Better Deals**

- The Twelfth Plenary Meeting will provide an opportunity to consider the finalised text of the Guiding Principles for Durable Extractive Contracts, following a three-year multi-stakeholder consultation process and discuss potential avenues for their dissemination and uptake.

**Work Stream 4 – Domestic Resource Mobilisation (tackling BEPS, corruption and commodity trading transparency)**

*Thematic Dialogue on Commodity Trading Transparency*

- At the Eleventh Plenary Meeting, participants acknowledged that the OECD Development Centre’s preliminary Stock-take of the Selection Procedures used by State-owned Enterprises to Select Buyers of Oil, Gas and Minerals provides a useful knowledge base that helps to demystify issues at stake, while also contributing to improving accountability. Participants reached common ground on the key types of information that are critical for accountability and therefore need to be included in the global reporting template for information disclosure by companies involved in commodity trading.

- The Twelfth Plenary Meeting will consider the key issues and emerging good practices in the selection procedures used by SOEs to select buyers of publicly-owned oil, gas and minerals. It will also offer the opportunity for the EITI to share knowledge on the challenges faced by buyers in the use of the existing EITI
template, originally designed for host governments and SOEs. The OECD will present a discussion paper on the rationale for disclosing the key types of information that are critical for accountability and therefore recommended for disclosure by companies involved in commodity trading.

**BEPS in mining**

- At the Eleventh Plenary Meeting, the IGF and the OECD Centre for Tax Policy and Administration presented three practice notes on how to address specific risks of tax base erosion and profit shifting in the mining sector: valuing mineral exports, excessive interest deductions, and tax incentives.

- The Twelfth Plenary Meeting will provide the opportunity to update participants on on-going work on international treaty research, and progress made with the implementation of the IGF-OECD technical assistance programme. The session will also feature the launch of a new book on integrated modelling for sustainable development.

The meetings of the Policy Dialogue depart from the traditional conference format distinguishing between speakers and audience. Every participant plays a role as both a knowledge holder and a knowledge recipient while the OECD Development Centre acts as a neutral knowledge broker, by contributing to framing the issues and facilitating the generation, systematisation, and access to tacit or newly developed collective knowledge.

Participants are not only expected to share relevant experience, policies, and case-studies but also to clearly articulate their knowledge needs and indicate, which countries they would like to learn from to build or further refine their knowledge base. In this interactive setting, there are no prepared speeches, official statements or long presentations. Proposed guiding questions aim at helping participants prepare their contributions and identify relevant issues they would like to see addressed during the meeting.

Reference documents are distributed ahead of the meeting in order to help participants prepare their contributions, support the discussion and move the process forward. Participant contributions are expected to be short, narrative in style, and reactive to other interventions.

The event will be closed-door and held under Chatham House Rule of non-attribution of sources in order for participating countries and stakeholders in the multi-stakeholder consultation to engage in frank and thought-provoking discussions. It is expected that this method of work will be conducive to the establishment of a trustworthy environment where participants engage in open and constructive exchanges that could pave the way for the collective development of new knowledge as well as innovative and mutually beneficial policy solutions.
### Thematic Dialogue on Commodity Trading Transparency

**Jointly organised by the EITI International Secretariat and the OECD Development Centre**

**Chair: United Kingdom**

*Mr Andrew Preston, Head of the Joint Anti-Corruption Unit, Home Office, United Kingdom*

Building on the momentum created by the 2016 UK Anti-Corruption Summit, the Thematic Dialogue on Commodity Trading Transparency was launched in June 2017. Participants in the Ninth Plenary Meeting of the Policy Dialogue on Natural Resource-based Development expressed broad support for moving forward to develop tailored workable approaches to address clearly identified remaining transparency gaps to complement EITI’s efforts. These include: (1) the development of a global reporting template for information disclosure by companies involved in commodity trading, in close collaboration with EITI; (2) guidance for companies to tackle specific risks of rent diversion and corruption in commodity trading; (3) a global database of SOEs to address the challenge that many buyers face in determining which entities are state-owned; and (4) the development of guidance to support SOEs in selecting buyers.

The Thematic Dialogue will provide the opportunity to advance work on outputs 1 and 4.

### Session 1: Working towards the development of a EITI/OECD Global Reporting Template for companies involved in commodity trading

The EITI and the OECD have recognised the need to join forces for the production of a joint EITI/OECD global reporting template for companies involved in commodity trading that leverages the comparative advantages of the EITI and the OECD in order to maximise impact, ensure consistency and efficiency in reporting and create a level playing field for buyers operating across different jurisdictions.
The template will mirror the EITI disclosure requirements for governments and SOEs, and any additional recommended disclosures specifically targeted at buyers. The objective of this joint effort by the EITI and the OECD is to produce a tool for use by companies involved in commodity trading. Host governments, trading hubs and home governments can also use it as a reference to clarify expectations or introduce possible requirements on disclosure of information by buyers.

The development of this template will draw on on-going work in the EITI Working Group on Commodity Trading Transparency and build on the preliminary conclusions from the EITI’s Commodity Trading targeted effort, including feedback from buying companies who have been using the exiting EITI reporting template for oil sales. The process will also reflect the conclusions from the OECD’s Thematic Dialogue on Commodity Trading Transparency, specifically, the common ground reached at the Eleventh Plenary Meeting on the key types of information that are critical for improved accountability and therefore should be included in a global reporting template for information disclosure by companies involved in commodity trading. The EITI will present the new disclosure requirement on commodity trading, specifically addressed to trading companies involved in commodity trading.

Objectives:

- Share knowledge on the challenges faced by buyers in the use of the existing EITI template, originally designed for host governments and SOEs;
- Discuss the rationale for information disclosure by buyers.
- Discuss the proposed next steps for the development of the Global Reporting Template for buyers

Kick-off interventions by:

- Ms. Ines Schjolberg Marques, Policy Director, EITI International Secretariat and Dr. Lahra Liberti, Head of Natural Resource for Development Unit, OECD Development Centre
- Ms. Marie Roth, In-house Legal Counsel, Glencore International
- Mr. Denis Baidoo, Marketing Manager, Ghana National Petroleum Corporation (GNPC)

For reference:

- EITI Standard 4.2(c)
- EITI (2019), Transparency in the First Trade
- EITI (2019), Reporting on payments from oil sales in EITI countries - Feedback from buying companies and stakeholders on template and guidance.

- OECD Development Centre, Discussion paper on the rationale for information disclosure by buyers.

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| 11:30–13:00 | Session 2: Key issues and emerging good practices of buyer selection procedures by State-Owned Enterprises |

At the Eleventh Plenary Meeting, participants acknowledged that the OECD Development Centre’s preliminary Stock-take of the Selection Procedures used by State-owned Enterprises to Select Buyers of Oil, Gas and Minerals provided a useful knowledge base that helps to demystify issues at stake, while also contributing to improving accountability.

The Stock-take has subsequently been expanded and refined in order to identify the key issues and emerging good practices in the selection procedures used by SOEs to select buyers of publicly-owned oil, gas and minerals.

Session 2 will also provide an opportunity to update participants on the work-in-progress towards an On-line Mapping Tool of State-Owned Enterprises and their Subsidiaries for use by trading companies – an integral output of the Thematic Dialogue, and how it relates to the National Oil Company Database by the Natural Resource Governance Institute (NRGI).

**Objectives:**

- Discuss the key issues used to select buyers of publicly owned oil, gas and minerals;
- Identify emerging good practices currently used by SOEs in their selection procedures.

**Kick-off interventions by:**

- Mr Elliot Smith, Legal Analyst, OECD Development Centre
- Mr. Bardhyl Leka, Technical Director, Albpetrol
- Mr. Obakeng Moroka, Financial Controller, Debswana Diamond Company and Mr. Moses K. Tshethane, Deputy Director, Mineral Affairs Division, Ministry of Mineral Resources, Green Technology & Energy Security, Botswana
- Ms. Aissatou Sy, Head of Legal, Société des Pétroles du Sénégal (Petrosen) - by videoconference

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<td>Buffet lunch in Room George Marshall, Chateau de la Muette</td>
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<td>Discussion paper by the OECD Development Centre: Key issues and emerging good practices of buyer selection procedures used by State-Owned Enterprises.</td>
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<td>14:30 – 18:00</td>
<td>Work Stream 3: Getting Better Deals</td>
<td>Chair: Guinea</td>
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<td>Mr. Nava Touré, Principal Counsellor, Ministry of Mines and Geology, Guinea</td>
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| 14:30 – 16:00| Session 3: Guiding Principles for Durable Extractive Contracts | The Twelfth Plenary Meeting will provide an opportunity to consider the finalised text of the Guiding Principles for Durable Extractive Contracts following a three-year multi-stakeholder consultation process. These principles were developed in response to the mandate received by the OECD Development Centre’s member countries in October 2017 to provide host governments and investors with a common reference to shape durable, equitable and mutually beneficial relationships.  
Objective:  
- Share the finalised version of the Guiding Principles for Durable Extractive Contracts.  
Kick-off interventions by:  
- Dr Lahra Liberti, Head of Unit, Natural Resources for Development, OECD Development Centre  
For reference:  
- Guiding Principles for Durable Extractive Contracts |
| 16:00 – 16:30| Coffee Break                                           |                                                                                                                                       |
| 16:30 – 18:00| Session 4: Disseminating and Implementing the Guiding Principles for Durable Extractive Contracts | Participants will discuss opportunities for disseminate the Guiding Principles for Durable Extractive Contracts and share ideas on how to foster their wider use and uptake, including by regularly reporting on their implementation. |
Objective:

- Explore opportunities to disseminate the Guiding Principles and possible ways to foster their wider uptake and use.

Kick-off interventions by:

- Ms. Juliane Weymann, Head of Project, GV CONNEX Support Unit, German Agency for International Cooperation (GIZ)
- Ms. Alache Fisho, Legal Advisor, Natural Resources and Ms. Naadira Ogee, Economic Advisor, Natural Resources, Commonwealth Secretariat
- Ms. Beatrice Oluwatoyin Ojo, Senior Legal Counsel, African Legal Support Facility

Guiding questions:

- *How can governments and the extractive industry introduce the Guiding Principles for Durable Extractive Contracts into their extractive contract negotiations in order to develop sustainable and mutually beneficial contracts?*

- *What role can negotiation support providers, bilateral and multilateral donors and civil society play in order to raise awareness of the Guiding Principles for Durable Extractive Contracts and to encourage their use in extractive contract negotiations?*

- *How would a regular reporting exercise on the implementation of the Guiding Principles for Durable Extractive Contracts look like? And how can this reporting ensure their continuous relevance, strengthen their effectiveness and contribute to their broad uptake over time?*

Reference Documents

- *Guiding Principles for Durable Extractive Contracts*

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<td>08:00 – 09:30</td>
<td>Registration &amp; Breakfast</td>
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| 09:30 – 13:00 | Work Stream 1: Shared Value Creation and Local Development  
Co-chairs: Liberia and Norway |
### Session 5 (Part 1): Enabling multi-purpose and multi-user transport infrastructure: review of models and types of arrangements

The Framework for Extractive Projects on Collaborative Strategies for In-Country Shared Value Creation recognises that extractive projects can be leveraged to develop multi-purpose and multi-user infrastructure for broad-based development. This session will provide the opportunity to discuss different models for the shared use of transport infrastructure, such as the open access arrangement for privately owned infrastructure enabled through formal regulation (Richards Bay, South Africa), third-party access undertaking for infrastructure owned by the government but managed by a private company (North-West Corridor, Guinea; Transgabonais, Gabon) or private negotiation for third-party access to privately owned infrastructure (Nacala Corridor, Mozambique). This session aims to explore how governments and industry can develop mutually beneficial arrangements featuring concrete examples and taking into account the specific opportunities and challenges for developing countries.

#### Objectives:

- Discuss the different models and types of arrangements for multi-purpose and multi-user transport infrastructure.
- Explore the potential risks and benefits of various types of arrangements for developing countries.

#### Kick-off interventions by:

- Mr. Pierre Pozzo di Borgo, Chief Industry Specialist, Sub-Saharan Africa – Infrastructure & Natural Resources, International Finance Corporation, (IFC)
- Mr. Jabu Mdaki, General Manager Operations, Richards Bay Coal Terminal, South Africa *by video conference*

#### Guiding questions:

- **What are the key elements of the different contractual models, such as the open access regime enabled by regulation, access undertaking as a mechanism for third-party access, and private negotiation for third-party access to privately owned infrastructure? What are the benefits and challenges for developing countries?**

- **What are the key elements that need to be considered to make a multi-user arrangement workable?**
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The session will discuss in depth the example of a shared use mining infrastructure project in Guinea’s North-West Corridor in the Boké region for the possible inclusion in the on-line *Compendium of Practices*, supporting the implementation of the Framework for Extractive Projects on *Collaborative Strategies for In-Country Shared Value Creation*. The focus will be on STEP 3.2 of the Framework on unlocking opportunities for in-country shared value creation through the design of mutually beneficial arrangements for shared use transport infrastructure.

**Objectives:**

- Discuss and validate a new example for possible inclusion in the on-line *Compendium of Practices*.
- Draw lessons from the validated example for developing resource-rich countries.

**Example presented for discussion and validation:**

How to make a third-party access agreement work for the shared use of mining infrastructure in Guinea’s North-West Corridor

**Kick-off interventions by:**

- Mr. Nava Touré, Principal Counsellor, Ministry of Mines and Geology, Guinea
- Mr. Abdoulaye Ablo Diallo, Director, Strategy and Development, Compagnie des Bauxites de Guinée (CBG)
- Mr. Boubacar Bocoum, Lead Mining Specialist, World Bank
- Mr. Hichame Selmaoui, Vice President – International, CPCS Transcom Limited, Infrastructure Development Consultants
**Guiding questions:**

- How can different parties reach a third-party access agreement over the shared use of mining infrastructure to accelerate the development of untapped mineral resources? What are the suitable arrangements and enabling conditions?

- What are the main lessons to be drawn in terms of process and framework for other projects to make them successful and beneficial?

**For reference:**

- Draft template for inclusion in the on-line Compendium of Practices (for discussion and validation)

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<td>14:30 – 16:00</td>
<td>Session 6: BEPS in mining – update on international tax treaty research, modelling for sustainable development and progress with the IGF-OECD technical assistance program</td>
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This session will provide the opportunity to update participants on on-going work on international tax treaty research, and progress made with the implementation of the IGF-OECD technical assistance programme. The session will also feature the launch of a new book on integrated modelling for sustainable development.

**Objectives:**

- Support governments to better design international tax treaty provisions through the development of guidance based on state of the art research;

- Learn about integrated sustainable development modelling, bringing the work on financial modelling and tax incentives to a whole new level;

- Get an update on the implementation of the IGF-OECD technical assistance programme.

**Kick-off interventions by:**

- Mr Howard Mann, Senior International Law Advisor, Inter-Governmental Forum on Mining Minerals, Metals and Sustainable Development (IGF)

- Mr Vy Tran, Senior Adviser – Transfer Pricing, OECD Centre for Tax Policy and Administration (CTPA)
| 16:00 – 16:10 | Closing remarks by Mr Federico Bonaglia, Deputy Director, OECD Development Centre |

- What we are learning in the initial stages of research on the role of international tax treaties in the mining sector? How will it be useful for governments as the project progresses?

- How can modelling financial and fiscal issues in the natural resource sector be expanded to be a more comprehensive sustainable development model? What could this mean to the resource sector in practice?

What resources are available through the joint IGF-OECD BEPS in Mining program for developing countries, to assist them in addressing tax base erosion and profit shifting in the mining sector?