



**Extractive Industries:
Unleashing Economic Potentials – Respecting People and Environment**

Conference

Friday, October 23, 2009; 9:00 – 17:00

Eigtveds Pakhus, Asiatisk Plads 2 G, 1448 Copenhagen, Denmark

MINISTRY OF FOREIGN
AFFAIRS OF DENMARK



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Background

Mobilising tax and royalties from natural resources like oil, gas and minerals hold the potential for generating sustainable growth and finance development and poverty reduction in resource-rich developing countries. The value of Angolan oil exports for 2008 was \$45 billion, more than the entire aid to Sub-Saharan Africa. Nigeria's oil reserves could potentially sustain a welfare state and Ghana's recently discovered oil reserves will alter the national economy. Diamonds from Sierra Leone and gold from Ghana, Guatemala, Peru and several other developing countries represent great values.

Nevertheless, natural resources tend to carry a curse rather than a blessing, especially in Africa. Resource rich countries tend to be underdeveloped and carry a higher level of corruption. This is partially caused by the fact that extractive industries tend to pay little taxes and royalties to the host country. This is illustrated by the experiences from Ghana. Most profits are legally or illegally escaping the countries – ultimately leading to lost revenues and underdevelopment in developing countries. The G20 meeting in London in April declared its readiness to take action against non-cooperative jurisdictions, including tax havens, and the international enactment of efforts to combat illicit capital flows, stolen assets and tax havens will be interesting to see. This conference will therefore be discussing which specific measures governments, companies, investors and institutions can take to unleash the economic potential from extractive industries in developing countries.

Even before considering the economic potentials in extractive industries it is pivotal to consider how the resources can be extracted with respect for people and the environment. The extraction process often carries harmful effects to the people and the environment in the areas of extraction, as exemplified in the Niger Delta. Frequently, the extraction carries environmental disasters, contamination, loss of livelihoods for communities affected by the extraction process, gross human rights violations and conflicts. This calls for stronger regulation and enforcement of safeguards and protection standards by companies, investors and governments. Encouragement of Corporate Social Responsibility and Socially Responsible Investments (SRI) in developing countries which is e.g. promoted by the UN Global Compact, the UN PRI (UN Principles for Responsible Investments), and active participation of civil society is also needed in this endeavour. Therefore, this conference aims at discussing which measures should be taken by all actors to protect human rights and the environment through extraction processes.

The Danish government has recently passed new legislation demanding companies and investors to report on their CSR/SRI activities. However, in Denmark the issue of extractive industries, the economic potentials and social and environmental consequences is only to a limited extent on the agenda of development actors, governments, private companies and investors. Therefore, Danida, IBIS, Amnesty International Denmark, Transparency International Denmark, and with support from Publish What You Pay Norway are inviting to this conference.

Programme

The overall objective of the conference is to discuss what Danish and international actors from governments, private sector and civil society can do to unleash the economic potentials in extractive industries through mobilising revenues and combat tax evasion while respecting human rights and promoting CSR.

09:00-09.30 **Opening and setting the agenda**

- **Moderator: Thomas Ravn-Pedersen, Danish Broadcasting Cooperation (DR)**
- **Ib Petersen, State Secretary for Development Policy, Danida**

09.30- 10.40 **Part I: Protecting Human Rights and the Environment**

- **Case I: Niger Delta: Audrey Gaughran, Head of Business and Human Rights, Amnesty International – International Secretariat:** The social and environmental impacts of oil extraction and what companies, investors and home states can do to protect human rights.
- **Bjarne Graven Larsen, Chief Investment Officer, ATP:** Investors' role in protecting human rights and the environment.
- **Carsten Ingerslev, Head of Department, Danish Centre for CSR:** The Danish CSR action plan, new legislation regarding CSR and Socially Responsible Investments.

10:40-11:00 **Break**

11:00-12:00 **Panel debate:** What can governments, companies and investors do to protect rights and the environment? Is CSR the answer or should more binding standards and regulation be pursued?

12.00-13.00: **Lunch**

13.00-14.30 **Part II: Unleashing the Economic Potential**

- **Case II: Ghana: Steve Manteaw, Campaigns Coordinator, ISODEC:** Turning natural resources into development: Experiences from the mining sector and economic prospects of Ghana's new oil discovery.
- **Jonas Moberg, Head of Secretariat , Extractives Industries Transparency Initiative (EITI):** Promoting accountability and good governance in extractive industries through transparency.
- **Joseph Williams, Inf. & Advocacy officer, PWYP International:** Country by country reporting by companies as a means to improve transparency for mobilising revenues in developing countries.
- **John Christensen, Director, Tax Justice Network:** Ending tax evasion and capital flight: Measures to improve tax mobilisation and cracking down on tax havens.

14:30-14:45 **Break**

14:45-16:45 **Part II: Unleashing the Economic Potential - continued**

- **Steen Lohmann Poulsen, Head of Division for International Economic Cooperation, Taxation and Financial Markets, Ministry of Finance:** What measures is Denmark taking to prevent capital flight and support tax mobilisation?
- **Harald Tollan, Senior Advisor, Min. of Foreign Affairs, Norway:** Which initiatives is Norway taking to mobilise taxation from extractive industries? What are Norwegian companies and investors doing?

Panel Debate: What can governments, companies and investors do to mobilise resources for development from extractive industries, and stop tax evasion and capital flight?

16:45-17.00 **Closing remarks and next steps: Vagn Berthelsen, Secretary General, IBIS**

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The conference is financed by Danish International Development Agency, Danida
