



Good Governance and Development: Why Natural Resources Matter

The Extractive Industries Transparency Initiative (EITI) aims to expand benefits from natural resource extraction through transparency of revenues exchanged between companies and governments — companies publish what they pay to governments and governments in turn publish what they receive. In the world of closed negotiations where decisions concerning access to and extraction of natural resources are taken, the EITI represents a major milestone, all the more because countries (30 so far) have voluntarily agreed to the principles, processes and accountabilities outlined in this initiative. Donors have also come onboard with funding. For example, the African Development Bank is working with many African countries to help satisfy the preliminary conditions.

Where EITI has been less successful, however, is in engaging citizens in ways that enable them to take control and hold themselves and their authorities to account. EITI is not organized specifically for local communities and does not include mechanisms to inform and train citizens at the local level to demand disclosure regarding extractive industries agreements and revenues, or to adequately access and understand information when it may be publicly available. This important dimension of information and communication is essential for the accountability that EITI is seeking to achieve.

Business-Community Synergies (BCS) assists extractive companies and the communities where they operate to engage proactively with each other for net mutual benefit – sustainable local development. Our work with the private sector and the World Bank Group promotes mechanisms that are contextually based and that draw on a combination of existing local capacities and externally found knowledge, for sustainable local development. Corporate-community relationships require mutual trust among parties that may have been historical enemies; having them understand the mutual benefit of their relationship requires a number of steps, but the underlying principle for bridging among multiple worlds is transparency in the disclosure of information.

The presentation is on lessons learned with respect to transparency and accountability focusing on mining revenues in Mali and Madagascar where BCS applied its unique CCA (Community-Company Assessment) methodology. BCS experience in other countries such as Ghana, India, Kazakhstan and Peru also inform the presentation.

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