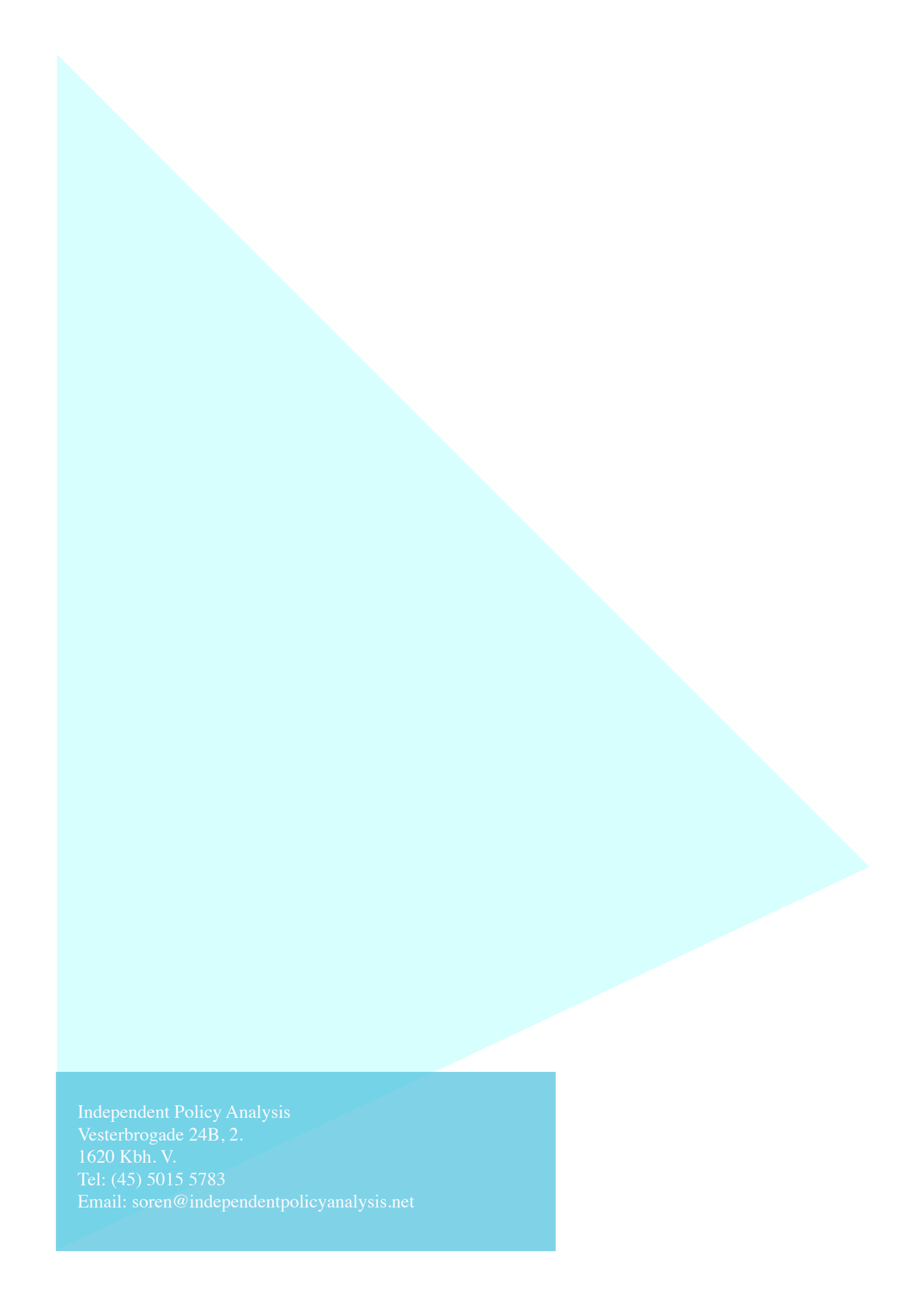


Conference Report

Extractive Industries: Unleashing Economic Potentials –
Respecting People and Environment

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Key abbreviations:

- CSR:** Corporate Social Responsibility
- ESG:** Environmental, Social and corporate Governance
- SRI:** Socially Responsible Investments
- PRI:** Principles for Responsible Investments
- ODA:** Overseas Development Assistance
- EITI:** Extractive Industry Transparency Initiative
- PWYP:** Publish What You Pay

This report presents the most important discussions and key recommendations from the Conference: "Extractive Industries: Unleashing the economic potentials. Respecting people and the environment", held in Copenhagen October 23rd 2009. The report is written by the independent consultant Søren Kirk Jensen and the findings, recommendations and analysis beyond the conference discussions are the view of the author, and not necessarily shared by the organising group.

The organising group behind the conference is very satisfied with the conference and the results emerging, including this report. The overall objective of the conference was to initiate a discussion in Denmark on the role of natural resources and extractive industries in development, especially in Africa. I think the conference and the participants have contributed significantly to this aim.

I would like to mention a couple of discussions which I found particularly important. Firstly, based on the demand for companies and investors to take stronger actions to protect human rights and the environment, it was debated when and if investors should divest, how they could engage in a more active ownership to ensure rights, and if other more indifferent investors would take over the investment if progressive investors divested. What was made clear from the debate is that we face complicated dilemmas and further discussions and analysis is needed.

Secondly, I was delighted to see that through the panel debate all panellists agreed that it is necessary to take steps to solve the problem of capital flight from developing countries, though some discussion still is necessary to agree on the strategy. It was agreed that stronger measures should be taken against tax havens, that the necessities of developing countries should be considered when developing tax exchange agreements, and that increased transparency in the sector from governments and companies is a prerequisite to unleash the economic potentials from natural resources.

Thirdly, the Extractive Industries Transparency Initiative (EITI) is an important instrument to promote transparency in the sector and it is important that also the Danish government expressed its support to this international initiative.

Finally, I believe the conference has contributed to a crucial discussion of the social responsibility of companies to pay taxes from their profits in countries where they operate. This discussion will be an important contribution to the implementation of the Global Compact and other guidelines for CSR, and we are delighted that Bjarne Graven Larsen, chief investment officer at the major Danish investment fund ATP and speaker at the conference, a few days after the conference publicly expressed that tax payment is an important parameter for the social responsibility of companies, also for investment funds.

We hope – and are determined to contribute to – that these discussions will continue during the coming years, in Denmark, in resource rich developing countries and internationally, and believe that we can develop measures to protect human rights and the environment while unleashing the economic potentials from natural resources.

Vagn Berthelsen

Secretary General, IBIS

Copenhagen, December 2009

On October 23, 2009, Ibis, Amnesty International Denmark, Publish What You Pay Norway and Transparency International Denmark co-organized the conference: *Extractive Industries: Unleashing Economic Potentials – Respecting People and Environment*, which was sponsored by the Ministry of Foreign Affairs of Denmark. The conference was a first of its kind in Denmark addressing the specific challenges of extractive industries from a number of perspectives that are new to the Danish context. As another refreshing element, the conference brought together a very broad group of stakeholders, which demonstrated with great force the relevance of the subject to actors from highly diverse categories. Broadly categorized these included representatives from various government ministries and political parties, institutional investors, companies, researchers and consultants as well as Danish and international NGOs. The conference was well timed as it coincided with the initiation of the formulation of a new development policy by the Ministry of Foreign Affairs that will have greater focus on mobilizing resources for development and will emphasize coherence between different parts of the Danish government to help focus the policy on development rather than aid.

The conference was very ambitious and looked at a broad range of issues related to extractive industries. The panel was far from being gender balanced with only one out of 10 speakers being female.¹ But the discussions were highly engaging and excellently moderated, which was illustrated by the number of participants still present at the end of the day after 10 presentations and two extensive debates (each lasting one hour).

The first part of the conference looked at the environmental and human rights consequences of extractive industries that are often violated during the exploration and extraction phases. This part of the conference mainly discussed the responsibility of companies and investors to produce a significant impact on these problems under the corporate social responsibility (CSR) umbrella, as well as to what extent mandatory rather than voluntary approaches are needed.

The second part of the conference looked at the unrealized economic potential of extractive industries, pointing especially to the escalating tax evasion by developing countries that has been documented. But it also addressed the need for transparency and accountability in relations between corporations and governments as well as between governments and citizens. The aim is to ensure that the resource-rich countries retain most of the value of the extracted resources and that these resources end up benefitting the public.

This report uses the rich presentations, discussions and recommendations from the conference as a starting point to provide some ideas to help identify a constructive way forward for Danish actors (government, private sector and civil society) to contribute to tackling some of the structural problems affecting the extractive industries and, ultimately, poor people in resource-rich countries. It draws on additional interviews with the presenters at the conference, literature and other relevant information as well as the experience of the author from working with extractive industry issues.² The conference kicked off the Danish debate on extractives in a vibrant and energetic manner and the hope is that this report will contribute by capturing this spirit and sparking further debate on the way forward.

¹ 12 if you include the moderator and General Secretary of Ibis who made the closing remarks.

² The author has worked on extractive industry issues both at national and international level and was based in Angola from 2004 to 2007. Currently he runs the consultancy Independent Policy Analysis which specializes in building capacity to promote transparency in extractive industries and budget processes.

The conference started with a debate that mainly focused on the environmental and social consequences of extractive industries and the impact they have on the human rights of people living in areas where natural resources are extracted.

There are numerous examples of negative human rights impacts from natural resource extraction. At the conference, Shanta Martin, Amnesty International, and Bjarne Graven Larsen, ATP, both described the environmental problems of the Ok Tedi Mine on the border between Indonesia and Papua New Guinea. At this mine, millions of tonnes of mining waste were dumped into the river system causing widespread environmental damage. Amnesty International has also recently published a report describing the profound problems of oil extraction in the Niger Delta, Nigeria. In this case, it is demonstrated how the pollution of farmland, waterways and air from onshore oil production in the Niger Delta violates the population's rights to: "health, a healthy environment, the right to an adequate standard of living (including the right to food and water) and the right to gain a living through work".³ These rights are grossly violated in the Niger Delta because more than 60 percent of the population is poor and dependent for their livelihood on the natural environment which is being destroyed. 50 years of oil production in the Niger Delta has only made living conditions for the local population worse, to the extent that the situation now increasingly leads to conflicts in the area. These conflicts are most notably taking place between armed groups and the government, but also escalate within and between communities. The people of the Niger Delta are also deprived of access to information that would facilitate accountability of the oil companies and the Nigerian Government who share responsibility for the situation.

There are many other examples of situations where the processes of extracting and trading natural resources cause serious human rights violations. Private, and often multinational, companies play a central role in this situation because they are almost always the actor that undertakes exploration and production of the natural resources. (Sometimes state-owned companies also play a role, particularly in the oil sector). Amnesty International has called on companies to recognize the potential negative impact of their operations on human rights and has asked for human rights due diligence measures and impact assessments to be carried out in a participatory manner. Amnesty does not believe that voluntary initiatives labeled as CSR in its current form are enough to solve the fundamental problems. The organization asks home governments to put in place measures to regulate how extractive companies operate at home and abroad and on host states to ensure that human rights and the environment are protected through strong preventive regulatory measures, effective enforcement and appropriate sanctions.⁴ Companies must be required to undertake robust due diligence in relation to their human rights and environmental impacts, no matter where they operate. It also requests that institutional investors develop and implement policies for all their investments covering all human rights with reference to the Universal Declaration of Human Rights. Based on their human rights policy, institutional investors need to screen, monitor and exert active ownership of companies they invest in and make public the criteria for how, and for how long, they will try to influence a company which is involved in human rights violations before disinvesting in that company.

³ Amnesty International (2009): Nigeria: Petroleum, Pollution and Poverty in the Niger Delta, summary p. 2. <http://www.amnesty.org/en/library/info/AFR44/017/2009/en>

⁴ Amnesty makes a distinction between 'home governments', which is the company's country of origin and 'host governments', which is where the company operates.

Some Danish companies and investors have made efforts to strengthen the approaches and tools they use to promote socially responsible investments. ATP, the largest Danish investment fund with investments of DKK 400 billion, has committed to socially responsible investments (SRI) and does not see this as conflicting with its main fiduciary responsibility. The main tool ATP uses to implement its SRI policy is active ownership and in 2009 the fund has changed its approach and scaled up its activities within this area. The efforts have been systematized and two additional members of staff have been recruited who are responsible for the day to day monitoring of breaches of ATP's SRI policy. According to Bjarne Graven Larsen, ATP evaluated 272 alleged breaches in 156 companies in the first half of 2009. A large number of these breaches turned out to be unsubstantiated, and in other cases the companies responded promptly to address the allegations. But in a few cases they prompted ATP to initiate a dialogue with the company in question about the need to improve the situation. The resources currently invested in the area enable ATP to engage in two cases of active engagement at any given point in time, but each case is unique and takes different amounts of time.

ATP is still considering how to report on these activities to the public as the reinforced approach is still at an early stage. At the moment it is not known to the public how many companies ATP has sought to affect through active ownership and what the outcome of this has been. It is unclear what the criteria are for when ATP is able to reveal which companies they are talking to and what the dialogue is about.⁵ The concern is that going public about a dialogue could damage the working relationship with the company in question. But, on the other hand, perhaps this publicity could help ATP exert pressure on the company. ATP has taken great steps in the right direction and should be commended for this but it is crucial to be fully transparent about the cases it has been involved in and their outcome. At the same time, there are numerous Danish companies and institutional investors that have not taken on the socially responsible investment agenda at all. Civil society organizations ought to do a mapping and publicize a list of investors who prefer to keep a low profile to avoid media attention and compare the resources different actors invest in this.

When to disinvest?

The big dilemma of active engagement is when to pull out of a company that is in breach of the SRI policy. It is clear that if this ultimate threat is not real, active engagement has no teeth. On the other hand, it is also not without implications to disinvest, which from a reputational point of view, is the easiest solution for an investor. The problem is that disinvesting in, say, a western mining company that has been causing pollution can lead to the asset in question being taken over by owners who are even less concerned about environmental and human rights issues. The dilemma is that this could potentially lead to a situation that is even worse for the local population because non-western companies are considered to be less concerned with human rights and environment issues in their investment decisions. This dilemma is highlighted by the investors who argue that this risk needs to be taken into consideration in the active engagement discussion.

⁵ At the conference, Bjarne Graven Larsen did describe a couple of concrete ongoing cases so there is some degree of openness which just needs to be systematized.

There is some support in the literature for criticizing especially Chinese investments in Africa and Asia but there are also indications that this might be changing.⁶ The institutional investors' argument hence risk legitimizing bad practices from a 'better the devil you know than the devil you don't' perspective based on the threat of things getting worse if a western company is forced out. Further analysis should be devoted to this area to explore how real this threat is, as this is not entirely clear at this stage. Can it be confirmed that Chinese investors and companies, and those from other emerging countries, are unaffected by concerns related to human rights and the environment? Or are investors and companies from these countries also responsive to criticism through, for example, registration on the international stock exchanges or national demands from the countries they invest in?

If the non-western companies are as irresponsible as claimed by the investors this could potentially undermine the entire SRI approach. SRI are based on the assumption that investors can use their financial power to pressurize irresponsible companies to improve their record but if the situation discussed here is real it would put traditional 'growth-at-any-price' companies in a stronger bargaining position vis-à-vis investors with a SRI agenda which could undermine the approach. This also needs to be investigated further in line with the questions raised above and how this would affect the SRI and CSR agendas in general?

Corporate Social Responsibility - a useful tool?

A central question, which was discussed at length at the conference, concerns the extent to which Corporate Social Responsibility (CSR) can contribute to address the problems of extractive industries. Critics claim that the voluntary nature makes the approach prone to becoming more of a branding exercise or 'green washing' than a real commitment to addressing the problems.

CSR is often conceived as corporate financed community development. This can take the shape of a few social projects in the vicinity of the companies' operations or involve bigger projects running over a longer period of time. This kind of CSR has been criticized for being an add-on outside the company's core business, which is unaffected by the decision to finance a few small projects. This can lead to the unfortunate situation where the company's core business is damaging to society while the company tries to compensate for this through community projects. It has also been criticized for producing poor results because companies are good at doing business, not at doing community development. Often the projects are not developed in a participatory manner or coordinated with the authorities to ensure, for example, that there is a plan to use the school that was built and equip it with teachers and learning materials. Such projects are normally tax deductible for the companies, which can turn them into an even worse deal for the country in question. Community development therefore needs to be very carefully planned and executed, if done at all. Projects should not be tax deductible unless they have proven sustainable and positive impacts on the community.

The Danish government has taken a strong role in promoting corporate social responsibility through the Danish CSR action plan. This is based predominantly on the notion of strategic CSR, which recommends looking for synergies between societal needs and business demands.

⁶ See for example Peter Bosshard (2008): China's Environmental Footprint in Africa, SAIIA Policy Briefing, <http://www.internationalrivers.org/en/node/2796>

One of the most significant aspects of the action plan is that it uses legislation to require large companies ⁷, state-owned enterprises, institutional investors and mutual funds to report on CSR in the management review of the annual report. This requirement involves ‘taking a stand’ on CSR but it does not require the companies to actually do anything. Companies and investors are free to choose whether they wish to work with CSR or not and what to report on. In essence this means that despite the legislation it is still completely voluntary for Danish companies to engage in CSR or not and which issues to focus on.

On the other hand, the action plan and accompanying legislation goes some way to put CSR on the agenda of companies and investors; and it could be argued that to report that the company’s stand on CSR is to do nothing makes it open to potential risk of reputational damage. The main problem remains, however, that the company is still able to pick and choose which social issues they wish to address. This is problematic especially in relation to the extractive industries in resource-rich countries where a **holistic and mandatory approach** to ensure corporate social responsibility encompassing all the central pillars of CSR seems necessary. As we shall return to below, there is a growing recognition that companies’ social responsibility also includes issues such as accountability, transparency and the payment of taxes. Evidence points to these issues not being covered sufficiently through voluntary approaches.

⁷ Meeting at least two of the following measures: a) total assets/liabilities of DKK 143 million b) net revenue of DKK 286 million c) an average of 250 full-time employees (covering approximately 1,100 Danish companies), Section 99a of the Danish Financial Statements Act

The second theme of the conference addressed the economic potentials of extractive industries as a source of mobilizing revenues for development. It did address, although not in as great detail, the economic and political challenges related to the in-country management of the resources generated from extractive industries, which are also significant. This section addresses both elements but, in line with the conference, with a greater focus on the first part.

Just taxation of extractives

It is clear that resource-rich countries struggle with a particular set of economic challenges. Part of these challenges relates to retaining a fair share of the value of the resource extracted. This is again related to the interdependent relationship between the governments of the countries where the resources are located (who own the resources) and the companies with the know-how or comparative advantage in resource extraction. The latter are often very large, multinational corporations that will try to maximize profits from their operations, whereas the governments' interest is to keep as large a share of the value of the extracted resources as possible. The level and composition of taxes and royalties are key parameters in this struggle but the negotiation of these is often based on uneven competition.⁸ The large multinationals can rely on decades of experience, expertise in advanced technology and extraordinary resources (human and capital) in the negotiation of contracts with governments in a much more difficult situation on all these accounts. As has been observed by Humphreys, Sachs and Stiglitz: "...this can produce the unusual situation in which the buyer—the international oil company—actually knows more about the value of the good being sold than the seller—the government of the resource-rich country."⁹

In some cases this uneven competition, along with other factors, results in a 'race towards the bottom' where governments compete with each other to provide the most beneficial regimes for companies, sometimes in return for little more than formal sector job creation in a sector delinked from the rest of the economy.¹⁰ This has been more extreme in non-extractive industries (such as textiles) as they are not dealing with non-movable goods; but it has also been exploited by multinational mining corporations, for example, when choosing where to extract a resource that is found in several countries (e.g. gold, diamonds, copper).¹¹

⁸ Today most contracts are formulated as Product Sharing Agreements (PSAs), more fitting for the extractive industries which are economically distinctive from other industries in a number of ways. For example natural resource wealth does not need to be produced, it just needs to be extracted and it is more an asset than a source of income (Humphreys, Sachs & Stiglitz (eds), 2007, *Escaping the Resource Curse*, New York : Columbia University Press, p. 4).

⁹ Ibid. p. 5

¹⁰ In some cases the entrance of official mining companies can lead to significant job losses in the informal artisanal mining sector, Curtis and Lissu (2008): *A golden opportunity - justice and respect in mining: How Tanzania is failing to benefit from gold mining*, <http://www.africafiles.org/article.asp?ID=19218>

¹¹ This is related to the fact that natural resources are nonmovable commodities that, at least in theory, can be taxed without creating disincentives for investment (Ibid. p. 2).

After the contracts are negotiated the companies are still in a position to apply their strengths to pursue an aggressive tax policy, finding loopholes to avoid taxation. Within current business practice this has been proven to extend to illegal tax evasion through trade mispricing, abusive transfer pricing, fake transactions and other covert techniques. This issue has so far been outside the corporate social responsibility agenda as companies prefer to see it as something that belongs to their financial reporting. Most companies also take the position that tax is a cost and something that should be minimised as much as possible. The problem is that aggressive tax policies deprive countries of resources that could be used to finance development. It is estimated that developing countries lost between US\$850 billion and 1 trillion in illicit financial outflows in 2006.¹² Two thirds of this amount is commercial and tax related leading to an estimated loss of US\$160 billion in tax revenues annually. To illustrate the point these figures can be compared to official development assistance (ODA) which is currently about US\$80 to 100 million per year. This means that for every dollar given to developing countries in official aid as much as 10 are going out under the table through covert transactions.¹³ Thus, even companies that invest substantial resources in being perceived as 'good corporate citizens' through an active CSR agenda, promoting for example the environment or workers' rights might, through their core business approach and accounting practices, actually undermine sustainable development more broadly.

Tackling secrecy jurisdictions

The existence of secrecy jurisdictions or tax havens is a central part of this problem and one where the international community has the possibility of making changes. Companies in the extractive industries will normally operate through a company structure of subsidiaries designed to minimize taxes, with some of these established in tax havens. Often companies will pay these subsidiaries for services and this becomes a tax deductible expense. It is, however, almost impossible for a government to determine the fairness and accuracy of such an expense.¹⁴ It is also almost impossible to get access to information to verify the numbers provided by the companies because the tax havens protect the secrecy of this information. As noted by John Christensen from the Tax Justice Network at the conference: what tax havens sell is not really low tax but, much more significantly, secrecy.

This secrecy protects companies and individuals from being held accountable for illegal practices and apparently the problem is growing. According to the Tax Justice Network, the amount of illicit capital flows increased by 18.2 percent per year between 2002 and 2006 and the number of secrecy jurisdictions has tripled since the 1970s, in line with the increased globalization and liberalization of capital markets.¹⁵ Contrary to common perception, and perhaps of some concern for the possibilities of reform, the big players in this game are not 'islands in the sun' but Delaware in the US and the City of London in the UK.

¹² Global Financial Integrity (2009): Illicit Financial Flows from Developing Countries: 2002-2006, principle findings <http://www.gfip.org/storage/gfip/documents/executive%20-%20final%20version%2005-14-09.pdf>. An earlier study by Raymond Baker presented in his book *Capitalism's Achilles Heel* from 2005 estimated that global illicit capital flows at between US\$1 trillion and US\$1.6 trillion annually

¹³ The Danish Institute for International Studies puts it in the following terms: For every US\$10 developing countries receive from developed countries in the form of development assistance, more than US\$80 is illegally appropriated from these countries and transferred to developed countries. DIIS Policy Brief: Combating illicit financial flows from poor countries. Estimating the possible gains. November 2009

¹⁴ Randon, Jenik (2007): *How to Negotiate an Oil Agreement* in Humphreys, Sachs & Stiglitz (eds), 2007, *Escaping the Resource Curse*, New York : Columbia University Press, p. 108

¹⁵ Figures from John Christensen's presentation

The fact that reliable figures measuring the size of the problem have now been uncovered, and a strong campaign is being carried out by civil society, has helped foster an emerging consensus about the need to address commercial tax evasion and secrecy jurisdictions. Agreement does not extend, however, to the scope and pace of the reforms needed.

Exchange of information automatically or on request

According to the Danish Ministry of Finance, a great deal of progress has already been made and there is a political momentum to move forward that has not been seen before. The key area in relation to developing countries is the establishment of a framework by the OECD for bilateral exchange of information on request. This framework includes the infamous black, grey and white lists of tax havens that have enabled Denmark and the Nordic countries to establish bilateral agreements on exchange of information by request with a number of countries.¹⁶ The lists have been severely criticized for setting a very low standard, allowing many tax havens to improve their image too easily which in turn threatens to provide the public with the impression that the problems have been solved.¹⁷ According to John Christensen from the Tax Justice Network, the only thing the tax havens had to do to get off the black list was to sign a letter indicating their willingness to cooperate; and to get off the grey list they had to sign 12 bilateral agreements with countries of their own choice. This was done largely with other tax havens or with minor jurisdictions with limited implications in terms of exchange of tax information.¹⁸ According to Steen Lohmann from the Ministry of Finance, it is true that 12 agreements allow the countries to come off the grey list, but the process does not end there as the countries are obliged to engage in negotiations with other countries who would wish to establish agreements. It is not clear, however, what this would imply in terms of timeframe for concluding negotiations and whether the countries would be at risk of moving back to the grey or black lists if they hinder the negotiations to be concluded. Whereas this process has undisputedly enabled Denmark to sign agreements with some tax havens, the big question is to what extent it has helped developing countries.¹⁹

The key problem is that the two barriers of first establishing bilateral agreements with tax havens, and then producing a dossier to support the request for information, are massive for most developing countries who have capacity constraints in their tax administrations. A more beneficial and preventive approach would be to establish *multilateral agreements with automatic information exchange*. This would imply regulation that would ensure that when a person opens a bank account in a country abroad, this information would automatically be delivered to the authorities in the person's home country. This would greatly facilitate access to information but would not resolve the capacity problem which we will return to in a moment.

¹⁶ As of October 2009 these included (bilaterally negotiated): Switzerland, Austria, Luxembourg and Singapore; (negotiated through Nordic cooperation): Jersey, Guernsey, Isle of Man, Cayman Islands, Bermuda, the Virgin Islands, Aruba and the Dutch Antilles

¹⁷ See for example: <http://www.regjeringen.no/en/dep/ud/press/News/2008/government-commission-on-capital-flight-.html?id=520254>, page 23.

¹⁸ Another major criticism of the lists launched at the conference was that the US and the UK did not appear on the list as the biggest tax havens of the world according to the Financial Secrecy Index <http://www.secrecyjurisdictions.com>

¹⁹ Some progress has also been made within the EU but again of limited relevance to developing countries

The challenge is that despite the momentum created by the financial crisis and articulated by the G20, there is currently insufficient political will to deliver a multilateral agreement, which makes the process extremely slow and cumbersome.²⁰ This is evidenced by the difficulties the Danish administration experiences in promoting this kind of agreement even within the EU and the lack of progress at the meeting of the G20 Finance Ministers and Central Bank Governors in Scotland on November 7, 2009.²¹ Despite these concerns it was encouraging to note that at the end of the conference the Ministry of Finance stated that the Danish government, with its key allies in the Nordic countries and other like-minded countries, needs to push this agenda harder in all available forums. An element of this agenda could include proposing sanctions on non-cooperative jurisdictions, which nevertheless could be complicated by the apparent partaking of big nations such as the US and the UK in this game.²² This finally highlights the need for a continued civil society campaign to draw attention to these issues also in Denmark and the other Nordic countries. A key date for this campaign is March 2010, which is the date the G20 established to initiate a number of countermeasures against bank secrecy and tax havens.²³

Strengthening tax administrations

At the same time as pushing on the multilateral front it is necessary to start investing massively in strengthening the tax administrations in developing countries with highly specialized technical assistance. It is also necessary at the same time to invest in strengthening civil society capacity to monitor and do advocacy work on tax policy. Currently less than 1 percent of overseas development assistance (ODA) goes to tax assistance and there is very little collaboration between the centre for tax policy and administration and the development cooperation directorate (DAC) of the OECD.²⁴ Investing in strengthening the capacity of tax administrations holds the potential to produce results on many fronts, but most importantly it can help create the basis for improved accountability between citizens and government that has been absent in many developing countries.

The technical assistance should be designed as a highly results-oriented, learning-by-doing approach which should be based on using the existing bilateral framework to negotiate agreements with tax havens (possibly in collaboration with other countries following the Nordic model). When agreements are reached, the cases should be pursued to obtain and use specific information. In addition to hopefully producing tangible results within a short timeframe, this would help prepare the tax administrations to handle the expectedly much larger flow of information once multilateral agreements on automatic information exchange are reached. In the event that the approach fails to produce the expected results in terms of producing bilateral agreements, it would underline the need for multilateral agreements. If it succeeds in securing bilateral agreements, but fails to produce results in terms of using those to obtain and use tax information to act against companies and individuals evading tax, it would point to the need for more capacity building and

²⁰ The existing multilateral framework is based on the Convention on Mutual Administrative Assistance in Tax Matters to developing countries. The Convention has, however, only been signed by 14 countries, none of which are tax havens.

²¹ At this meeting the G20 ministers and governors only welcomed the: "...progress by the Global Forum on tax transparency and exchange of information, and the possible use of a multilateral instrument." http://www.g20.org/Documents/2009_communique_standrews.pdf

²² Steen Lohmann Poulsen from the Ministry of Finance indirectly supported stronger measures when he said, with reference to the OECD grey list, that more needs to be done to push countries that have made no progress to strike real deals.

²³ Steen Lohmann Poulsen from the Ministry of Finance made reference to a report expected prior to the G20 meeting in November on the progress on responding to the G20 call to make it easier for developing countries to benefit from tax cooperation. It seems, however, that this report has not been released by the OECD

²⁴ This figure was brought forward by Harald Tollan, Ministry of Foreign Affairs, Norway.

11 more resources to be invested in this area of work. The Ministry of Foreign Affairs should pursue this technical assistance agenda rapidly and proactively in collaboration with the Ministries of Finance and Taxation through the coherence approach applied to the new development policy.

In some (and probably particularly resource-rich) countries there might be limited political will in the government to pursue this kind of collaboration as it involves the risk of exposing members of the local elite. Therefore there is a need to involve and strengthen civil society's role in this process as well. It is important that civil society is informed about the technical assistance being offered to civil servants so they can hold the government to account for using the skills gained. To the extent possible civil society should benefit directly from this technical assistance or follow parallel capacity building approaches as the one offered by Tax Justice Network.

It is extremely important that technical assistance and capacity building of tax administrations do not target the extractive industries exclusively. As a matter of fact, countries that have relied too heavily on revenues from the extractive industries have suffered a number of economic and political problems that are commonly known as the 'resource curse'.²⁵ This has created precisely the weak linkage between citizens and governments that the absence of taxation causes. Tax administration assistance should therefore aim to create a broad tax base that allows government to raise revenues from other sectors through direct taxation (corporate and income taxes for example on real estate or letting of real estate, which can be highly profitable in resource-rich countries) and not only indirect taxes such as VAT, which are generally regressive. Broadening the tax base could ideally also create the space to save some of the revenue from the extractive industries (for example in a sovereign fund) or smoothening of the expenditure, which would again help to mitigate some of the economic challenges associated with the resource curse.

Transparency and anti-corruption

There are two essential reasons why transparency is needed in extractive industries. The first is to ensure that governments are able to secure a fair share of the value of the natural resources; and the second is to ensure that the money the governments gain actually ends up benefitting the public. The past has seen severe challenges related to both aspects. Anti-corruption is likewise relevant to tackle both bad business practices and bad practices by local stakeholders. It constitutes a central focus area not only in relation to the issue of companies obtaining resources below market value, but also in relation to their ability to ignore environmental and human rights issues.

²⁵ For an excellent introduction to the resource curse see: Humphreys, Sachs & Stiglitz (eds), 2007, *Escaping the Resource Curse*, New York : Columbia University Press

Country-by-country reporting

Perhaps the single most effective tool to strengthen transparency in the extractive industries and other sectors is the prospective introduction of country-by-country reporting. This would imply a change in the accounting standards of multinational companies so that they would have to report: "...key information such as payments to governments, production, costs, reserves, key subsidiaries and properties, on a country-by-country basis."²⁶ The main value added of such disclosures would be that they: "...would enable comparisons between countries and companies and create a powerful tool for citizen oversight of resource-dependent governments, as well as for companies, investors and tax authorities."²⁷ Mandatory country-by-country reporting by oil and mining companies has been at the core of the Publish What You Pay (PWYP) campaign from its outset because it would provide information not made readily available by the resource-rich countries. The process is led by PWYP, the Revenue Watch Institute (RWI) in collaboration with the Tax Justice Network (TJN), and Global Financial Integrity (GFI). Where PWYP and RWI are predominantly concerned with a reform affecting the extractive industries, TJN and GFI prefer a reform affecting all sectors. In a report published in June 2009 GFI argues that while country-by-country reporting by extractive companies is 'a sound first step', it is not far-reaching enough. TJN and GFI do not see why the accounting standards should not apply to all multinational corporations. It is important that TJN/GFI and PWYP/RWI iron out their strategy to avoid being counterproductive.²⁸ The best strategy at this stage might be to secure the partial, but very substantial, victory of applying these standards to the extractive industries.

There are currently two avenues that are followed to turn country-by-country reporting into reality. The first is through a reform of the international accounting standards, which would have a nearly global impact. International accounting standards are regulated by the International Accounting Standards Board (IASB) which is a private company with levels of accountability that were an item of discussion at the conference. John Christensen held that the IASB is a company with no accountability to anyone but the four big accounting firms and the multinational companies that are their clients. Steen Lohmann Poulsen on the other hand argued that the company gained its legitimacy through the high quality of its work which makes the EU choose it over other 'suppliers' and that the company is accountable to, amongst others, the ECOFIN ministers of the EU. The IASB itself takes its accountability very serious (possibly because it is aware that it might be questioned) and has a thorough description of what it bases its accountability on and a link on its website to a top ranking for stakeholder participation from 2007.²⁹

However that may be, IASB is the de facto gatekeeper for a reform of the international accounting standards and hence the target for the campaign currently being led by RWI and PWYP. The IASB's draft from August 2009 takes into account some of the requests made by PWYP and its partners. In early 2010 the final IASB discussion draft will be published and opened for consultation. The European Parliament and institutional investors have so far been some of the important allies of civil society in pushing for country-by-

²⁶ <http://www.revenuewatch.org/news/090409a.php>

²⁷ Ibid.

²⁸ Considerable efforts are already being invested in this according to a yet unpublished joint statement by the main organizations involved in this issue

²⁹ <http://www.iasb.org/The+organisation/Governance+and+accountability/governance+and+accountability.htm>

country reporting and it is important in the run-up to the final revision of the draft to keep up the pressure on IASB both directly from civil society and through support from these key allies.³⁰

Danish civil society should be sure to support this campaign by contacting Danish Members of the European Parliament and Members of the Danish Parliament, government and not least Danish institutional investors such as ATP. Another approach that is being followed is through lobbying for two pieces of parallel legislation that were introduced in the US Senate in September 2009, called the Energy Security Through Transparency act and the Extractive Industries Disclosure act. If passed, this legislation would require all companies registered on the New York Stock Exchange (80 percent of all internationally operating mining companies and 90 percent of all internationally operating oil companies) to publish their payments on a country-by-country basis.³¹ PWYP is seeking support from civil society internationally to raise the profile of this legislation.

A related discussion concerns company-by-company or disaggregated reporting, which mainly concerns in-country reporting through the Extractive Industry Transparency Initiative (EITI). From the outset of the EITI, Publish What You Pay has argued that the EITI should require that companies report individually and not all together aggregated as is now done in some countries. The question of aggregated or disaggregated reporting has been a key area of dispute between the PWYP and the companies within EITI process. The difference can be summarized in the following goals: the EITI is a voluntary initiative that does not require disaggregated disclosure; and the PWYP promotes a mandatory approach to disaggregated disclosure.³² This relates to the issue that PWYP campaigns for that information from all companies operating in a country (including subsidiaries) should be available to the public and not only the sum of all the payments made by oil and mineral companies together.³³ In practice, many EITI countries already disclose payments on a company-by-company basis. If country-by-country reporting was required for extractive companies listed at the major stock exchanges disaggregated reporting would, however, become the norm in most countries.

Country-by-country reporting was in general welcomed by all the presenters at the conference and Harald Tollan from the Norwegian Ministry of Foreign Affairs felt that it stands a good chance of being realized. Steen Lohmann Poulsen from the Danish Ministry of Finance noted that it is a concern of the government not to overburden the majority of companies that are not violating any laws with a complex set of rules. This is a variation of the standard company argument that the costs and difficulties of preparing the information would outweigh the benefits.

³⁰ For more on this campaign see: <http://www.revenuewatch.org/news/090409a.php> and <http://www.revenuewatch.org/news/092809.php>

³¹ For more on the campaign: http://action.openthebooks.org/campaign.jsp?campaign_KEY=293 and <http://www.revenuewatch.org/news/102708.php>

³² EITI is voluntary for countries to implement, as with any international treaty or standard. But once a country implements the EITI, the government will usually require disclosure of figures by passing a law, regulation or issuing a decree. EITI reporting then becomes mandatory for both companies and the government. PWYP calls for these requirements to be as firm as possible, and preferably in the form of a law.

³³ For more on *disaggregated* disclosure see: <http://www.revenuewatch.org/news/publications/disaggregation.php>

Extractive Industry Transparency Initiative

The combination of an improved international framework for access to tax information, country-by-country reporting and strengthened tax administrations would go a long way to improve the possibilities of resource-rich countries maintaining a fair share of the value of their resources. There is a range of other issues that needs to be addressed particularly in relation to the contract negotiation process, such as the design of the auction of exploration and production rights and the contractual relationships between the government and the private sector, which were not addressed at the conference.³⁴

It is also clear that more transparency is needed to shed light on what happens after the revenues start coming into a country. This has already generated enormous economic and political problems in a number of countries and should not be overlooked, particularly not in the light of countries that are close development partners of Denmark being on the brink of initiating oil production. Here the focus is obviously on Ghana, which was represented by the organization ISODEC at the conference, but also countries like Mozambique and Uganda, which are expected to become oil producers within the foreseeable future.³⁵ The second panel debate at the conference focused a great deal on the implications of the issues put forward in the presentations at country level. Part of this has already been discussed above in relation to the need to strengthen tax administrations at country level.

One of the initiatives aimed specifically at strengthening transparency at the national level, to an extent that it has been criticized for putting the burden of proof exclusively on governments and not also on companies, is the Extractive Industry Transparency Initiative (EITI). EITI was once called a 'curious coalition' by *The Economist*, which key people behind the initiative seem to have perceived as a rather big compliment. The initiative is indeed made up of an interesting group of 'constituencies' comprising governments (implementing and supporting), companies (including investors) and civil society organizations, all with seats on the international board and with seats on the multi-stakeholder groups in the implementing countries³⁶. Each constituency selects its own representative on the board. The three-party structure is certainly part of what makes the EITI unique, being an international institution governed in a very modern way. It represents a step further in terms of real and effective participation between government representatives, civil society and companies. This structure is based on the fundamental principle of bringing stakeholders together to address a common issue of concern.

The basic principle of the EITI is that companies publish their payments and governments publish their receipts. These figures are then reconciled in an annual report by an independent agency (audit firm) appointed by the government and multi-stakeholder group. The process an implementing country has to go through is sign up, preparation, disclosure, dissemination and, finally, within two years of sign up, validation of the quality of the process.

³⁴ There is a lot of work going on around this issue currently. See RWI's recent report on ending contract confidentiality at www.revenuewatch.org.

³⁵ A number of other development partner countries of Denmark such as Bolivia, Niger and Zambia are also resource rich and struggle to a greater or lesser extent with the problems caused by the resource curse. The greatest focus should, however, be devoted to the emerging oil producers where there is still scope for institutional strengthening to cope with the inflow of petrodollars.

³⁶ A list of the current members of the EITI board can be found here: <http://eititransparency.org/files/2009-11-06%20EITI%20Board%20Members%202009-2011.pdf>

After these steps the country gains status as a compliant country. Importantly, EITI does not require figures to be reconciled in a disaggregated manner whereas, as we saw above, PWYP promotes disaggregated company-by-company reporting. Political will and leadership is therefore also essential to success as the process can come a long way in a short time if the will is present, as in the case of Liberia. Norway has special status within the initiative as both a supporting and an implementing country. This highly applauded stance has helped break down old dividing lines, which again shows that the EITI is an initiative of the new world order.

Although the initiative has a narrow focus on transparency, the idea is that being involved in the reconciliation of government revenues can be empowering for civil society and can serve as an enabling environment to address other issues. This process creates accountability and, in the words of the head of the EITI secretariat, the focus of the initiative has moved gradually from transparency to accountability.

The State Secretary for Development Policy, Danida, Ib Petersen, expressed Denmark's support for the EITI at the conference in the following terms: "Denmark supports that developing countries seek membership of EITI and in this respect it is important that the IMF and the World Bank as well as a number of other donors including Denmark encourage the governments of developing countries to seek membership and exploit the benefits of this in the future".

Despite the diplomatic way it was formulated, follow-up conversations with Ministry of Foreign Affairs officials have clarified that the Danish position is indeed one of 'moral support' of the EITI. This indication is enough for the EITI to count Denmark as a supporting country although this is only a start. An important step in showing real support would be to require higher governance standards in terms of transparency and anti-corruption from Danish companies and investors. Denmark should also do more at country level to support country implementation and civil society engagement.

The true way to show moral support for the EITI would, however, be by following the example of Norway, which has become an implementing country. Denmark has a lot of experience to share in terms of oil and gas exploration especially for countries with a limited oil production. As such, Denmark has followed a model that is very different from the Norwegian one by not, for example, creating a sovereign oil fund but mainly used revenues to settle foreign debt.³⁷ If Denmark became an implementing country, it would not only add substantially to the pool of experience of the EITI and the knowledge and policy choices available for emerging oil producers, it would also be perfectly in line with the coherence approach of the new Danish development policy.

Not only the Danish government but also Danish institutional investors and companies working in resource rich countries, should sign up to the EITI. Investor support is of crucial importance for the EITI for the pursuit of country-by-country reporting, as we have seen above. As the most progressive Danish investor, ATP should lead the way and endorse the EITI. This would further underline its position as an investor that takes social issues seriously. A long list of progressive investors from a range of countries have already shown support for the EITI and earlier this year signed up to a letter stating amongst other things that: "As institutional investors with exposure to companies operating around the world, we believe it is in the interest of the companies in which we invest to operate a business

³⁷ In 2008 when oil prices peaked there was an emerging debate about the use of Danish oil revenue similar to that in many other oil producing countries. The reasoning behind the decisions made by the Danish government and politicians could add to the pool of experience being shared with particularly emerging oil countries as Ghana, Mozambique and Uganda. See also appendix I for a brief overview of the Danish oil sector

environment that is characterized by stability, transparency and the respect for the rule of law”.³⁸ The investors encourage the development of mechanisms to promote payments transparency in line with the principles of confidentiality, universality, comprehensiveness and comparability. The letter ends with an encouragement to other investors to join the statement but so far no Danish investors have done so.

Finally, and in line with the reasoning of this section, Danish civil society should get better organized to address these issues. At the conference, Ibis General Secretary, Vagn Bertelsen, stated that consideration is warranted of how to most effectively organize civil society around issues such as the extractive industries, taxation and other related issues, reaching beyond the “usual suspects”. The most logical step would be to set up a platform with links to PWYP as the most effective coalition at the international level. This platform could attempt to use innovative methods for collaboration with multiple stakeholders to work towards some of the goals that the conference took the first steps to identify. Such a platform could also be used to coordinate activities in the south to ensure that Danish civil society delivers high quality, coordinated, technical support to partners in the resource-rich countries.

Anti-corruption

The last issue to be covered in this report was addressed indirectly by most of the presentations at the conference but at the same time it represents a central issue to be addressed if the economic potential of resource-rich countries is to be realized. At the conference John Christensen, TJN, called for tax evasion to be specified as a corrupt practice under the UN Convention against Corruption and dealt with as a predicate crime by the anti-money laundering program of the Financial Action Task Force. There is hence not a great distance between working against tax evasion and working against corruption more broadly. Civil society organizations should continue insisting that Global Compact expands the anti-corruption principle to include issues such as tax evasion and transparency on their agenda. Dealing with secrecy jurisdictions would to a large extent deal with the supply side of corruption; and a strengthened focus on transparency and accountability at country level not only on the revenue side but also on the expenditure side should help tackle the demand side of corruption.

Anti-corruption has been introduced to the CSR agenda by the Global Compact that lists it as its 10th principle. Possibly it is the one principle that would have the greatest impact if addressed genuinely and systematically by extractive companies: first and foremost because corruption is endemic in the extractive industries and resource-rich countries; secondly because corruption facilitates violation of laws and socially responsible practices. If government officials are offered and are willing to accept a bribe, international oil and mining companies can lower the costs of obtaining resources through more beneficial deals, thereby undermining the economic potential of these countries; they can ignore environmental regulation and labor standards; they can displace and in other ways violate the rights of local communities etc. etc. Thirdly, even being extremely widespread, corruption still does not receive as much attention as other bad company practices possibly because there is limited awareness of how damaging this is to sustainable development and good governance. It needs to be much riskier for a company to engage in corrupt activities than it is today. Making use of the UN Convention against Corruption, institutional investors and civil society need to be much better at monitoring and screening corrupt practices by companies. Anti-corruption has rightly been labeled the enabling CSR standard.³⁹

³⁸ The full statement is available here: <http://eitransparency.org/files/Investors%20Statement%202009-08-25.pdf>

³⁹ Bacio Terracino (2007): Anti-corruption: The enabling CSR Principle, Institute of International Studies, Geneva

Companies doing business in resource-rich countries therefore need to be obliged to develop and report on strict (zero-tolerance) anti-corruption policies. As we saw in the section on CSR above, the Danish government has taken some innovative steps in the direction of putting CSR on the agenda of Danish companies, and it could go further by requiring companies doing business in developing countries (and particularly in resource-rich countries) to do mandatory reporting on anti-corruption activities. This would provide an example and possibly a forerunner for legislation in other countries – and it is technically possible.⁴⁰ This would be strategic not only for the companies but also for the societies and markets in which they operate, as it would gradually create a more level playing field for doing business in resource-rich countries.

⁴⁰ This was confirmed by Carsten Ingerslev, from the Ministry of Economy and Business Affairs in a follow-up interview.

The Danish government, private sector and civil society have a role to play in relation to promoting the positive impact of extractive industries in developing countries, both to ensure that extraction is done with respect for human rights and the environment, as well as to unleash the economic potential of the industry. One could add that care is needed when strong powers are unleashed and efforts also need to be invested in taming these forces to make them beneficial to development. The literature and practical experience suggest that the main tools needed to tame the forces of extractives are the same as are needed to unleash them, namely a strong dose of transparency and accountability. These ingredients need to be added not only internationally but also at the national level, allowing civil society to hold the government and private sector to account.

The conference showed that there is a great interest in these issues in Denmark and that there is a momentum that can be used to identify a constructive way forward to contribute to tackling some of the structural problems affecting the extractive industries and, ultimately, poor people in resource-rich countries.

The corporate social responsibility and socially responsible investment agenda that the Danish government and private sector has taken a lead in redefining internationally could be brought more into play to tackle the particular problems of extractive industries. The impact of companies and investors from emerging economies with lower human rights and environmental standards on the effectiveness of this approach needs to be carefully investigated. The outcome of this investigation might further support the claim that voluntary approaches are not sufficient and need to be replaced by mandatory processes to guarantee that the environment and humans are protected from the negative side effects of natural resource extraction, as strongly evidenced by the situation in the Niger Delta.

There is a strong need to address the tax agendas of multinational corporations in resource-rich countries. Reliable estimates have now documented the massive amounts of funds being channeled out of developing countries through illegal tax evasion schemes based on trade mispricing and the like. There is some movement at the international level in terms of creating frameworks to help address this problem but it is too little and too slow. Efforts have to be multiplied to produce multilateral, automatic exchange of information agreements. The policy space created by the G20 commitment to act on this before March 2010 has to be used. If not we risk ending up having wasted a good crisis, to paraphrase US Secretary of State, Hillary Clinton ⁴¹. It was positive that the conference fostered a mutual agreement between the presenters that despite the challenges, Denmark needs to push harder for these types of agreements. At the same time, the current framework should be used as the basis for a results-oriented technical assistance strategy aimed at achieving bilateral agreements between resource-rich developing countries and tax havens, as well as these agreements being used to obtain and use information to prosecute companies and individuals.

Transparency and accountability of business practices in the extractive industries need to be strengthened through initiatives such as country-by-country reporting which is being promoted strongly by Publish What You Pay and the Revenue Watch Institute.

⁴¹ The statement was made in relation to climate and energy security in March 2009: <http://in.reuters.com/article/environmentNews/idINTRE5251VN20090306>

Together with the focus on taxation, this will help ensure that resource-rich countries retain a fair share of the value of their natural resources. A way to further strengthen this agenda is to get a better understanding of the work going on internationally on increasing the transparency of contracts, which are often kept off limits from the public by being classified business and state secrets. Supporting countries' capacities to negotiate contracts is probably as important as strengthening tax administration as there can be no tax to administer if the contract is poor from the outset. This would also be a strong way to address the race towards the bottom in terms of awarding companies very beneficial terms with tax holidays and the like.

It is important, however, to recognize that experience has shown that once revenues arrive in the resource-rich countries, this has also produced a number of economic and political problems commonly known as the resource curse. Therefore transparency needs to be extended to the national level and to cover the entire natural resource value chain. EITI has gone some way in promoting this but it does not look at the expenditure side. It also doesn't specifically tackle corruption which is endemic in the extractive industries and resource-rich countries. These are specific agendas that also need to be included if the economic potential is not only to be unleashed but also tamed.

Government

Ministry of Economic and Business Affairs lead:

- Request companies operating in or as suppliers to extractive industries to undertake environmental and human rights due diligence measures and impact assessments
- Amend CSR legislation to require companies operating in or in support of extractive industries to relate to corruption, transparency and accountability issues
- Ensure that the Danish corporate social responsibility agenda and the international Global Compact agenda include payment of taxes as an explicit social duty

Ministry of Finance lead:

- Push harder in all available forums for multilateral, automatic information exchange agreements on financial flows
- Promote international sanctions against non-cooperative jurisdictions
- Promote a stronger link between the tax and DAC departments of the OECD
- Promote country-by-country reporting as the new accounting standard for multinational corporations

Ministry of Foreign Affairs lead:

- Coordinate and connect the various efforts described here within the new development policy in line with the coherence approach
- Develop a results-oriented technical assistance model for tax administration in resource-rich developing countries based on the current framework to obtain bilateral agreements with tax havens about information exchange on request and the use of these agreements to obtain and use this information to combat tax evasion by multinational corporations and individuals (led by the Ministry of Foreign Affairs but in close collaboration with the Ministry of Finance and the Ministry of Taxation)
- Keep local civil society organizations informed about this technical assistance and its objectives to enable them to hold their government to account for using this knowledge as well as raise awareness about this potential further in society to build political commitment

- Pursue a parallel technical assistance approach to strengthen capacity to introduce direct taxation of other sectors of the economy
- Facilitate that Denmark becomes an EITI implementing country in line with the coherence approach
- Put emphasis on supporting emerging oil producers such as Ghana, Mozambique and Uganda extensively along these recommendations and ensure that other resource rich partner countries benefit from this strengthened approach

Private sector

Companies operating in or as suppliers to extractive industries:

- Recognize the potential negative impact of their operations on human rights
- Sign up to the EITI
- Avoid tax evasion, tax avoidance and the use of tax havens to facilitate this

Institutional investors:

- Develop and implement policies for all investments covering all human rights (including environmental standards) with reference to the Universal Declaration of Human Rights
- Based on your human rights policy, screen, monitor and exert active ownership of companies invested in and make public the criteria for how, and for how long, you will try to influence a company which is involved in human rights violations before disinvesting that company
- Accept responsibility to promote socially responsible investments and not keep a low profile to avoid attention (applies to the majority of institutional investors)
- Promote country-by-country reporting as the new accounting standard for multinational corporations
- Sign up to the EITI
- Monitor and screen corrupt practices by companies making use of the UN Convention against Corruption

Mainstream NGOs:

As the most progressive Danish investor, ATP should further strengthen this position by:

- Being fully transparent about the number of active ownership cases it has been involved in and their outcome.
- Engage in a dialogue with the EITI Secretariat ASAP to formalize ATP's support of the initiative


Civil society

Watchdogs:

- Make a mapping and publicize a list of investors who prefer to keep a low profile to avoid media attention.
- Map and compare the organizational and human resources the actors already involved invest in guaranteeing that their investments are socially responsible as well as the level of transparency of these efforts.
- Monitor and screen corrupt practices by companies making use of the UN Convention against Corruption

Academia, think tanks and independent researchers:

- Provide answers about the extent to which the emergence of investors and companies with a low social agenda affects socially responsible investment in general, particularly in relation to active investment losing its edge. It needs to be investigated whether this is an argument for mandatory approaches.
- Support the PWYP and RWI campaign for country-by-country reporting by contacting Danish Members of the European Parliament and Members of the Danish Parliament as well as keeping up the pressure on the Ministry of Finance and institutional investors
- Set up a Publish What You Pay platform to organize civil society effectively around issues such as the extractive industries, taxation and other related issues reaching beyond the “usual suspects” of NGOs, applying innovative methods for collaboration with multiple stakeholders and generally following PWYP best practices for coalition building
- Coordinate activities in the south to ensure that Danish civil society delivers high quality, coordinated, technical support to partners in the resource-rich countries



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