

Extractive Industries Fact Sheet

KEY TAKEAWAYS

- ✓ Extractive industry commitments have been consistently popular among members of the [Open Government Partnership \(OGP\)](#), showing high levels of ambition and strong early results.
- ✓ OGP offers opportunities to reinforce, accelerate, and innovate with extractives transparency. For example, many OGP members began publishing contracts and licenses through their action plan before it became formalized in the [Extractive Industries Transparency Initiative \(EITI\) Standard](#). Similarly, many continue to innovate by publishing impact assessments, going beyond the EITI Standard.
- ✓ OGP members should continue to find synergies between OGP and the EITI by applying policies like open contracting, beneficial ownership transparency, and licensing transparency to extractives sector management.

WHY EXTRACTIVE INDUSTRIES?

More than 50 OGP countries depend on oil, gas and minerals as their most important sources of government and export revenues. However, many of these governments have failed to properly address the institutional and policy challenges that come with the governance of these natural resources. The energy transition introduces further challenges and risks as countries shift in use of some resources in favor of others. Applying open government values of transparency, participation, and accountability to extractive industries and resource use can decrease corruption, safeguard community interests and needs, and support environmental sustainability.

STATUS QUO

- **OGP and EITI synergy:** 31 countries are members of both OGP and the EITI.* Many countries have accelerated implementation of the EITI Standard through OGP action plans, including Indonesia, Nigeria, the Philippines, and Ukraine. In several countries, there are civil society members and government ministries that are part of both the OGP multi-stakeholder forums and EITI multi-stakeholder groups.
- **Need for participation and oversight:** Most extractive industry commitments involve increased transparency. About half of commitments include participatory elements, and only one in five commitments involve public accountability.
- **Inclusive elements are growing:** Prior to 2019, no members had made gender-focused extractive industry commitments. Since then, five countries have used their OGP action plans to work on meeting EITI requirements related to gender.

This fact sheet covers all commitments submitted as of May 31, 2023. As of this date, OGP consists of 76 national and 105 local members.

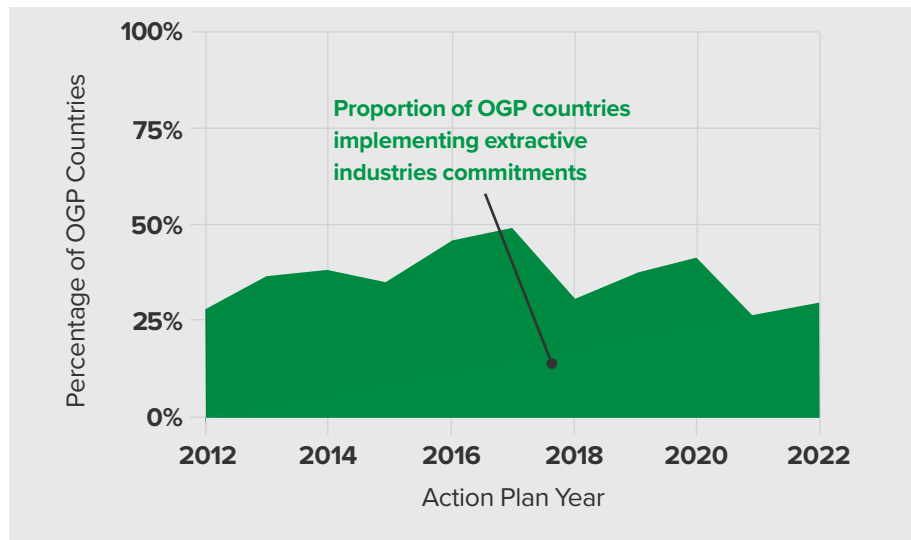
* Countries that are members of both OGP and the EITI are Afghanistan, Albania, Argentina, Armenia, Burkina Faso, Colombia, Côte d'Ivoire, Dominican Republic, Ecuador, Germany, Ghana, Guatemala, Honduras, Indonesia, Kyrgyz Republic, Liberia, Malawi, Mexico, Mongolia, Netherlands, Nigeria, Norway, Papua New Guinea, Peru, Philippines, Senegal, Seychelles, Sierra Leone, Timor-Leste, Ukraine, and the United Kingdom.

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COMMITMENT PROGRESS

OGP countries have made fewer extractive industry commitments in recent years (see figure below). Currently, 11 national and four local OGP members are implementing extractive industry commitments from their active action plans. Altogether, 56 members have made 168 total extractive industry commitments since OGP was established in 2011.



WHAT ARE OGP MEMBERS DOING?

→ Implementing EITI requirements

→ Publishing extractives data and regulations

→ Engaging citizens to monitor extractives management

WHERE TO NEXT

The following recommendations summarize key actions for OGP members to implement:

Improving Transparency

- Publicly disclose licenses and publish information on the licensing process.
- Publish data on state-owned enterprises.
- Conduct and publish environmental, health, and social impact assessments with gender-differentiated impacts of extractive industries.

Increasing Scope

- Consider incorporating open government approaches into phasing out harmful activities and early on when adapting new technologies.
- Fully implement the [EITI standards on gender and inclusion](#), ensuring representation of impacted communities in the design of projects, outreach and engagement, data management, and publication of information around extractive policies.
- Go beyond the EITI standard on environmental disclosure to also consider climate change mitigation and alternative-use analysis.

Connecting Practices

- Find synergies between EITI and OGP by applying policies like open contracting and beneficial ownership transparency to extractive sector management.
- Collect and disclose beneficial ownership information, including levels of ownership and any politically exposed people.



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NOTABLE COMMITMENTS

Recent Results



Philippines - Improving Transparency of Extractive Industries (2015)

One of the Philippines' first extractive industry commitments aimed to improve participation in the EITI by convening a multi-stakeholder group composed of civil society, business, and government and submitting annual reports that document revenues from extractives. Due to the creation of the innovative multi-stakeholder group, the Philippines was announced as [“the first country to achieve satisfactory progress against the EITI standards.”](#) The Philippines continued efforts to sustain extractive industry transparency in [their 2019 action plan](#).



Armenia - Piloting a Beneficial Ownership Register (2018)

In April 2020, Armenia piloted its first beneficial ownership register in the mining sector, given that the sector contributes [about seven percent of annual state revenue](#) and had been the source of reported corruption. Following its success, Armenia [passed legislation in April 2021](#) that requires companies across the economy to publish information on their real owners in a national registry.

Commitments to Watch



Plateau, Nigeria - Increasing Transparency and Accountability in Extractive Sector (2021)

Reformers are working to set up a forum to ensure transparency in the implementation of Community Development Agreements, Environmental Management Plans and the 13 percent derivation principle within the extractive industry in Plateau State. Plateau is the first state in the country to put these structures in place to ensure that the host communities receive the developments they are promised, and that the state receives the appropriate amount of federal revenue based on their contributions to oil and gas production.



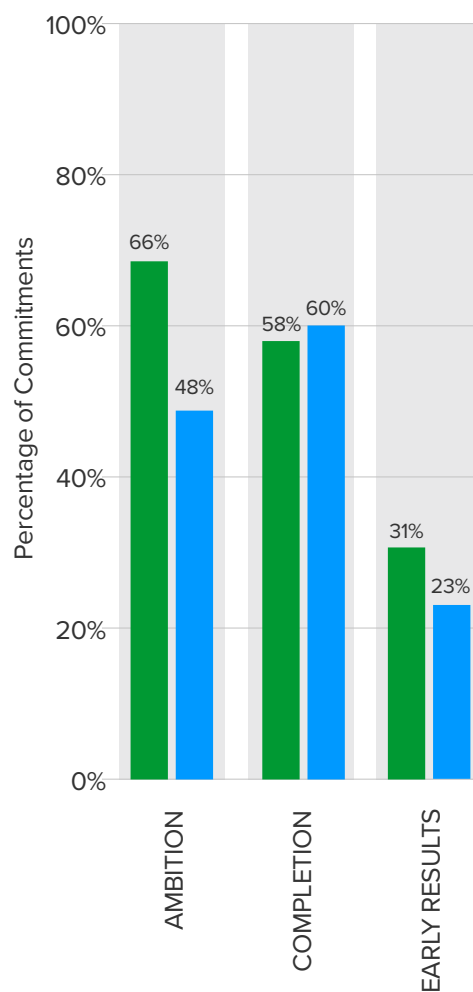
Malawi - Transparency of Natural Resource Contracts (2023)

Through this 2023 commitment, Malawi aims to introduce regulations mandating the disclosure of natural resource contracts and beneficial ownership information through the Mining and Minerals Act. The commitment also includes additional oversight of the extractives sector through the required parliamentary scrutiny of future natural resource contracts. This builds on Malawi's previous EITI reforms to enhance transparency across the entire chain of natural resource governance.

IRM QUICK STATS

According to OGP's Independent Reporting Mechanism (IRM), extractive industry commitments are much more ambitious and achieve stronger early results than the average OGP commitment.

Commitment Performance



Extractive Industries commitments
 All OGP commitments

Ambition - Ambitious commitments are those that the IRM finds would make transformative changes if fully implemented.

Early Results - Strong early results indicate the commitment made significant improvements to government openness.