Governments and international organizations that finance, or influence, the policies affecting extractive industries play a vital role in supporting the decisions made by resource-rich governments. In addition to national regulators of countries in which extractive companies are domiciled, such international organizations include, but are not limited to the World Bank and International Monetary Fund (and their respective lending agencies); aid donor governments; the Organization for Economic Co-operation and Development; United Nations agencies; export credit agencies; organizations such as the African Union, the European Union, G8 and G20; and the global finance community. International civil society also plays a key role in maintaining pressure on these actors to improve their policies as well as in the monitoring of states and companies.

Following are the key areas in which the international community can enhance the governance of resource extraction around the world.

Promote, monitor and enforce public disclosure requirements of the extractive industry

Governments, international organizations and other actors can improve transparency by establishing and enforcing a set of international standards for financial and accounting records, as well by disclosing contractual terms. Public disclosure of information throughout an extractive project, from exploration licensing to project clean-up, is a vital mechanism for helping citizens and investors hold governments and companies to account. In addition to legislating for global mandatory reporting requirements, these organizations should support the implementation of the Extractive Industries Transparency Initiative in resource-rich developing countries as a complementary, voluntary standard that promotes dialogue among stakeholders at the national and international levels.

Ensure that extractive industry projects comply with internationally recognized human rights standards

Governments should clearly set the expectation that all companies in their jurisdiction respect human rights—at a minimum those contained in the International Bill of Human Rights and the International Labour Organization’s Fundamental Principles and Rights at Work.

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Under the UN Guiding Principles for Business and Human Rights (UNGPs), international organizations should promote and support host states in fulfilling their duty to protect human rights and ensure company compliance with the obligation to respect human rights in the context of extractive industry projects.

Actors that support the extractive sector financially or through guarantees should require due diligence procedures, consistent with the UNGPs that prevent potential and actual human rights abuses resulting from extractive projects. They should pay special attention to differential effects determined by gender, race, age and other factors.

Ensure that extractive projects comply with environmental and social standards

The extractive industries can have significant negative impacts on both the living standards of local people as well as on the local and global environment. International organizations should set, facilitate, incentivize or require appropriate project operating standards that limit such effects, including the assessment of impacts. Export credit agencies, as well as public and private lenders, should require due diligence, as well as monitoring and reporting on compliance with international environmental and social standards. Many international organizations, including the UN and the International Finance Corporation, have recognized that indigenous peoples have special rights that must be protected.

Reduce illicit financial flows and corruption

International organizations must do more to reduce illicit financial transactions, and to curtail transfer-pricing abuse, use of tax havens, and other tax avoidance and evasion techniques. Such measures include banking regulation, and the confirmation of ownership in all banking and securities accounting. Asset-looting has been particularly prevalent in countries with large resource windfalls; international organizations should require and facilitate the freezing or recovery of stolen assets when malpractice is identified. International organizations should furthermore work together to reduce corruption and bribery, ensuring strong legislation and enforcement of measures to counter such practices.

Support the exchange and extension of extractive industry skills

Many resource-rich developing countries have yet to accumulate the essential capacity to translate resource wealth into sustainable and inclusive development. International organizations and governments should play a significant role in helping to build the capacity of government, the legislature, media and civil society in these countries. Efforts should be both concerted and coordinated to maximize efficacy. Normative frameworks such as the Natural Resource Charter and the Africa Mining Vision can help various actors coordinate and harmonize approaches to resource governance.

Within all the areas identified, governments and other international organizations should work together to promote an upward harmonization of standards.