

## TENTH PLENARY MEETING OF THE POLICY DIALOGUE ON NATURAL RESOURCE-BASED DEVELOPMENT

*Building collective knowledge for actionable policies*

### ANNOTATED AGENDA

25<sup>th</sup> – 26<sup>th</sup> June 2018 - OECD, Paris (OECD Conference Centre)

#### ABOUT THE POLICY DIALOGUE

The Policy Dialogue on Natural Resource-based Development is a multi-year intergovernmental process of knowledge sharing and peer learning among OECD and Partner natural resource producing countries on how to harness natural resources for structural transformation and more inclusive and broad-based development. Compared to other fora, the added value of the Policy Dialogue on Natural Resource-based Development lies in its unique structure designed to facilitate the generation, systematisation and access to tacit and newly developed collective knowledge through collaborative OECD and non-OECD evidence-based policy analysis.

The Policy Dialogue focuses on four Work Streams: (i) Shared Value Creation and Local Development; (ii) Revenue Spending and Natural Resource Funds; (iii) Getting Better Deals and (iv) Domestic Resource Mobilisation (tackling BEPS, corruption and commodity trading transparency).

The Policy Dialogue is a cross-directorate OECD initiative, led by the Development Centre and involving relevant Directorates that can contribute or lead in specific policy domains, namely, the Centre for Tax Policy and Administration (CTPA), Development Cooperation (DCD), Environment (ENV), Financial and Enterprise Affairs (DAF), Global Relations Secretariat (GRS), Legal Directorate (LEG), Public Governance and Territorial Development (GOV), and Trade and Agriculture (TAD).

For more information visit the website: <http://www.oecd.org/dev/natural-resources.htm>

#### OBJECTIVES, STRUCTURE, FORMAT OF THE EVENT AND PARTICIPANT EXPECTED CONTRIBUTION

This two-day meeting will bring together representatives of governments, international organisations, extractive industries, civil society and think tanks and will provide opportunities to advance the work under the different Streams of Work, according to the [roadmap](#) agreed upon at the Ninth Meeting of the Policy Dialogue on 31 January – 1 February 2018.

The first day (**25 June**), will begin with a session on progress made on tackling BEPS challenges in mining, followed by two sessions to advance work under Work Stream 1 (Shared Value Creation and Local Development), with a thematic focus on possible ways to accelerate the uptake of renewable energy solutions in extractive projects, and how government revenues from non-renewable natural resources can support the low-emission transition.

The second day (**26 June**) will be devoted to the Thematic Dialogue on Commodity Trading Transparency. The day will be closed by a workshop to review a revised version of the Guiding Principles for Durable Extractive Contracts, reflecting comments received during the public

consultation period from January until the end of March 2018. The workshop is by invitation only and invited participants will receive the agenda and invitation separately.

The objectives of the meeting are as follows:

### **Work Stream 1 - Shared value creation and local development**

#### *Compendium of Practices for Shared Value Creation*

- At the Ninth Plenary Meeting, a further four examples were discussed and validated by meeting participants for inclusion in the on-line [Compendium of Practices](#), which supports the implementation of the Framework for [Collaborative Strategies for In-Country Shared Value Creation: Framework for Extractive Projects](#). The examples focused thematically on enhancing local supplier and workforce participation in the value chain of extractive projects, with emphasis also on the role of empirical data to support informed policy making. In discussing the examples, participants stressed the importance of collaborative, process-oriented, bottom-up approaches through which shared understanding and alignment across stakeholders can be built.
- The Tenth Plenary Meeting will provide an opportunity to discuss a further tranche of examples to be added to the *Compendium*. The session will focus on key examples of how industry and government can address nascent opportunities for the extractive sector to contribute to, and benefit from the global low-emission transition.

#### *Low-Emission Transition: Opportunities for the Extractive Sector*

- During the Ninth Plenary Meeting, participants discussed the opportunities for the sector's low-emission transition, recognising the existence of a business case for adopting clean technology solutions and diversifying energy companies' portfolios towards renewables. At the same time, participants identified a number of challenges, including perceived and actual risks associated with new technology absorption. In this regard, government has a crucial role in creating an enabling environment to accelerate the sector's shift to clean technology, and to foster public-private collaboration to share potential operational and financial risks associated with the transition.
- The Tenth Plenary Meeting will offer an occasion to discuss the interim findings of the OECD Development Centre's analysis on accelerating the uptake of renewable energy solutions in mining projects. This discussion will be complemented by a session focusing on the transformation of the extractive sector, in line with the global shift to a low-emission economic model, including the diversification of energy companies' portfolios towards low-carbon power generation to reduce the emission intensity of the current energy mix. This discussion will also consider the policy mechanisms and drivers for green investment, including use of government revenues from non-renewable natural resources to support investment into green technologies and infrastructure.

### **Work Stream 2 – Revenue Management and Spending**

- At the Fifth Plenary Meeting, participants agreed to undertake further analysis to investigate how to use natural resource revenues to support the implementation of the 2030 Agenda for Sustainable Development. Subsequently, the OECD Development Centre hosted a series of thematic dialogues, on stabilisation funds, strategic investment funds, earmarking and direct distribution cash transfers. A compilation report, consolidating the analysis and recommendations provided in the reports presented to date on mechanisms to mobilise domestic resource revenue and effective spending will be presented at the Eleventh Plenary Meeting.

- The Tenth Plenary Meeting will provide an opportunity for the Policy Dialogue to deepen ongoing work around the global transition to a low-emission development pathway. The Meeting will therefore feature a discussion under Work Stream 2 on how non-renewable natural resource revenues can be mobilised to finance and support this transition. The discussion will also present an opportunity for participants to provide feedback on envisaged future work of Work Stream 2.

### **Work Stream 3 – Getting better deals**

The Negotiation Support Forum (NSF) was launched three years ago at the Fifth Plenary Meeting. The NSF aims to help governments reinforce their long-term capacity for contract negotiation and to improve the quality of advice by service providers. During the Ninth Plenary Meeting, participants discussed selected issues covered by the *Guiding Principles for Durable Extractive Contracts*. Simultaneously, a revised draft of the *Guiding Principles* was submitted for on-line public consultation during the period January – March 2018.

- The workshop organised back-to-back with the Tenth Plenary Meeting will provide the opportunity for the Friends of the Negotiation Support Forum and other invited experts to review a revised version of the *Guiding Principles*, reflecting input received during the on-line public consultation.

### **Work Stream 4 – Domestic Resource Mobilisation (tackling BEPS and corruption)**

#### *Thematic Dialogue on Commodity Trading Transparency*

- At the Ninth Plenary Meeting, participants agreed for the *Thematic Dialogue on Commodity Trading Transparency* to improve understanding around the shared responsibility among home countries, host countries and companies involved in commodity trading, as well as to work towards the development of guidance to improve the transparency of payments for the purchase of the government's share of production; the operationalisation of due diligence guidance for companies to address the specific risks of rent diversion and corruption; and to assist State-owned Enterprises selling the share of government's production with the selection of marketers and buyers. The Tenth Plenary Meeting will provide the opportunity to improve understanding around the use of existing templates for disclosure of oil payments for the purchase by companies of publicly-owned commodities, along with internal policies that companies have implemented to date to identify and address the risks of corruption and rent diversion in commodity trading under different types of sales arrangements. The Thematic Dialogue will also offer the opportunity to share experience on the selection procedures that State-owned Enterprises use to select the buyers of publicly-owned commodities, including any selection criteria for the appointment of buyers and marketers, will also be undertaken.

#### *BEPS in Mining*

- At the Ninth Plenary Meeting, participants welcomed progress under the BEPS in mining project on tax incentives, excessive interest deductions by multinational mining enterprises, and the challenges countries are facing with ensuring accurate and credible mineral product testing, whether this is done by governments, industry or independent parties abroad.
- The Tenth Plenary will provide the opportunity to discuss some of the priority issues under this cooperation project: the relationship between stabilisation clauses and investment treaties; and tax treaties and mining. The Plenary will also see the delivery of reports on the use of tax incentives for mining investment; limiting the impact of excessive interest deductions on mining revenues; and improving mineral testing processes and organisation that were discussed at the Ninth Plenary.

The meetings of the Policy Dialogue **depart from** the traditional conference format distinguishing between speakers and audience. **Every participant** plays a role as both a **knowledge holder and a knowledge recipient** while the **OECD Development Centre** acts as a **neutral knowledge broker**, by contributing to framing the issues and facilitating the generation, systematisation and access to tacit or newly developed collective knowledge.

Participants are not only expected to share relevant experience, policies and case-studies but also to clearly articulate their knowledge needs and indicate which countries they would like to learn from to build or further refine their knowledge base. **In this interactive setting, there are no prepared speeches, official statements or long presentations. Proposed guiding questions** aim at helping participants prepare their contributions and identify relevant issues and questions they would like to see addressed during the meeting.

**Reference documents** are distributed ahead of the meeting in order to help participants prepare their contributions, support the discussion and move the process forward. Participant contributions are expected to be short, narrative in style and reactive to other interventions.

**The event will be closed-door and held under Chatham House Rule of non-attribution of sources in order for participating countries and stakeholders in the multi-stakeholder consultation to engage in frank and thought-provoking discussions.** It is expected that this method of work will be conducive to the establishment of a trustworthy environment where participating countries engage in frank and open exchanges that could pave the way for the collective development of new knowledge as well as innovative and mutually beneficial policy solutions and outcomes.

## DAY 1 – Multi-Stakeholder Plenary Meeting

25 June (Room CC6, OECD Conference Centre)

8:00 – 9:00	Registration & Breakfast
9:00 – 9:15	<p><b>Welcoming remarks by the OECD Development Centre</b></p> <p><i>Mr Mario Pezzini, Director of the OECD Development Centre and Special Advisor to the OECD Secretary General on Development; and H.E. Mónica Aspe, Ambassador and Permanent Representative of the Republic of Mexico to the OECD, and Chair of the Governing Board of the Development Centre</i></p> <p><b>Keynote Address:</b></p> <p><i>Mr Ibrahim Coulibaly, Director General of Mining and Geology, Ministry of Industry and Mines, Republic of Côte d'Ivoire</i></p>
9:15 – 10:45	<p><b>Session 1: Mobilising Resource Revenues from the Mining Sector: IGF-OECD Programme Tackling Base Erosion and Profit Shifting, building on the OECD/G20 BEPS Process</b></p> <p>The Tenth Plenary will provide the opportunity to discuss some of the priority issues under this cooperation project, in particular the design of balanced fiscal stability clauses in investment contracts that ensure, amongst other things, producing countries can protect their tax bases against aggressive tax base erosion and profit shifting.</p> <p>The Plenary will also see the delivery of reports on the use of tax incentives for mining investment; limiting the impact of excessive interest deductions on mining revenues; and improving mineral testing processes and organisation (all discussed at the Ninth Plenary).</p> <p><b>Objective:</b></p> <ul style="list-style-type: none"> <li>• To update participants on the work achieved to date on base erosion and profit shifting in Mining.</li> <li>• To discuss whether there are new approaches to the design of stabilization clauses.</li> </ul> <p><b>Kick-off interventions by:</b></p> <ul style="list-style-type: none"> <li>• Mr Howard Mann, Senior International Law Advisor and Ms Alexandra Readhead, BEPS Technical Advisor, Inter-Governmental Forum on Mining</li> <li>• Mr Ibrahim Coulibaly, Director General of Mining and Geology, Ministry of Industry and Mines, Republic of Côte d'Ivoire</li> <li>• Professor Fabien Nkot, Senior Advisor, Prime Minister's Office, Cameroon</li> </ul> <p><b>Guiding questions:</b></p> <ul style="list-style-type: none"> <li>• <i>How can fiscal stability provisions be designed to ensure governments can respond to BEPS issues without penalties as part of a balanced approach?</i></li> <li>• <i>What types of tax incentives are most used and most effective in mining?</i></li> <li>• <i>Are unfunded government equity stakes unintentionally increasing company use of debt?</i></li> </ul> <p><b>For reference:</b></p> <ul style="list-style-type: none"> <li>• Limiting the Impact of Excessive Interest Deductions on Mining Revenues</li> <li>• The Hidden Cost of Tax Incentives in Mining</li> <li>• Monitoring the Value of Mineral Exports</li> </ul>

10:45– 11:15	Coffee Break
11:15-12:30	<p><b>Work Stream 2: Revenue Management and Spending</b></p> <p><b>Co-chairs: Chile and Kazakhstan</b>  <i>Mr Askar Japparkulov, Deputy Director of Macroeconomic Analysis and Forecasting Department, Ministry of National Economy, Republic of Kazakhstan; and Mr Rodrigo Monardes, Counsellor in Trade and Investment, Permanent Delegation of Chile to the OECD</i></p> <p><b>Session 2: How can the extractives sector contribute to financing the global energy transition?</b></p> <p>This session will focus on opportunities for the extractives sector and resource-rich economies in the global shift to a low-emission economic model – a theme that emerged from a preliminary discussion at the Ninth Plenary Meeting. This discussion will therefore explore in greater detail the various facets of the sector’s transition as well as policy mechanisms and drivers for green investment. This includes the use of government revenues from non-renewable natural resources to finance and support the low-emission transition, and how energy companies can diversify their portfolios towards low-carbon power generation, to reduce the emission intensity of the current energy mix. The session therefore also provides an opportunity to build on the Policy Dialogue’s previous analysis on the use of Strategic Investment Funds and Sovereign Wealth Funds, and for participants to provide feedback on envisaged future work of Work Stream 2.</p> <p><b>Objective:</b></p> <ul style="list-style-type: none"> <li>• Develop an understanding of the current state of knowledge, and identify concrete areas for analysis that would benefit from the Development Centre’s expertise.</li> </ul> <p><b>Kick-off interventions by:</b></p> <ul style="list-style-type: none"> <li>• Dr Lahra Liberti, Head of Unit, Natural Resources, OECD Development Centre</li> <li>• Mr Pawan Kumar, Advisor, Energy, Infrastructure Policy &amp; Finance Division, Department of Economic Affairs, Ministry of Finance, Republic of India</li> <li>• Dr Ivetta Gerasimchuk, Lead, Sustainable Energy Supplies, International Institute for Sustainable Development (IISD)</li> <li>• Ms Charlotte Wolff-Bye, Vice President Sustainability, Equinor</li> </ul> <p><b>Guiding questions:</b></p> <ul style="list-style-type: none"> <li>• <i>What are the key mechanisms available for resource-rich countries to channel revenues from non-renewables into the low-emission transition, and how effective have they been?</i></li> <li>• <i>What are the drivers for energy companies to diversify investment portfolios towards renewables? What is the potential future scale of this emerging trend?</i></li> </ul> <p><b>For reference:</b></p> <ul style="list-style-type: none"> <li>• Work Stream 2 Proposed Work Plan: 2019-2020 and 2021-2022: <i>How can extractive revenues support the low-emission transition?</i> by the OECD Development Centre.</li> </ul>
12:30 – 14:00	Buffet lunch (Château, Room G. Marshall)
14:00 – 18:00	<p><b>Work Stream 1: Shared Value Creation and Local Development</b></p> <p><b>Co-chairs: Liberia and Norway</b>  <i>Hon. Emmanuel O. Sherman, Deputy Minister for Operations, Ministry of Lands, Mines and Energy, Republic of Liberia; and Prof Petter Nore, Senior Consultant, Norwegian Agency for Development Cooperation, Kingdom of Norway</i></p>

<p>14:00 – 15:30</p>	<p><b>Session 3: Key drivers, obstacles and possible approaches to accelerating the uptake of renewables in extractives</b></p> <p>Participants in the Ninth Plenary highlighted the need to improve the understanding of the key barriers to the uptake of low-carbon energy solutions in extractive activities, and the crucial role of the government in overcoming potential bottlenecks. To address this knowledge gap, the Development Centre has started analytical work, exploring key success factors and challenges to scaling up the use of renewable energy, by drawing on the design – technology mix, ownership structure, financing model – of existing projects. The Tenth Plenary Meeting will provide an opportunity to discuss the interim results of this research and elicit expert comments.</p> <p><b>Objective:</b></p> <ul style="list-style-type: none"> <li>• Identify the lessons learnt from the design of the existing projects, in order to accelerate the use of renewable energy in mining activities.</li> </ul> <p><b>Kick-off interventions by:</b></p> <ul style="list-style-type: none"> <li>• Mr Marc Rivard, Member of the Board, VERGNET Group</li> <li>• Mr Luc Tanoh, Head of West Africa, Cronimet Mining Power Solutions</li> <li>• Mr Tim Schlösser, Advisor, Extractives for Development Programme, GIZ</li> </ul> <p><b>Guiding questions:</b></p> <ul style="list-style-type: none"> <li>• <i>What are the key barriers to the integration of renewable energy sources into mining operations?</i></li> <li>• <i>How do they differ between off-grid and grid-connected mines, different regions and countries?</i></li> <li>• <i>What are the key pre-requisites, related to technology, business, finance and policy considerations, for successful integration of renewables?</i></li> </ul> <p><b>For reference:</b></p> <ul style="list-style-type: none"> <li>• Discussion paper by the OECD Development Centre on accelerating the use of renewable energy in the mining sector.</li> </ul>
<p>15:30 – 16:00</p>	<p>Coffee Break</p>
<p>16:00 – 18:00</p>	<p><b>Session 4: Compendium of Practices on the Framework on Collaborative Strategies for In-Country Shared Value Creation</b></p> <p>The Tenth Plenary Meeting will provide an opportunity to discuss a further tranche of examples for possible inclusion in the online Compendium. During the Ninth Plenary Meeting, a discussion was held under Work Stream 1 on identifying key opportunities for the alignment of extractive activities with the global shift to a low-emission economy. Building on this, this session on the Compendium will focus on key examples of how industry and government can work together contribute to, and benefit from the global low-emission transition, and address resource and environmental management challenges through innovation.</p> <p>Extractive companies are increasingly challenged to improve energy efficiency as a means to reduce both the cost and environmental impact of their operations. At the same time, technological advancements and changing trends in global consumption, production patterns and end-uses for minerals also present new opportunities for host governments to develop backward linkages, as well as new possibilities to facilitate access to and accelerate the uptake of renewable energy sources.</p> <p>This session on the Compendium of Practices will focus therefore on <b>Framework Step 4:</b> How innovation in the extractives sector can lead to new products and services, while also reducing the environmental impact of operations; and <b>Framework Step 3.2.2</b> on developing and selecting</p>

innovative methods for extraction with improved outcomes for water management.

Examples are presented for discussion and validation:

### **Investing in green supply chains (Western Australia)**

#### *Kick-off Interveners*

- Mr Gary Frampton, Head of Business Development and Technical Projects, BHP Billiton Nickel West
- Dr Alexander Cooke, Counsellor, Department of Industry, Innovation and Science, Commonwealth of Australia
- Ms Kirsten Lori Hund and Ms Daniele La Porta, Senior Mining Specialists, World Bank (remote)

### **Improving energy efficiency through automation in mining (Western Australia)**

#### *Kick-off Interveners*

- Dr Alexander Cooke, Counsellor, Department of Industry, Innovation and Science, Commonwealth of Australia
- Ms Nneoma Veronica Nwogu, Senior Counsel, World Bank

### **Supplying green technology and improving access to energy by supporting R&D (South Africa)**

#### *Kick-off Interveners*

- Dr Cosmas Chiteme, Director, Hydrogen and Energy, Department of Science and Technology, Government of South Africa (remote)
- Ms Fahmida Smith, Market Development Manager, Impala Platinum (remote)

### **Innovative solutions for sustainable water use in mining**

#### *Kick-off Intervener*

- Mr Chris McCombe, Manager, Water Stewardship, International Council on Mining and Metals

#### **Objective:**

- Discuss and validate a new set of practices for inclusion in the online Compendium of Practices, complementing and supporting implementation of the *Framework on Collaborative Strategies for In-Country Shared Value Creation: Extractive Projects*.

#### **Guiding questions:**

- *What are the opportunities, risks and challenges associated with developing green supply chains, and what collaborative steps can be taken by government and industry to ensure positive development results for host countries through backward linkages and improved access to affordable and clean energy?*
- *What potential trade-offs are associated with technological innovation in mining such as automation, including those relating to employment and skills, and how can governments address these challenges in partnership with industry?*
- *How can host governments support the development of new supply chains through investment in R&D, to develop linkages and in a way that engages productively with the private sector?*
- *What steps can industry take to select and implement alternative extraction and concentration methods that help to build efficiencies, minimise the water footprint, and aim to reduce levels of emissions?*

#### **For reference:**

- Templates for inclusion in the Compendium of Practices (for discussion and validation).

## DAY 2 – Multi-Stakeholder Plenary Meeting

26 June (Room CC6, OECD Conference Centre)

8:00 – 9:00	Registration & Breakfast
9:00 – 13:00	Thematic Dialogue: Commodity Trading Transparency
9:00 – 10:30	<p><b>Co-Chair: Nigeria and United Kingdom</b>  <i>H.E. Dr. Emmanuel Ibe Kachikwu, Minister of State, Petroleum Resources, Federal Republic of Nigeria; and Mr Andrew Preston, Head of the Joint Anti-Corruption Unit, Home Office, United Kingdom</i></p> <p>Building on the momentum created by the 2016 UK Anti-Corruption Summit, the Thematic Dialogue on Commodity Trading Transparency was launched in June 2017. Participants in the Ninth Plenary Meeting of the Policy Dialogue on Natural Resource-based Development expressed broad support for moving forward to develop tailored workable approaches to address clearly identified remaining transparency gaps to complement EITI’s efforts. These include: (1) the development of a global reporting template for payment disclosure by companies involved in commodity trading; (2) the operationalisation of the five-step framework of the OECD due diligence guidance for companies to tackle specific risks of rent diversion and corruption; (3) the development of a template to support SOEs in selecting buyers.</p> <p><b>Session 5: Experience sharing and lessons from the disclosure of oil purchase payments by companies active in commodity trading</b></p> <p>Facing an increasing demand for transparency around the revenues derived from the sales of publicly-owned commodities, some countries and a few companies have started disclosing information on these transactions. The session will allow participants to learn about the tools companies are using to disclose payments related to the purchase of publicly owned commodities, including the existing model template for disclosure of payments developed by the EITI.</p> <p><b>Objectives:</b></p> <ul style="list-style-type: none"> <li>• Learning from the experiences of disclosure of trade-related payments by companies active in commodity trading.</li> <li>• Improving understanding around the type of information disclosed by companies active in commodity trading and the reasons for the limited use of the EITI template so far.</li> </ul> <p><b>Kick-off interventions by:</b></p> <ul style="list-style-type: none"> <li>• Dr Falah Al-Amri, Advisor for Oil Marketing &amp; Strategies, Ministry of Oil, Republic of Iraq</li> <li>• Mr Gati Al-Jebouri, LUKOIL Mid-East Managing Director, Chairman of the International Oil Companies Forum in Iraq</li> <li>• Mr Bady Baldé, Regional Director Francophone Africa, Extractive Industries Transparency Initiative’s (EITI) international Secretariat</li> <li>• Mr James Nicholson, Head of Corporate Responsibility, Trafigura</li> </ul> <p><b>Guiding questions:</b></p> <ul style="list-style-type: none"> <li>• <i>What type of information is currently disclosed by companies active in commodity trading? What tools do they use?</i></li> </ul>

	<ul style="list-style-type: none"> <li>• <i>Are there any differences between the recommended disclosures in the EITI model reporting template and current corporate practices?</i></li> <li>• <i>What are the lessons learned from the disclosure of trade-related payments in Iraq and Chad?</i></li> <li>• <i>Which information around commodities sales should be disclosed to prevent corruption risks or rent diversion?</i></li> </ul>
<p><b>10:30 – 10:45</b></p>	<p><b>Coffee Break</b></p>
<p><b>10:45 – 12:00</b></p>	<p><b>Session 6: How do State-owned Enterprises select the buyers of publicly-owned commodities?</b></p> <p>The session aims to review the procedures used by State-owned Enterprises to select the buyers of publicly-owned commodities. Corruption risks and potential public revenue losses through the allocation of buyer rights will be discussed.</p> <p><b>Objectives:</b></p> <ul style="list-style-type: none"> <li>• Identifying the different types of buyers’ selection processes in relation to different commercial arrangements used for commodities trading.</li> <li>• Understanding the extent of exposure to risks of corruption and rent diversion when SoEs select buyers for the sale of publicly-owned commodities.</li> </ul> <p><b>Kick-off interventions by:</b></p> <ul style="list-style-type: none"> <li>• Mr. Mele Kyari, Group General Manager, Crude oil Marketing Division, Nigerian National Petroleum Corporation (NNPC)</li> <li>• Mr. Denis Baidoo, Marketing Manager, Ghana National Petroleum Corporation (GNPC)</li> <li>• Ms Dorothy S.R Makoni, Marketing Executive, Minerals Marketing Corporation of Zimbabwe (MMCZ) and Dr Moris B. Mpofu, Chief Executive Officer, Zimbabwe Consolidated Diamond Company (ZCDC)</li> </ul> <p><b>Guiding questions:</b></p> <ul style="list-style-type: none"> <li>• <i>Which procedures or practices do SoEs follow to select the buyers or marketers of commodities?</i></li> <li>• <i>Do selection procedures vary according to the short-term, long term or unconventional nature of the commercial agreements?</i></li> <li>• <i>What specific risks of corruption or rent diversion countries face when SoEs are selling publicly-owned commodities on behalf of the government?</i></li> </ul>
<p><b>12:00 – 13:00</b></p>	<p><b>Session 7: What are the risks of corruption and rent diversion in commodity trading and how can companies identify and address them?</b></p> <p>Producer countries have various strategies to market their in-kind share of oil production. These marketing strategies lead to a wide range of commercial arrangements, from spot markets to resource-backed financing mechanisms or swap deals. The session will offer the opportunity to learn about the different types of sales arrangements as well as the risk management systems and practices that companies active in commodity trading have put in place to identify and address risks of corruption and rent diversion when they purchase publicly-owned commodities from host countries.</p> <p><b>Objectives:</b></p> <ul style="list-style-type: none"> <li>• Understanding the variety of commercial arrangements between State-owned Enterprises selling commodities on behalf of governments and companies active in trading.</li> <li>• Review existing business practices that companies use to prevent risks of corruption and rent diversion in commodity trading.</li> </ul>

	<p><b>Kick-off interventions by:</b></p> <ul style="list-style-type: none"> <li>• Mr Louis Maréchal, Policy Adviser, Investment Division, Directorate for Financial and Enterprise Affairs, OECD</li> <li>• Ms Odile Roy de Puyfontaine, Head of Compliance EMEA &amp; Asia, Vitol</li> <li>• Mr Andreas Missbach, Head of Commodities, Trade and Finance and Joint Managing Director, Public Eye</li> <li>• Ms Catherine Anderson, Team Lead – Effective, Inclusive and Accountable Institutions, Global Partnerships and Policy Division, Development Co-operation Directorate, OECD</li> </ul> <p><b>Guiding questions:</b></p> <ul style="list-style-type: none"> <li>• <i>Do the different mechanisms of due diligence vary according to the different types of commercial arrangements, whether they are spot sales or long-term sales?</i></li> <li>• <i>What internal policies have companies already implemented to prevent the risks of rent diversion and corruption, including internal risk management systems, anti-corruption policies, “know your customer” or business partner practises; policy on the use of intermediaries?</i></li> </ul>
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13:00 – 14:30	Buffet lunch (Château, Room Roger Ockrent)
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**BY INVITATION ONLY**

**Friends of the Negotiation Support Forum**  
**Workshop on the Guiding Principles for Durable Extractive Contracts**  
**(by invitation only)**  
**OECD Conference Centre, 14:30 – 18:00**

This workshop will bring together **members of the Friends of the Negotiation Support Forum and other invited experts** to review a revised version of the *Guiding Principles* reflecting comments received after the on-line public consultation during the period January – March 2018. Invited participants will receive a separate invitation and agenda.