

The EITI in the Context of Participatory Democracy and Sustainable Natural Resource Management in Trinidad and Tobago

Conference on Revenue Reporting 2014

Creating a Culture of Transparency in the Extractive Industries

Presentation

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Why is it important to talk about this?

...because of the negligent, ignorant and disconnected mindset of public office holders and the utterly crippled state of political elites' social conscience in many countries blessed with a rich natural heritage and resource base.

The Paradox of Plenty – A Few Examples

- Annual per capita income in Equatorial Guinea is US\$11,000 yet the majority of its people live on less than US\$1/day
- In 2008, Angola ranked 162 out of 177 countries in the UN's Human Development Index yet it collected oil revenues twice as large as the total amount of international aid given to the world's sixty poorest countries
- Timor Leste has a US\$6 billion oil savings account but 15% of its children under the age of 5 are stunted from malnutrition

- **Poverty rate of 16.7%**
- **Governance and Competitiveness indicators have stagnated in international ratings**

Extractives revenues well spent?



What is Participatory Democracy?

- **Participation in elections (representative democracy)**
- **Broader participation of the citizenry in public processes of consultation, debate, agenda-setting and decision-making**
 - **Direct Democracy (e.g. referendum, initiatives, recall)**
 - **Deliberation**
 - **Decentralisation of political power and budgetary authority**
 - **Participatory Federalism, local self-governance**
- **Understanding concerns and desires of the community**
- **Local ownership**
- **Greater degree of consensus-building**

Types of Citizen Participation

1. Information gathering and sharing

- a. Top Down (from local authorities to citizens)
- b. Bottom Up (feedback channels for citizens)

2. Consultation (townhall meetings)

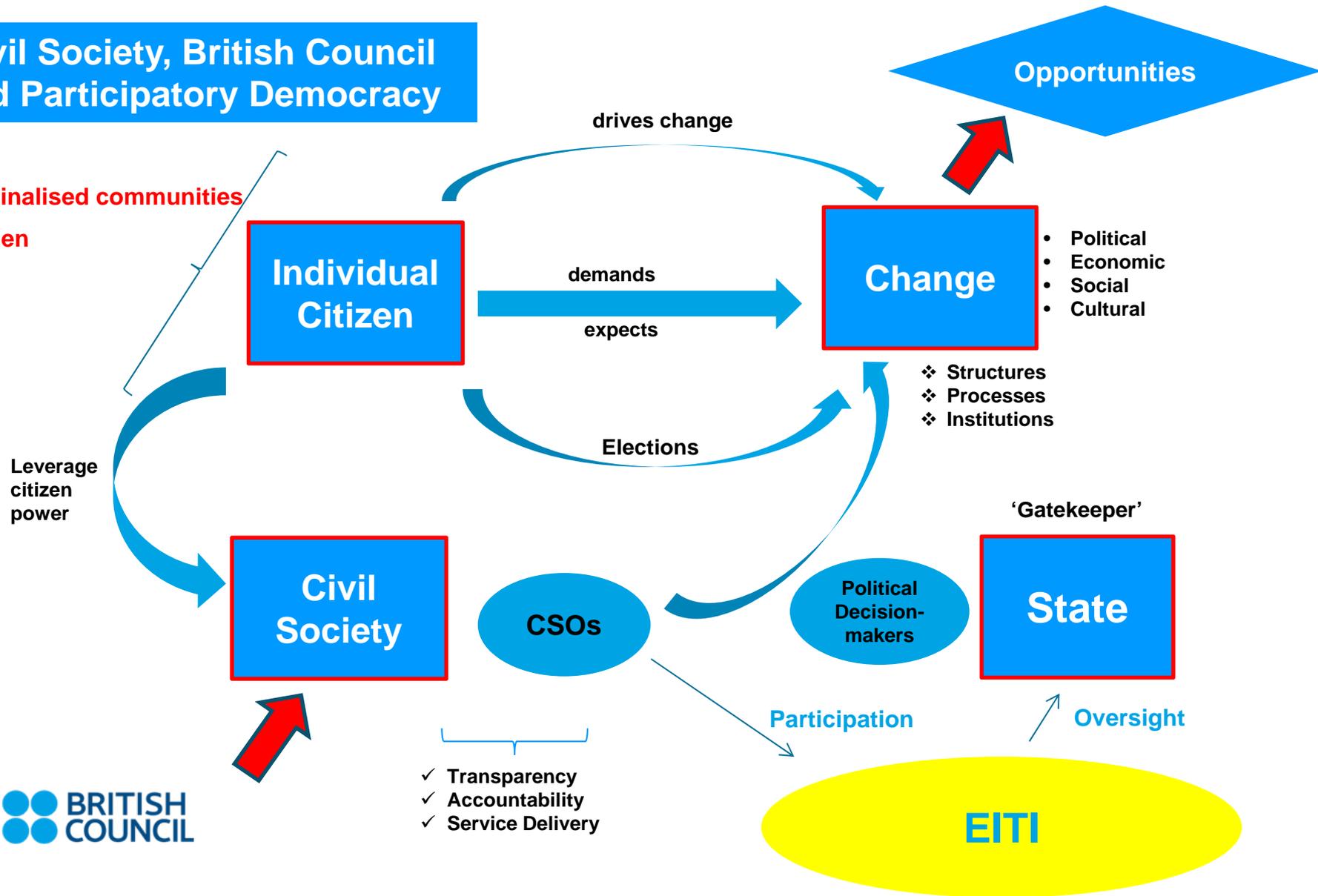
3. Policy formulation and decision-making (Joint committees, commissions, task forces)

4. Joint implementation

How does one effectively organise participation?

Civil Society, British Council and Participatory Democracy

- Marginalised communities
- Women

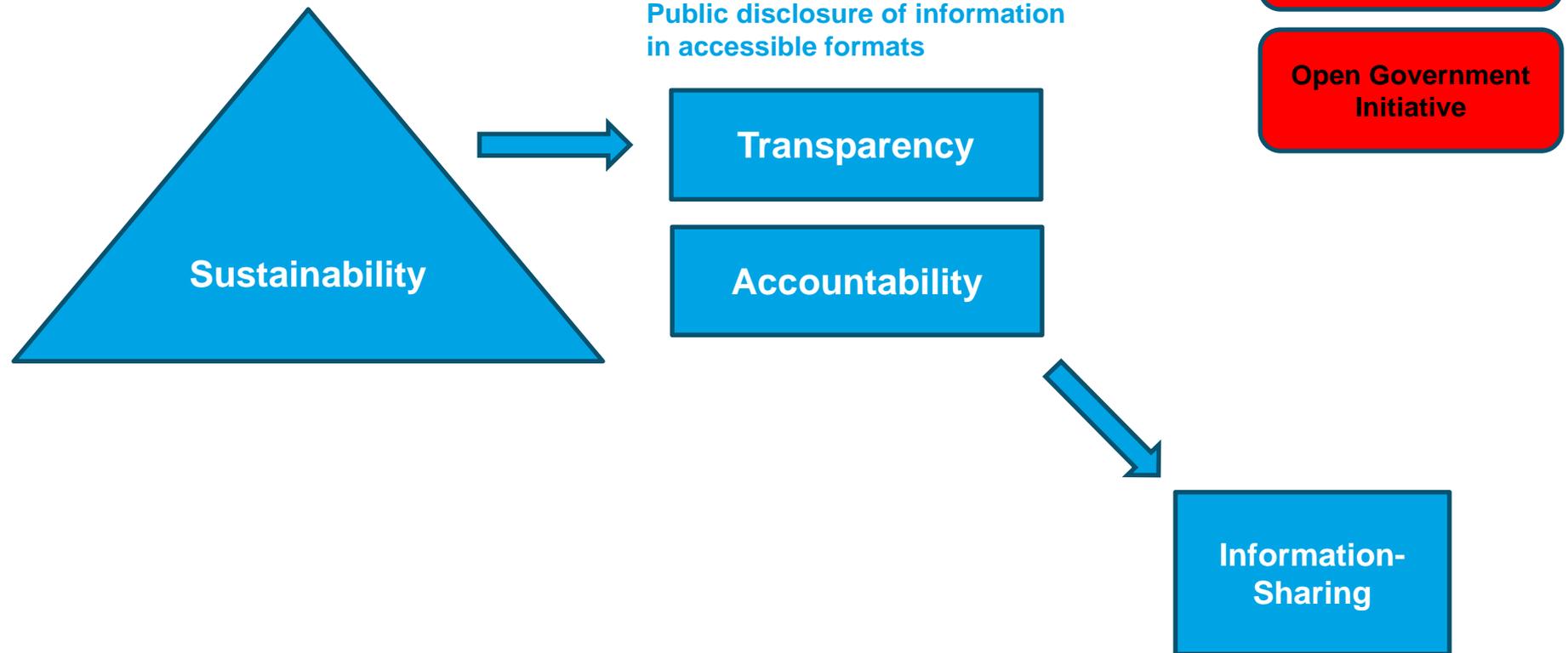


- ✓ Transparency
- ✓ Accountability
- ✓ Service Delivery

- The Energy Chamber of Trinidad and Tobago
- Trinidad and Tobago Transparency Institute
- Trinidad and Tobago Chamber of Industry and Commerce
- The Oilfields Workers' Trade Union
- Fishermen and Friends of the Sea
- The Network of NGO's for the Advancement of Women
- The National Youth Council
- The Cropper Foundation

The purpose of the EITI is to ensure that all revenue payments to the governments of such countries by oil, gas and mining companies are independently checked and fully disclosed to the public, thus helping citizens to exercise oversight over these revenues and reducing the mismanagement associated with the resource curse.

Sustainable Natural Resource Management



The Emergence of **Transparency** as an International Norm

- **Global Normative Environment (GNE) emphasises market efficiencies and bureaucratic rationality**
- **Private Sector legitimacy and authority**
- **Expansive government being delegitimised**
- **In this environment, information disclosure is seen as a) efficiency-enhancing and facilitating the proper functioning of markets and b) ensuring an informed citizenry**
- **GNE relating to the Private Sector also includes the concept of Corporate Social Responsibility (CSR)**

Goals of Transparency in Natural Resource Management

1. Category – Improved Natural Resource Management

- Reduced levels of corruption
- More equitable distribution of revenues
- Less fraud and wastage of resources
- Increased levels of economic development
- Reduction in violent conflicts

2. Category – Improved Governance

- Mobilisation and Empowerment of Civil Society

The **broader** aim of transparency goes well beyond better resource management, seeing it as a lever to improve governance more generally. By facilitating the ability of the **powerless** to hold **powerful** actors accountable, the release of information enhances trust and legitimacy in ways that improve relationships between civil society, the private sector, and governments. These improved relationships can establish a foundation for effective and stable governance.

Publish What You Pay

EITI T&T calls enhanced transparency...

**“a framework for broader
governance reform”**

Civil Society



Democratic Debate

“Generating a national conversation on the management of extractives”

EITITT Work Plan 2014 - 2016

Effective use and allocation of resource revenue



improving

Public Services



Income Redistribution

Enhancing participation - Where from here?

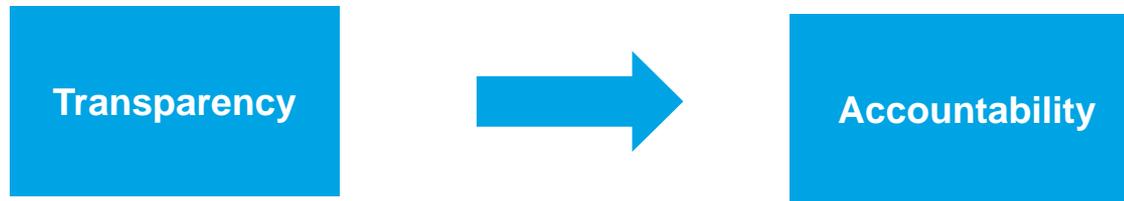
Civil Society

- Is there need for the reform of the Steering Committee? How can its legitimacy be enhanced by ending its cabinet-appointed status?
- Is there a working relationship between CSOs on the Steering Committee and those that are not? If so, what kind of feedback mechanism exists?
- Both for greater CSO involvement and greater localisation the planned communications engagement and outreach including the TTEITI Roadshow to inform civil society and general public about the revenues earned from the Oil, Gas and Mining can only be an interim solution

- Transparency initiatives need to be **decentralised** and **implemented at the local level** to systematically link resource governance to public service delivery for citizens and communities in resource-rich areas.
- Such **local level work** permits the kind of participatory approaches that will bring transparency and accountability together in tangible ways.
- Citizens of Trinidad and Tobago need to be placed at the centre of transparency initiatives to ensure that these lead to sustainable changes in the behaviours of governments and companies that directly affect citizen's wellbeing.

Gillies, Heuty, 'Does Transparency Work? 2011

- Isn't there a case to be made for facilitating greater participation of the citizenry in the determination of *how* the revenues from natural resources are being **utilised** when it comes to public expenditure?



- In other countries (Mozambique/DRC), EITI doesn't deal with the most relevant issues related to state absorption of the wealth from the extractive sector.
- The most relevant **deviation of funds**, which could be used to finance broad-based development strategies, is done **before** the phase that is monitored by the EITI (contracts and fiscal negotiations and reporting taxable values) and afterwards (allocation of public expenditure and infrastructure

Participatory Budgeting

PB is a process through which citizens present their demands and priorities for civic improvement, and influence through discussions and negotiations the budget allocations made by their municipalities.

The Process of Participatory Budgeting

- **Neighborhood assemblies (discusses fund allocation among neighbourhoods re. parks, schools, sewage, street paving)**
- **“Thematic” Assemblies**
- **Meetings of delegates for citywide coordinating sessions (throughout the year)**
- **The city government’s “Presentation of Accounts” from the previous year marks the beginning of events every year.**
- **The government presents Investment Plan for the current year, as decided in the previous year’s meetings. Then a debate starts for the next year.**
- **The debates continue for 9 months, and each district gives two sets of rankings, one set for requirements within the district/neighbourhood (such as pavement, school construction, or water lines), and the other set for efforts which affect the whole city (such as cleaning up the beaches).**
- **A public debate decides the criteria for allocating investment budget among districts. These criteria can be population, an index of poverty, a measure of shortages (such as a lack of pavement or the lack of a school) etc.**

Source: World Bank

Thanks You!