



## Oxfam America's oil, gas, and mining program

**It's a tragic paradox:** Countries rich in natural resources are often those that suffer from extreme poverty. These resources should help reduce poverty and promote economic development. Yet large-scale oil, gas, and mining projects frequently contribute to pollution, conflict, and the displacement of farmers from their fields. Oxfam advocates just government policies and corporate practices in the oil, gas, and mining industries, and supports the right of communities to participate meaningfully in decisions about the use of natural resources.

Many poor countries face this resource curse: While nonrenewable resources can generate significant revenues, countries that depend on them can also suffer from high rates of corruption, social unrest, and human rights violations. Reliance on such resources can crowd out investment in manufacturing and agriculture—economic activities that can distribute jobs and income more widely across society and provide some stability for national economies when commodity prices fluctuate.

When community lands are seized for mining and degraded by pollution, farming and fishing communities suffer. Indigenous people are particularly vulnerable—their opinions are often overlooked when mineral claims (or contracts) are being negotiated. And once national and local governments are committed to exploiting nonrenewable resources, the revenues they receive often do not translate into much concrete local benefits for communities.

The result: Countries rich in natural resources are often poor and beset by conflict. The poorest people live with the social and environmental costs of these extractive industry projects (some of which may not be fully apparent until many years into the future) without enjoying many of the short-term benefits, like jobs, health care, and decent schools and roads. With the

expansion of globalized free trade doctrines, diminishing resource deposits in developed countries, and rising commodity prices in recent years, there is increasing pressure on poor communities to allow oil and gas projects and mines to encroach on their lands.

### Oxfam's position on extractive industries

Oxfam seeks to ensure that oil, gas, and mining projects are designed in ways that respect the rights of poor people and reduce poverty over the long term. To protect and help their poorest citizens, countries should pursue environmentally and socially responsible forms of development. Corporations and international financial institutions should adopt and implement policies that respect affected communities' full range of human rights. This means the following:

**An active role for citizens** Communities and their representative institutions should have a meaningful say in decisions concerning development projects that will affect them. They have a basic right to free, prior, and informed consent: meaningful participation; access to transparent information on the environmental and social effects of oil, gas, and mining projects; and the right to reject proposals that will have a negative impact on their lives and natural resources.

Oxfam supports constructive efforts by citizens, their representatives, and civil society organizations to:

- Assess the costs and benefits of natural resource extraction projects.
- Articulate clear interests when confronted by any proposed or existing oil, gas, or mining projects.
- Create and support development goals for communities, and be accountable to constituents.
- Hold corporations and governments accountable for respecting the rights of local communities.
- Participate in the social and environmental monitoring of existing projects.
- Monitor the use of revenues of national and local governments to ensure that they go to funding community priorities.



**Oxfam**  
America

## What is Oxfam?

Oxfam America is an international relief and development organization that creates lasting solutions to poverty, hunger, and injustice. Together with individuals and local groups around the world, Oxfam saves lives, helps people overcome poverty, and fights for social justice.

Oxfam America is a member of the international confederation Oxfam, which works in more than 90 countries. With many of the causes of poverty global in nature, Oxfam believes that we can achieve greater impact through our collective efforts. In many countries, Oxfam America works with other Oxfam members on oil and mining issues, and this allows us to address global policy reform issues and the practices and policies of oil and mining companies from around the world.

To join our efforts or learn more, go to [oxfamamerica.org](http://oxfamamerica.org).

**Good governance** To ensure that energy and mining projects benefit their citizens, Oxfam urges governments to:

- Follow development strategies that help poor people earn a decent living; protect the environment; impose clear and effective regulations on extractive industry projects; and respect the fundamental human rights of people and communities, including the right to free, prior, and informed consent.
- Enable the meaningful participation of civil society in decisions about extractive industry projects as well as in decisions regarding the use of revenues generated through national and local budget processes.
- Ensure that corporate contracts with governments are fair and publicly disclosed, and that a reasonable portion of the money generated benefits the public in areas where oil, gas, and minerals are produced.

### High standards of corporate responsibility

Transnational energy and mining corporations can enjoy enormous profits and power. With these benefits comes responsibility. Corporations should:

- Respect basic human rights, follow socially responsible practices, and engage in culturally appropriate and meaningful consultations with local communities.

- Disclose payments made to governments, and the contracts upon which these payments are based.
- Commit to independent monitoring of the social and environmental effects of their operations with the participation of local community members.
- Ban operations in culturally and environmentally sensitive areas.
- Follow standards of financial disclosure, as well as environmental, labor, and human rights protection, that are at least as strong as those required in a corporation's home country.
- Cover in full all cleanup and remediation costs.

**Appropriate funding** International financial institutions should provide support only to projects that will reduce poverty, respect human rights, and operate in countries with well-functioning democratic institutions. Projects should:

- Include effective, participatory social and environmental monitoring systems.
- Generate transparent revenues, based on publicly available contracts, to reduce poverty, provide essential services, and improve infrastructure in areas that will benefit poor people.
- Encourage economic diversification to prevent overreliance on the export of unprocessed primary commodities.

- Require companies to obtain the free, prior, and informed consent of communities.
- Provide funds for social and environmental mitigation measures when projects are finished.

## How Oxfam supports basic rights

Oxfam promotes respect for the basic rights of local communities, including the right to earn a living and participate meaningfully in decisions about oil, gas, and mining projects. We urge governments and corporations to respect these rights and promote sustainable development through the following efforts:

### Advocating just policies and practices

Oxfam advocates directly with corporations, financial institutions, and governments to ensure respect for the rights of communities. We support new ideas for greater corporate social responsibility; global campaigns to create new human rights and environmental standards; and greater transparency of oil, gas, and mining revenues.

- In 2009, the Economic Community of West African States (ECOWAS) adopted a uniform policy that will standardize the social, environmental, and financial requirements for mines in the region. Mining companies must now obtain the consent of local communities and give them a meaningful role in decisions. After

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## Sources of funding

Oxfam raises more than 90 percent of program funds from individuals and institutions, such as foundations. To maintain our independence, Oxfam does not accept funds from the US government or from corporations working in oil-, gas-, and mining-related industries.



member countries revise their laws, mines will have to comply with more stringent requirements for the environment and financial transparency. Oxfam America helped to convene representatives of West African citizen groups to consult on the new policies.

- Oxfam published a report in 2009 on the costs and benefits of mining in Central America. Our research found that mining is unlikely to significantly contribute to the economic development of Guatemala, Honduras, or El Salvador, and will not offset the risks of environmental degradation. Governments in Central America are currently reviewing proposals to reform their mining laws.
- In 2009, Oxfam and the Ghanaian organization ISODEC published a report on Ghana's new offshore oil reserves, advocating transparent, accountable, and efficient development of Ghana's oil wealth. Important transparency provisions are included in Ghana's draft legal framework for managing oil revenues.
- In the US, Oxfam supported the Energy Security Through Transparency Act, which was introduced in the Senate in 2009. This bill was included as a provision in the Wall Street Reform Act signed into law in July 2010. This new law will require oil, gas, and mining companies to publicly disclose payments made to foreign governments.
- In West Africa, Oxfam has organized youth and environmental activists in a popular campaign designed to encourage governments to change their laws to comply with new uniform policies on mining passed by ECOWAS.
- In Peru, Oxfam is supporting a grassroots campaign by communities in Piura that are likely to be affected by a copper mine proposed by a Chinese company, despite clear results of a referendum by citizens rejecting the proposal.

**Campaigning for change** In 2008, Oxfam launched the Right to Know, Right to Decide campaign calling on companies to respect the right of communities to participate in decisions about oil, gas, and mining projects and to disclose money paid to foreign governments.

**Local partnerships** Oxfam is helping local communities defend their right to participate in decisions about oil, gas, and mining projects so that they can better protect their livelihoods, natural resources, and cultures. We do this by providing local organizations with strategic advice, financial support, and technical training (including environmental monitoring). This assistance helps communities engage more effectively with companies and governments in decisions about proposed or existing mines or hydrocarbon projects.

## Respecting free, prior, and informed consent

After years of controversy surrounding oil, gas, and mining projects, communities have come forward to demand their right to determine whether—and under what conditions—such projects can go forward. Oxfam promotes this right to free, prior, and informed consent, and encourages governments, companies, and international financial institutions to adopt policies that reinforce it. Free, prior, and informed consent should include the following:

- Community access to complete project information and independent analysis of probable impacts
- Adequate time for community decision-making; companies must adjust their schedules accordingly
- Community decision-making free of coercion or manipulation by project proponents
- Community opportunity to reject a project or to accept it with appropriate conditions
- Opportunity for community representatives to receive training to strengthen the community's decision-making processes



- Since 2005, Oxfam has been working with civil society organizations in Ghana to help mining-affected communities understand their rights and learn how to negotiate with mining companies and the government. In 2008, Oxfam’s partners trained more than 200 new activists and helped a group of farmers concerned about a mine proposal in a forest reserve to organize a petition and participate in hearings held by the Environmental Protection Agency. Oxfam also supports a public interest law organization that helps communities defend their rights in court.
- Oxfam is working with civil society organizations and governments to reform mining legislation in Honduras, El Salvador, and Guatemala in order to protect the rights of affected communities.
- Oxfam is working with a civil society organization in Cambodia to encourage the government to manage the money earned from natural resources in a transparent and responsible way.

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## Research to inform the discussion about oil, gas, and mining

Oxfam’s work is informed by careful research by well-known experts. We publish our findings and share them publicly so all can benefit from the latest information, and so that discussions about policies, rights, and the environment are better informed.

Here are just a few of our recent publications. These and other reports are free and available for download from our website: [oxfamamerica.org/rights-resources](http://oxfamamerica.org/rights-resources).

- “Ghana’s big test: Oil’s challenge to democratic development”
- “Hidden treasure? In search of Mali’s gold-mining revenues”
- “Metals mining and sustainable development in Central America: An assessment of benefits and costs”
- “Mining conflicts in Peru: Condition critical”
- “People, power, and pipelines: Lessons from Peru in the governance of gas production revenues”

To learn more about our Right to Know, Right to Decide campaign and our partner organizations, go to [oxfamamerica.org/rights-resources](http://oxfamamerica.org/rights-resources) or [publishwhatyoupay.org](http://publishwhatyoupay.org).

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