



CONNEX NEGOTIATION SUPPORT FORUM AND ITS EXPECTED OUTCOMES

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CONNEX Negotiation Support Forum (NSF)

- In the aftermaths of the G7 CONNEX Consultative Conference held on 9-10 March 2015, the G7 consultative group agreed to initiate **a negotiation support forum to improve knowledge sharing and peer-learning on negotiation support.**
- G7 Leaders in the 2015 Schloss Elmau Declaration welcomed further coordination on mechanisms for **knowledge sharing and peer-learning on the subject of negotiation support.**
- NSF established in December 2015 as an integral part of the **OECD Policy Dialogue on Natural Resource-based Development Work Stream 3 – Getting Better** and referenced in the **[G7 Ise-Shima Leaders' Declaration](#)** and the **[CONNEX Guiding Principles towards Sustainable Development](#)**



HOW CAN CONNEX NSF SUPPORT THE ACHIEVEMENT OF THE SDGs? (1/4)

Bridging information asymmetry through **transparent flow of information** between the contracting parties



Host governments have little information and control on costs of production to evaluate rents and limited ability to assess commodity prices. Transfer pricing and tax optimisation further erode trust.



The NSF is working into helping developing countries to better **understand mineral product pricing** to reduce asymmetry of information in contract negotiations, while also **helping revenue authorities address leakages and make up revenue short falls** due to declining commodity prices.



HOW CAN CONNEX NSF SUPPORT THE ACHIEVEMENT OF THE SDGs? (2/4)

Bridging **asymmetry of capabilities**



host governments have difficulties in pulling together multi-disciplinary negotiating teams with a wide range of legal, technical and financial expertise to prepare for and conduct the negotiations.



The NSF is developing a **check-list on how to set up a multi-disciplinary team** as well as **Model Terms of Reference** to select advisors, also intended to support *the possible future compilation of a **roster of national and international experts***. The NSF is also exploring mechanisms to build long-term capacity, through **on-the-job training**.



HOW CAN CONNEX NSF CAN SUPPORT THE ACHIEVEMENT OF THE SDGs? (3/4)

Fostering **mutual trust** and **collective understanding** of each other's positions and limitations and **greater alignment towards shared objectives**

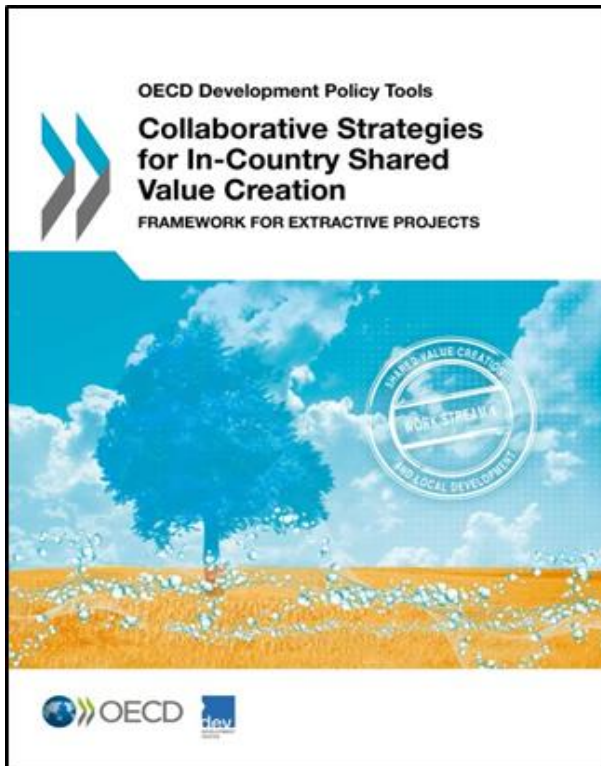


<http://dx.doi.org/10.1787/9789264257702-en>

<http://dx.doi.org/10.1787/9789264259409-fr>

The Framework is an operational tool with **actionable steps on how host governments and extractives industries can work together** in a structured and systematic way to foster coherence, sequencing and coordination for in-country value creation. The Framework is a **blueprint** to understand **different roles and responsibilities**

Dimensions of value **include local employment, local procurement, shared used of infrastructure, power, transport and innovation.**





HOW CAN CONNEX NSF SUPPORT THE ACHIEVEMENT OF THE SDGs? (4/4)

Contracts need to **anticipate the potential for change** and **how the parties will deal with that.**



The NSF aims to improve understanding and **level of practice around contract stabilisers** and is exploring **new mechanisms for contracts to work throughout the production cycle**, building in the balance between flexibility and stability that minimises the need for renegotiation. This will help manage expectations in the best and worst of times, reduce asymmetries of information and ensure predictability.



Thank you.

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