



PRESS RELEASE

ELECTIONS PROVIDE OPPORTUNITY FOR PUBLIC DEBATE ON OIL & GAS

The most important legal step to date in relation to oil and gas was adopted earlier this month when Parliament approved the Natural Resources Fund Act, establishing rules by which oil and gas revenues will be utilized. This Act was rushed through Parliament in the midst of the 'No Confidence' vote turmoil with no formal consultation of the Bill and in the absence of the Parliamentary opposition. In the circumstances, the member organizations of the PFG are requesting that President Granger in accordance with the democratic principle of Free, Prior and Informed Content (FPIC) allow a period for consultation and amendment before he assents to this law.

While commending the efforts of the Ministry of Finance, Policy Forum Guyana (PFG) members are alarmed at serious deficiencies in the Act. Our request is also mindful of an assurance from the Minister of Finance that the Act is 'open to amendments'.

Since 2016 the oil and gas narrative has focused almost exclusively on sovereign wealth funds driven by a range of international organizations, experts and consultants, effectively excluding people without a specialist education in the subject. The great majority of Guyanese, therefore, have no clear sense of what is intended to take place in their name with respect to the use of oil and gas.

The assumption that the views of financial experts are superior to everyone else is carried over into the Natural Resources Fund Act by the requirement of a master's level qualification for members of the important decision-making committees, all of whom are appointed by the Minister of Finance. This patronizing approach finds the rest of the society lumped into a Public Accountability & Oversight Committee with no decision-making powers, a haphazardly chosen membership and no governing principles.

In a wise and inclusive approach to management of oil and gas, every sector would be a stakeholder, with something to gain through engagement, and even more importantly, something to lose from exclusion. Despite our current far-from-ideal conditions for a political coming together, collective -or inclusive government works best when the challenges are beyond the reach of government alone. This realization is embodied in the progressive formula adopted, for example, in developing Guyana's membership of the Extractive Industries Transparency Initiative (EITI) in which civil society, business and government share equal powers. The new Act reflects little of this modern thinking on how the energies of different sectors of society can be mobilized for effective national outcomes.

In addition to the limitations noted above, public discussion to date have been superficial on the issue of how gas and oil are compatible with a 'green' transformation. At bottom, the quest for a 'Green' State is about finding human satisfaction in a respectful relationship with nature and a major shift towards a more sociable, less polarized, society. Political thinking on this issue is almost non-existent. Our mainstream politics has abandoned the attempt to provide a shared vision capable of inspiring us to create a better society. Instead of a better society, the only thing almost everyone strives for is to better their own position - as individuals - within the existing society.

For this reason we need to redress a vacuum of vision and principles in current approaches to gas, oil and sub-soil minerals by reframing our relationship with the planet from consumers of assets to stewards of natural resources; by recognition of the vital importance of the commons; and by reframing extraction as a governance, a human rights and a justice issue, not something akin to winning the lottery.

Re-framing of the oil and gas debate should start by recognizing the following principles:

- a. **The Doctrine of Public Trust** asserts that natural resource assets, known since ancient times as 'the commons', belong to the society as a whole, with the State as merely a trustee on behalf of the common ownership by citizens.
- b. The **Principle of Inter-generational Justice**, recognized by the Guyana Constitution, underlines that 'all citizens' includes future generations. The obligation of the current generation is to pass on its commons assets intact to succeeding generations, as we received them from our forebears.
- c. **Preservation of Principal**: In the event of the sale of natural resource assets we must ensure zero loss of value. Immense losses occur routinely around the world in the sale of mineral resources. These losses are brushed off by mistakenly treating oil and gas sales as 'windfall profits', rather than as depletion of assets. As with selling off the family jewels cheaply, these losses undermine inter-generational justice.
- d. **Commons or Citizen's Dividend**: Real income generated from use of resource assets belongs to all citizens as a right of ownership. The concept of a '*Citizens Dividend*' which goes to the heart of how oil and gas revenues are applied has been replaced in the Guyana legislation by a 'Government and experts know best' approach.
- e. Securing the **Principle of Sustainable Development** for future generations needs to be reformulated in terms of applying the precautionary principle and 'the polluter pays' principle to protection of critical and non-critical assets.
- f. **Guyana's commitment to fossil-free energy** by 2025 (the 'Nationally Determined Contribution' to COP21) stands in stark contradiction to oil and gas production.

Current uncertainties about the electoral time-table should not deflect from the fact that elections provide opportunities to extract commitments on policy issues from contending parties. To this extent civil society and the business community should urgently seize the opportunity to extract pledges from contesting parties on these important issues. Continuing complacently under the misguided impression that major oil and gas questions have been settled is an illusion. For the bulk of Guyanese citizens they have not yet begun.

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