Expert Meeting: Blockchain Technologies & the Governance of the Extractives Value Chain

12 July 2018 | Open Gov Hub, 1110 Vermont Ave NW, 20005
Washington, D.C.

Introduction

Blockchain, the technology that underpins cryptocurrencies like Bitcoin, is increasingly viewed as a means for reinventing and improving governance – including the governance of extractives. As industry continues to experiment with blockchain to increase efficiency and improve profit margins, academics, civil society actors, and government officials are seeking to determine if, when, and how blockchain can be used as a tool for increasing the transparency, and accountability of natural resource governance.

This expert meeting, organized by the Natural Resource Governance Institute (NRGI) and the Governance Laboratory (GovLab) at New York University brings together an interdisciplinary group of domain experts, innovation specialists, government officials, civil society representatives, academics, and industry players to take stock of current practices, articulate the benefits and challenges of using blockchain in the extractives sector, and consider how blockchain technology can contribute to more effective and legitimate natural resource governance. It will further seek to identify what risks the introduction of blockchain technologies in the industry might pose to established transparency norms.

In particular, the workshop will focus on five key themes:
1. Industry-driven uses of blockchain within the commodity trading sector;
2. Government-led initiatives to improve governance through blockchain technologies;
3. Potential use cases for land registration, licensing, and mining cadastres;
4. Civil society's role in ensuring the transparency and accountability in blockchain initiatives; and
5. Next steps for effectively governing the field.

Invited organizations

-   AidData
-   Beeck Center for Social Impact & Innovation at Georgetown University
-   Blockchain Lab at World Bank Group
-   ConsenSys Energy
-   EITI
-   Future of Property Rights Initiative at New America
-   Global Integrity

- Inter-American Development Bank
- International Finance Corporation
- ONE Campaign
- Open Contracting Partnership
- Oxfam
- RCS Global
- Strategic Impact Advisors
- Transparency and Accountability Initiative

Agenda

Thursday, July 12th
Open Gov Hub, [1110 Vermont Ave NW, 20005](#)

9:00 - 9:30am: **Arrival and Coffee**

9:30 - 9:45am: **Introduction – Resource Governance and Distributed Ledger Technologies: Why now?**
Speakers: Liz McGrath, Anders Pedersen, Erica Westenberg, NRGI

Description: Representatives from NRGI will introduce the day with reflections on the unique challenges of natural resource governance, and the rationale for looking to blockchain as a potential ingredient for addressing some of those challenges. They will also consider how research into blockchain can help elucidate stakeholder incentives and drivers of innovation, while recognizing that no technology is capable of fixing complex governance challenges alone.

9:45 - 10:15am: **A Story of Two Chains: Blockchain Technologies & Governance of the Extractives Value Chain**
Speakers: Stefaan Verhulst and Andrew Young, The GovLab

Description: Representatives from the GovLab will introduce the key themes of the Blockchain and Natural Resource Governance report jointly developed with NRGI, and set the stage for the following expert discussions. Key areas of focus will include blockchain's attributes and how they relate to governance objectives, illustrative implementations of blockchain in the extractives sector, operational conditions that can determine success or failure, and design principles for effective, legitimate, and ethical blockchain initiatives.

10:15 - 11:15am: **Private Sector Driven Blockchain Initiatives: the Case of Commodity Trading**

Description: Participants in this session will explore the value proposition and practical challenges associated with private-sector-driven implementation of blockchain-based commodity (oil and

gas) trading platforms. Panelists in this session will consider vendor lock-in and interoperability issues, the potential of provenance tracking and traceability for supply chains, the role of transparency, as well considerations for the potential incorporation of disclosure practices for 'first trade' data.

11:15- 11.30am: **Coffee Break**

11:30am – 12:30pm: **Government-Led Distributed Ledger Technology Initiatives: Lessons Learned, Areas of Opportunity, and Potential Red Flags**

Description: Governments are increasingly experimenting with blockchain to create immutable ledgers, increase transparency of certain information, or decentralize processes toward reducing transaction costs. Panelists in this session will consider the current field of practice, and identify lessons learned and good practices drawn from efforts by governments and development banks to harness the value of blockchain to improve governance – within and beyond the extractives sector.

12:30 - 1:30pm: **Blockchain and Land Registration, Licensing and Mining Cadastres**

Description: Participants in this session will explore the value proposition and practical challenges associated with government implementations of blockchain-based land registries, as well as the prerequisites for incorporating the technology into existing government registries. A special emphasis will be on lessons learned with relevance for extractives licensing and contracting transparency efforts.

1:30 - 2:30pm: **Lunch**

2:30 - 3:30pm: **The Role of Civil Society**

Description: With industry often leading the way toward expanded use of blockchain in the extractives sector, questions remain regarding how civil society can claim its seat at the table and play a role in ensuring the legitimacy of industry-led efforts. As it stands, civil society largely lacks the common vocabulary and operational frameworks necessary to ensure that blockchain implementations in the extractives space are transparent, accountable, and comply with international standards.

3:30 - 4:30pm: **Closing Session: Where do we go from here?**

Description: In the closing session, participants will reflect on the discussions, opportunities, controversies, and major questions raised throughout the day. Particular attention will be paid to next steps for improving the effectiveness of blockchain-enabled extractives governance *and* the governance of blockchain-enabled extractive activities. Panelists will consider issues including

global norms, principles, ethics, and optimal governance models for capturing the value and avoiding pitfalls arising from the emergent use of blockchain in the extractives space, including in the context of multi-stakeholder extractives transparency initiatives such as the Extractive Industries Transparency Initiative (EITI) and Open Government Partnership (OGP).

4:30 - 5:30pm: **OpenGovHub Drinks Reception**