

# Extractive Industries Transparency Initiative



9th Annual CASM Conference  
Maputo, Mozambique  
10 September 2009





## How EITI works



**COMPANIES**

disclose payments





## How EITI works



### COMPANIES

disclose payments



### GOVERNMENTS

disclose receipt of payments





## How EITI works



**COMPANIES**  
disclose payments



**INDEPENDENT VERIFICATION**  
of tax and royalty payments

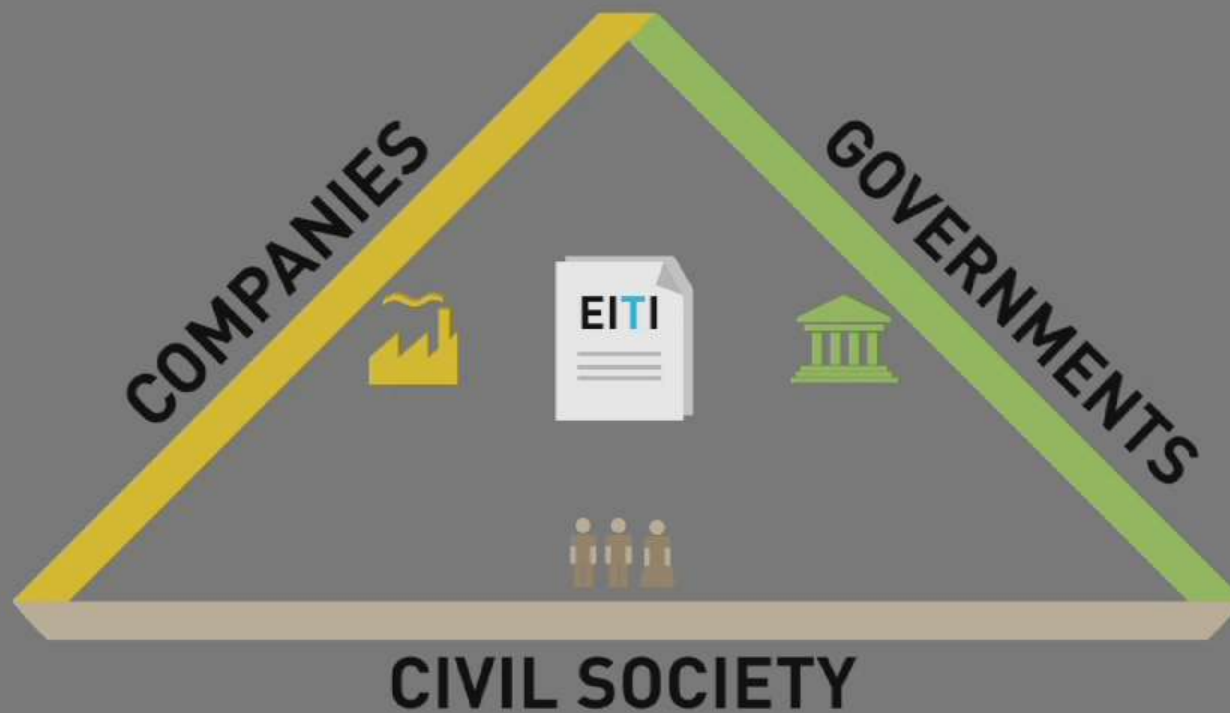


**GOVERNMENTS**  
disclose receipt of payments

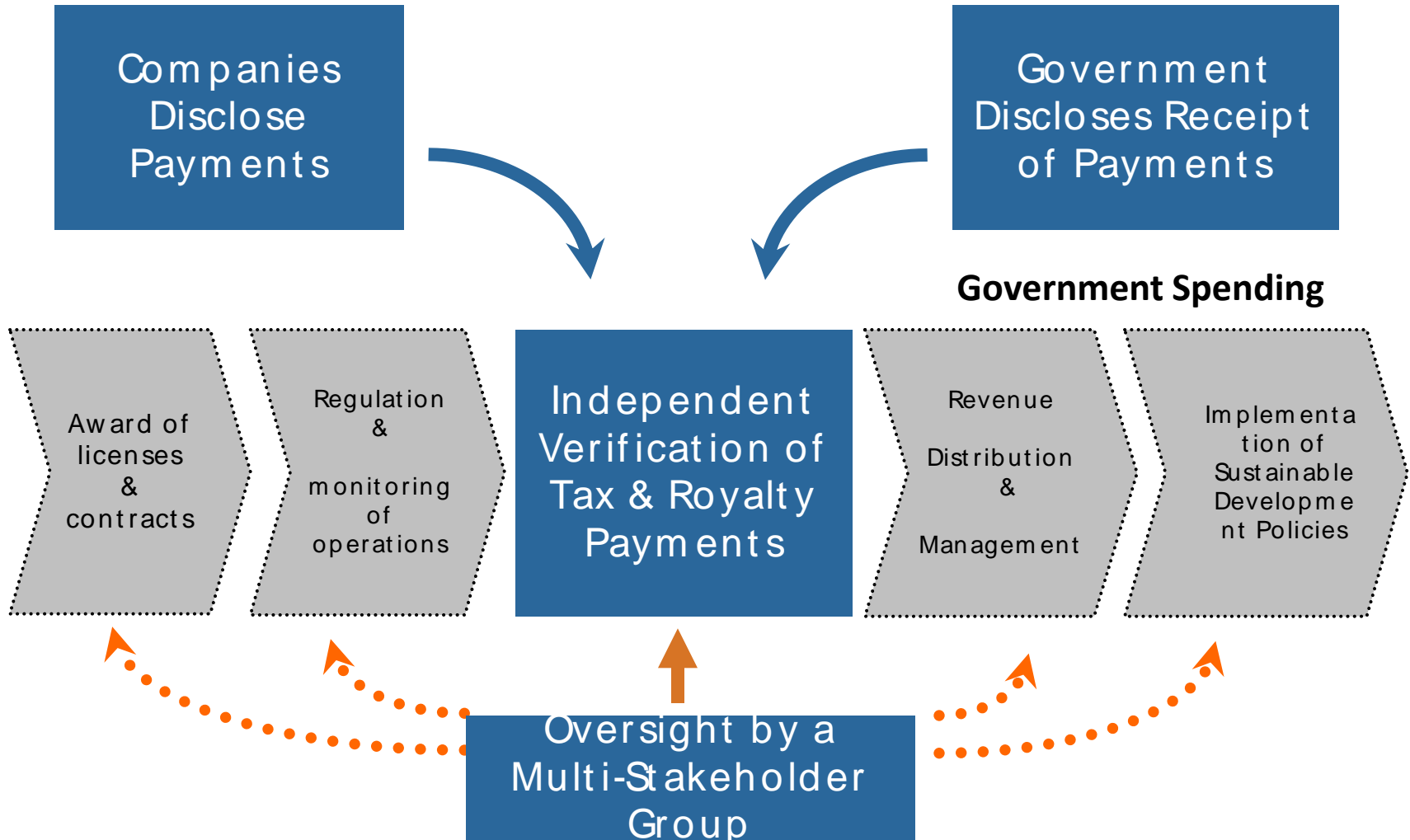




## How EITI works



# The EITI Process



The EITI provides a Forum for dialogue and a Platform for broader reforms



# EITI Indicators

### Sign up

- Issue government announcement
- Commit to work with all stakeholders
- Appoint implementation leader
- Compose and publish workplan

### Preparation

- Establish multi-stakeholder committee
- Engage industry and civil society
- Remove obstacles to implementation
- Agree reporting templates
- Select and approve neutral EITI administrator
- Ensure full industry participation
- Ensure company and government accounts are properly audited

### Disclosure

- Disclose payments and revenues to administrator
- Receive report from administrator
- Identify and explain discrepancies
- Recommend improvements

### Dissemination

- Disseminate EITI report
- Review lessons learned and repeat

### Country undertakes external validation



# Multi-Stakeholder Group

- Comprises government, companies, civil society
- Manages and monitors EITI implementation
- Is typically supported by small EITI Secretariat
- Defines the scope of national EITI program
  - Which extractive activities to include
  - How wide to cast the reporting net (materially important; treatment of small-scale mining)
  - How much detail to include in EITI report
- Develops and updates costed workplan
- Addresses barriers to implementation
- Raises public awareness
- Appoints independent administrator/reconciler
- Approves EITI report
- Oversees validation process (compliance with EITI standard)





## Example: Small-scale miners elected to Tanzania's EITI Working Group



Tanzania: candidate country since February 2009

EITI Working Group:

- 5 government representatives
- 5 industry representatives
  - 3 large-scale miners (Chamber of Mines)
  - 2 small-scale miners
- 5 civil society representatives
- Chairperson

Election of small-scale miners by peer group at a sensitization workshop from shortlist of qualified individuals

# Example: EITI Report Ghana

Second Aggregated Report

Table 6: Reconciliation of Mining benefits payments and Government receipts- 2004

MINING BENEFIT Payment/Receipt	Aggregated Receipts by Government of Ghana (cedis)	Aggregated payments by Mining Companies (cedis)	Deviation
Mineral royalty	207,322,703,217	207,243,473,096	79,230,121
Property rate	2,108,084,985	2,108,084,985	0
Corporate tax	5,006,425,416	5,006,425,416	0
Dividends	31,458,724,553	31,458,724,553	0
Ground Rent	0	0	0
Mineral right Licence	0	0	0
<b>TOTAL</b>	<b>245,895,938,171</b>	<b>245,816,708,050</b>	<b>79,230,121</b>



# Constituents of the EITI

- **30 Implementing Countries across Africa, Asia, Europe, Latin America, Middle East and Former Soviet Union**
- **41 major international oil, gas, and mining companies and investors in those companies**
- **80 institutional investors with collective assets of over \$14 trillion**
- **100s of civil society groups and networks – e.g. Publish What You Pay, Open Society/Revenue Watch, Transparency International**
- **Supporting Countries: UK, Norway, US, France, Germany, Netherlands, Australia, Canada, etc.**

# Implementing Countries

tool by ammap.com



# Emerging Evidence of Benefits

- Builds trust between governments, companies and communities
- Builds capacity
- Enhances international credibility
- Creates a more attractive investment climate
- Increases prosperity and economic well-being
- Advances democracy and accountability
- Affirms commitment to fighting corruption
- Reduces conflict.

# Ngozi Okonjo-Iweala

Former Minister of Finance, Nigeria

“[NEITI] has lifted Nigeria’s profile in the eyes of investors and helped lead to significant **increases in FDI** not only in the oil sector (about US\$ 6 billion a year) but also in the other non-oil sectors US\$3 billion”.

January 2008





# Ellen Johnson Sirleaf

## President of Liberia

“The Liberia EITI is one of the institutional pillars of integrity **anchoring and sustaining the reform agenda** of Liberia.”

“By promoting better management and use of public resources and discouraging corruption, LEITI ... is **critical to poverty reduction** and social development in Liberia.”


July 2009, when signing the new LEITI law



# The EITI has been politically endorsed by many Governments and in many forums



United Nations A/62/L.41\*

 **General Assembly**

Distr.: Limited  
22 February 2008  
Original: English

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**Sixty-second session**  
Agenda item 56  
Globalisation and interdependence

**Australia, Azerbaijan, Belgium, Canada, Congo, France, Germany, Iraq, Italy, Kazakhstan, Kyrgyzstan, Liberia, Moldova, Netherlands, Nigeria, Norway, Peru, Sierra Leone, Spain, Timor-Leste, Turkey, United Kingdom of Great Britain and Northern Ireland and Yemen: draft resolution**

**Strengthening transparency in industries**

*The General Assembly,*  
*Recalling the 2005 World Summit Outcome,*  
*Reaffirming the Accra Accord, the outcome of the twelfth session of the United Nations Conference on Trade and Development,*  
*Recalling the United Nations Convention against Corruption, which reaffirms that corruption is no longer a local matter but a transnational phenomenon that affects all societies and economies, making international cooperation to prevent and control it essential,*  
*Further recalling the resolution 1803 of 14 December 1962, in which it declared that the right of peoples and nations to permanent sovereignty over their natural wealth and resources must be exercised in the interest of their national development and of the well-being of the people of the State concerned,*  
*Reaffirming that every State has and shall freely exercise full permanent sovereignty over all its wealth, natural resources and economic activities,*  
*Taking note of all relevant voluntary initiatives, including the Extractive Industries Transparency Initiative, aimed at improving transparency in the extractive industries,*  
*Convinced that rule-based and predictable trade and financial systems are essential to promote transparency in trade and financial industries and combat corruption in commercial and financial transactions in all countries,*

09-23942\*(E) 220208

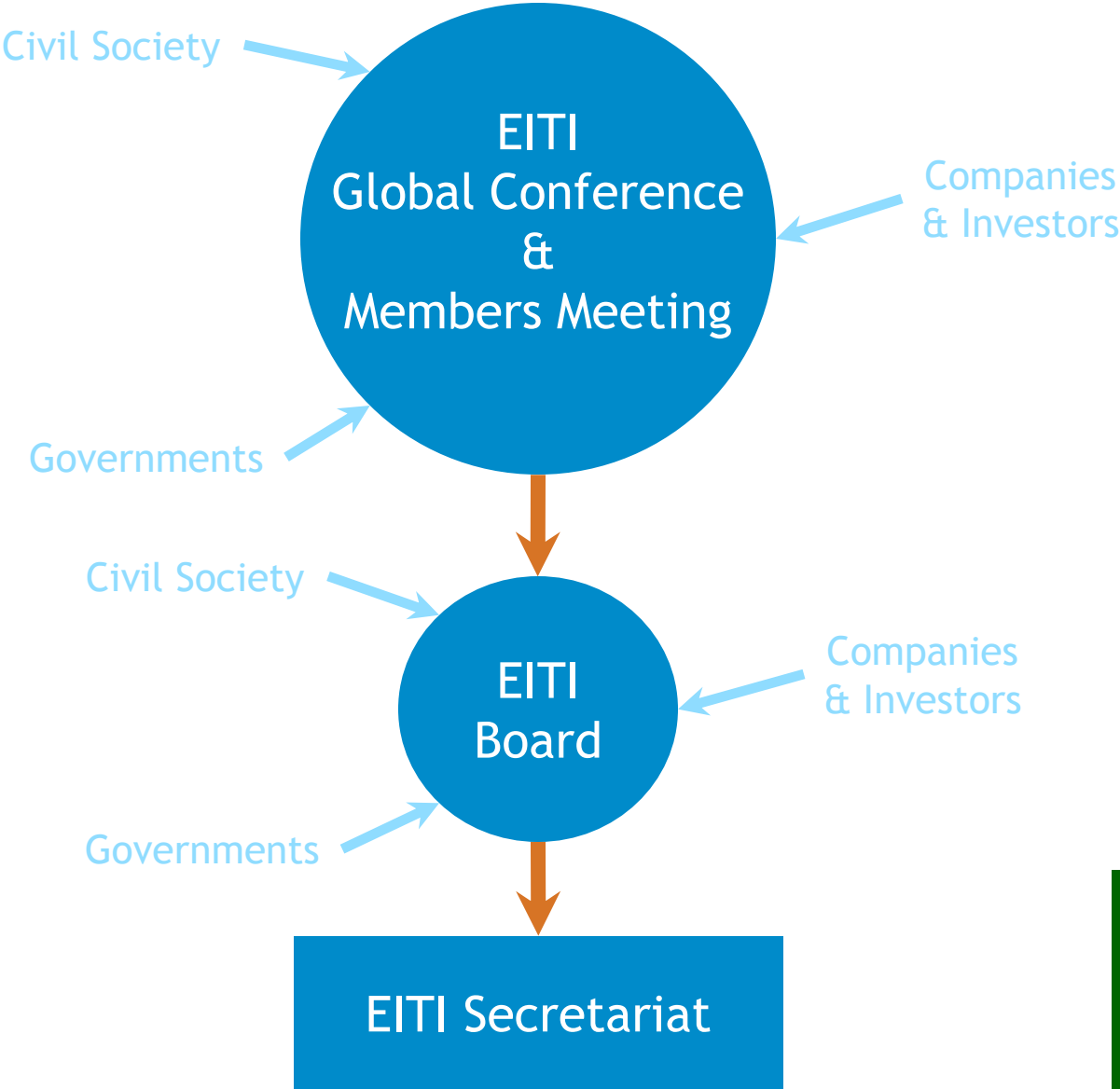
 

**THE AFRICA-EU STRATEGIC PARTNERSHIP**  
**A Joint Africa-EU Strategy**

**I. CONTEXT, SHARED VISION AND PRINCIPLES**

**I. Context**

1. Africa and Europe are bound together by history, culture, geography, a common future, as well as by a community of values: the respect for human rights, freedom, equality, solidarity, justice, the rule of law and democracy as enshrined in the relevant international agreements and in the constitutive texts of our respective Unions.
2. Since the historic first Africa-EU Summit in Cairo in 2000, where our partnership was strengthened through the institutionalisation of our dialogue, considerable change has taken place on both continents. Democratisation and reform processes have been launched and are being deepened in both Africa and Europe and efforts have continued on both continents to address conflict and crisis situations. At the same time, integration processes on both continents have accelerated – on the one hand, the Organisation of African Unity (OAU) has been transformed into the African Union (AU) with its socio-economic programme, the New Partnership for Africa's Development (NEPAD); on the other hand, the European Union (EU) has nearly doubled in size and is in the process of deepening the Union. The world has also changed: new international and global challenges have emerged, globalisation has accelerated and the world has become increasingly interdependent.
3. In response to these changes, cooperation between Africa and the EU has rapidly developed and diversified. Both sides have developed political strategies and policy documents to guide their cooperation, including the AU Constitutive Act and Strategic Framework 2004-2007 and the EU Africa Strategy of 2005. However, it is now time for these two neighbours, with their rich and complex history, to forge a new and stronger partnership that builds on their new identities and renewed institutions, capitalises on the lessons of the past and provides a solid framework for long-term, systematic and well integrated cooperation. There is now a need for a new phase in the Africa-EU relationship, a new strategic partnership and a Joint Africa-EU Strategy as a political



**Management Committee**

**EITI World Bank Multi-Donor Trust Fund**



# Functions of the EITI International Secretariat



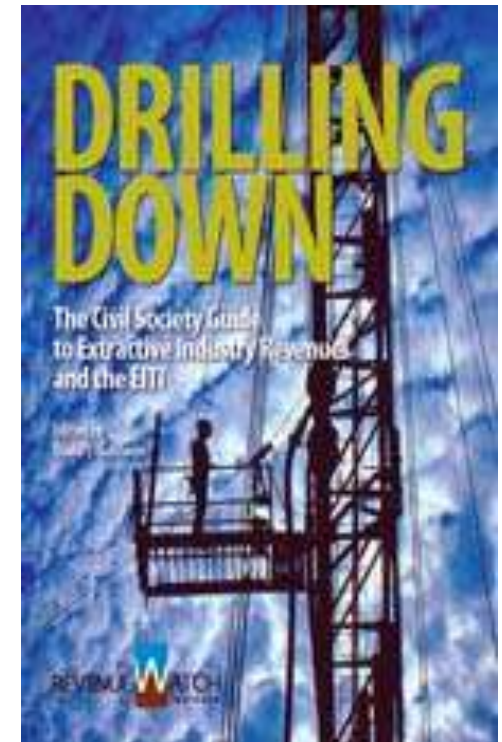
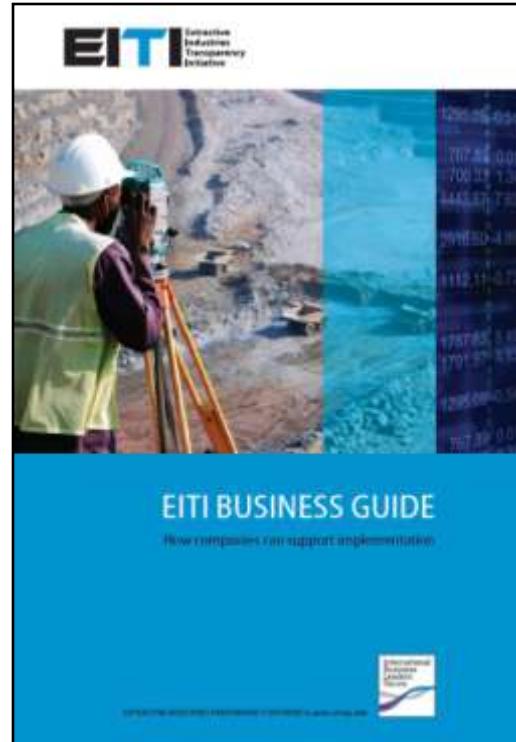
- Provide guidance on **methodology**
- Provide advice on **best practice**
- Provide **coordinating energy** for international stakeholders
- Facilitate **network** of implementing countries and organisations.

# EITI Rules





# EITI Implementation Guides





# EITI Other Publications



...and video.

# For Further Information



The screenshot shows the EITI website homepage. At the top left is the EITI logo. Below it is a navigation menu with links for 'What is EITI?', 'How to Engage?', 'Implementing Countries', 'Subjects', 'Resource Centre', and 'About Us'. The main content area is divided into several sections: 'EITI Overview' featuring a graphic of people holding a globe and a text block about governance; 'EITI Implementing Countries' with a world map and a legend for 'Compliant country' and 'Candidate country'; 'Compliant Countries' listing countries like Azerbaijan, Cameroon, Congo, etc.; 'Candidate Countries' listing countries like Azerbaijan, Cameroon, Congo, etc.; 'EITI Announcements' with a link to a report on Revenue Transparency of Oil and Gas Companies; and 'Upcoming events' listing dates from May 2008 to June 2008. There is also a 'The EITI Blog' section.

[www.eiti.org](http://www.eiti.org)

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