




Extractive Industries Transparency Initiative: Promoting Good Governance and Transparency

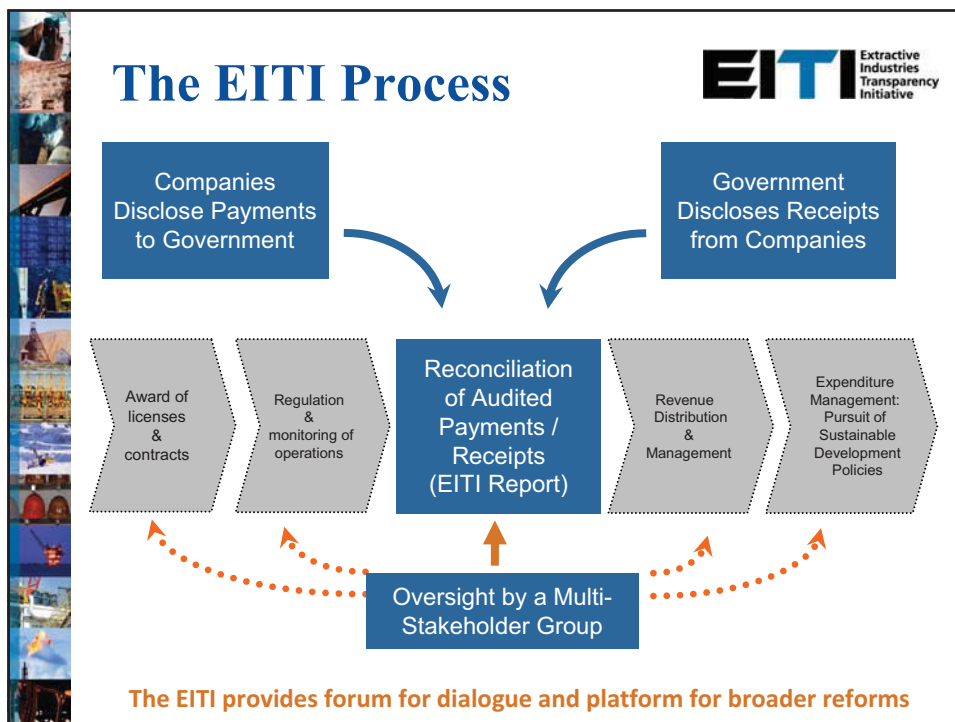


**19th OSCE Economic and Environmental Forum
First Preparatory Meeting:
Development of Sustainable Energy
Vienna, 7-8 February 2011**



Origin and Purpose

- Beating the “resource curse” through transparency and accountability
- World Summit for Sustainable Development, Johannesburg, October 2002: idea of EITI
- Global standard for transparency of revenue from oil, gas, and mining
- EITI Principles (2003): pledge to harness resource wealth as engine of growth and development
- EITI Criteria (2005): requirements of successful implementation



- ## Key Features of EITI
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- EITI** Extractive Industries Transparency Initiative
- Country ownership: voluntary accession
 - Multi-stakeholder focus
 - Mandatory disclosure of company payments and government receipts
 - Independent reconciliation
 - Dissemination of EITI Report
 - Independent validation of EITI compliance
 - EITI among international standards and codes; endorsed by UN, G8, G20, EU, World Bank, regional development banks, ...



Multi-Stakeholder Group



- Manages and monitors EITI implementation
- Defines the scope of national EITI program
 - Which extractive activities to include
 - How wide to cast the reporting net
 - How much detail to include in EITI report
- Addresses barriers to implementation
- Raises public awareness
- Appoints independent reconciler
- Approves and publishes EITI Reports
- Oversees validation process (compliance with EITI standard)



Country Progress



33 countries implementing the EITI, of these ...

- 22 countries have produced 47 reports, giving half a billion people access to reliable revenue figures
- Five countries are EITI compliant: Azerbaijan, Ghana, Liberia, Mongolia, Timor-Leste
- 13 candidate countries have undergone validation but process not yet completed
- 11 candidate countries working toward their first report
- Two countries were delisted (Eq. Guinea and Sao Tome) and one self-suspended (Guinea)



EITI among OSCE Participating States and Partners for Cooperation



- 16 OSCE States/Partners supporting the EITI
- 7 OSCE States/Partners implementing the EITI: Afghanistan, Albania, Azerbaijan, Kazakhstan, Kyrgyzstan, Mongolia, Norway
- EITI compliant: Azerbaijan, Mongolia
- Validation ongoing: Kazakhstan, Kyrgyzstan, Norway

Outlook:

- Discussions with Bulgaria and Ukraine re EITI implementation (expanding scope to gas transit)
- Hope for endorsement by OSCE



Benefits of EITI



- Signal of commitment to transparency and good governance (government and companies)
- Information on all company payments in one accessible report: contribution to country's economy and development
- Forum for multi-stakeholder collaboration
- Building trust between government, companies, and civil society/mining communities
- Improving investment climate
- Promoting social and economic stability
- Reducing conflict around natural resources



Growing Momentum ...



... at EITI

- Indonesia just joined as implementing country
- Growing number of EITI compliant countries
- Several countries close to compliant and more undergoing validation ... *but*: a few falling behind
- Work on rules revision: responding to experience

... on other disclosure fronts

- US legislation: SEC-registered companies to disclose details of foreign payments
- Similar pressure building in the EU

Thank you for your attention



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