

WBG Oil Gas and Mining Policy and Operations Unit (COCPO)

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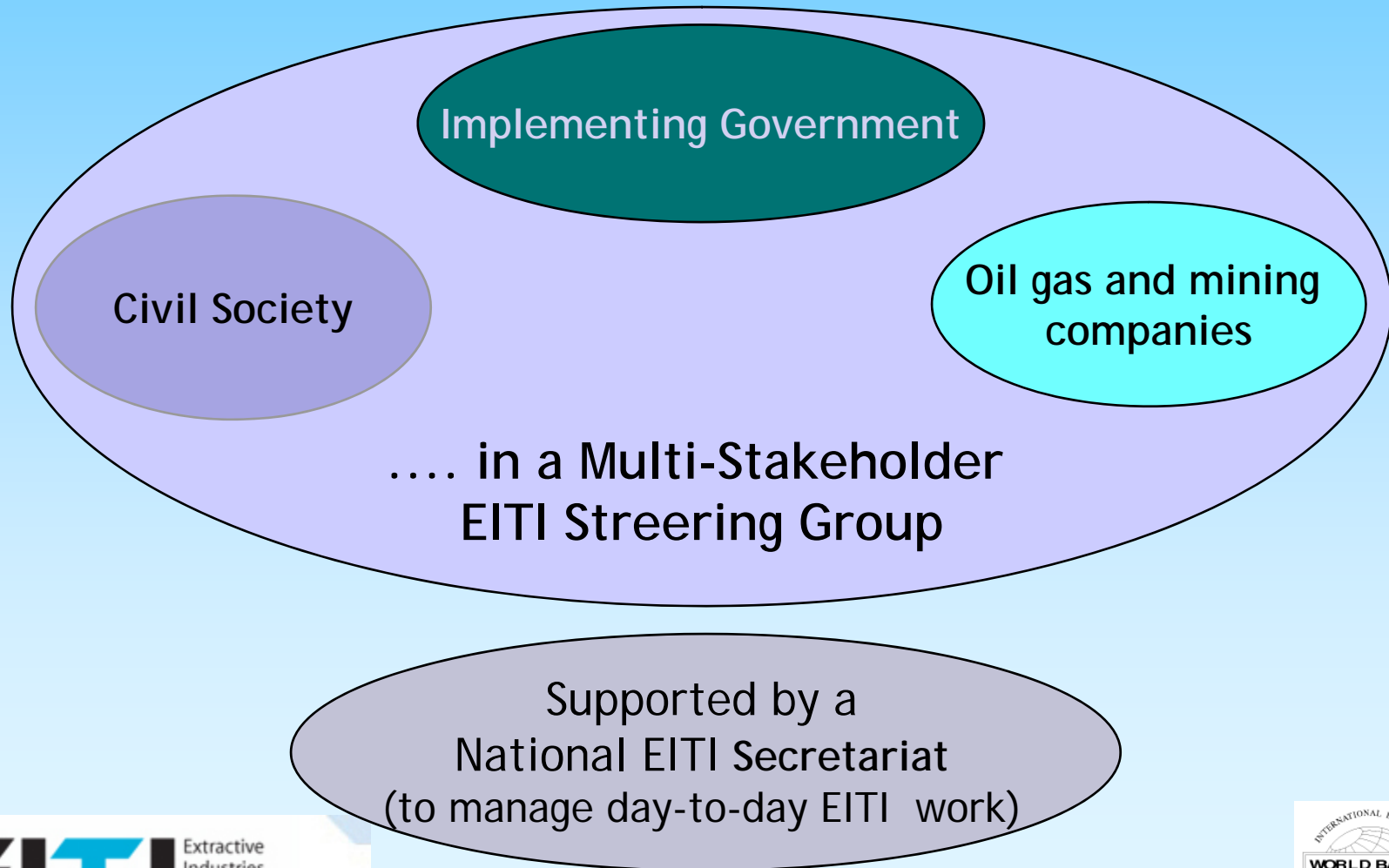
Extractive Industries Transparency Initiative (EITI) -
Lessons from EITI's global governance structure

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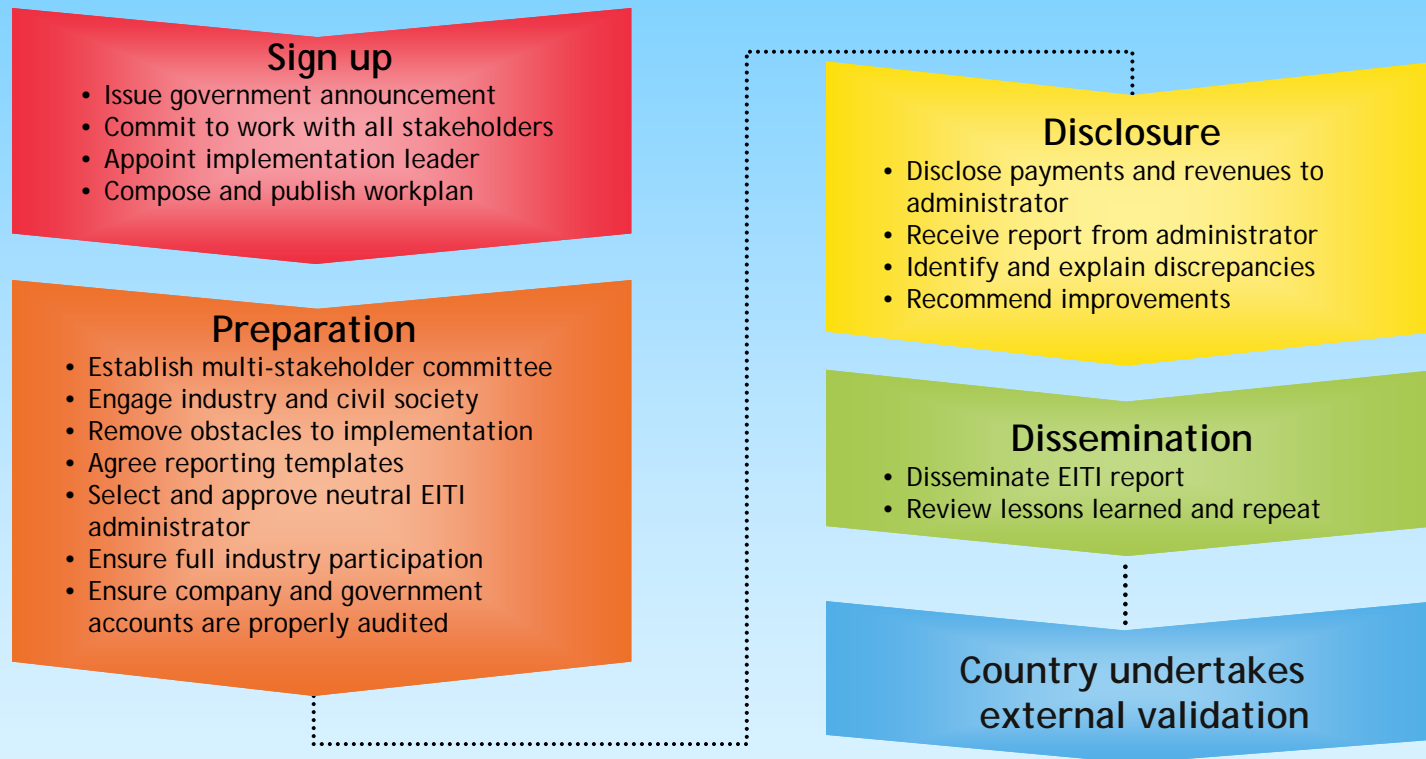


A global standard for disclosure of revenues and payments implemented nationally - together with stakeholders



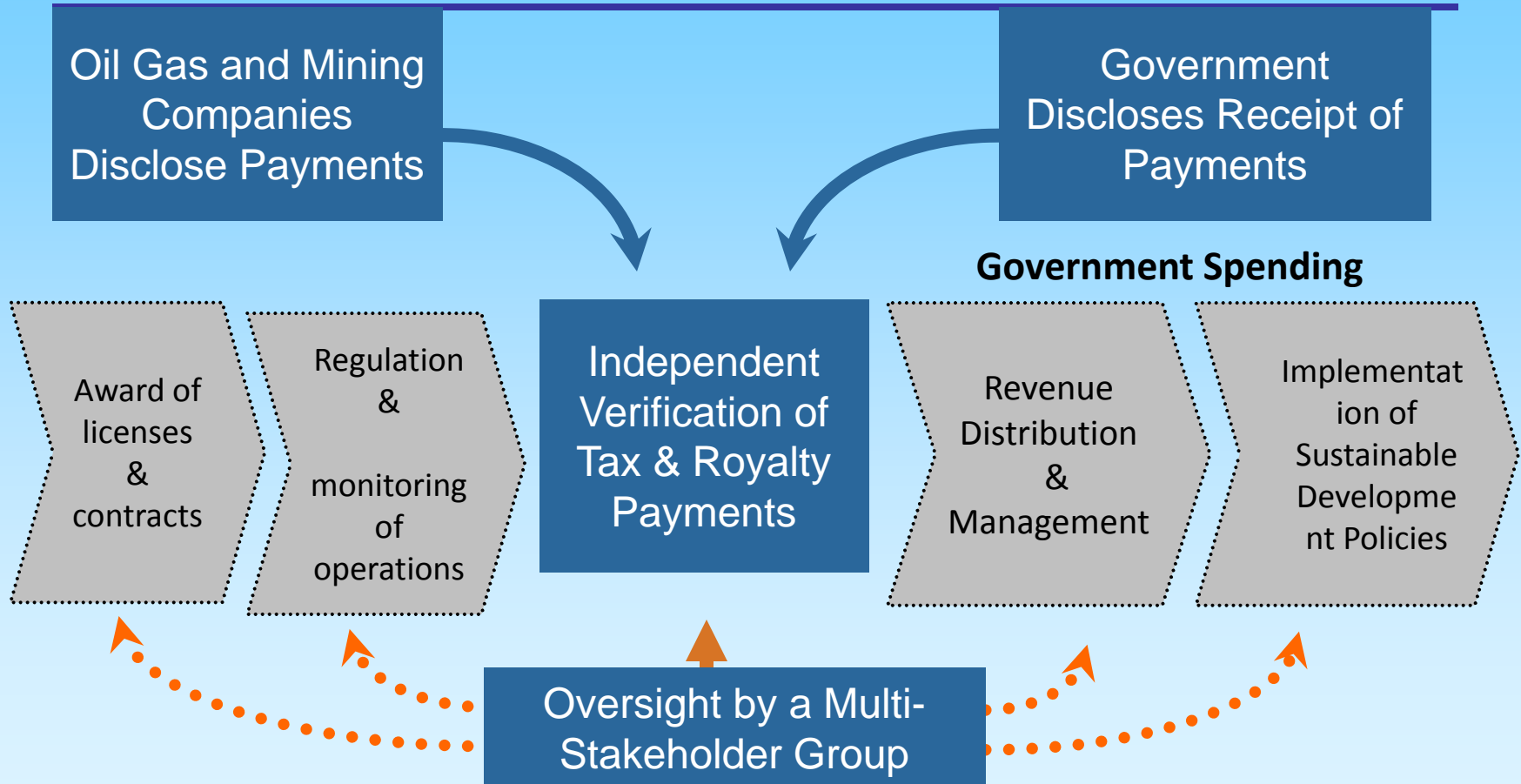
The EITI Process in a nutshell

(WBG/ partners' goal is to help an EITI country to implement this EITI cycle)



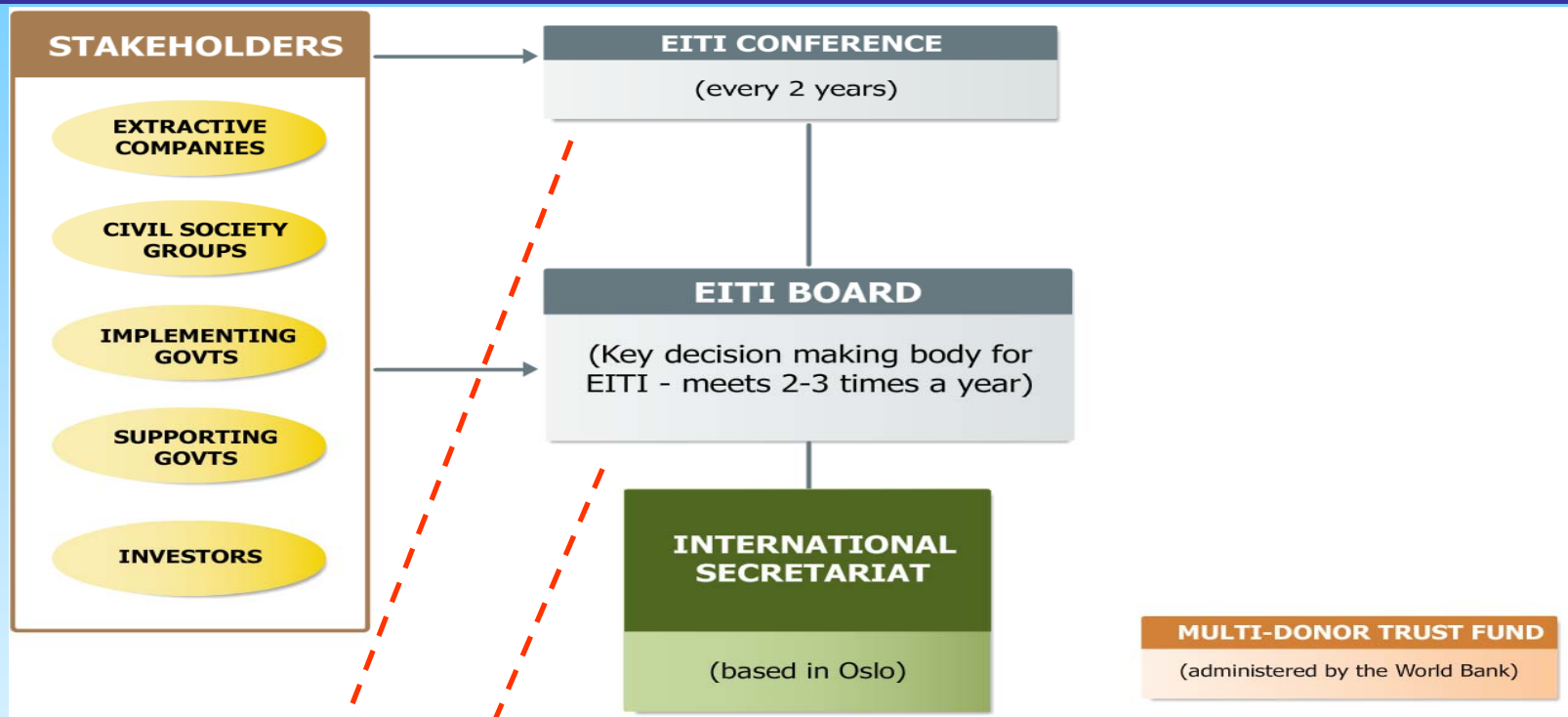
→ Validation is the end-objective for an EITI country

EITI is an important goal - but can be seen as part of a bigger picture of good governance of resources



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

EITI Global Governance Structure - Key Roles



Elects EITI Board

EITI policy owner and regulator

Supports Board in its oversight role – and EITI outreach

Provides TA to EITI countries and supports global EITI and CSOs



Who is in EITI currently - globally and in countries?

- **31 Implementing countries currently (April 20, 2010)** across Africa, Asia, Latin America, Middle East and Central Asia. Norway is among OECD countries that also implement EITI
- **Many countries** are now validated / undergoing validation
- **Around 40 major** international oil, gas, and mining 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, Global Witness, Secour Cath.
- **Many supporting countries/donors** - including Australia, Belgium, Canada, EC, Finland, France, Germany, Netherlands, Norway, Spain, Switzerland, UK, USA -- donors to MDTF (and EITI globally)

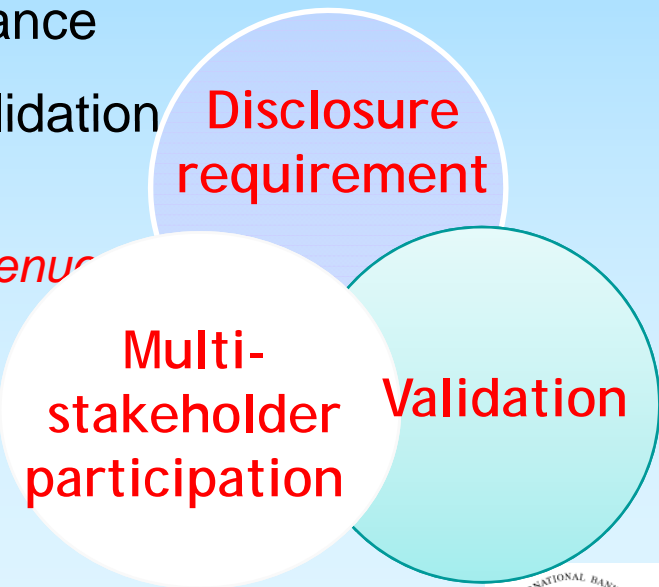
EITI as a global initiative has gotten good traction in a few short years - and is producing results

- Strong demand / rapid growth in EITI (30+ countries)
→ WB / donors support is keeping up with demand
- Strong prioritization of EITI by new interested countries
→ Growth in donors too – 13 donors / \$30m cum. funds in MDTF
- EITI now established as the standard for revenue transparency
- EITI has begun to show results in addressing mining concerns:
 - EITI disclosures (revenues data in public domain for first time)
 - smooth EITI reconciliation work generally – few technical issues
 - multi-stakeholder approaches are working – and building trust
- But - longer-term outcomes from EITI are still a work-in-progress

Examples of replicable lessons from EITI (slide 1 of 2)

At global level:

- A global voluntary initiative – but in effect mandatory once adopted by a country (rare that companies opt-out)
- Supported by G8, UN, IFIs – but not a UN Convention etc
- EITI Criteria set the standard for compliance
- This compliance assured by external validation
- Hence key pillars of EITI:
 - ✓ *Disclosure of reconciled payments / revenues*
 - ✓ *Done in a participative manner – CSOs*
 - ✓ *External validation assures compliance*
- Thus: “a voluntary process - with teeth”



Examples of replicable lessons from EITI (slide 2 of 2)

At national level – in individual EITI countries:

- National EITI structures / approaches mirror the global structure
- Common EITI criteria – and validation rules – drive national EITI
- Shared aims and objectives for EITI by all stakeholders
 - ✓ *each party sees benefits in being – and remaining - part of EITI*
 - ✓ *requires consensus decisions – thus side each has “veto”*
 - ✓ *quite a “political” process – but generally works (no blow-outs yet)*
 - ✓ *civil society role is vital ingredient for sustainability*
- Also key areas for EITI to improve on at national level
 - ✓ *ensuring consistent quality of EITI Reports across countries*
 - ✓ *ways to ensure sustainability of EITI – specially after validation*