

A wide-angle photograph of a mining operation. In the foreground, a worker wearing a white hard hat and a high-visibility yellow vest is seen from the side, looking through a surveying instrument mounted on a tripod. The background shows a large, open-pit mine with terraced levels and several yellow mining trucks parked on the site. The sky is clear and blue.

# EITI FACT SHEET

15 MAY 2009

The EITI sets a global standard for managing revenues from natural resources

EITI implementation leads to a wide range of benefits

Three and a half billion people live in countries rich in oil, gas and minerals. With good governance the exploitation of these resources can generate large revenues to foster economic growth and reduce poverty. However when governance is weak, such resources endowments may result in poverty, corruption, and conflict. The Extractive Industries Transparency Initiative (EITI) aims to strengthen governance by improving transparency and accountability in the extractives sector.

The EITI is a global standard that promotes revenue transparency. It has a robust yet flexible methodology for monitoring and reconciling company payments and government revenues at the country level. The process is overseen by participants from the government, companies and national civil society. The EITI Board and the International Secretariat are the guardians of the EITI methodology internationally.

Governments benefit from implementing a standardised and internationally recognised procedure for transparency in natural resource management. With soaring revenues from oil, gas and minerals, expectations from citizens are on the rise. Implementing EITI builds governance capacity, improves international credibility, and affirms that the government is committed to fighting corruption.

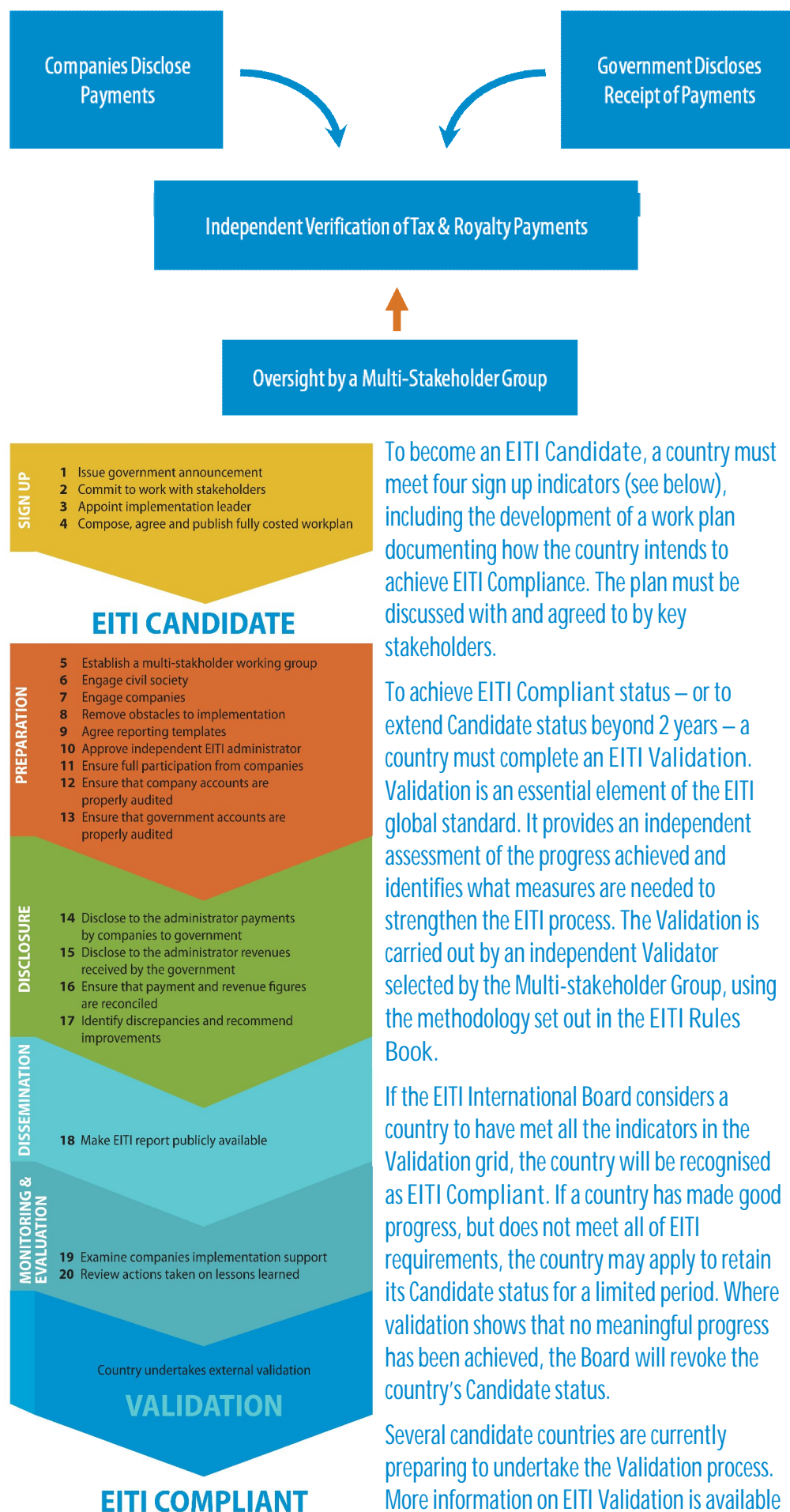
The investment climate is enhanced by implementing the EITI. The commitment to reconcile company payments and government revenues via a multi-stakeholder process signals a commitment to good governance.

Companies benefit from the improved investment climate that follows from transparency and good governance.

Energy security is enhanced by a more transparent and level playing field. Energy net importing countries gain from increased stability in supplier countries. This increased stability encourages long-term investment in production – and thus ensuring a more stable supply.

EITI requires companies to publish what they pay, and governments to publish what they receive

Implementation of the EITI is assured by independent 'Validation'



To become an EITI Candidate, a country must meet four sign up indicators (see below), including the development of a work plan documenting how the country intends to achieve EITI Compliance. The plan must be discussed with and agreed to by key stakeholders.

To achieve EITI Compliant status – or to extend Candidate status beyond 2 years – a country must complete an EITI Validation. Validation is an essential element of the EITI global standard. It provides an independent assessment of the progress achieved and identifies what measures are needed to strengthen the EITI process. The Validation is carried out by an independent Validator selected by the Multi-stakeholder Group, using the methodology set out in the EITI Rules Book.

If the EITI International Board considers a country to have met all the indicators in the Validation grid, the country will be recognised as EITI Compliant. If a country has made good progress, but does not meet all of EITI requirements, the country may apply to retain its Candidate status for a limited period. Where validation shows that no meaningful progress has been achieved, the Board will revoke the country's Candidate status.

Several candidate countries are currently preparing to undertake the Validation process. More information on EITI Validation is available from the EITI Secretariat (Contact Sam Bartlett, sbartlett@eiti.org).

30 countries are already  
well underway in  
implementing the EITI

40 of the largest oil, gas  
and mining companies are  
committed to the EITI

A broad coalition of  
governments, Civil Society,  
International Organisations  
supports the EITI

EITI's governance structure  
reflects its multi-  
stakeholder nature

EITI International Secretariat  
Ruseløkkveien 26, 0251 Oslo, Norway  
Tel +47 22 24 21 05 Fax +47 22 24 21 15  
secretariat@eiti.org  
www.eiti.org

One country, Azerbaijan, is now an EITI Compliant Country. 29 other countries have achieved EITI Candidate status: Albania, Burkina Faso, Cameroon, Central African Republic, Democratic Republic of Congo, Republic of Congo, Côte d'Ivoire, Equatorial Guinea, Gabon, Ghana, Guinea, Kazakhstan, Kyrgyzstan, Liberia, Mali, Mauritania, Madagascar, Mongolia, Mozambique, Niger, Nigeria, Norway, Peru, Sao Tome and Principe, Sierra Leone, Tanzania, Timor-Leste, Yemen, and Zambia.

Furthermore, 11 countries have published audited EITI Reports: Azerbaijan, Cameroon, Gabon, Ghana, Guinea, Kazakhstan, Kyrgyzstan, Liberia, Mauritania, Mongolia, and Nigeria. Several other countries have signalled their intent to implement the EITI, and are working towards meeting the sign up indicator requirements.

40 of the world's largest oil, gas and mining companies support and actively participate in the EITI process - through their country operations in implementing countries, international-level commitments, and industry associations. Also, the EITI has won the support of over 80 global investment institutions that collectively manage over 14 trillion USD.

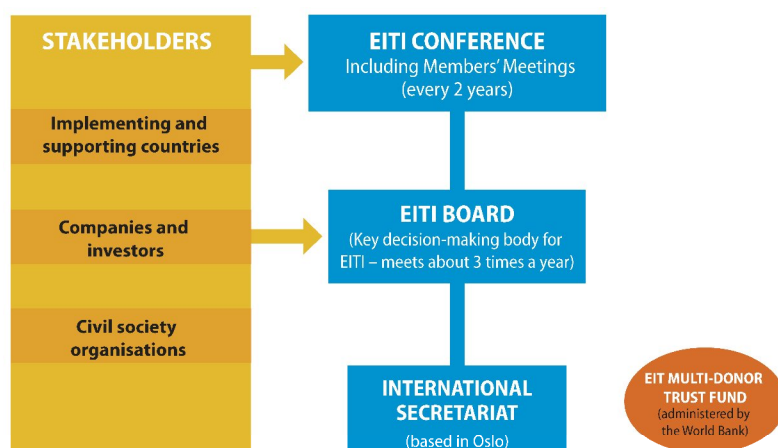
Civil Society Organisations participate in the EITI directly and through the Publish What You Pay campaign, which is supported by over 300 NGOs worldwide.

International Organisations supporting the EITI include the World Bank, IMF, African Development Bank, Asian Development Bank, the European Bank for Reconstruction and Development, and the European Investment Bank. These organisations provide technical and financial support to implementing countries, and support EITI outreach.

A number of governments including Australia, Belgium, Canada, France, Germany, Italy, Japan, the Netherlands, Norway, Spain, the United Kingdom and the United States support the EITI. These governments provide political leadership in promoting the Initiative. Many also contribute financially to the international management of the EITI, and support implementation through direct bilateral support to EITI implementing countries or through a multi donor trust fund managed by the World Bank. The EITI has also been endorsed by the UN, G8, G20, AU, the International Organisation of the Francophonie and EU, which is unique for a governance multi-stakeholder initiative.

The EITI is overseen by the EITI International Board, chaired by Dr Peter Eigen, founder and former chairman of Transparency International. The Board consists of representatives from EITI implementing country governments, extractive companies, civil society groups, investors, and supporting country governments.

The highest governing body is the Members' Meeting at the EITI Global Conference. The last conference in Doha in February 2009 was attended by over 500 people including Heads of States, CEOs and civil society leaders.





How can governments  
become involved?

There are two ways a government can take part in the EITI. Countries with significant extractive industry sectors can commit to implement the EITI. In addition, any country can become a EITI Supporting Country by formally endorsing the EITI, and by providing political, financial and technical support. In both cases, governments should begin with a clear statement of their commitment to become an implementing or supporting country. Visit [www.eiti.org/supporters/countries](http://www.eiti.org/supporters/countries), or contact the EITI International Secretariat for further advice.

Technical assistance for implementing countries is available from the World Bank administered Multi-Donor Trust Fund, and from several other development agencies.

How can companies  
become involved?

An EITI Business Guide is available on the website that provides guidance on how companies can support revenue transparency and implementation of the EITI.

In short, all companies operating in the relevant sectors in countries implementing EITI have to disclose material payments made to the government.

In addition, any company can become an EITI Supporting Company at the international level by expressing its support to the EITI and contributing to country implementation where appropriate. This does not require any reporting or disclosure in addition to the requirements for all companies operating in the extractive sector in EITI implementing countries. Companies are also asked to make an annual contribution to the management of the EITI. In any case, the EITI Secretariat should be contacted about becoming a supporter.

How can organisations  
become involved?

If your organisation wishes to state its support for the initiative, a public statement of policy is recommended. One way to demonstrate support is to create a page on your organisation's website and submit the link to the EITI Secretariat for posting on the EITI website. For other means of supporting the EITI, please contact the Secretariat.

Want to know more?

Website	<a href="http://www.eiti.org">www.eiti.org</a>
Email	<a href="mailto:secretariat@eiti.org">secretariat@eiti.org</a>
Telephone	+47 22 24 21 05
Fax	+47 22 24 21 15
Address	EITI Secretariat, Ruseløkkveien 26, 0251 Oslo, Norway

