

EITI Should Face Reality, Go Beyond Voluntarism

(Statement made by Bubelwa Kaiza, Coordinator, PWYP-Tanzania at the EITI Stakeholders Forum during the 5th EITI Global Conference, Paris March 3, 2011)

Chairperson,
Distinguished Guests,
Ladies and Gentlemen.

The 8 years experience of EITI existence provides the learning opportunity for national societies and international community to underscore the significance of EITI in development, especially eradicating poverty in the resource rich poor countries, most of them found in Africa. Looking back at the milestone we note and appreciate what EITI has achieved; influenced stakeholders to join the initiative, strengthened mechanism and expertise to oversee compliance to EITI rules, influenced the US, EU and UK consider to legislate extractive industries transparency laws forcing home registered extractive multinationals to disclose payments made to foreign governments. The milestone achievement that EITI has attained in just 8 years is commendable by especially civil society and extractive resources transparency activists from the resource-rich countries and across the globe. As civil society activist I am also pleased to learn that intergovernmental bodies such as UN, AU and EU have unequivocally supported the EITI.

However, despite local, international, intergovernmental bodies and broad public support accorded to EITI, the initiative is still and probably would pray to remain voluntary. I note and commend the efforts so far championed by EITI implementing African countries; Nigeria and Liberia (compliant), for taking EITI commitment further beyond voluntarism to legally binding commitment. EITI should be viewed as opportunity that if lost, the resource-rich African countries may better forget extricating themselves from poverty. Actually, beneath our poverty it is bad governance of our extractive industries. I contend that EITI is guaranteed existence if it goes beyond reconciling the governments' receipts, companies' payments and noting discrepancies. Fundamentally, it is high time that EITI seeks recognition under the United Nations to become the UN Convention for Extractive Industries (Revenue) Transparency and Accountability¹. EITI should pioneer legislation of a global common law for extractive industries resource transparency, which must be domesticated by each and every resource-rich country. Such proposed EITI common law shall help giving guidance to policy makers ponder a number of vital policy options meant to improve competitiveness in extractive industries, especially improving visibility of local corporate citizens.

This statement is based on my about 2 years experience of sitting on the Tanzania EITI Multi-stakeholder Group (MSG) representing civil society. It is both a frustrating and interesting experience. Without the law in place, no government official will commit him/herself to push anything meant for EITI forward, especially when one is not sure if in so doing may jeopardise the interests of his/her seniors, and in effect, therefore his/her own employment. That way, nothing will move timely and in the required manner thus dragging the EITI process back or stagnant!

¹ The United Nations Convention Against Corruption (UNCAC) sets precedence.

Tanzania could be losing out a lot of money due to lack of transparency and competitiveness in the extractive industries investments. Overbearing of foreign investment in the extractives sector, most of them concentrating in gold mining denote lack of competitiveness. The foreign - domestic investment competition dichotomy is lacking. Above all, the discrepancy of over US\$ 36 million in one year alone in Tanzania, where the Mining Development Agreements (MDAs) and Gas Production Sharing Agreements (PSAs) remain the top secret between investors and the Government alone, should open our mind and desire to make extractive industries transparency a common law across the resource-rich countries.

Short Bio for Bubelwa Kaiza

Bubelwa Kaiza is Executive Director of the civil society organisation, Concern for Development Initiatives in Africa (ForDIA), civil society representative in the EITI Multi-Stakeholder-Group (MSG) as well as for that of Construction Sector Transparency Initiative (CoST). Kaiza is a National Coordinator of Publish What You Pay (PWYP) Coalition in Tanzania.