

EITI NEWSLETTER

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EITI International Secretariat Oslo, 1 October 2008

Dear Friends of EITI

27 September 2008 marked the first anniversary of the launch of the EITI International Secretariat in Oslo. One year is a short time in policy terms, but I am sure that you would agree that transparency is in the process of becoming a key consideration of all companies and governments engaged in the oil, gas and mining sectors. EITI has been a central part of that process. We will be delivering our Annual Report 2008 at the International Conference in Doha in February 2009 with more details of the nuts and bolts behind that progress, so I will here just congratulate the team and all our supporters but note that the job is far from done. However, in these few weeks alone there have been some exciting developments.

First of all, I am delighted to announce that on 11 September 2008 the United Nations General Assembly passed a **resolution endorsing the EITI**. This is important to us for two main reasons. It helps us in our outreach efforts towards countries that have not yet signed up to the EITI, including the major emerging economies. And also, the countries that have committed themselves to the EITI have been given recognition for the good work that they have done and are continuing to do. These countries need encouragement and support, and this resolution is a valuable demonstration of support on the part of the whole international community.

Secondly, the Secretariat will, at the beginning of October, host the first ever **EITI National Coordinators meeting in Oslo**. It is hoped that the national coordinators of the almost all of the 23 Candidate Countries will meet for three days to share experiences and best practices on EITI implementation and discuss how to complete Validation. I am sure that

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The EITI International Secretariat

The EITI Newsletter

The EITI Newsletter is sent out bimonthly from the International Secretariat. To subscribe to this newsletter, visit our website. There you will also find French and Russian versions of the newsletter, as well as earlier editions.

Comments and questions about it can be sent to Anders Tunold Kråkenes.

this meeting will represent a significant new approach to how countries can learn from one another and pick up pace on implementation.

We hope that this process, along with such initiatives as Nigeria's hosting of the excellent **West African Regional EITI conference** in Abuja last month, and more EITI implementation training for key stakeholders from the candidate countries in November and December in Berlin, will move us closer and closer to a ground-breaking Conference in Doha. That is where we can demonstrate that this initiative has truly moved on from setting the rules to making the difference.

Best wishes,



Peter Eigen, Chairman of the EITI

UN Resolution

The UN General Assembly has adopted a resolution on the subject of 'Strengthening Transparency in Industries'. The resolution gives strong backing to the EITI by noting EITI implementing countries' efforts to strengthen transparency.

The resolution, that was passed unanimously 11 September, emphasises that transparency and accountability should be embraced and promoted by all its member states.

Furthermore, it "notes the efforts of countries that are participating in all relevant voluntary initiatives, to improve transparency and accountability in industries, including the Extractive Industries Transparency Initiative in the extractive sector and to share their experience with the interested Member States."

Commenting on the resolution Dr Peter Eigen, Chairman of the EITI, said "The recognition of the EITI in an UN resolution marks a major milestone in our efforts to promote the EITI as the international standard for transparency in the extractive sector. Congratulations and thanks for the remarkable efforts undertaken to achieve this resolution by implementing and supporting countries, as well as by civil society."

The resolution was tabled by the Government of Azerbaijan and co-sponsored by 22 other countries. Shahmar Movsumov, Executive Director of the Azeri State Oil Fund and EITI Board member, said "Azerbaijan's strong belief that transparency is a crucial factor in sustainable development and active participation in EITI since the launch of the initiative were grounds for it to initiate UN General Assembly resolution in support of transparency. It is a great success of Governments of all countries who were

Sweden to get behind the EITI

The Swedish Government announced 30 September their support of the EITI. State Secretary Mr Gunnar Wieslander announced the Swedish support of the initiative at a meeting with Peter Eigen, and Swedish companies that operate in the extractive sector.

At the meeting Peter Eigen said: "Sweden has long been at the forefront of advocating transparency and openness. The Swedish experience has shown that openness is a key part in fostering an environment of trust, accountability and growth. Sweden's pledge to get behind the EITI, is important in our efforts to make the EITI the global standard for increased transparency in the extractive industry."

Events ahead

CSO meeting on promoting EITI in Eurasia

3 October 2008 - 4 October 2008

EITI Board Meeting, Athens

29 October 2008 - 30 October 2008

13th International Anti-Corruption Conference

30 October 2008 - 2 November 2008

Training Seminar for Multi-Stakeholder Groups

10 November 2008 - 14 November 2008

Global Organization of Parliamentarians Against

Corruption (GOPAC) annual conference

17 November 2008 - 20 November 2008

PWYP Global Capacity Building Program

1 December 2008 - 9 December 2008

Training Seminar for Multi-Stakeholder Groups

15 December 2008 - 19 December 2008

4th EITI Conference, Doha, Qatar

16 February 2009 - 18 February 2009

More information about these events can be found on the EITI website.

standing next to Azerbaijan in this process as well as civil societies and companies working in these countries."

The First West Africa EITI Conference

By Haruna Sa'eed, Executive Secretary NEITI

The Nigeria Extractive Industries Transparency Initiative (NEITI) hosted the first West Africa EITI Conference at the ECOWAS Secretariat Abuja on the 11th and 12th of September 2008. The conference was declared open by the vice President, Goodluck Jonathan who represented the President of the Federal Republic of Nigeria. In attendance were representatives of Civil Society, Private Sector, Extractive Industries, Government Agencies, Scholars, Media, Donor Agencies, Development Partners and Representatives from other African Countries.

The conference was opened with Goodwill messages from the Head of EITI Secretariat; Mr Jonas Moberg, UK Minister for Africa; Mr Lord Malloch-Brown, European Union Commissioner for Energy; Mr. Andris Pibals, Executive Director African Union; Mr. Khalil Timani, Netherlands Ambassador to Nigeria; Mr. Arie Van Der Wielel, Norwegian Ambassador to Nigeria; Mr. Tore Nedrebo, Country Director World Bank Nigeria; Mr. Onno Ruhl and President ECOWAS Commission Nigeria; Dr. Ibn Chambas.

The underlying principle for hosting the West Africa EITI Conference was to sustain the momentum in the EITI-implementing countries of the West Africa Sub region, bring non-implementing countries into the fold, and mainstream EITI into existing regional and sub-regional instruments and institutions.

After 2 days of deliberations and knowledge sharing a 15 action point communiqué was issued at the end of the conference. Some of the highlights of the communiqué were to establish an effective regional forum for the sharing of experiences and resources for effective implementation of EITI, encourage the acquisition of information and the development of a reservoir of knowledge in West Africa and embark on resource endowment mapping in collaboration with sub-regional economic groupings in Africa and secure commitment of ECOWAS.

The delegates were charged by President Yar'dua to explore the possibility of monitoring oil stolen from conflict areas and laundered in the International Market.

Azerbaijan: EITI has improved the investment climate

By Shahmar Movsumov, The Executive Director of SOFAZ

"Blood oil"

At the opening of the conference, Nigerian President Umaru Yar'Adua gave this message: "The Nigerian experience shows that there is a sense in which we can talk of blood oil. (...) It is my hope that this conference will seriously interrogate this issue." Further he said that "EITI is propelled by the faith that extractive resources can indeed promote growth, enhance poverty reduction and drive sustainable development. Hence twenty-three resource rich countries across the globe have heeded the call, that transparent and accountable management of extractive resources can make the difference."

PWYP Regional West Africa Meeting

The West Africa EITI Conference followed a two day regional meeting of Publish What You Pay that was attended by close to 200 transparency campaigners. During the meeting they met with European Energy Commissioner Andris Piebalgs.

For more information, please visit the PWYP website.

National Coordinators meeting

22 countries have confirmed that they will send a representative to the EITI National Coordinator Meeting in Oslo from 7-9 October. Key themes for the meeting include Validation, Communication and Governance. A communiqué from the meeting will be presented to the Board in Athens.

For more information contact Sam Bartlett at the Secretariat (sbartlett@eitransparency.org).

Since the Government of Azerbaijan has joined the Extractive Industries Transparency Initiative (EITI), Azerbaijan has successfully disclosed eight EITI reports and the 9th one is at the stage of preparation. EITI implementation has become a sustainable process. The government of Azerbaijan on regular basis (twice a year) makes publication of all material oil and gas payments by companies to government ("payments") and all material revenues received by government from oil, gas and mining companies ("revenues") to a wide audience in a publicly accessible, comprehensive and comprehensible manner.

All companies including state-owned enterprises are engaged in EITI implementation process. The government also made sure active involvement of civil society as a participant in the design, monitoring and evaluation of EITI implementation process.

This was first successful cooperation between the government of Azerbaijan, extractive industry companies and civil societies in shaping mutually agreed Memorandum of Understanding (MOU) which was a very hard but rewarding exercise. MOU outlines measurable targets, a timetable for implementation and an assessment of potential capacity constraints.

EITI implementation proved that it is possible to change perception of the society towards the issue of transparency in revenues. The question of huge revenues are being squandered was eliminated from the debate agenda.

By implementing EITI the government of Azerbaijan achieved full accountability and transparency in oil and gas revenues. Providing that the Government of Azerbaijan is expecting to receive more than 200 billion USD in forthcoming 10 years, insuring transparency in receiving these revenues is of at most vital importance to our country.

Azerbaijan has also gained an improved investment climate which is providing a clear signal to investors and the international financial institutions that the government is committed to greater transparency. EITI also assists in strengthening accountability and good governance, as well as promoting greater economic and political stability.

Next important step for Azerbaijan is Validation. In order to proceed with Validation process parties to MOU have established Validation Working group comprising 3 representatives from each party. Contract and Terms of Reference are at the final stage of completion and within short period of time Validators approved by International EITI Board will be invited for the bidding process.

The 4th EITI International Conference

From 16-18 February 2009, the Government of Qatar will play host to the premier event in the EITI calendar, as an estimated 600 government,

EITI Secretariat seeks to widen its engagement with companies

The EITI Secretariat has developed a number of materials for engaging new supporting companies – both for extractive and, for the first time, non-extractive companies:

The two-page 'How extractive companies can support the EITI' and 'How non-extractive companies can support the EITI' brochure are available at <http://eitransparency.org/companyimplementation>.

And, of course, the more detailed EITI Business Guide is available at www.eitranparency.org/document/businessguide. This is directly more specifically at in-country Business Managers.

The Secretariat will be writing to a target list of about 50 such companies with the above documentation to encourage greater support for the initiative particularly beyond the privately owned majors.

Further information is available from Eddie Rich (erich@eitranparency.org).

industry and institutional leaders convene at the Ritz-Carlton Doha to attend the 4th EITI International Conference.

As with all international EITI events, attendance at the conference will reflect the initiative's multi-stakeholder nature, assembling representatives from national governments; the extractive industries; investors; intergovernmental institutions; international organizations; international civil society organizations; and local community groups. From Heads of State to CEOs to Civil Society champions, EITI International Conferences provide a unique forum to hear profiled keynote speakers from a wide range of geographic and institutional perspectives express their views on transparency and proper management of the extractives sector.

Confirmed speakers already include Ellen JOHNSON-SIRLEAF, President of Liberia; Donald KABERUKA, President of the African Development Bank; Festus MOGAE, former President of Botswana; George SOROS, founder of the Soros Foundation; Jeroen VAN DER VEER, Chief Executive Officer of Royal Dutch Shell; Jesús REYES-HEROLES, General Director of PEMEX; Obiageli EZEKWESILI, Vice President - Africa, the World Bank; and Tony HODGE, Chief Executive Officer of the ICMM.

EITI International Conferences are the highest governing body of the EITI. They provide an opportunity for the International Board and the EITI stakeholders to jointly take stock of the benefits and progress of the EITI, find common solutions for tackling challenges and chart next steps for supporting and advancing good governance in the extractive industries.

Previous Conferences have been significant milestones along the way, guiding the development of the EITI into the growing global initiative it is today. Thus the Lancaster House Conference (2003) marked the transition from the EITI as an idea to the EITI as a reality; the London Conference (2005) gave this reality substance with the development of the EITI Criteria and Guidelines; and the Oslo Conference (2006) took the initiative one step further, marking the transition from EITI design to EITI implementation. As for the coming Doha Conference, the EITI Chairman, Dr. Peter Eigen says that it will be 'a pivotal event in consolidating the EITI as the global standard for transparency in resource revenue management'.

Registering on-line for the Conference will soon be possible at www.eitidoha.org. Meanwhile the Conference website provides practical and up-to-date information including help with accommodation in Doha, the latest version of the conference programme and relevant information for visitors travelling to Qatar. Updates will be made frequently, so you may wish to check it regularly.

Further questions about the Conference can be directed to Conference Manager Pablo Valverde at the EITI International Secretariat.

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The 4th EITI International Conference.