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EITI International Secretariat

EITI Outreach Strategy 2018-2019

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1 Summary

The EITI and its partners agree that there are opportunities to reach out to other resource rich countries that could benefit from EITI implementation and could contribute to improved global governance of natural resources and their contribution to development goals. This document provides a strategy for how the EITI, together with supporting governments, companies and organisations, commits to work towards wider implementation of the EITI.

This strategy builds on the consolidation of the EITI as the global standard implemented in 51 countries, the increased focus on embedding EITI implementation into government systems and regular public disclosures and the contribution of the EITI, nationally and globally, to address challenges in a number of areas such as beneficial ownership, commodity trading, SOEs governance, improved tax administration, and avoiding practices that could undermine taxation.

In accordance to the International Secretariat 2018 Work plan, this strategy addresses the costs and benefits of EITI implementation in prospective candidate countries and the cost implications for the International Secretariat. Given the Secretariat's budget priorities, the strategy focuses on the highest priority on countries which have committed to EITI implementation, and puts a greater emphasis on outreach from supporting countries and organisations. The strategy stresses that parallel and coordinated outreach efforts are needed from the EITI and partners to prospective supporting countries, companies, investors and civil society organisations.

2 Introduction

The EITI is increasingly recognised as the global standard for the good governance of oil, gas and mineral resources. The EITI is currently implemented by 51 countries and supported by over 60 companies and institutional investors, hundreds of civil society organisations and a number of international agencies. Several other countries have already committed to implement the EITI, including: Argentina, Australia, Ecuador, Lebanon and Tunisia.

There are still a number of resource-rich countries that could benefit from EITI implementation (e.g. Angola, Brazil, Chile, Kenya, South Africa, Uganda and Zimbabwe). The focus on embedding EITI transparency into government systems and regular public disclosures¹ together with the work on a number of areas related to good governance, present an opportunity to revitalise discussions with stakeholders in these countries.

There is a continuing need for comprehensive and reliable data to inform these deliberations.

Various stakeholders are working to promote the EITI in these countries with the EITI International Secretariat providing direct and indirect coordination and support. Parallel outreach efforts are needed from the EITI and partners to prospective supporting countries, companies, investors and civil society organisations.

¹ The Board agreed the paper "Encouraging systematic disclosure" in its Oslo's meeting in February 2018 (see Board Paper 39-4-A)

The International Secretariat work plan 2018² instructed the Secretariat to support outreach efforts in accordance with the agreed strategy. USD 70,000 was allocated for outreach activities. There are extensive outreach activities that do not require funding or only some relatively minor funds. For example, improved coordination between EITI's stakeholders could result in enhanced outreach activities by others than the EITI Secretariat and Chair. Other times, the Chair is simply mentioning the EITI while on other business and letters from the Secretariat and Chair can be a cost-effective way of reaching out.

3 Background and EITI outreach so far

Most of the 51 countries implementing the EITI would not be doing so had it not been for activities by the EITI's supporters and Secretariat highlighting the benefits of EITI implementation. These activities are referred to in this strategy as "outreach". A wide range of supporters have throughout the brief history of the EITI played key roles in this outreach work. In the early days, the British government did most of the outreach, also strongly supported by the American and French foreign services. The World Bank also became an early strong proponent of the EITI. Some companies contributed importantly.

Outreach to governments has taken many forms. Bilaterally, EITI implementation has been suggested at all levels: sometimes it has been deemed appropriate to bring it up with heads of governments, other times at a technical level. There have also been a wide range of multi-lateral efforts. The way the British, French, German and US governments have used the G8/G7 process has been critically important to the success of the EITI. Multilateral efforts such as supportive statements by the G8/G7, G20, and the UN General Assembly resolution from 2008, have also reinforced outreach efforts.

These efforts to ensure growing implementation of the EITI have focused on government representatives. After all, without the government committing to implement the EITI there will be no implementation. A key aspect in this work is to develop the rationale or business case for EITI implementation. Implementing countries may benefit domestically from an improved investment climate by providing a clear signal to investors and international financial institutions that the government is committed to greater transparency. The EITI assists in strengthening accountability and good governance, as well as promoting greater economic and political stability. This, in turn, can contribute to the prevention of conflict based around the oil, mining and gas sectors. In some countries the EITI has an explicit focus on reducing corruption. In other countries this aspect is not emphasised. In many countries, it is important to be seen to be contributing to developing and reinforcing a global standard.

It is also recognised that parallel outreach efforts are needed to prospective supporting countries, companies, investors and civil society organisations. Company and civil society representatives, including Global Witness, the Natural Resource Governance Institute, and Publish What You Pay have played important outreach roles. There is already strong support from International Financial Institutions (IFIs) and a range of other partner organisations (see <http://eiti.org/supporters/partnerorganisations>). These organisations often play a key role in EITI

² https://eiti.org/files/eiti_secretariat_workplan_and_budget_2016.pdf
https://eiti.org/sites/default/files/documents/international_secretariat_work_plan_2018_-_4_dec_0.pdf

advocacy and technical assistance.

There have been outreach activities to companies, state-owned companies and civil society organisations. Outreach to citizens and civil society organisations has also been important, particularly when a government has been ambivalent regarding implementation. This approach has been important in several countries such as Brazil, South Africa and Uganda.

The **Global EITI Conferences** have provided an important catalyst for EITI outreach. The Conference provides a high-profile platform for countries to commit to EITI implementation, or to lodge a candidature application. Equally important it often provides an opportunity to renew political commitment at a high level.

The EITI developed a first outreach strategy in 2007, focused on the BRIC countries. A more formal global strategy was approved in 2012. A Board committee devoted to the topic was established in 2011. The intention behind these strategies has been to establish a framework for prioritising outreach activities and to ensure effective Board oversight. A balance has been sought between bringing structure and clear reporting on one side, and the need for flexibility on the other. Flexibility is important for two reasons in particular. First, the EITI cannot direct its supporting partners. The EITI can *appeal* for support, but it is obviously up to the partners themselves how extensively they engage in EITI outreach activities. Second, successful outreach has often been opportunistic: it has for example often been dependent on meetings and encounters the EITI Chair, Board Members and others have had for other reasons than the EITI. As the EITI has grown, implementing countries have played a greater role in outreach to neighbouring countries.

It is acknowledged that the effectiveness of outreach activities in the short term can be challenging to monitor and evaluate. The objective of outreach activities, ultimately a commitment to implement the EITI, may also take a long time to materialise. Establishing the effectiveness of this work is particularly challenging when these activities are undertaken by external partners (where reporting may be limited). Internally, the Secretariat is committed to reporting on any outreach activities, including the extent to which the objectives can be considered to have been met.

Since 2011 the Secretariat has provided the Board with regular Outreach Progress Reports (OPRs). These can be useful in that they provide a general overview. However, for outreach to be successful, suggested messages often need to be adapted, taking into account both the recipient and the messenger. Suggested speaking points for a senior government official are likely to be subtly different to arguments and messages from a senior company representative. The feedback on any engagement can also be complicated by the fact that those working on the EITI may not even get full reporting from their senior's conversations with for example a head of state and the reporting may be restricted. Thus, outreach efforts and the reporting thereof, require trust and close contacts between those involved.

4 Objectives

The overall goal is to pursue the following objectives:

- Expand and diversify the use of the EITI to improve extractives governance.

- Raise awareness in target countries about the importance of greater transparency and the benefits of EITI implementation.
- Strengthen the EITI’s standing as a global standard for revenue transparency and accountability in the extractive industries.
- Prepare countries to meet the sign-up requirements and to prepare for EITI implementation in line with the EITI Standard, including early engagement with industry and civil society.

5 Criteria

The EITI has developed a set of criteria to guide its outreach priorities and efforts, drawing on approaches previously developed by the International Secretariat, the World Bank, NRGi and ICMM.

These criteria have not been significantly altered compared to earlier strategies. Rather, at least from the Secretariat’s perspective, they have stood the test of time and have provided a reliable framework in determining which outreach activities should be given priority. For example, the EITI Chair and the Secretariat receive a considerable number of invitations to conferences and other events. The criteria have proven to be useful in determining whether to accept invitations, explore if others involved with the EITI can attend, or to simply decline the invitation.

Criterion 1 - Potential impact of the EITI

What is the potential impact of the EITI? This criterion focuses on a country’s susceptibility to the resource curse and the potential for the EITI to mitigate against this paradox and improve natural resource governance for poverty reduction and development. It is widely acknowledged that resource wealth, if mismanaged, can have an adverse impact on growth and fuel corruption, conflict and social unrest. Resource dependent developing countries in particular have faced significant challenges in addressing these risks. Indicators to be taken into consideration include population, poverty levels, resource dependency, the effective of governance, and the extractive industry outlook.

Criterion 2- Strategic importance for the EITI

Is an outreach activity of strategic importance for the EITI? This criterion puts an emphasis on a country’s potential to encourage the implementation of the EITI regionally and/or internationally and to support the EITI’s credibility generally as an open and participative multi-stakeholder platform. The size of a country’s natural resource sector and importance vis-à-vis the national economy may be relevant. Some of these countries are middle -income countries that have not yet committed to implement the EITI. At the same time, implementation by OECD countries and emerging economies would enhance the credibility and legitimacy of the EITI. This would also facilitate the use of the EITI Standard for policy setting because new implementers would not only endorse the EITI but would also be inclined to mobilise relevant support.

Criterion 3 - Regional diversity

Is an outreach activity contributing towards regional diversity? The EITI Standard is making excellent progress in establishing itself as a global standard. The EITI is currently implemented by 24 countries in Africa, 10 countries in Asia, six countries in Europe, two countries in the Middle East, and nine countries in Latin America and the Caribbean.

Criterion 4 - Likelihood of effective implementation

What is the likelihood of effective implementation? In order for implementation to be effective and sustainable, political commitment to the EITI from the government and local ownership are paramount. Another factor for successful implementation includes an enabling environment for company and civil society engagement in accordance with the EITI Standard.

Criterion 5 – Comparative advantage of EITI partners

Does the Secretariat and/or chair have a comparative advantage compared to other EITI supporters? A number of EITI partners are already active in target countries through policy dialogue, networks, local offices, and capacity-building, institutional strengthening and development programmes. These could be used to leverage outreach opportunities and streamline country specific interventions.

6 Strategic approaches

Strategic approaches will continue to focus on mobilising support from a wide range of stakeholders, including supporting and implementing countries, companies, investors and institutions, complemented by targeted outreach by the EITI Chair and International Secretariat. The following approaches, which draw on current practices, will be adopted or further enhanced, encouraging a balanced stakeholder in-country and global engagement:

► Country-specific programmes

The EITI will continue to work closely with international development partners to integrate outreach interventions into their country-specific programmes. The initial efforts focus on raising awareness about the EITI, create dialogue and build capacity of local stakeholders. A key feature of this work is developing the arguments in support of EITI implementation, in particular linking the EITI to other reform activities. Where government has expressed an interest or has committed to implement, a substantial amount of work is often required establish the EITI in government with oversight from an appropriately constituted and representative MSG. This can often be done quickly, although often requires extensive preparatory work.

► Ad hoc contact groups

The contact groups will bring together stakeholders with a common interest in particular countries to share information, coordinate activities, promote synergies and agree concrete actions. This includes both local and international supporters, including government, industry, investor and CSO representatives.

► Country visits

Targeted country visits will be conducted by the EITI Chair, Board members and/or the International Secretariat to pursue a direct dialogue with government authorities and other relevant stakeholders. Where the Secretariat undertakes country visits, a “back to office report” is typically distributed, with an update on the prospects for EITI implementation and the priorities for further outreach activities.

► Use of strategic meetings, events and processes

The EITI will identify relevant meetings, conferences, summits and other events, and seek to maximise the opportunities to leverage policy dialogue, public attention, political commitments, and media coverage. The EITI Global Conference, for example, is an important vehicle to reach out to broader audiences and enlist their support. The next Global Conference is expected in mid-2019. It will provide, both in the run-up and during the conference, an opportunity for engaging stakeholders

from outreach targets including governments from prospected candidates and outreach priorities.

► **Strategic collaboration with like-minded initiatives and networks**

Every effort will be made to identify and collaborate with relevant initiatives and networks such as the Open Government Partnership in order to profile and communicate the benefits of EITI implementation. Key partners not yet doing so will be encouraged to include the EITI in their awareness programmes. The next OGP Summit will be in Georgia in July 2018 and is a good opportunity for commitments to implement.

► **Effective use of communications tools**

The EITI will make extensive use of the wide variety of communication tools through which the different target audiences can be engaged and informed, including regular correspondence (by letter, phone, or e-mail), printed materials, and the EITI website.

► **Engagement of the media**

Media strategies will be integrated into outreach activities to promote awareness on EITI on a broad scale.

► **Peer learning and exchange**

The EITI encourages the active involvement of implementing countries in outreach efforts by providing support for peer-to-peer sharing of information and best practices at the regional and international levels.

► **Role of the EITI International Secretariat**

In some cases, the EITI International Secretariat may need to provide direct and high-level advocacy, and coordinate the efforts of others directly. In other cases, the Secretariat's role may include indirect support and/or encouraging peer or regional coordination.

7 Priority countries

In light of the above key criteria, the EITI has identified a number of priority countries for EITI outreach. The list and motivations below need to be reviewed regularly, taking into consideration the strategic approaches identified in section 5 above. The list should not be considered rigidly. If for example a government approaches the EITI, the EITI is expected to respond positively even if it is not an outreach priority.

Latin America and the Caribbean

Building on the recent increased number of countries in this region implementing the EITI and the peer regional exchanges, the priority countries are **Argentina, Brazil, Chile** and **Ecuador**. Argentina made a commitment to implement in EITI in Lima and confirmed it in December 2017. Ecuador's Minister of Mines Rebeca Illescas announced the country's commitment to implement the EITI in Toronto during the most recent PDAC's conference in early March 2018. Brazil faces considerable political and economic challenges, and there is a strong case for using the EITI to address governance concerns in the extractive industries. The new administration in Chile has indicated a renewed commitment to open government including consolidating its regional leadership in transparency and good governance.

Asia and the Pacific

Outreach will focus on **Australia** and **Thailand**. Australia recently committed to implement the EITI. Preparations in Thailand are also progressing. There have been numerous efforts in the past to engage **China**, with a focus on engaging with Chinese companies that operate in EITI implementing countries. There have been limited efforts to date to engage **India**, which has a large mining industry. Indian companies have a growing role internationally and there is a need to more formally engage the Indian government.

Africa

Key priorities for outreach efforts in the region remain **Angola, South Africa and Zimbabwe**. In all three cases, there is renewed interest and potential following recent changes of leadership. Civil society and company efforts will be important. **Tunisia** has committed to implement and the Secretariat is supporting efforts to get the process started. The first meeting of the Tunisian MSG is expected in the coming months. **Niger** withdrew from the EITI in 2017 but has indicated that it is keen to re-join and the Secretariat has supported that interest.

Europe and Middle East

The Secretariat has received a candidate application from **the Netherlands**. The government of **Lebanon** has committed to implement and partners are encouraging progress. The first meeting of the Lebanese MSG is expected in the next few months.

8 Resource implications

Increased focus on outreach priorities does not always bring additional costs. It often requires more involvement of the EITI Chair, the Head of the Secretariat and other senior representatives, requiring changes of priorities rather than additional resources. It can mean adding a visit to a priority country to a mission to an implementing country. It can sometimes entail use of conferences and bilateral opportunities. The budgetary implications of the outreach strategy include some staffing-time, travel, communications and other administrative costs for the International Secretariat. The 2018 Secretariat work plan and budget has allocated USD 70,000 for outreach activities including staff costs.