

Outreach strategy 2020-2022

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Introduction

The EITI is currently implemented by 52 countries and supported by over 60 companies and institutional investors, hundreds of civil society organisations and a number of international agencies. Since the Board adopted the 2018-2019 outreach strategy in June 2018, one country, Argentina, has been accepted as an implementing country. Candidature applications are expected from a further 4 countries by the end of 2019/early 2020 (Equatorial Guinea, Lebanon, Niger, Tunisia and Uganda), and Ecuador recently announced its intention to implement the EITI.¹ Meanwhile, four new companies have become supporting companies including one SOE from a non-implementing country, Qatar Petroleum. Whilst the latter were not included in the 2018-2019 outreach strategy, a true picture of the advantages, opportunities and cost of outreach would not be complete without them.

In 2018 and 2019, outreach activities cost an estimated USD 70k per year. This number does not take into account the significant efforts carried out by civil society, industry, countries (supporting and implementing) or international organisations such as the World Bank. Neither does it take into account outreach to industry, investors or other stakeholders, which in turn have secured funding to the EITI and continue to broaden the impact of the EITI. Furthermore, there are extensive outreach activities that do not require funding or that follow from other engagements. 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.

There continue to be resource-rich countries that could benefit from EITI implementation including Angola, Brazil, Chile, Malaysia, South Africa, Zimbabwe and most of the Middle East. The 2019 Standard's focus on systematic disclosures, the targeted effort on state-owned enterprise transparency and the broader engagement with companies and SOEs on commodity trading all present an opportunity to revitalise discussions with stakeholders in these countries.

Various stakeholders are working to promote the EITI in these and other 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. A coherent strategy can support these efforts.

This document proposes the objectives of the strategy, as well as the criteria and strategic approaches that the EITI should use to guide its outreach priorities. In light of these, it proposes outreach priorities for the EITI – including a ramping up of our engagement with state-owned enterprises, financial institutions and southern-based multi-national corporations – and the corresponding resource implications. Finally, it includes a brief background section for the benefit of new Board members, outlining the EITI's outreach efforts to date and other considerations.

¹ The Netherlands was also accepted as a candidate in June 2018, before the current outreach strategy was adopted.

Objectives

The overall goal of the 2020-2022 outreach strategy is to pursue the following objectives

- Promote the overall objective of the EITI Association as defined in Article 2.2 of the EITI Articles of Association by expanding and diversifying countries' use of the EITI Standard to improve extractives governance.
- Encourage more meaningful transparency in target countries, companies and SOEs through implementation of the Standard, respect for the supporting company expectations and participation in the EITI network for SOEs respectively.
- Strengthen the EITI's standing as a global standard for transparency, good governance 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.

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, other than to highlight their relevance with regards to outreach to other stakeholders than states. 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 countries' susceptibility to the resource curse as well as 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 effectiveness of governance, and the extractive industry outlook, as well as the potential socio-economic benefit of improved access to open data and systematic disclosure of information on the sector. This criterion is also relevant for companies and SOEs. For example, improved transparency through the EITI's targeted effort on SOEs could have a significant impact for the governance of an SOE from a resource-rich country where full implementation of the Standard is not feasible due to conflict or insecurity.

Box 1: Resource dependency versus resource wealth – EITI coverage

The Secretariat has carried out a brief review of EITI coverage against resource dependency and resource wealth using the World Bank’s 2017 data on countries’ assets under the “Changing wealth of Nations” project.² The results show high EITI coverage for countries with high natural resource dependence (Figures 1 and 2) but low coverage when it comes to countries with the largest share of natural resource wealth (Figures 3 and 4).

Figures 1 and 2: Extractive resources as a percentage of GDP and as a percentage of total exported goods in 2017. Non-EITI countries in bold.

GDP dependency		Export dependency	
Top 10: 2017	Rents (% of GDP)	Top 10: 2017	% of total goods exports
Congo, Rep.	43%	Nigeria	95%
Mongolia	41%	Botswana	90%
Libya	38%	Brunei Darussalam	90%
Iraq	38%	Mongolia	89%
Kuwait	37%	Azerbaijan	89%
Suriname	33%	Algeria	76%
Congo, Dem. Rep.	33%	Bolivia (Plurinational State of)	75%
Timor-Leste	31%	Kuwait	74%
Guyana	25%	Suriname	73%
Liberia	25%	Ghana	67%

Figures 3 and 4: Share of natural resource rents and exports in 2017. Non-EITI countries in bold.

Share of global natural resource rents		Share of global natural resource exports	
Top 10: 2017	59%	Top 10: 2017	56%
Russia	10%	Russia	10%
Saudi Arabia	9%	Australia	9%
China	9%	USA	7%
Iran	6%	Canada	6%
Australia	6%	United Arab Emirates	5%
United States	5%	China, Hong Kong SAR	5%
Brazil	5%	Switzerland	5%
Iraq	4%	Iran	4%
India	3%	Norway	3%
United Arab Emirates	3%	United Kingdom	3%
Others	41%	Others	44%

Criterion 2- Strategic importance for the EITI

Is an outreach activity of strategic importance for the EITI? This criterion puts an emphasis on a stakeholder’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 company or a country’s natural resource sector, their importance vis-à-vis the national economy or their position as regional or industry trendsetters

² <https://openknowledge.worldbank.org/handle/10986/29001>.

may be relevant. This would also facilitate the use of the EITI Standard for policy setting because new implementers and supporters would not only endorse the EITI but would also be inclined to mobilise relevant support.

Criterion 3 - Regional diversity

Does the outreach activity contribute towards regional diversity? The EITI Standard continues to establish 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 10 countries in Latin America and the Caribbean. Industry and civil society from all over the globe have expressed their support to the objectives of the EITI. Bringing in a key player in a region can have a significant “contagion effect” on other countries in sub-regions that are not currently well-represented such as Southern Africa. Peer-to-peer exchanges can be useful to encourage implementation in regions that have not previously been receptive.

Criterion 4 - Likelihood of effective implementation or adherence to the company expectations

What is the likelihood of effective implementation or adherence to the company expectations? 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. Companies that are not willing to adhere to the EITI company expectations can become a liability to the EITI. When assessing the likelihood of effective implementation, it is also important to note the level of preparedness in the country and the technical assistance needs that may follow implementation.

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. Likewise, industry and civic organisations may be more able to influence their peers than the International Secretariat or the Chair.

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 engagement from stakeholders in-country and globally:

► 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, creating dialogue and building the 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 or industry sectors 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, company and other stakeholder visits**

Targeted country, company and other stakeholder visits will be prioritised by the EITI Chair and the Executive Director and conducted by Board members and/or the International Secretariat to pursue a direct dialogue with government authorities, industry representatives and other relevant stakeholders. Where the Secretariat undertakes these visits, a “back to office report” is typically distributed, with an update on the prospects for EITI implementation or support 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. Follow up to the 2019 Global Conference provides an opportunity for engaging stakeholders from outreach targets including governments from prospected candidates and other outreach priorities. The Board could consider hosting a Board meeting in a priority outreach country to encourage implementation.

► **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 or support. Key partners not yet doing so will be encouraged to include the EITI in their awareness programmes.

► **Effective use of communications tools and of the media**

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. 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 and other stakeholders in outreach efforts by providing support for peer-to-peer sharing of information and best practices at the regional and international levels.

Outreach priorities

In light of the above criteria, the EITI has identified a number of outreach priorities. The list and motivations below need to be reviewed regularly, taking into consideration the strategic approaches identified above. The list should not be considered rigidly. If for example a government or company 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 **Brazil, Chile** and **Ecuador**. Brazil has expressed interest in considering EITI implementation as a tool for improving governance of the extractive sector. Chile has indicated a renewed commitment to open government including consolidating its regional leadership in transparency and good governance. The EITI could also help Chilean stakeholders deliver the 2050 mining strategy. Ecuador has announced its intention to apply to become an EITI candidate country. The International Secretariat will provide support for their preparations of the application.

Asia and the Pacific

Outreach will focus on **Australia, Malaysia** and **Chinese companies** reporting in EITI countries. Australia has committed to implement the EITI, although progress is slow due to changes in government. The launch of Malaysia's Anti-Corruption Plan (NACP) and the EITI Board's targeted effort on SOE transparency and commodity trading have opened new opportunities for outreach to Malaysia through engagement with the Prime Minister's Office and the national oil company Petronas. Whilst it continues to be unlikely that China will implement in the medium term, the Secretariat continues to pursue deeper engagement with Chinese companies.

Africa

Key priorities for outreach efforts in the region are **Angola, South Africa, Uganda** and **Zimbabwe**. To varying degrees, changes of leadership have opened new windows of opportunity to engage with all four countries. Civil society and company efforts will be important. Tunisia has set up a multi-stakeholder group and the Secretariat is supporting efforts to get the process off the ground, however frequent changes in government have made progress difficult. **Equatorial Guinea** and **Niger** have expressed interest in re-joining the EITI and both countries have demonstrated strong support from the highest levels of government. The Secretariat is working with both countries to help prepare their candidature applications.

Middle East

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 and the International Secretariat is providing support. Building on the EITI's engagement with Qatar Petroleum, the Secretariat will encourage implementation by **Qatar** and seek to replicate this engagement with other countries in the region.

Industry, including financial institutions and state-owned enterprises

The EITI Secretariat plans to target specific oil and gas and mining companies active in EITI implementing countries, but which are not currently EITI supporting companies. These include **Aker Energy** (Ghana), **ArcelorMittal** (Kazakhstan, Liberia, Mexico, Ukraine), **First Quantum Minerals** (Mauritania, Zambia), **OK Tedi Mining** (Papua New Guinea), and **RAK Petroleum** (Cote d'Ivoire, Iraq, Norway), among others. Each regional team has highlighted several companies to target from their region.

In addition to targeted outreach to specific oil and gas and mining companies, the Secretariat plans to increase outreach to financial institutions. Support and engagement from financial institutions has declined in recent years. The EITI Secretariat hopes to reinvigorate this sub-constituency through targeted outreach, highlighting the benefits of supporting the EITI

Outreach to commodity traders, particularly **Mercuria** and **Vitol**, which have not yet committed to supporting the EITI and its efforts on commodity trading transparency is also a priority. The involvement of these companies in the Secretariat's work on developing reporting guidelines for companies buying oil, gas and minerals from governments is key to the success of these efforts.

Finally, the Secretariat will be conducting outreach to state owned enterprises (SOEs) as part of its targeted efforts on SOE transparency. The majority of the world reserves of oil and gas are held by SOEs. Regional teams have identified **Codelco** (Chile), **Gazprom** (Russia), **Pemex** (Mexico), **Petrobras** (Brazil), **Petronas** (Malaysia), **Petrosen** (Senegal), and **Sonangol** (Angola), as priorities for targeted outreach.

Resource implications

Increased focus on outreach priorities does not always bring additional costs. It often requires more involvement of the EITI Chair, the Executive Director 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. Successful outreach efforts can of course lead to increased costs associated with implementation support, however this is not considered a resource implication of this strategy. Outreach to stakeholders can help bring in new sources of funding, for example through additional supporting company contributions, support from regional organisations and project-specific funding such as support to SOE transparency efforts.

The 2020 Secretariat work plan proposes an increase in the budget to support new outreach

opportunities identified in 2019. Total budget allocation for outreach activities, including staff costs, amounts to USD 200k. At 3% of the total, this continues to be a small portion of the budget.

Background and EITI outreach so far

Most of the 52 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. A wide range of supporters have throughout the brief history of the EITI played key roles in this outreach work.

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. 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 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. With the adoption of the company expectations, outreach to industry has become increasingly important, not only to ensure the financial stability of the EITI but also because of the potential to promote and uphold a culture of corporate transparency. Likewise, the Board's targeted effort on SOE transparency has the potential of bringing increased transparency and accountability to enterprises that all too often have operated outside public oversight. Outreach to SOEs from non-implementing countries can also serve as a springboard to future implementation.

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 last strategy, corresponding to 2018-2019, was adopted by the EITI Board in June 2018. 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, stakeholders have played a greater role in outreach to their peers.

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 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.

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