

REPORT OF 5TH EITI GLOBAL CONFERENCE

Paris, 2-3 March 2011

EITI International Secretariat Oslo, 9 March 2011

1 Introduction

EITI Global Conferences are the EITI movement's biennial coming-together. The 5th EITI Global Conference was held on 2-3 March 2011. It was an opportunity to discuss the impact of the EITI, share lessons learnt from implementation and address future challenges for the EITI. Heads of states, government leaders, companies and civil society organisations, and around 1,000 participants from more than 70 countries gathered at the OECD in Paris to shape the future of the EITI.

The conference – entitled *Transparency Counts* – focused on how the EITI is making a difference to the nearly half a billion people in the 27 countries who now have access to reliable revenue figures from their country's natural resources. In most cases, these figures had never been available before. In many cases, the revenue had been the source of bitter conflict, and the source of mismanagement and plunder.

The conference took place against a backdrop of uprisings in resource-rich countries in North Africa demanding more accountability in government; the recent debate about transparency caused not least by the Wikileaks debate; the renewed focus on resource revenue transparency by the French G-20 presidency; and high commodity prices. The debate over mandatory disclosure requirements in the US and Europe also sparked some energy with different positions clearly set out from the very opening plenary. The conference provided a space for these important discussions between key stakeholders.

The conference sought to put national EITI implementation front and centre. The National Exhibition reminded participants that, amongst all the debate on international disclosure requirements, the EITI is making a difference on the ground in 35 countries. And the processes are impressive, as reflected in the materials on display: reports, posters, newspaper articles, videos, radio programmes, cartoons, etc.

By the start of the conference eleven countries - Azerbaijan, Central African Republic, Ghana, Kyrgyzstan, Liberia, Mongolia; Niger, Nigeria, Norway, Timor Leste, and Yemen – were EITI Compliant. In these countries, the EITI had contributed to trust building, improved natural resource governance, civil society engagement and improved business environment. Many other countries were continuing the journey to reach compliance. It was emphasised that the EITI Compliant countries also needed to continue to improve the quality of their reporting and multi-stakeholder dialogue.

The conference objectives included:

- Conveying the impact that the EITI was having in implementing countries through a strong focus on sharing experiences and demonstrating how revenue transparency and the EITI multi-stakeholder process changes countries.
- Giving momentum to policy debates that would shape the future of the EITI such as how EITI reporting can be strengthened and addressing policy issues that have emerged as a result of experiences gained so far.
- Increasing commitment and level of engagement in key outreach countries.
- Endorsing the recommendations of the EITI Board on key policy issues for the EITI including revisions to the EITI Rules.

2 The programme

The full programme can be found at www.eitiparis.org/programme. It contained six plenary sessions – including the opening plenary, the Board report to the conference, the stakeholder forum, and the closing session. There were also nine executive parallel sessions spread over the two days. In all, over 120 speakers directly addressed the conference, along with many who made contributions from the floor.

In addition, there were dozens of meetings, workshops, and seminars held in the margins of the conference – many of which appear on the official programme. There were also special events such as the EITI Chair's Awards and the EITI National Exhibition. These too contributed to the wider aims of the conference and are covered in the report below.

3 Report

3.1 Day one

The overall theme was *Transparency Counts*. The focus of the first day was on consolidating the impact of the EITI. The EITI had been growing strongly since the Doha Conference in 2009 and had become the leading international standard for governance and transparency in the extractives sector. 35 countries were implementing the EITI and several other resource rich nations had signalled their intent to become EITI Candidates. The previous year had seen unprecedented levels of activity in EITI implementing countries meaning that, by the time of the Conference, 20 of the 35 candidate countries had undertaken validation. 27 implementing countries had produced EITI reports – more than half of them for the first time in the previous year. Building on this, the 5th Global Conference took stock of what the EITI standard meant for the citizens of resource rich countries whose lives it was designed to improve. It was an opportunity to discuss the impacts of the EITI for countries, companies and civil society alike.

Outgoing EITI Chair, Peter Eigen, set the tone of the first day by highlighting the growing attention being focused on transparency and good governance issues in the extractives sector. President Otunbayeva drew parallels between the political uprising in her country last year and Libya to highlight the importance of a building platform for dialogue. Peter Voser, CEO of Shell, emphasised why the EITI is so important for companies: the transparency and debate takes place in the operating countries amongst the citizens of the affected country and involves all operating companies. Mo Ibrahim and Global Witness founder, Simon Taylor, welcomed the complementary of the EITI – with its in-country reporting requirements – and the new US financial reporting requirements which requires all extractive companies listed on US stock markets to report payments made to governments in the countries where they operate. They noted that many tools would be required to address the

challenges of good management of natural resources. As Mo Ibrahim said, "in the world of Wikileaks ... no more hanky-panky".

The six new EITI Compliant countries – the Central African Republic, the Kyrgyz Republic, Niger, Nigeria, Norway, and Yemen – were applauded for their achievements, though it was noted that all Compliant countries needed to go beyond Compliance and embed transparency and accountability to achieve meaningful and sustained improvements for their citizens. Trinidad & Tobago and Guatemala were welcomed as the newest EITI Candidate countries.

In launching the EITI Progress Report 2009-2011, EITI Board Members acknowledged the spirit of constructive collaboration in the Board working through what at first appeared to be intractable problems. The discussions highlighted the uniqueness of the experience of each of the 35 implementing countries, and how – as summed up in the EITI Progress Report – the EITI is building trust and dialogue, improving governance, strengthening civil society, and advancing the business climate. The impact of the EITI was further demonstrated at the EITI National Exhibition which hosted stands for all implementing countries. EITI materials, reports, videos, and promotional information were showcased.

In many of the sessions, there was discussion of the recently passed legislation on reporting for extractive companies listed in the US and speculation on what impact it may have on companies, governments and the lives of citizens around the world. Some participants, notably the French and British government representatives, voiced their desire for similar transparency legislation to be passed in Europe.

3.2 Day two

The second day was focused on looking ahead to the future of the EITI and revenue transparency. Despite the progress and impact of the EITI, making natural resources benefit everyone still remains a key global challenge. The conference was a time to reflect on how to address key global and strategic challenges of the future. These included the need to improve and deepen EITI reporting, increase engagement with emerging resource rich economies, the role of existing and new legislation which might have implications for EITI implementation, ensuring adequate civil society participation and the need to improve the rules of the EITI, and ensuring that benefits of the EITI are enhanced. The sessions and debates around this theme sought to engage stakeholders in discussions about how and why the EITI will continue to matter even more in the future.

Presidents Kikwete (Tanzania) and Guebuza (Mozambique) opened the day by reflecting on the importance that revenue transparency in improving the governance of their extractive sectors. President Kikwete noted how the EITI is facilitating discussions about his country's mining sector and its contribution to the economy. President Guebuza pledged his strong commitment to deepen Mozambique's EITI process following the publication of the tax payments and receipts in the country's first EITI report. Managing Director of the World Bank, Sri Mulyani Indrawati reminded the participants that EITI Compliance is not an end in itself. More needed to be done to improve accountability.

US Under Secretary of State for Economic, Energy and Agricultural Affairs, Robert Hormats, stressed the importance of the EITI in helping to improve the investment climate in the extractives sector. Standard Life Investment's CEO, Keith Skeoch, noted that institutional investors are not only supporting the EITI because it is the right thing to do, but because it makes business and commercial sense. Executive Director of the International Energy Agency, Nobuo Tanaka, made clear that improved transparency in the energy sector has a direct link to providing investors with the necessary confidence to invest in much-needed long-term energy infrastructure. Many speakers throughout the day emphasised the need to allow the free and fair participation of civil society groups in the EITI and other governance processes.

In one of the executive sessions, Prof Paul Collier, author of ‘The Bottom Billion’ highlighted the need for “full, free and informed consent” as to how each country’s finite natural resource wealth is spent and invested - one of five links in the value chain that must be prevented from breaking if EITI is to mature and thrive. Several speakers and participants voiced their desire to see the EITI extended to cover contract and license transparency and coverage of transit payments.

Emphasis on better communications was a strong theme in some of the sessions. Alfred Brownell a seasoned activist and veteran of Liberia’s citizen engagement work noted that the “new heart of EITI” is ensuring that not only CSOs have a place at the table, but that citizens themselves - the ultimate beneficiaries of natural resource wealth and thus of EITI - are fully empowered to help decide the priorities for how their resource wealth is spent or invested.

In another executive session that delved in detail into the EITI reports, Alex Gillies asked why Ghana has 4% government take of its total value of mining production, whilst Mali’s has nearly 20%. Improvements in EITI reporting and more use of the data to ask these questions were seen as priorities for the EITI.

At the EITI Stakeholder Forum, representatives from almost 30 organisations addressed the conference and made a vibrant plea for strengthening the EITI. The President of the Transitional Parliament in Niger, Marou Amadou, highlighted that the EITI is contributing to making transparent and accountable governance a reality in resource rich countries. The full list of speakers and, where available, transcripts and recordings of their speeches are available at www.eitiparis.org/programme.

“What comes after validation and Compliance?” were recurring themes of the day. At the same time, there was a palpable sense that EITI cannot move on without securing the gains made so far and addressing weaknesses to ensure EITI’s sustainability. Commentators from many camps stressed that much work remains to be done to address the prevailing “information asymmetry” among stakeholders at all levels of decision-making, especially among citizens.

New EITI Chair, Clare Short, French Minister of Cooperation, Henri de Raincourt, and African Development Bank President, Donald Kaberuka, closed the Conference by recalling why the EITI exists: citizens are the rightful owners of natural resources in their country. Minister de Raincourt noted that “some of the revolts happening now are revolts against a lack of transparency” and “the circulation of information gives people an insurmountable force”. The citizens need to be connected better with the debate about the use of revenue from those resources. As Ms Short said “we’ve got to get information into the hands of the people to hold governments to account”. Only in that way, will the title of the conference be fulfilled: *Transparency Counts*. Ms Short thanked participants for their energy, passion and support, but challenged them to double their efforts to have more reports, better reports, facilitate that they are better communicated and discussed within countries so that the resources can be used to improve the well-being of all their citizens.

4 EITI National Exhibition

At the time of the Conference, the EITI was implemented by 35 countries around the world, and the processes were very different from country to country. This fact that stakeholders in each country own and decide the course of their EITI process is one of the key features of EITI methodology. During the Global Conference, representatives from 32 of the implementing countries presented their process at country stands at the National Exhibition. They displayed reports, videos, brochures, posters, T-shirts, badges, flags and other materials to tell the stories from their EITI implementation and to give a strong flavour of their process. This enabled EITI stakeholders from across the world to deepen their understanding of EITI’s country process and the flexibility of the EITI methodology in terms of adaptation to local context and circumstances. Members of their national secretariats were available to answer questions.

The exhibition demonstrated that, even though the framework and standard is established internationally, the EITI lives in implementing countries. Ownership and responsibility of national stakeholders are crucial for a successful and meaningful implementation. As Solange Ondigui Owona, the National Coordinator of EITI Cameroon pointed out, the success (or failure) of the EITI does not only rest on the government's shoulders but also on civil society and companies.

5 EITI Chair's Awards

The Conference bid an emotional and grateful farewell to outgoing Chair Peter Eigen praising his spirit of tenacity, vision and enterprise. The new EITI Chair, Clare Short, invited Peter Eigen to undertake one final task: to award the EITI Chair's Awards to three outstanding EITI efforts that have worked together in difficult circumstances to achieve the remarkable, and gone beyond the EITI minimum standard. He awarded them to:

- Mongolia for consistent improvement in reporting;
- the Central African Republic for rapid implementation; and
- the Kyrgyz Republic for achievement despite political instability.

6 Media

Around 70 journalists from 15 countries participated in the Conference with press accreditation. Of these, around half were based in Paris. Media organisations represented include AFP, Bloomberg, Dow Jones, Financial Times, Foreign Policy Magazine, Jeune Afrique, La Croix, La Tribune, Le Monde, Liberation, Panapress, Petroleum Economist, Radio France Internationale, and Thomson Reuters. In addition to on-site journalists, the Secretariat (with support from OECD) facilitated interviews including from BBC Radio and Voice of America.

6.1 Press events

Accredited press were invited to two press conferences – one on each of the conference days. Peter Eigen, the outgoing Chair of the EITI, chaired the first media briefing after the opening session of the conference. The other speakers were Kyrgyz President Otunbayeva, Bishop Portella-Mbuyu (Congo-Brazzaville), Simon Taylor (founder of Global Witness), and Peter Voser (CEO of Shell).

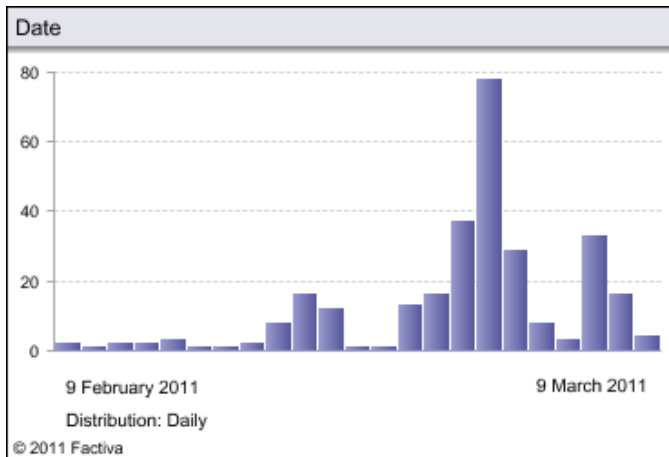
Clare Short chaired a media briefing on the second day. The other speakers were HE Presidents Guebuza (Mozambique) and Kikwete (Tanzania), Robert Hormats (Under Secretary of State for Economic, Energy and Agricultural Affairs, United States), Sri Mulyani Indrawati (Managing Director of the World Bank), Radhika Sarin (Coordinator of Publish What You Pay and Nobuo Tanaka, Executive Director, International Energy Agency).

6.2 Media coverage

The days during and following the conference saw an unprecedented peak in newspaper articles about the EITI. The International Secretariat's initial findings show that while many of them are directly related to journalist reports from the conference, there was also a peak in articles about and from the many EITI countries. National EITI stakeholders have clearly timed their media efforts to coincide with the days leading up to the conference.

Topics of the articles written by media present at the conference include the current state of the EITI, the recently announced 11 EITI Compliant countries, Clare Short as the new EITI Chair, the debate on the Dodd-Frank act, the unrest in Libya, and George Soros' trip to Guinea and op-ed to the FT.

The International Secretariat has compiled a media review with many of the articles that is available upon request.

News articles mentioning EITI, Print and web. 9 February – 9 March. Source: Factiva.com

7 Further information and reports

Highlights of the two days, speeches and statements, press releases, guest blogs, links to tweets, photos, the EITI video, the conference materials, the new EITI Rules book, and 2009-2011 EITI Progress Report can all be found at www.eitiparis.org. The site has (from late March) video recordings of the plenary sessions and audio recordings of all the executive sessions.

Photos from conference that can be freely used can be found at: <http://flickr.com/eiti>