

How the EITI contributes towards meeting the Sustainable Development Goals

"Implementation of the EITI helps countries achieve the Sustainable Development Goals. I am proud that the EITI has a proven track record of strong country ownership to improve the governance of natural resource wealth as an important engine for sustainable economic growth. The 51 implementing countries have engaged companies and civil society with government institutions to enhance transparency and accountability, quality investment, and citizen empowerment."

Fredrik Reinfeldt, EITI Chair



EITI and the Sustainable Development Goals (SDGs)

If natural resources are managed well, they can foster economic development by providing opportunities for decent employment, business development, increased fiscal revenues, and infrastructure linkages. Historically, however, extractives have often contributed to many of the challenges that the SDGs are trying to address such as environmental degradation, displacement of populations, conflict, corruption and the violation of human rights. EITI implementing countries have made significant advances in mitigating and managing such impacts and risks, by improving how the sector manage their economic and social impacts. Implementation of EITI will contribute to the achievement of the targets below.

The multi-stakeholder governance approach and data focus of the EITI predates the approach of the Agenda 2030. It has a track record of tangible results across over 50 resource-rich countries. This paper selects a cross-section of the 169 targets listed under the 17 SDGs to illustrate how the EITI contributes to this development agenda. This is not intended to be an exhaustive list of the linkages between the SDGs and the EITI.

How the EITI contributes towards meeting the SDG targets

Target 1.1 *By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day.* The EITI is a global standard that promotes open, accountable and inclusive management of natural resources. EITI stakeholders subscribe to EITI Principle 1 that "the prudent use of natural resource wealth should be an important engine for sustainable economic growth that contributes to sustainable development and poverty reduction, but if not managed properly, can create negative economic and social impacts". Principle 4 goes on to say "A public understanding of government revenues and expenditure over time could help public debate and inform choice of appropriate and realistic options for sustainable development". **See how [Mongolia](#) is using online tools to make the EITI relevant to domestic priorities.**

Target 10b *Encourage ... financial flows, including foreign direct investment, to States where the need is greatest, in particular least developed countries, African countries, small island developing States and landlocked developing countries, in accordance with their national plans and programmes.* Countries implement the EITI for a number of reasons, including attracting quality foreign direct investment. **See why so many [companies](#) and [financial institutions](#) support the EITI and why hundreds of industry representatives take part in implementing the EITI Standard in national EITI councils around the world.**

Target 16.4 By 2030 significantly reduce illicit financial ... flows, ... and combat all forms of organized crime and Target 16.5 substantially reduce corruption and bribery in all its forms. The EITI acts as a diagnostic tool for improving government systems in the extractive sector. This reduces exploitation of weak systems and institutions. **See how the [Democratic Republic of the Congo](#) has used the EITI's beneficial ownership disclosure requirements to show where political exposed persons have been appointed extractives rights.**

Target 16.6 Develop effective, accountable and transparent institutions at all levels. The EITI Standard helps countries build and maintain strong institutions. Countries that implement the EITI have to regularly review and disclose information about every stage along the extractive industry value chain – from the legal and fiscal framework, through licenses, production and state-owned enterprise, to how extractives-related payments are transferred back to local communities. **See how [Honduras, Kazakhstan and Sierra Leone](#) are using the EITI to build strong institutions.**

Target 16.7 Ensure responsive, inclusive, participatory and representative decision-making at all levels. The EITI is built on the idea that stakeholders can achieve more working together, even if their points of departure may be diametrically opposed. In many countries, the EITI's main achievement is providing a platform for stakeholders who would otherwise be unable to take part in the public debate. For countries who have recently experienced conflict or repression, the EITI provides a framework that allows all parties to come to the table and have engage in meaningful discussions on the management of the natural resource sector – often for the first time. **See how the EITI is being used in [Myanmar](#) and around the world to make progress on inclusive governance.**

Target 16.10 Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements. How can the technical findings of over 300 pages of an EITI Report be effectively communicated to communities living near mines and oilfields? **See how EITI [Indonesia](#) has embraced these challenges and brought the EITI to local communities through different media.**

Target 17.1 Strengthen domestic resource mobilization, including through international support to developing countries to improve domestic capacity for tax and other revenue collection. Mobilizing domestic resources is the main mechanism for achieving goals at the national level. GDP growth has the potential to generate increased funds for health, education, and other core components of development. Some countries do not yet have robust systems to collect taxes, reduce tax evasion, and account properly for financing allocations. As paragraph 26 of the Addis Agreement notes “Countries relying significantly on natural resource exports face particular challenges... We encourage countries to implement measures to ensure transparency, and take note of voluntary initiatives such as the Extractive Industries Transparency Initiative”. The EITI helps to improve the capacity of domestic tax systems to stem illicit flows and tax avoidance. **See how [Nigeria](#) is using the EITI to recover over USD 2.4 billion that can be used to make progress on SDG 17.**

Target 17.17 Encourage and promote effective public, public-private, and civil society partnerships, building on the experience and resourcing strategies of partnerships. Principle 12 of the EITI states “In seeking solutions, we believe that all stakeholders have important and relevant contributions to make – including governments and their agencies, extractive industry companies, service companies, multilateral organisations, financial organisations, investors and non-governmental organisations”. The multi-stakeholder approach of the EITI is central to the operation and philosophy of the Agenda 2030, and it is reflected in how the EITI is governed and implemented where relevant actors are represented. These include government agencies, industry and civil society. See guidance note on [MSG oversight of the EITI reporting cycle](#)

Target 17.18 By 2020, enhance capacity building support to developing countries, including for LDCs and SIDS, to increase significantly the availability of high-quality, timely and reliable data. Data deriving from EITI processes increase awareness about how countries' natural resources are used and how extractives resources are awarded, monetised and allocated. EITI countries have together [published data on the extractive sector covering around 300 fiscal years](#). Until recently, this data was not very accessible or useable, contained only in paper reports and pdf files. Disclosing timely data as “open data” online enables users to make better use of EITI data to inform public debate about the extractive industries. **See how the [Government of Sierra Leone](#) has reformed the administration of its mining sector by implementing an electronic mining cadaster system resulting in stakeholders having access to timely and accurate data.**