

The EITI and Climate Risk

The EITI responds to a [letter](#) on climate risk from environmental groups.

On 13 October 2015, a group of environmental organisations sent a letter to the EITI Board and International Secretariat, calling on the EITI to address climate risk. The letter has been distributed to the EITI Board. The International Secretariat sent the following response:

*Dear Hannah McKinnon,
Dear all,*

Thank you for your letter of 13 October with a number of recommendations for the EITI related to climate change. The letter has been distributed to the EITI Board.

The EITI of course agrees that there is an urgent need for a substantial increase in the level of transparency for the sector. Transparency, openness, good governance and strong accountability are good for a wide range of reasons. One of these reasons is indeed to fight corruption, and the stakeholders behind the EITI agree on this. There is significantly less agreement about a number of other reasons why transparency is good. Take energy subsidies as an example, which you refer to. The EITI has no policy related to subsidies and it would be difficult to achieve consensus amongst our stakeholders. However, in countries like Nigeria and Indonesia we have seen how EITI information has significantly contributed towards the political momentum in favour of removing these subsidies.

The extent to which the EITI has been successful is in part due to the ability of keeping its wide group of stakeholders together. This has to some degree been achieved by the EITI's relatively narrow focus. EITI's experience is that ambition and impact can often be accomplished by doing less better. In our case, this translates into a focus on ensuring meaningful transparency. Whether someone is working to limit climate change, increase taxes, attract foreign direct investments by providing tax incentives or whatever it may be, we urge them to use the growing amount of information that is made available through the EITI and other developments. EITI implementation also requires that implementing countries have a national EITI commission – an EITI multi-stakeholder group - whose responsibility it is to oversee implementation. Some of these national commissions have decided to cover environmental taxes, levies and other payments related to the environment in EITI reports. Some of this reporting has simply been agreed at national level, i.e., it goes beyond what the EITI Standard requires from EITI compliant countries. In other cases, like for example Norway's EITI reporting on CO2 and NOx taxes paid by companies, has been deemed 'material' and therefore part of their obligations under the EITI Standard.

The EITI is a global Standard, which has to be designed to be relevant in Togo as well as the United States. As I have indicated above, there are many different users of transparency and openness. It could be problematic for the EITI Standard to demand the inclusion of certain types of civil society organizations. It would potentially

undermine country ownership, it would raise demands from other groups and it would create a straight-jacket for implementing countries. By insisting on that certain groups need to be part of the national commission, it is also likely to undermine the essential role civil society has in itself determining how it wishes to be represented on the national commission. So while there may well in many countries be strong reasons for civil society groups with expertise in climate risk, climate law and climate science to be part of the EITI multi-stakeholder group, I can see reasons for why it should not be required across the world. The same logic applies to a number of your other recommendations. It may well indeed be that a national commission may decide to refer to laws related to climate risks, climate laws and policy, but it may not be relevant in all circumstances and therefore it may not have all stakeholder's support.

I have sought to capture relevant current EITI policy. It is of course possible that it will change in the future – that is, of course, the domain of the EITI Board and the EITI members, whom we in the Secretariat serve. The International Director of Publish What You Pay and EITI Board Member Marinke van Riet has published a [commentary](#) on these issues. We expect a number of other Board Members will also wish to comment.

Yours sincerely

Jonas Moberg