

## **The EITI Strategy Working Group: a summary of Publish What You Pay views (August 2011)**

The Publish What You Pay coalition has been gathering its views about the issues that need to be addressed by the Strategy Working Group of the EITI Board. This note is a summary of the responses so far by Diarmid O’Sullivan from Global Witness.

Our coalition consultation is taking the form of a set of questions, distributed by Publish What You Pay in English, French and Russian, which asked civil society groups to identify the problems and limitations of the EITI, note any areas that should be included within the scope of the initiative (but are not at the moment) and suggest ways that these issues could be reported on.

In the first week of August 2011, when this note was drafted, there had been 15 responses from groups in 12 countries in Europe, Africa and Asia. More views are coming in, so we may write other summaries. Civil society groups may also choose to write to the Board in their own names to present their ideas in more detail.

This summary is only intended to give a broad overview of certain common views, not to report every point made by respondents. For the moment, we are not identifying the respondents or their countries or attempting to weight the different responses.

The main concerns, in summary, are that:

### **1. The current scope of the EITI is too narrow.**

The EITI only requires reporting on revenue flows and leaves out other areas which are crucial to enabling countries to benefit fully from their natural resources. There is a very strong view in civil society that for the EITI to achieve its aims, its scope must widen, notably to the allocation of licences and contracts, the publication of contracts and greater transparency of government budgets and spending.

There is also a view that EITI reporting should cover certain other sectors of the economy that are crucial to developing countries, such natural resource transportation and transit, downstream oil and metals processing and agricultural commodities.

### **2. The information in EITI reports needs to be more detailed.**

Data in EITI reports should be disaggregated by company and government agency because without disaggregation, it is difficult for civil society groups to have confidence in the figures. Other key information should also be reported, including figures for revenue flows to subnational levels of government, “social payments” from industry and figures on extractive companies’ costs and production. The latter, along with the publication of contracts, is needed to address the common complaint that the EITI only tells citizens what revenue has been paid by companies, not whether this revenue is the correct amount or not.

There was a particular concern from Francophone Africa about the accuracy of government data included in countries’ EITI reports.

### **3. The EITI needs a firmer legal basis, nationally and internationally.**

Some respondents expressed concerns about the depth of their governments' commitment to the EITI and complained of a formalistic approach by officials: there were comments that some governments do not see much value for themselves in EITI implementation. There is a widespread view that the EITI needs to be embedded within national law in implementing countries as a way of ensuring that governments remain committed to it and provide the necessary financing.

There were also comments that the EITI should be enshrined in an international instrument like a UN convention, similar to the UN Convention against Corruption, and that OECD countries should implement the EITI to show that there is no global double standard between richer "supporting" and poorer "implementing" countries.

### **4. The EITI must engage more deeply with local communities and their concerns**

There was a common view that the EITI must do more to engage with the citizens of resource-rich countries and in particular, local communities in regions where resource extraction takes place, because these communities often receive little benefit from resource extraction and have to suffer its negative impacts. There were suggestions that community representatives should be included on multi-stakeholder groups, at national or local level, and that the EITI should report on the environmental and social impacts of resource extraction as well as on financial flows.

We expect other views and recommendations to emerge as the discussion continues.

10<sup>th</sup> August 2011