

Strategic Priorities of the Extractive Industries Transparency Initiative (EITI)

Mark Robinson, Executive Director
EITI International Secretariat
Transparency Talks, 7 November 2022
Manila, Philippines

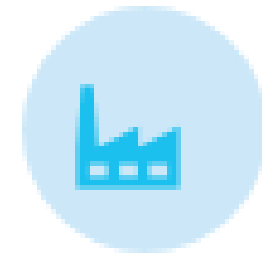


The global standard for the good governance
of oil, gas and mineral resources.

The global context



Transition to net zero



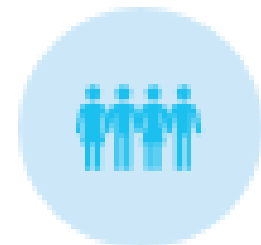
Buoyant demand for transition minerals



Diversification and decarbonisation of energy companies



Extractive revenues under strain

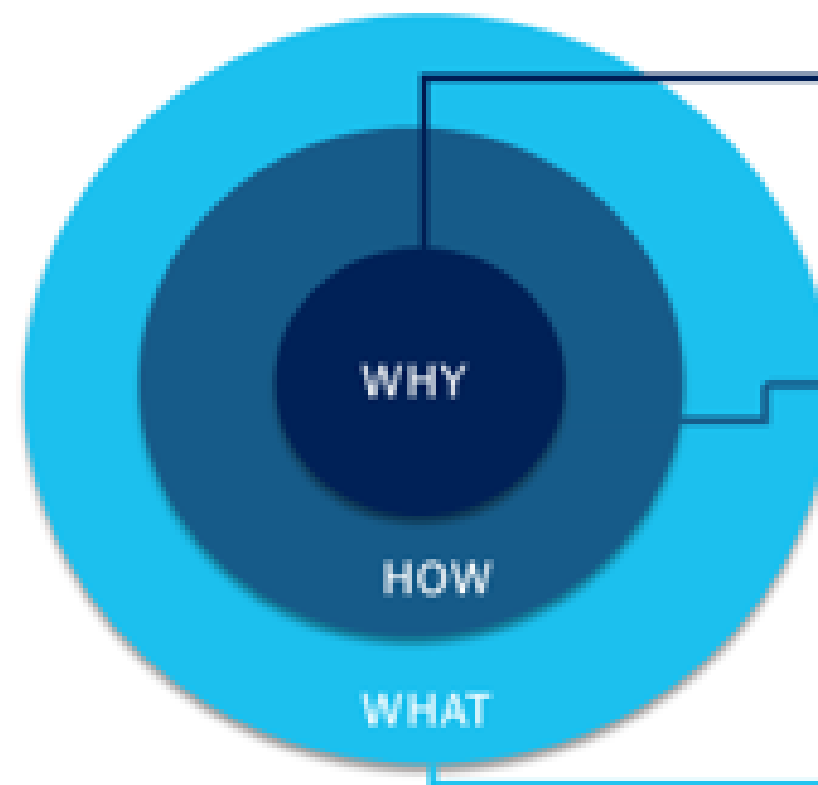


Authoritarian regimes and shrinking civic space

Our positioning

Our positioning

Who are we?



Reduce corruption
Attract investment
Strengthen domestic resource mobilisation
→ Making resources work for the benefit of citizens

Stakeholder forum to debate national priorities
Setting a benchmark for systematic disclosure
Assessing country progress through Validation
Providing data to fight corruption
Freeing up resources for development

Implement a global standard for extractive transparency

Develop: Role of EITI in addressing corruption

Develop: How we measure and communicate impact

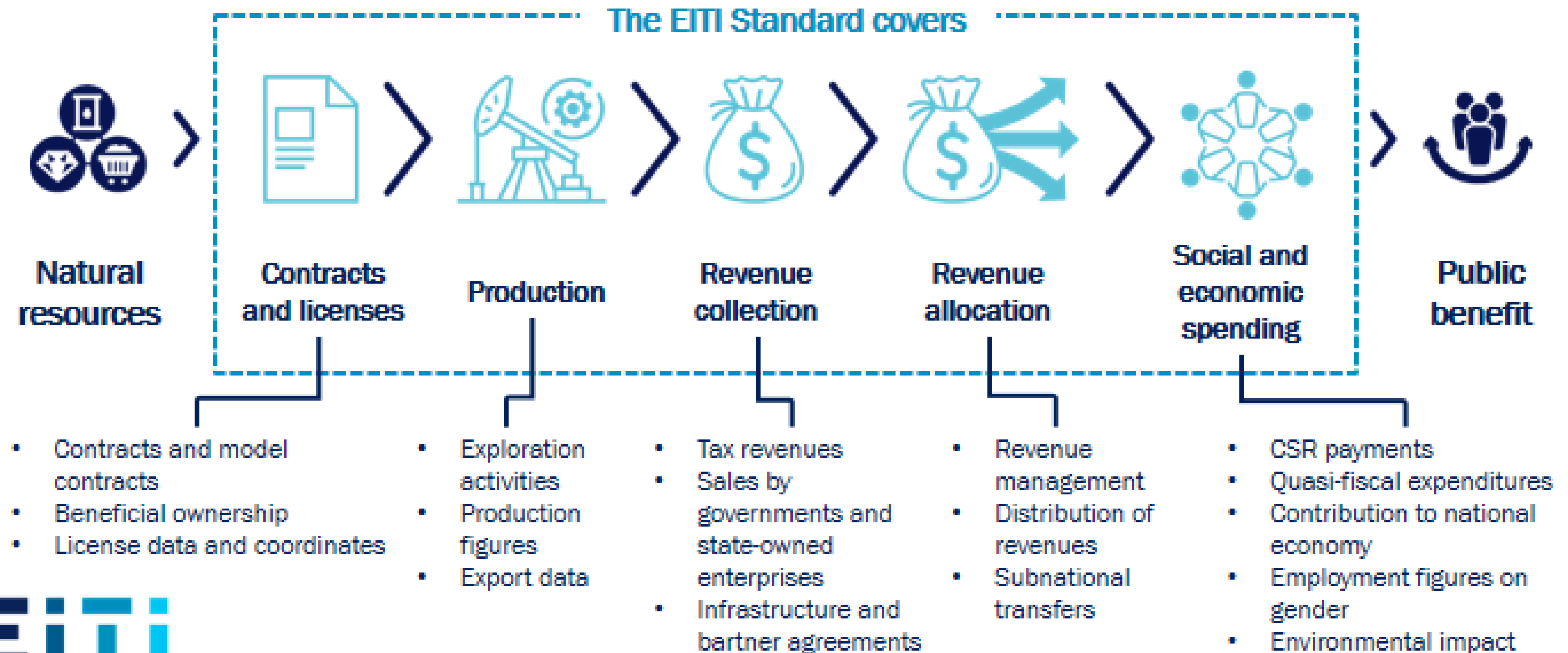
Established: "the global norm for transparency in the extractive industries."

The EITI Standard

The **EITI Standard** outlines the requirements applicable to countries implementing the EITI, as well as the Articles of Association governing the EITI.



A global standard



Strategic priorities for EITI



1. Supporting the energy transition



2. Addressing corruption risks



3. Strengthening domestic revenue mobilisation



4. Publishing open data



5. Informing ESG decisions



6. Measuring impact

1. Energy transition

- The EITI helps citizens better understand the economic and social impact of energy transition
- The EITI supports countries in identifying and mitigating risks in the governance of transition minerals
- The EITI creates platform for dialogue to enable a just transition

Data for energy transition planning:

Revenues and public finance

Future projects: opportunities (production demand) and risks (governance)

Planning and legislation

Climate impacts

2: Addressing corruption

Data-driven approach to corruption mitigation through:

- Beneficial Ownership
- Contract Transparency
- License allocation disclosure
- Revenue transparency
- Commodity trading transparency



Corruption risks in transition minerals, e.g. copper, nickel, cobalt, lithium

- Unfair advantages given to a few players
- Fast tracked negotiations with communities
- Transition minerals are in countries with huge informal sectors (e.g. Cobalt. Total demand is expected to rise by 60-70% by 2040. 10 per cent of the global supply of cobalt, and 20 percent of the DRC's total cobalt exports, comes from ASM operations.
- Increased demand could lead to fast tracking of licenses without adherence to due diligence processes
 - *proliferation of illegitimate players (could be mitigated by beneficial ownership transparency)*
 - *Non.adherence to technical and financial criteria (could be mitigated by license transparency)*
- Shortcuts in formulating regulatory frameworks
- Corrupt speculation

Contract transparency: Knowing the terms of extractive agreements



900+ extractive contracts disclosed in EITI countries

28 countries publish all/some petroleum contracts

25 countries publish all/some mining contracts

Philippine example: Contract disclosure

PH-EITI Contracts Portal



An open database of
Mining, Oil and Gas Contracts in the Philippines

Explore

Browse by company name or search by contract type, contract number,
commodity, signature date or location

Search

Contract disclosure in the Philippines has:

1. Informed policies on Fiscal regime
2. Enhanced monitoring of social and environmental commitments of mining companies
3. Shed light on IP benefits
4. Enabled monitoring of compliance with contractual obligations

Understanding who profits: beneficial ownership

Revealing who owns and controls extractive companies

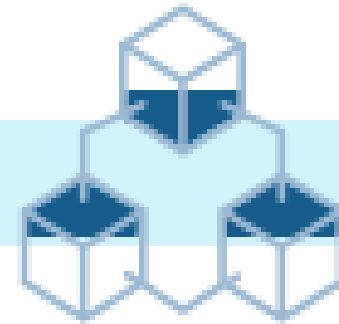
The EITI requires that countries must ensure that oil, gas and mining companies that apply for, or hold a participating in, an exploration or production license or contract in an EITI country **must disclose their beneficial owner.**



Opening Extractives Programme (EITI and Open Ownership)



1. Enable governments and industry to **disclose high quality open beneficial ownership**



2. Build the capacity of government and local stakeholders to **use and analyse data** to improve natural resource governance



3. Develop and communicate relevant insights on the **impact of beneficial ownership transparency in the extractive industries**

3. Domestic Resource Mobilisation

- Government revenues are by far the most significant way in which citizens can benefit from natural resource wealth.
- Several EITI policy areas aim to strengthen revenue collection: SOE transparency, contract transparency, commodity trading, beneficial ownership disclosures, project-level reporting..
- Recommendations from EITI Reports sometimes identify weaknesses in revenue collection.
- Additionally, efforts to encourage EITI stakeholders to analyse data, ensure necessary disclosures and involve the right actors → Contribution to policymaking

4. Publishing Open Data

Building open and transparent government systems

Example: Indonesia, Philippines, Timor Leste



Mainstreaming



Promoting disclosure of extractive data at source, through government and company systems

Enabling public access, analysis and debate

5. Informing Environmental Social and Governance (ESG) decisions

- Experience from EITI's supporting companies offers insights into how the "G" in ESG might be strengthened for wider industry reporting purposes.
- EITI company expectations relevant to ESG:
 - **Transparency commitments in line with global standards**
 - **Comprehensive disclosure of company data**
 - **Tax transparency**
 - **Financial disclosures**
 - **Beneficial ownership transparency**
 - **Anti-corruption**
 - **Contract disclosure**

6. Measuring impact

- Growing recognition of importance of measuring and communicating impact
- EITI Board agreed a series of recommendations, including improving guidance to implementing countries and the development of a country-sensitive results framework.
- The Board has commissioned an Independent Evaluation which was completed in October.
- This work will ensure that monitoring, evaluation and learning are increasingly embedded across our work, especially in country work plans at the national level.
- Revised approach to Validation from 2021.
- Document and communicate impact through EITI communications strategy.

Other areas: Civil society

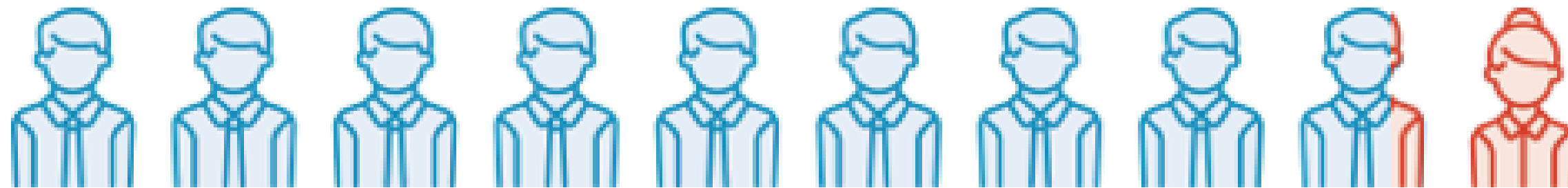
- Increased civil society analysis and advocacy building on publicly available data concerning the oil, gas and mining sectors in EITI implementing countries.
- Positive engagement between EITI stakeholders and implementing country governments to improve civic space related to extractive sector governance.
- Guidance to implementing countries and peer learning on how to use the EITI to strengthen civil society engagement in extractive sector governance, developed and implemented in collaboration with partner organisations.
- Strengthened and more diversified networks of civil society organisations at global and local levels, alongside wider engagement of local community groups, women's organisations, and environmental groups alongside established NGOs, think tanks and advocacy groups.

Other areas: Making extractives work for women

Disclosing employment data broken down by gender

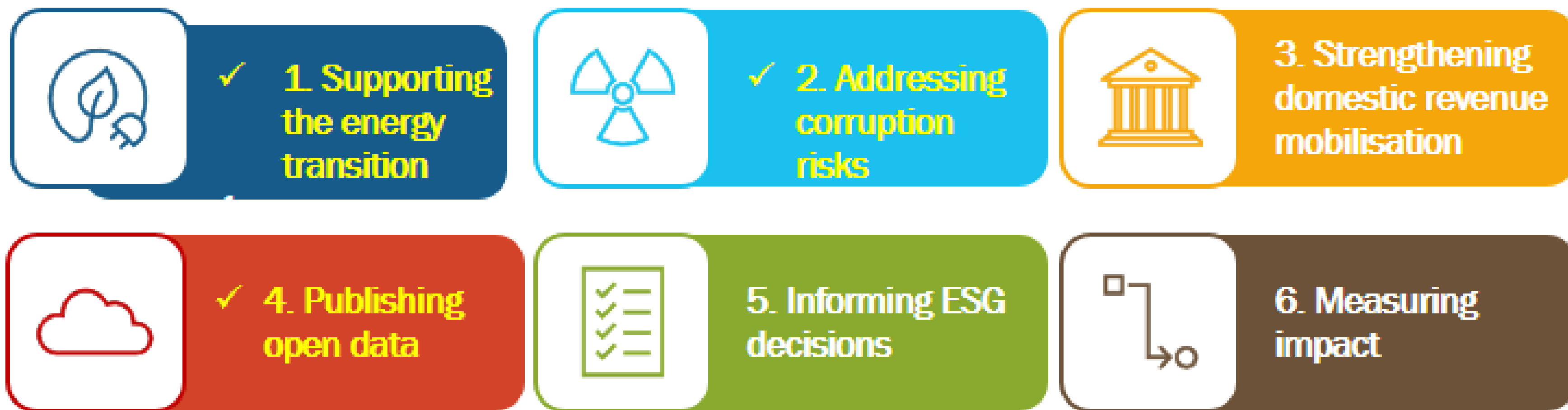


*In Senegal, **9%** of the extractive sector workforce is female.*



*In **Philippines**, **12%** of the mining workforce is female.*

The Philippine MSG's ongoing work on EITI's strategic priorities



Build on ongoing work for Priorities 1, 2 and 4
Strengthen work on Priorities 3, 5 and 6



Extractive Industries
Transparency Initiative

www.eiti.org
@EITlorg

Thank you

E-MAIL secretariat@eiti.org **PHONE** +47 22 20 08 00

ADDRESS EITI International Secretariat, Rådhusgata 26, 0151 Oslo, Norway