

The EITI sets a global standard for revenues from natural resources

3.5 billion people live in countries rich in oil, gas and minerals. With good governance, the exploitation of these resources can generate large revenues to foster economic growth and reduce poverty. However, when governance is weak, such resource revenues may result in poverty, corruption and conflict. The EITI (Extractive Industries Transparency Initiative) aims to strengthen governance by improving transparency and accountability in the extractives sector.

The EITI is a global standard that promotes revenue transparency. It has a robust yet flexible methodology for monitoring and reconciling company payments and government revenues at the country level. Each implementing country creates its own EITI process which is overseen by participants from the government, companies and national civil society. The international EITI Board and the International Secretariat are the guardians of the EITI methodology internationally.

EITI implementation leads to a wide range of benefits

Governments benefit from following an internationally recognised transparency standard that demonstrates commitment to reform and anti-corruption, leading to improvements to the tax collection process and enhanced trust and stability in a volatile sector.

Companies benefit from a level playing field in which all companies are required to disclose the same information. They also benefit from an improved and more stable investment climate in which they can better engage with citizens and civil society.

Citizens and civil society benefit from receiving reliable information about the sector and a multi-stakeholder platform where they can better hold the government and companies to account.

Energy security is enhanced by a more transparent and level playing field. This increased stability encourages long-term investment in production – and thus improves the reliability of supply.

The EITI standard has two main elements:

Companies publish what they pay and governments publish what they receive in an EITI Report.

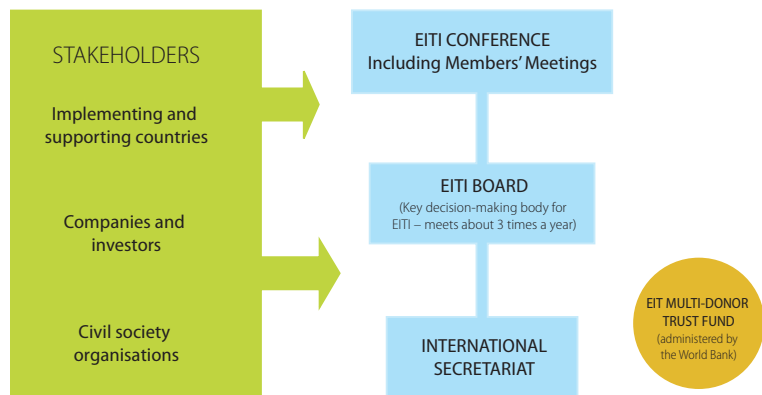
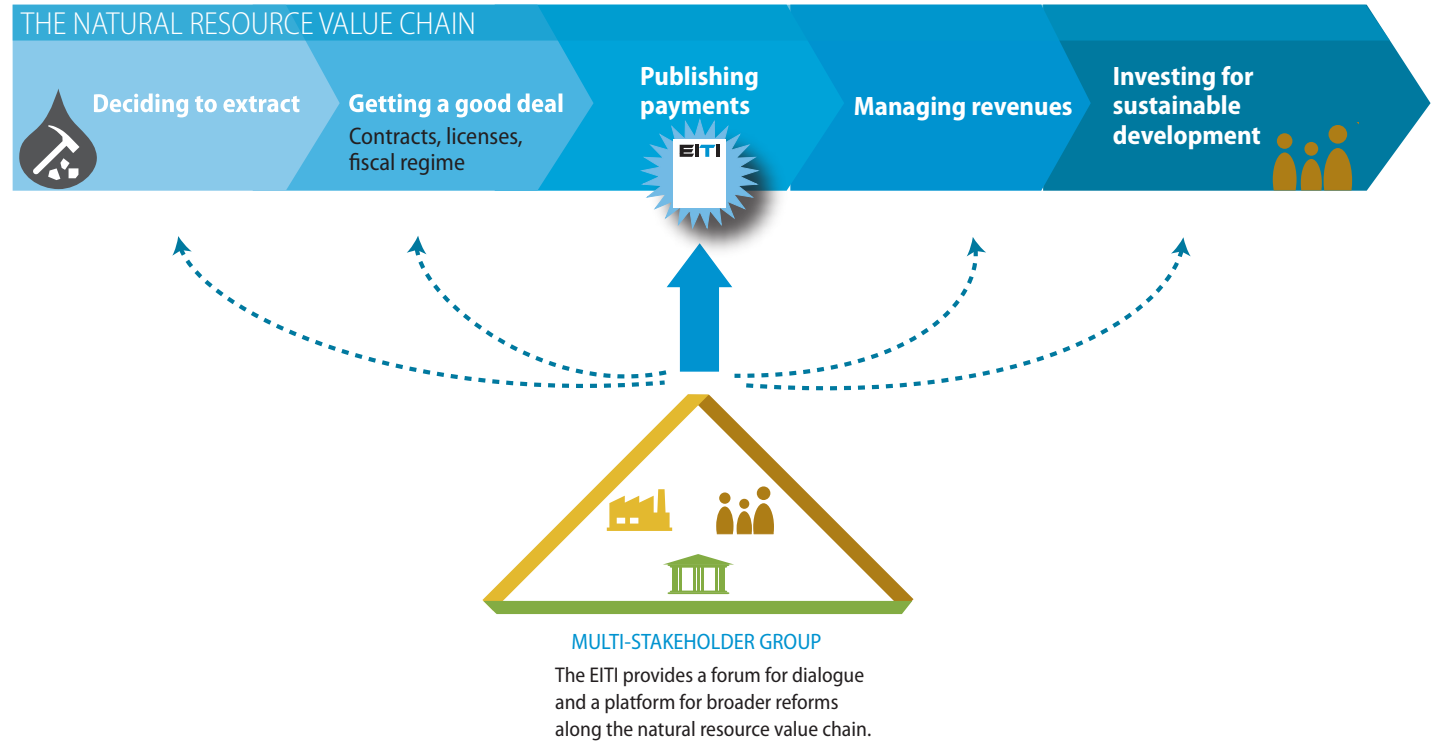


This process is overseen by a multi-stakeholder group of governments, companies and civil society.



The EITI standard is a robust mechanism that ensures transparency of revenues from oil, gas, and mining.

Yet, it is flexible and encourages adaptation to national circumstances and to other areas of the natural resource value chain.



The global governance of the EITI reflects its multi-stakeholder nature

The EITI is overseen by the international EITI Board, chaired by Rt Hon Clare Short. The Board consists of representatives from governments in countries implementing the EITI, extractive companies, civil society groups, investors, and supporting country governments. The highest governing body is the Members' Meeting at the EITI Global Conference. The latest conference in was held in Paris in March 2011.

The 21 EITI Requirements

Implementation of the EITI process is assured by independent 'EITI Validation'

To become an **EITI Candidate**, a country must meet five sign-up requirements. It then has 1.5 years to publish an 'EITI report' that reconciles what companies say that they pay in taxes, royalties and signature bonuses, with what governments say they have received. To achieve **EITI Compliant** status, a country must complete an **EITI Validation**. It provides an independent assessment of the progress achieved and what measures are needed to strengthen the EITI process.

If the international EITI Board considers a country to have met all EITI requirements, the country will be recognised as **EITI Compliant**. If a country has made good progress, but does not meet all of the EITI requirements, it may apply to retain its Candidate status. Where no meaningful progress has been achieved, the Board will revoke the country's EITI status.

The 21 EITI Requirements and the EITI Validation methodology are set out in the EITI Rules, which is available at the EITI website.



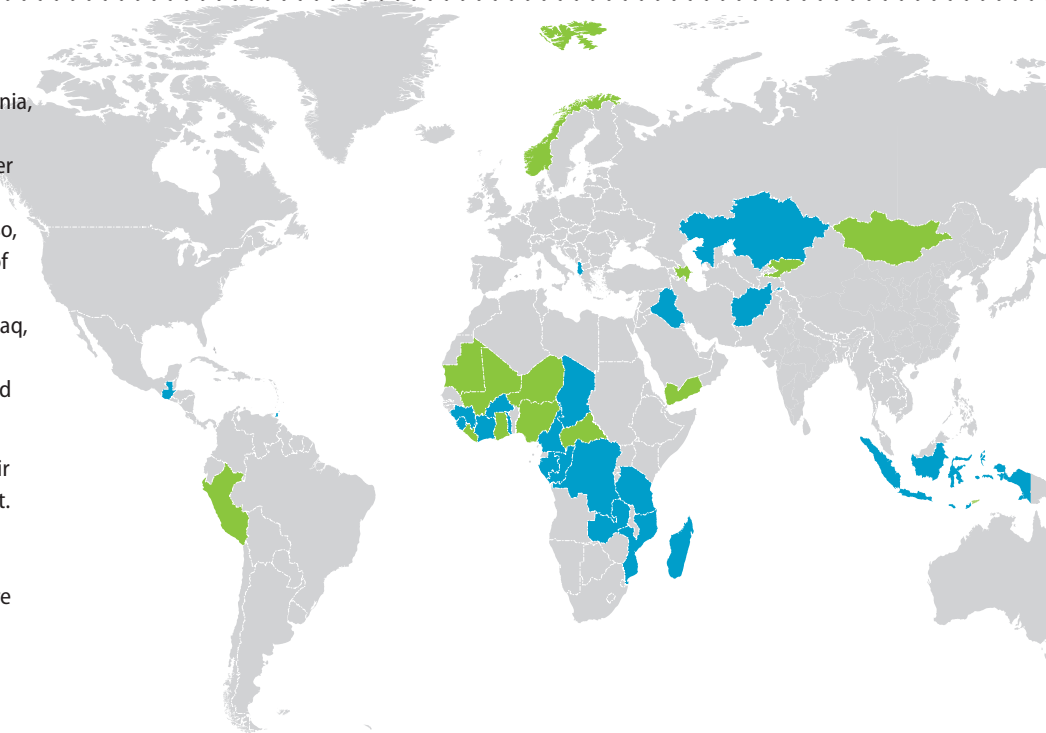
60 of the largest oil, gas and mining companies are committed to supporting the EITI

60 of the world's largest oil, gas and mining companies support and actively participate in the EITI process – through their country operations in implementing countries, international-level commitments and industry associations. The EITI has won the support of over 80 global investment institutions that collectively manage over US \$16 trillion.

35 countries are already well underway in implementing the EITI

14 countries are now EITI Compliant: Azerbaijan, Central African Republic, Ghana, Kyrgyz Republic, Liberia, Mauritania, Mali, Mongolia, Peru, Nigeriā, Niger, Norway, Timor-Leste and Yemen. 21 other countries have achieved EITI Candidate status: Afghanistan, Albania, Burkina Faso, Cameroon, Chad, Democratic Republic of Congo, Republic of Congo, Côte d'Ivoire, Gabon, Guatemala, Guinea, Indonesia, Iraq, Kazakhstan, Madagascar, Mozambique, Sierra Leone, Tanzania, Togo, Trinidad and Tobago and Zambia.

29 of these countries have disclosed their payments and revenues in an EITI Report. Several other countries, including the United States of America, have signalled their intent to implement the EITI and are working towards meeting the sign-up indicator requirements.



A broad coalition of governments, civil society and international organisations supports the EITI

Civil society organisations participate in the EITI directly and through the Publish What You Pay campaign, which is supported by more than 300 NGOs worldwide.

International organisations supporting the EITI include the World Bank, International Monetary Fund and the Regional Development Banks.. These organisations provide technical and financial support to implementing countries, and support EITI outreach.

A number of governments support the EITI including Australia, Belgium, Canada, Denmark, Finland, France, Germany, Italy, Japan, the Netherlands, Norway, Spain, Sweden, Switzerland, the United Kingdom and the United States. These governments provide political, technical and financial support, both internationally and at the country level. They also provide financial support through direct bilateral support to EITI implementing countries or through a multi-donor trust fund managed by the World Bank. The EITI has also been endorsed by the United Nations, G8, G20, African Union, the International Organisation of La Francophonie and the European Union.

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● Compliant countries
● Candidate countries

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