

GUYANA EXTRACTIVE INDUSTRY TRANSPARENCY INITIATIVE

**A BRIEF OVERVIEW OF EITI
AND
AN UPDATE ON GUYANA'S PROGRESS TOWARDS EITI MEMBERSHIP**

GLOBAL STANDARD

- ▶ The EITI is a global standard for the governance of national oil, gas and mineral resources. The standard is implemented by governments in collaboration with companies and civil society. Countries implementing the EITI disclose information on tax payments, licenses, contracts, production and other key elements related to resource extraction.
- ▶ Government, together with companies and civil society work to improve the management of natural resources by implementing the EITI Standard.

INFORMING PUBLIC DEBATE

- ▶ Publicly available information improves the debate about the management and use of natural resources.
- ▶ Leaders can be held accountable for their decisions.

NATURAL RESOURCES BELONG TO CITIZENS OF THE COUNTRY

- ▶ Wealth from natural resources can lead to economic growth and social development. Not disclosing information about this wealth can increase the risk of distrust, weak governance and conflict. Openness about how a country manages its natural resources is necessary to ensure that the resources benefit all citizens.

KEY FIGURES AS OF JUNE 2016

- ▶ As of June 2016, fifty-one (51) countries implement the EITI, of which thirty-one (31) were compliant with the EITI Requirements.
- ▶ The worth of government revenues from oil, gas and minerals disclosed by EITI member-countries is estimated at USD\$1.9 TR.
- ▶ Three hundred and forty-six (346) persons all over the world work in EITI Secretariats, implementing the EITI on a daily basis.
- ▶ Over one thousand (1,000) persons together comprise forty-nine (49) EITI National Coalitions and the International EITI Board.

BENEFITS FROM THE IMPLEMENTATION OF EITI

- ▶ **Implementing the EITI leads to a wide range of benefits.**
- ▶ ***Strengthened Governance*** - Implementing the EITI Standard improves government systems and can lead to improved tax collection and budgetary planning. It signals commitment to the transparent and accountable management of the country's natural resources. A transparent and open government enhances citizen's trust.
- ▶ ***Level Playing Field*** - All companies are required to disclose the same information - same rules for all companies. Companies also benefit from an improved and more stable investment climate in which they can more effectively engage with citizens and civil society.
- ▶ ***Reliable and Accessible Information*** - Citizens benefit from receiving reliable information about the country's natural resources and enable them to hold the government and companies to account. Civil society is an essential partner in implementing the EITI

SUPPORTERS

- ▶ *Over 90 major oil, gas and mining companies have committed to supporting the EITI*, through operations in implementing countries, international–level commitments and industry associations.
- ▶ The EITI has won the support of over **ninety (90) global investment institutions** that collectively manage over **USD \$19 trillion**.
- ▶ *A broad coalition of governments, civil society and international organizations support the EITI*, including:
 1. Four hundred (400) Non-Governmental Organizations (NGOs)
 2. World Bank
 3. International Monetary Fund
 4. International Council on Mining and Metals, and
 5. The regional development banks.

These organizations provide technical and financial support to implementing countries, and support EITI outreach.

HOW THE EITI WORKS

- ▶ A country's EITI Report informs the public of what happens with its natural resources.

The value chain is linked by the following:

- ▶ Contracts & Licenses
- ▶ Production
- ▶ Revenue Collection
- ▶ Revenue Allocation
- ▶ Social & Economic contribution

GUYANA EMBARKS ON PATH TOWARDS EITI MEMBERSHIP

A COUNTRY DESIROUS OF BECOMING A MEMBER OF EITI MUST ADHERE TO THE EITI STANDARD

- ▶ The EITI Standard spells out seven (7) requirements on how to report activities in the oil, gas and mining sectors along the value chain of extracting a resource to turning it into public benefit.
- ▶ All information is regularly published in a country's EITI Report.
- ▶ A country which pledges to adhere to the EITI Standard is considered a 'Candidate' country.
- ▶ A candidate country has thirty (30) months from the date of admission as a Candidate to meet the requirements.
- ▶ The country is then evaluated independently, and if deemed to have met the EITI Requirements for transparency, becomes 'Compliant'.
- ▶ After attaining status 'Compliant', a country will be assessed every three (3) years.
- ▶ A country can be suspended from the transparency standard at any time.

REQUIREMENTS OF THE EITI STANDARD

THE EITI STANDARD STIPULATES SEVEN (7) REQUIREMENTS AS FOLLOWS:

1. Effective oversight by the Multi-Stakeholder Group.
2. Timely publication of EITI Reports.
3. EITI Reports must include contextual information about the Extractive Industries.
4. Prepare comprehensive EITI Reports that include full government disclosure of extractive industry revenues, and disclosure of all material payments to government by oil, gas and mining companies.
5. Establish a credible assurance process for applying international standards.
6. Prepare EITI Reports that are comprehensible, and contribute to public debate.
7. The Multi-Stakeholder Group must take steps to act on lessons learned and review the outcomes and impact of EITI implementation.

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