

Supporting EITI to Strengthen Global Extractives Governance Standards

THE CHALLENGE

The Extractive Industries Transparency Initiative (EITI) is a global standard to promote the open and accountable management of oil, gas and mineral resources. Globally, and in 50+ implementing countries, the EITI is led by a coalition of government, companies and civil society. This approach brings key change agents together, but can also present challenges to tackling politically and commercially sensitive issues. Because the EITI focuses on transparency, complementary efforts are needed to ensure that disclosed information informs sound policy decisions and public debate.

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NRGI'S ROLE

NRGI was instrumental in the founding of EITI and several NRGI staff have since served on its board. NRGI plays a leading role in advocacy and providing technical expertise to expand EITI's disclosure norms on energy transition, corruption, contracts, licensing, beneficial ownership, project-level payments, state-owned enterprises (SOEs), commodity trading, open data and gender. NRGI also helped lead the development of the EITI Civil Society Protocol, which prioritized assessing civic space. NRGI experts help shape EITI requirements, policies, guidance and data templates. Most importantly, NRGI supports EITI data analysis and helps accountability actors use this analysis to inform reform.

NRGI's representative co-chairs the implementation committee of the EITI international board, which is responsible for developing approaches and priorities on issues like the energy transition and corruption. NRGI has been leading the committee's efforts to develop recommendations on how the initiative should tackle climate risk issues – globally and in the 50+ countries implementing the EITI Standard. NRGI's technical and strategic recommendations shaped the initiative's



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next steps, especially on supporting countries to disclose forward-looking information on projected production, commodity price assumptions and revenue forecasts that shed light on “stranded asset” risks and inform public debate on how to manage energy transition impacts. NRGi also helped to shape EITI’s approach to tackling corruption, making it a renewed strategic priority for the initiative. NRGi is developing an evidence-based diagnostic tool that will help EITI multi-stakeholder groups to assess extractive sector corruption risks—across the decision chain and on key issues like licensing and state-owned enterprises—and work to prevent corruption before it happens.

NRGi also supports EITI country-level efforts as key partners and technical assistance providers. NRGi helps countries leverage EITI processes and norms to advance broader policy reforms—e.g., contract and beneficial ownership transparency in Ghana, contract management in Mexico, and SOE reforms in Guinea, Indonesia, Mongolia and Myanmar.

Beyond shaping debates on key policy issues, NRGi serves as a bridge-builder in EITI by using technical expertise and cross-stakeholder credibility to lead the negotiation and drafting of the most technically and politically complex EITI Standard provisions. For example, NRGi has been advocating for global norms on contract transparency for years, and at the same time has been providing dedicated technical assistance to help countries develop national policies and practices for disclosing extractive contracts. In 2017, NRGi analyzed the scale of country-level contract disclosure and found that that over half of EITI countries were disclosing some contracts. That helped to rebut arguments from opposing stakeholders at the global board level who had claimed contract transparency was too complex to implement.

THE IMPACT

NRGi’s EITI interventions result in tangible impacts:

- 21 new countries will be required to start disclosing extractives contracts signed or amended from 2021 onwards
- 40+ new countries were required to start disclosing project-level payments from extractive companies to governments
- SOEs in 35 countries were required to expand disclosures to include transfers, retained earnings, reinvestment and third-party financing information
- EITI reports in over 50 countries were required to include disclosure of material environmental payments from companies to governments, as well as employment data disaggregated by gender.

Going forward NRGi will play a central role in providing technical assistance to ensure impactful implementation of these new requirements. NRGi will continue to ensure that national innovations in other areas also shape global policy improvements.

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