



Lessons from the World Bank's Global Engagement on the EITI

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World Bank Support for the EITI

- ❖ Administration of Multi-Donor Trust Fund (MDTF), comprising contributions from 15 countries
- ❖ Support includes technical/advisory and financial assistance to countries who decide to implement the EITI.
 - ❖ Making advisers/consultants available to provide guidance on international best practices
 - ❖ Grants to support country-level EITI implementation and institutional set-up.

World Bank EITI Support in Indonesia

1. **Improving the quality and timeliness of Indonesia's EITI reporting** to improve the usefulness and relevance of EITI information and ensure that Indonesia achieves EITI compliance.
2. **Improving sustainability by increasing government engagement and ownership** of the EITI ahead of a gradual withdrawal of support.
3. **Improved public outreach** to build up local demand for EITI reporting (reinforcing the first two objectives) and enhancing role of EITI in the broader governance debate.



Licenses & contracts

Monitoring production

Tax collection

Revenue distribution

Expenditure management



Companies
discloses
payments



Government
discloses
receipts



A national **multi-stakeholder group** (government, industry & civil society) decides how their EITI process should work.

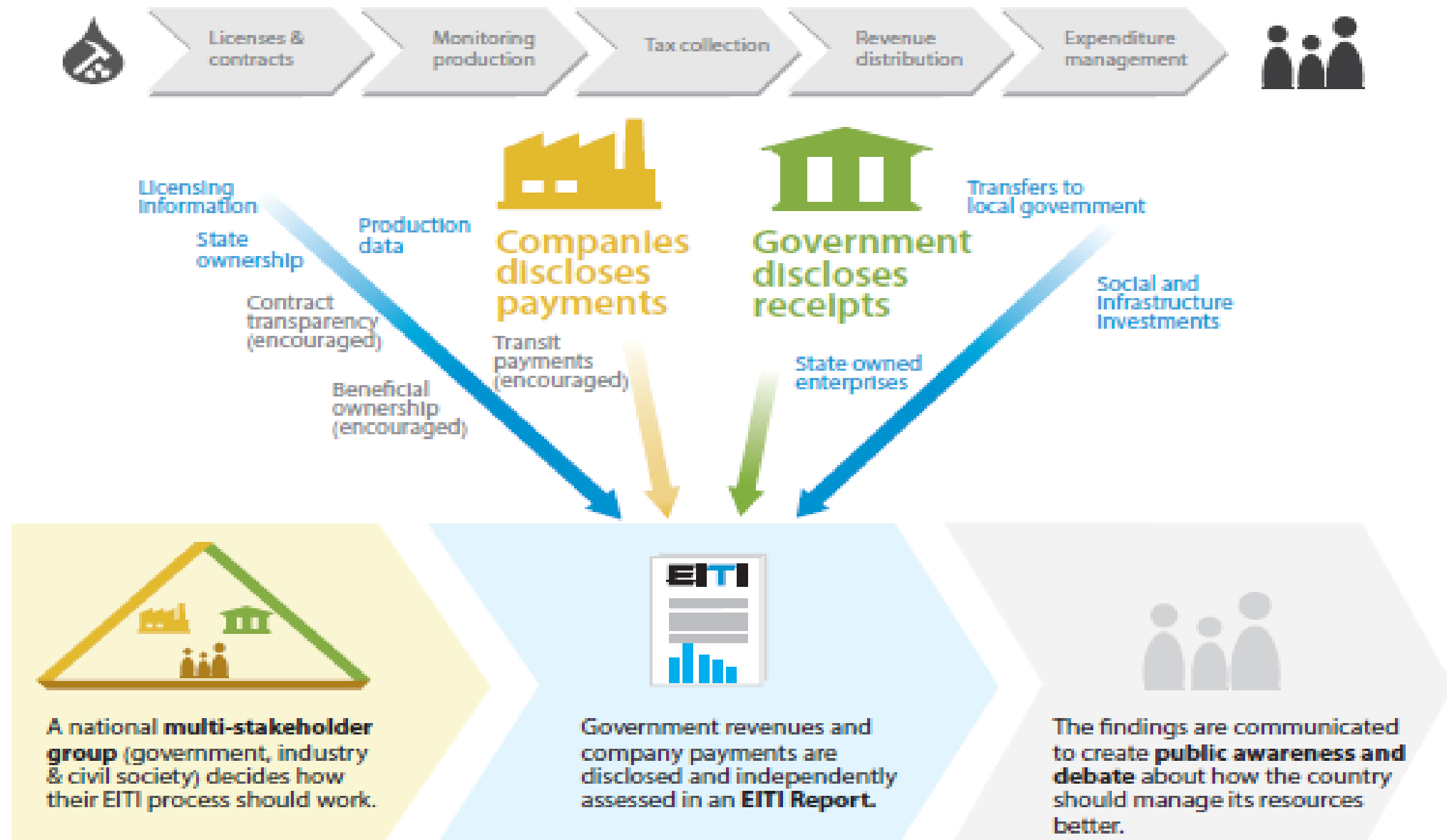


Government revenues and company payments are disclosed and independently assessed in an **EITI Report**.



The findings are communicated to create **public awareness and debate** about how the country should manage its resources better.

The EITI Standard



Goal of EITI is Moving from *Fiscal Reporting* to *Policy Reform*

Diverse countries produce diverse reports: no “standard” version of a report that is compliant with the EITI Standard.

Kyrgyz Republic: a key priority was to reduce conflict among local communities, companies and the government and increase investor confidence.

Madagascar: Improve transparency with regard to procedures for awarding mining permits

Mauritania: Show the direct and indirect contributions of the extractive industries to the national economy, and how these contribute to sustainable development.

Albania: Track how revenues are allocated and spent, in particular at local levels

Creative Public Outreach is Critical

BOX 1 EITI REQUIREMENTS

The EITI requires:

- 1 Effective oversight by the multi-stakeholder group.
- 2 Timely publication of EITI Reports.
- 3 EITI Reports that include contextual information about the extractive industries.
- 4 The production of 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 A credible assurance process applying international standards.
- 6 EITI Reports that are comprehensible, actively promoted, publicly accessible, and contribute to public debate.
- 7 That the multi-stakeholder group takes steps to act on lessons learned and review the outcomes and impact of EITI implementation.

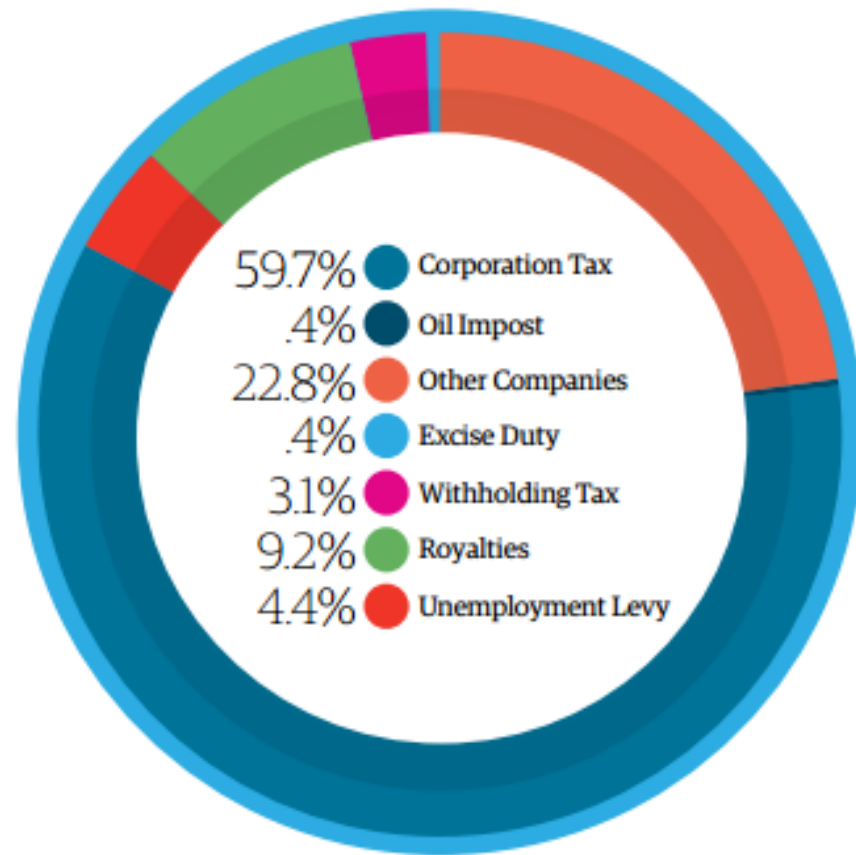
REQUIREMENT 6:
“The EITI requires EITI Reports that are comprehensible, actively promoted, publicly accessible, and contribute to public debate.”

Not comprehensible

No.	Revenue stream	Companies (US\$)	Government (US\$)	Differences (US\$)
Petroleum Tax Directorate		1,319,808,422	1,319,808,422	-
1	Income tax	659,025,791	659,025,791	-
2	Additional Profits Tax/Supplemental Profit Tax	569,338,573	569,338,573	-
3	Branch Profits Tax	-	-	-
4	VAT	16,196,460	16,196,460	-
5	Withholding Tax	16,185,154	16,185,154	-
6	Wages Tax	7,399,504	7,399,504	-
7	Penalty / Interest	51,662,940	51,662,940	-
8	Other Payments	-	-	-
National Petroleum Authority		2,125,498,995	2,125,498,995	-
9	FTP - Condensate/Crude Oil	119,655,237	119,655,237	-
10	FTP - Liquefied Petroleum Gas	35,015,765	35,015,765	-
11	FTP - Gas	83,102,923	83,102,923	-
12	Profit oil & gas payments	1,883,696,070	1,883,696,070	-
13	JPDA - Application Fee	5,000	5,000	-
14	JPDA - Seismic Data Fee	-	-	-
15	JPDA - Development Fee	3,064,000	3,064,000	-
16	JPDA - Contract Service Fee	960,000	960,000	-
17	TL Exclusive Area - Application Fee	-	-	-
18	TL Exclusive Area - Seismic Data Fee	-	-	-
Central Bank of Timor-Leste		7,978,400	7,978,400	-
19	TL Exclusive Area - License Fee/Surface Fee	7,978,400	7,978,400	-
Total		3,453,285,817	3,453,285,817	-

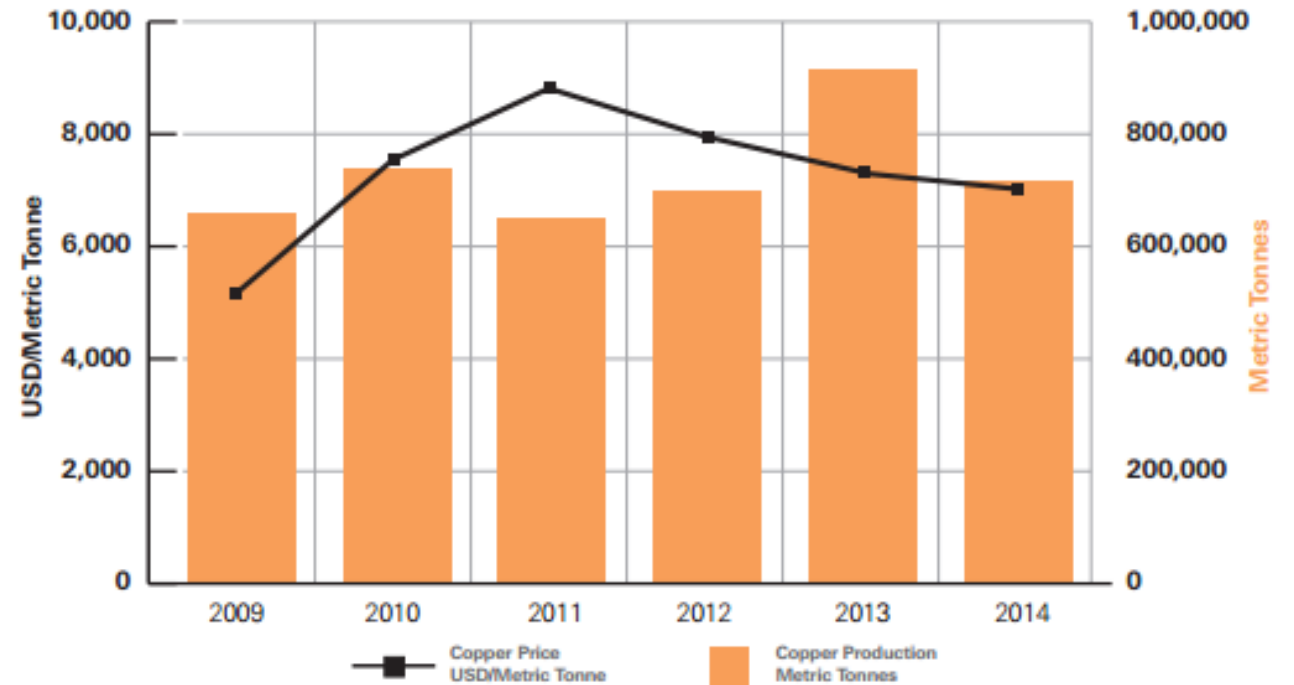
Comprehensible

Figure 16: Energy-Based Gov't Revenues as a Percentage of Total Energy Sector Revenue (FY 2012)



Source: CBTT

Copper Production Vs. Copper Price 2009 - 2014



Importance of “Summary Reports”

- More than just an abridged version of the full report
- Central tool for public discussion and debate
- Should include:
 - Short narrative of findings and recommendations by Independent Administrator
 - Key conclusions and key messages as agreed by the MSG
- Important for all MSG members to be consulted

Example: Trinidad & Tobago

1. INTRODUCTION

Trinidad & Tobago is one of 41 countries worldwide that are currently implementing the Extractive Industries Transparency Initiative (EITI). Membership in the EITI requires publication of an annual EITI Report. T&T published its first EITI Report on 30 September 2013. Get the full TTEITI Report 2011 at www.tteiti.org.tt/eiti-reports. This Report Summary is an introduction to that Report, which all stakeholders are encouraged to read, and seek any clarification needed with the TTEITI Secretariat at 'tteitise@gmail.com.'

2. WHAT IS THE EITI?

The EITI is a voluntary international coalition of governments, extractive industries companies and civil society organisations engaged in the

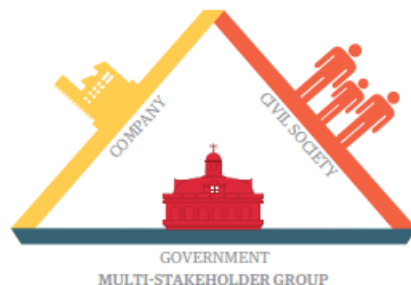


Figure 1

Table 1: Energy Sector Contribution to Economy (2007 - 2011)

Selected Economic Indicators	2007	2008	2009	2010	2011
Energy as % of GDP (constant prices)	45.0	50.8	37.1	43.9	45.3
Energy revenue as % of total revenue	55.5	57.5	49.5	51.8	57.5
Energy exports as % of total exports	97.0	88.2	85.4	82.8	82.3
Energy employment as % of total employment	3.7	3.4	3.3	3.2	1.0

Over the period 2006 to 2011, T&T witnessed a 56 % growth in Government expenditure, from \$TT27 billion in 2006, to TT\$42 billion in 2011. This increase in expenditure was the result of higher energy sector revenues. Although revenues fell sharply in 2009, there was no moderation in the trend of increasing expenditure. The largest increase occurred in the area of transfers and subsidies. This category captures Government's direct sharing of energy wealth with its citizens through the Petroleum Fuel Subsidy among other social goods.

Distribution of Government Current Expenditure 2006 - 2011

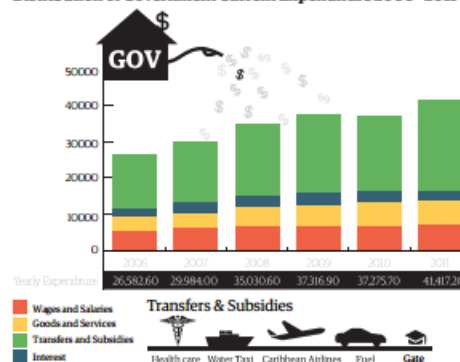


Table 1



Summary of flows after reconciliation

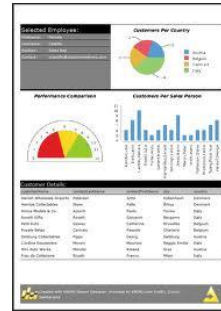
	Government (TT\$ m)	Extractive Companies (TT\$ m)	Difference (TT\$ m)	%
Total payments declared as at 27 September 2013	23,181.2	23,254.4	-73.2	-0.3%

Table 2

EITI is no longer about a single report



**SUMMARY
REPORT**



FACT SHEETS

Interpolated Values

Time	Temp	68.0	68.5	69.0	69.5	70.0	70.5	71.0	71.5	72.0	72.5	73.0	73.5	74.0	74.5
0.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00
0.05	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00
0.10	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00
0.15	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00
0.20	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00
0.25	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00
0.30	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00
0.35	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00
0.40	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00
0.45	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00
0.50	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00
0.55	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00
0.60	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00
0.65	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00
0.70	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00
0.75	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00
0.80	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00
0.85	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00
0.90	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00
0.95	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00
1.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00

**'MACHINE READABLE'
DATA**



**LINKS TO RELEVANT
GOVERNMENT
INFO SOURCES**



EITI FULL REPORT

Importance of Active Promotion

- ❖ Producing an EITI report not an end in itself, but the start of a dialogue
- ❖ Who are the target audiences? Different audiences will have different interests
 - ❖ National versus village perspectives
 - ❖ Industry versus civil society
- ❖ Also need to consider access to information
 - ❖ Printed copies are a requirement
 - ❖ Internet, audio-visual, workshops, community meetings

What is holding back the EITI globally?

- ❖ **Strategic relevance** – What do you want EITI to *accomplish*?
- ❖ **Timeliness of data** – Can current reform efforts be informed by data that is 2-3 years old?
- ❖ **Meaningful analysis of data** – We have lots of numbers... so what now?
- ❖ **Focus on compliance, rather than outreach** – Minimum effort leads to minimum impact.
- ❖ **Communications and public engagement** – New messages to new audiences, carried in creative ways.

Questions & Answers
