

EITI strategic priorities

2021-2023

Supporting relevant and responsive
EITI implementation





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Message from the EITI Executive Director

Since its inception in 2003, the EITI has become the global standard for transparency in the oil, gas and mining sectors. Today nearly 60 countries report information in line with the EITI Standard. A core objective of the EITI, expressed in its founding principles, is to generate public understanding of government revenues from the extractive sector to inform realistic options for sustainable development.

The EITI International Secretariat identified six strategic priorities – targeted shifts in transparency and accountability to help focus our efforts from 2021 to 2023.

The EITI's multi-stakeholder approach is a vital accountability tool, bringing together government, industry and civil society on equal footing to inform policy and public debate on extractive sector management.

Over the past two decades, the EITI Standard has been expanded to bring transparency to all aspects of the extractives value chain. For example, the EITI has worked with state-owned enterprises to support transparency and reforms in business planning, and with commodity traders to shed light on previously opaque transactions with government counterparts. Through the EITI Standard, implementing countries have reported more than USD 2.97 trillion in government revenue from the sector and significant information of public interest has been published, including oil, gas and mining contracts in over 40 countries.

Yet governments seeking to use resource revenues to spur economic development are facing significant challenges that will have enduring effects on revenues and economic activity. Issues relating to energy transition, energy security and energy access feature high on government agendas alongside addressing the impact of the COVID-19 pandemic and ensuing commodity price volatility. Corruption risks remain present and will be exacerbated by growing demand for critical minerals and renewable energy. For many countries, realising sustainable growth through revenues from their natural resource endowment has proved a challenging and sometimes elusive goal. In this context, the EITI strives to respond to evolving conditions while being relevant to national policy priorities.

To guide its work, the EITI International Secretariat identified six strategic priorities – targeted shifts in transparency and accountability to help focus our efforts from 2021 to 2023. These priorities outline key areas where the EITI can be used to improve extractive sector governance in a volatile and changing energy landscape, while remaining true to the principles that underpin the EITI's work. This document describes these shifts, and explains why and how they are important.

The EITI Board will review and refresh these strategic priorities following the Global Conference in Dakar in June. This will determine how we plan to support implementation of the EITI Standard in a way that maintains its relevance in the coming 5 to 10 years.

Mark Robinson

EITI Executive Director

Our strategy

Since 2003, the EITI has built on its founding principles to promote transparency, accountability and good governance in the extractive sector.

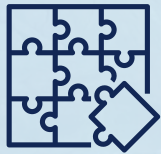
As the EITI enters its third decade, it will seek to inspire and motivate change in six areas of relevance for improving energy and extractives governance – six interconnected shifts that build directly on its mandate and values.



“Strong institutions and governance frameworks help reduce the scope for corruption and mobilise domestic resources for sustainable development.”

Rt Hon. Helen Clark

EITI Board Chair



EITI Principles

We believe that a country’s natural resources belong to its citizens. A set of twelve principles, agreed when the EITI was formed in 2003, establish the EITI as a multi-stakeholder organisation and underpin its mission.



Mission

Our mission is to promote understanding of natural resource management, strengthen public and corporate governance and provide the data to inform greater transparency and accountability in the extractive sector.



Priorities

- ✓ Deepening beneficial ownership transparency
- ✓ Publishing contracts by default
- ✓ Facilitating revenue forecasting and tax analysis
- ✓ Promoting accountable management of state-owned enterprises and commodity trading
- ✓ Monitoring gender, social and environmental impacts
- ✓ Bridging the gap between central and local governance



Six shifts

- ✓ Supporting the energy transition
- ✓ Addressing corruption risks
- ✓ Strengthening domestic resource mobilisation
- ✓ Publishing open data
- ✓ Informing environmental, social and governance (ESG) investment decisions
- ✓ Driving impact

Six shifts for EITI implementation

The EITI Standard evolves to meet the needs of the sector, and to ensure accountable and open governance. The EITI's strategic priorities seek to respond to the context within which the EITI operates and to ensure that EITI implementation continues to be relevant, responsive and cost-effective in view of the diverse challenges faced by resource-rich countries, while maintaining focus on achieving its core mission.

These priorities will be updated in 2023 through a consultative process, subject to the mandate of the 2023-2026 EITI Board, which will be elected at the EITI's flagship 2023 Global Conference.



Supporting the energy transition

As the energy transition gains traction, it will have a transformative impact on the extractive industries and global economy. EITI data can be used to address the imperatives of energy transition, energy affordability and demand, and the need to sustain revenue streams from the extractive sector. It can help address governance risks in the face of anticipated growth in demand for minerals that are needed for the energy transition.

To support this shift, the EITI is supporting countries in using and analysing EITI data to prepare for the economic implications of the transition; identifying governance risks related to transition minerals and measures to mitigate them; and exploring opportunities to use EITI implementation to strengthen transparency in the renewables sector.

Addressing corruption risks

Priorities include strengthening communications on the EITI's role in addressing corruption; identifying opportunities for industry engagement; enhancing implementation support; strengthening the capacity of multi-stakeholder groups to engage in corruption issues; and building partnerships with groups involved in anti-corruption activities.

To support this shift, the EITI is providing guidance on how countries can use the EITI to identify and address corruption risks, and is supporting selected countries in developing anti-corruption strategies. It has also strengthened its work on beneficial ownership transparency through the Opening Extractives programme, which provides targeted technical support to selected countries to establish public beneficial ownership registers.



3

Strengthening domestic revenue mobilisation

Revenue mobilisation is critical for supporting national development and public expenditure priorities, especially in the face of economic downturns and commodity price volatility. The 2019 EITI Standard requires more detailed disclosures, which can help governments ensure that revenues are maximised for public benefit rather than private gain.

The EITI's core work on revenue reporting supports this shift. With support from the EITI, countries are increasingly able to use data to undertake analysis and financial modelling of past and future revenues from the sector. The EITI is also providing guidance on how countries can use the EITI process to address revenue sustainability and strengthen revenue collection.

4

Informing ESG decisions

Investment decisions in the extractive sector are increasingly informed by environmental, social and governance (ESG) metrics. Company commitments to transparency and accountability through the EITI, as well as EITI disclosures, can contribute to the evolving framework for ESG reporting and complement other data published by companies and investors.

To support this shift, the EITI has clarified and strengthened the Expectations for EITI supporting companies and is undertaking regular assessments of company adherence to these expectations. Data from these assessments can contribute to ESG performance and measurement.

5

Publishing open data

Timely, usable and accessible data will gradually replace retrospective reporting to inform decision-making, foster independent analysis and promote public debate. Open data will enable multi-stakeholder groups to shift their role from producing reports to data use, analysis and dissemination.

To support this shift, the EITI's data strategy responds to data needs from diverse stakeholders by supporting countries in their efforts to report data through government and company platforms in open format, and to use the data collected to inform debate and dialogue.

6

Measuring impact

Driving impact is key to sustain financial support and promote learning. The EITI completed an independent evaluation and committed to develop a measurement framework that can be adapted by implementing countries and streamline its key performance indicators.

To support this shift, the EITI is following up on the recommendations of the independent evaluation and is providing support to multi-stakeholder groups on embedding an approach of monitoring, evaluation and learning (MEL) in their work planning. Moving forward, the EITI will build on the results of the independent evaluation to understand how it can continue to maintain its relevance and strengthen its impact in the face of an evolving global energy landscape.

Sustaining multi-stakeholder dialogue and protecting civic space

Progress towards the EITI's mission is made by creating common ground among the diverse stakeholder groups engaged in the EITI process. In this context, the role of the EITI International Secretariat is to provide support to countries implementing the EITI; to undertake periodic assessments of adherence to the EITI Standard; and to support the international, multi-stakeholder EITI Board.

The EITI International Secretariat also places renewed emphasis on measures to protect civic space and support civil society's engagement in multi-stakeholder dialogue.



Supporting EITI country implementation

At a country level, progress on extractives governance is a process of gradual change that involves mainstreaming multi-stakeholder approaches and building transparency into key government oversight functions. To be successful, EITI implementation must be tailored to and reflect the national priorities of implementing countries. Multi-stakeholder governance must be inclusive – governance bodies should represent a broad range of interests; show gender balance; and be leveraged to analyse and use extractive sector data for decision-making. It should also demonstrate relevance at the subnational level by producing data that can be accessed and used by local communities.

Publishing data that responds to public demand will require EITI implementing countries to move towards systematic disclosure as a standard practice. This will enable countries to report information in line with the EITI Standard in a way that is more timely, cost-effective, accessible and relevant. For the EITI process to reach its full potential, disclosures should be used for analysis and generate public debate to inform sound decisions and policymaking related to extractives governance.



Strengthening corporate transparency

While governments commit to join the EITI, companies also play a critical role in advancing transparency and accountability in the extractive sector.

Industry is represented on national multi-stakeholder groups as well as on the international EITI Board. Over 60 companies support the EITI at the international level, thereby committing to demonstrate leadership on transparency and accountability by adhering to the Expectations for EITI supporting companies.

In February 2022, the EITI Board clarified and strengthened the Expectations to ensure closer alignment with the EITI Standard. It also agreed to routinely assess progress by EITI supporting companies in meeting the Expectations, with the next assessment taking place in early 2023.

This mechanism aims to incentivise a “race to the top” by sharing good practice and creating opportunities to regularly assess and share outcomes. The Expectations provide a robust benchmark for corporate accountability and offer a basis for monitoring ESG performance, particularly on governance indicators. Various stakeholders – including industry, ESG ratings agencies, investors and civil society – can use this data to exercise better oversight of corporate transparency and accountability.



Engaging civil society

Civil society is key to successful implementation of the EITI. It often plays a fundamental role in advocating for a country to join the EITI, and active civil society engagement in national and subnational multi-stakeholder groups is critical for ensuring that the EITI implementation reflects the interests of citizens. Disclosures under the EITI Standard are leveraged by civil society, anti-corruption actors and the media to create accountability.

At the global level, the EITI works with leading international civil society organisations in the areas of tax transparency, anti-corruption, gender, beneficial ownership and civic space to promote further transparency and use of data to hold governments and companies accountable. On the international EITI Board, the civil society constituency plays a key role in ensuring that EITI implementation remains inclusive and protects civic space.



Leveraging partnerships

The EITI's success depends on partnerships with like-minded organisations and donors. Project-specific funding and collaboration with multilateral organisations and institutions enables the EITI to advance and scale priority policy areas, such as beneficial ownership transparency, contract transparency and commodity trading transparency.

The EITI Standard is also integrated into other international standards, including the OECD responsible sourcing guidelines and red flag assessments, and the Global Reporting Initiative Sector Standards on mining, oil and gas. This collaborative approach supports a more transparent extractive sector that works for the benefit of citizens.





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