

Countries served notice by oil and mining transparency initiative

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BERLIN — The board of the Extractive Industries Transparency Initiative (EITI) today considered the status of the 18 countries which were unable to meet the deadline they were given in 2008 to complete external verification of their progress under the global transparency initiative.

The EITI board rejected the option of granting a blanket extension to all countries in recognition of the need to maintain its credibility as an initiative that respects its own rules. Instead, the board granted an extension to 16 countries following a case-by-case review which teased out the specific difficulties countries have faced in meeting the deadline. Countries were granted an extension if these difficulties were judged to be exceptional and unforeseen.

“The board did not take the granting of these extensions lightly, and the responsibility now falls upon countries to prove they can fulfil their side of the bargain within their extension periods,” said Radhika Sarin, Publish What You Pay International Coordinator and EITI board member. “At the next EITI board meeting, most countries will face a rigorous test to remove any suspicion that they are free riding on the brand of EITI.”

The next six months will be crucial, and the board will have to show that it is capable of monitoring the progress needed to ensure successful outcomes.

But in two countries – Equatorial Guinea and Sao Tom and Principe – the board considered that there were insufficient grounds for the countries to merit an extension. Both countries have therefore lost their status as EITI candidate countries.

In the case of Equatorial Guinea, a lack of political will has been the main obstacle to progress. “Equatorial Guinea has not demonstrated sufficient commitment to the goals and spirit of the initiative,” said Alfred Lahai Brownell, a campaigner with PWYP Liberia and EITI board member. “All stakeholders should nevertheless remain engaged in Equatorial Guinea and the country should be encouraged to demonstrate renewed commitment to transparency and accountability.”

Sao Tome and Principe also lost its candidate status. Oil production has not commenced in the small island nation and the EITI process has effectively been on hold for some time.

Mineral-rich Mongolia had its Validation report approved in Berlin. The board renewed Mongolia’s candidate status and noted that the country is close to compliance. This means that a number of remedial measures are required to be undertaken within the next 6 months before Mongolia can be reassessed for compliance. Azerbaijan and post-conflict Liberia were designated as compliant in 2009.

“These EITI candidate countries have now been put on notice”, said Ms Sarin. “PWYP coalition members around the world, who serve as local watchdogs for the EITI and participate actively in national EITI multi-stakeholder groups will continue to press for a robust and meaningful EITI process in all countries which have signed up to the initiative.”

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Publish What You Pay (PWYP) is a global civil society coalition with over 350 member groups which work together for greater transparency and accountability in the oil, gas and mining industries.