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11 December 2011

H.E. Mr. Abderrahim Al-Kib
Prime Minister
Tripoli
Libya

EITI IN LIBYA

Excellency,

Congratulations on your appointment to head the Government of Libya. I wish you every success in the important task of rebuilding Libya. I write to ask your government to consider Libya joining the movement of the Extractive Industries Transparency Initiative (EITI).

Obviously you will wish to manage Libya's oil resources as well as possible in order to finance the rebuilding of your country and to ensure that all the Libyan people get the benefits to which they are entitled after years of secrecy and plunder. I understand that your Government has made strong commitments to transparency in order to ensure that your oil wealth is properly managed.

The EITI is the global standard for transparent and accountable management of oil and other natural resources. 35 countries are now implementing the EITI including some of the world's largest oil producers such as Iraq, Norway and Nigeria. President Barack Obama announced in October that the United States will implement the EITI as part of the Open Government Partnership. The EITI is also supported by hundreds of civil society organisations globally.

All the international oil companies now operating in Libya, as well as most companies who hope to begin operations in your country have already pledged their support for the EITI. A decision by your government to implement the EITI would create a level playing field for the oil industry in Libya. The EITI has helped countries such as Azerbaijan, Liberia and Kazakhstan to improve their sovereign risk ratings.

The EITI is based on the simple idea that host government invites producing oil companies to disclose the tax, dividend and royalty payments, while itself disclosing what it receives. The figures are independently reconciled and published, so that citizens can see, often for the first time, how much their government is receiving from the extraction of their natural wealth, building trust in their government. In many countries, a government's decision to implement the EITI has been an important signal to both investors and citizens that it is serious about operating transparently and accountably.

Should your government wish to commit to implementing the EITI, it would need to fulfill five sign-up requirements. These are a public announcement of the commitment, the nomination of a high-level EITI champion, the invitation to companies and civil society to join the process, the establishment of a multi-stakeholder working group, and the adoption of a workplan for EITI implementation.

I hope your government's participation at the Libya Transparency Roundtable in Tripoli 13-14 December organised by Libyan civil society will prove useful. The possibility of Libya considering EITI implementation is one of the agenda items and the Head of the EITI International Secretariat Jonas Moberg will participate in the meeting.

The EITI stands ready to provide any support you and your government might request should you consider joining the EITI movement.

Yours sincerely,

A handwritten signature in black ink that reads "Clare Short". The signature is written in a cursive, slightly slanted style.

Clare Short

Chair
Extractive Industries Transparency Initiative