

# EITI Outreach Strategy 2017

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## 1 Summary

Building on the recent expansion in the implementation of the EITI, and noting the aspiration to further embed the EITI as a global standard, the EITI and its partners conclude that there are opportunities to reach out to other resource rich countries that could benefit from EITI implementation. This document provides a strategy for how the EITI, together with supporting governments, companies and organisations, commits to work towards wider implementation of the EITI. The strategy addresses the costs and benefits of EITI implementation in prospective candidate countries and the cost implications for the International EITI Secretariat.

The Outreach and Candidature Committee will oversee the implementation of the Strategy. The Committee will focus on identifying the best opportunities to direct outreach efforts to priority countries at a high level, bringing coordination and momentum to outreach to priority countries. Parallel outreach efforts are needed to prospective supporting countries, companies, investors and civil society organisations. The strategy reflects the significantly altered environment for the EITI as a consequence of lower commodity prices. Given the Secretariat's funding constraints, the strategy focuses on the highest priority outreach countries and puts a greater emphasis on outreach from supporting countries and organisations.

## 2 Introduction

The implementation of the EITI has continued to expand rapidly, and the EITI is increasingly recognised as a global standard. The EITI is currently being implemented by 51 countries across 6 regions and supported by over 90 companies and institutional investors, hundreds of civil society organisations and a number of international agencies. A number of additional countries have already committed to implement the EITI, including: Argentina, Australia, Equatorial Guinea, France, Guyana, Italy, Mexico, Suriname and Tunisia.

However, there are still a number of resource-rich countries that could benefit from EITI implementation (e.g. Angola, Brazil, Chile, China, Kenya, Russia, South Africa, Uganda and several other Middle East nations). Early experience with implementation of the EITI Standard and the new provisions

agreed in 2016 addressing mainstreaming and beneficial ownership present an opportunity to revitalise discussions with stakeholders in these countries. Perceptions of corruption and poor governance appear high and on the rise in several of these countries. In some of them, there are however significant pockets of resistance to the EITI within the government. Thus a number of the outreach targets remain challenging.

In previous years, where commodity prices and investment in the extractive industries were increasing, there was a compelling case for EITI implementation in resource rich countries. Outreach efforts typically emphasised the need for greater transparency and accountability in the management of growing government revenues. With many commodity prices falling throughout 2014 and remaining low in 2015 and 2016, the outreach narrative needs to evolve, as governments, industry and civil society debate reforms to sustain investment and ensure sound governance. There is a continuing need for comprehensive and reliable data to inform these deliberations. Furthermore, the early experience in linking implementation of the EITI to wider reforms (as emphasised in the EITI Standard) presents an opportunity to revitalise discussions with stakeholders in priority outreach countries.

Various stakeholders are working to promote the EITI in these countries with the EITI International Secretariat providing direct and indirect coordination and support. Parallel outreach efforts are needed to prospective supporting countries, companies, investors and civil society organisations.

The draft 2017 workplan highlights outreach as priority in strengthening the EITI Standard as a global standard. It notes that “given the current funding environment, active outreach activities are foreseen to be limited though there clearly are some opportunities to bring some important players into the fold”. Outreach does not necessarily require substantial additional funding. For example, improved coordination between EITI’s stakeholders can result in enhanced outreach activities by others than the EITI Secretariat and chair. Other times, the chair is simply mentioning the EITI while on other business and letters from the Secretariat and chair can be a cost effective way of reaching out.

### 3 Background and EITI outreach so far

Most of the 51 countries implementing the EITI would not be doing so had it not been for activities by the EITI’s supporters and Secretariat highlighting the benefits of EITI implementation. Outreach by EITI supporting organisations and countries have played a critical role in the EITI’s success. This was particularly the case in the early days of the EITI. Until 2007 and the establishment of the Secretariat, the EITI’s activities were coordinated by the British government and it was also the British government that did most of the early outreach. Other countries, companies and organisations played hugely important roles in outreach, particularly during the early years. In particular, the US used its embassies and frequently brought up in the EITI in speeches and bilateral contacts. Senior managers of the World Bank used their networks, as did George Soros and others within the Open Society Foundation network and many company representatives. These activities are referred to in this strategy as “outreach”. A wide range of supporters have throughout the brief history of the EITI played key roles in this outreach work.

Outreach to governments has taken many forms. Bilaterally, EITI implementation has been suggested at all levels: sometimes it has been deemed appropriate to bring it up with heads of governments, other times at a technical level. There have also been a wide range of multi-lateral efforts. The way the British, French, German and US governments have used the G8/G7 process has been critically important to the success of the EITI. Multilateral efforts such as supportive statements by the G8/G7, G20, and the UN

General Assembly resolution from 2008, have also reinforced outreach efforts.

These efforts to ensure growing implementation of the EITI have focused on government representatives. After all, without the government committing to implement the EITI there will be no implementation. A key aspect in this work is to develop the rationale or business case for EITI implementation. Implementing countries may benefit domestically from an improved investment climate by providing a clear signal to investors and international financial institutions that the government is committed to greater transparency. The EITI assists in strengthening accountability and good governance, as well as promoting greater economic and political stability. This, in turn, can contribute to the prevention of conflict based around the oil, mining and gas sectors. In some countries the EITI has an explicit focus on reducing corruption. In other countries this aspect is not emphasised. In many countries, it is important to be seen to be contributing to developing and reinforcing a global standard.

It is also recognised that parallel outreach efforts are needed to prospective supporting countries, companies, investors and civil society organisations. Company and civil society representatives, including Global Witness, the Natural Resource Governance Institute, and Publish What You Pay have played important outreach roles. There is already strong support from International Financial Institutions (IFIs) and a range of other partner organisations (see <http://eiti.org/supporters/partnerorganisations>). These organisations often play a key role in EITI advocacy and technical assistance.

There have been outreach activities to companies, state-owned companies and civil society organisations. Russia and Japan, for example, have stated that they will encourage national companies to become supporters. Outreach to citizens and civil society organisations has also been important, particularly when a government has been ambivalent regarding implementation. This approach has been important in several countries such as Brazil, South Africa and Uganda.

The Global EITI Conferences have provided an important catalyst for EITI outreach. The Conference provides a high profile platform for countries to commit to EITI implementation, or to lodge a candidature application. Equally important it often provides an opportunity to renew political commitment at a high level. In 2016, Argentina and Suriname committed to implement the EITI, and other like Mexico and Tunisia recommitted.

The EITI developed a first outreach strategy in 2007, focused on the BRIC countries. A more formal global strategy was approved in 2012. A Board committee devoted to the topic was established in 2011. The intention behind these strategies has been to establish a framework for prioritising outreach activities and to ensure effective Board oversight. A balance has been sought between bringing structure and clear reporting on one side, and the need for flexibility on the other. Flexibility is important for two reasons in particular. First, the EITI cannot direct its supporting partners. The EITI can *appeal* for support, but it is obviously up to the partners themselves how extensively they engage in EITI outreach activities. Second, successful outreach has often been opportunistic: it has for example often been dependent on meetings and encounters the EITI Chair, Board Members and others have had for other reasons than the EITI. As the EITI has grown, implementing countries have played a greater role in outreach to neighbouring countries.

It is acknowledged that the effectiveness of outreach activities in the short term can be challenging to monitor and evaluate. The objective of outreach activities, ultimately a commitment to implement the EITI, may also take a long time to materialise. Establishing the effectiveness of this work is particularly challenging when these activities are undertaken by external partners (where reporting may be limited). Internally, the Secretariat is committed to reporting on any outreach activities, including addressing the extent to which the key criteria have been followed, and the extent to which the objectives can be considered to have been met.

Since 2011 the Secretariat has provided the Board with regular Outreach Progress Reports (OPRs). These can be useful in that they provide a general overview. However, for outreach to be successful, suggested messages often need to be adapted, taking into account both the recipient and the messenger. Suggested speaking points for a senior government official are likely to be subtly different to arguments and messages from a senior company representative. The feedback on any engagement can also be complicated by the fact that those working on the EITI may not even get full reporting from their senior's conversations with for example a head of state and the reporting may be restricted. Thus, outreach efforts and the reporting thereof, require trust and close contacts between those involved.

## 4 Objectives

The overall goal is to pursue the following objectives:

- **Expand and diversify the use of the EITI to improve extractives governance.**
- **Raise awareness in target countries about the importance of greater transparency and the benefits of EITI implementation.**
- **Strengthen the EITI's standing as a global standard for revenue transparency and accountability in the extractive industries.**
- **Prepare countries to meet the sign-up requirements and to prepare for EITI implementation in line with the EITI Standard, including early engagement with industry and civil society.**

## 5 Criteria

The EITI has developed a set of criteria to guide its outreach priorities and efforts, drawing on approaches previously developed by the International Secretariat, the World Bank, NREGI and ICMM.

These criteria have not been significantly altered compared to earlier strategies. Rather, at least from the Secretariat's perspective, they have stood the test of time and have provided a reliable framework in determining which outreach activities should be given priority. For example, the EITI Chair and the Secretariat receive a considerable number of invitations to conferences and other events. The criteria have proven to be useful in determining whether to accept invitations, explore if others involved with the EITI can attend, or to simply decline the invitation.

### Criterion 1 - Potential impact of the EITI

What is the potential impact of the EITI? This criterion focuses on a country's susceptibility to the resource curse and the potential for the EITI to mitigate against this paradox and improve natural resource

governance for poverty reduction and development. It is widely acknowledged that resource wealth, if mismanaged, can have an adverse impact on growth and fuel corruption, conflict and social unrest. Resource dependent developing countries in particular have faced significant challenges in addressing these risks. Indicators to be taken into consideration include population, poverty levels, resource dependency, the effective of governance, and the extractive industry outlook.

### **Criterion 2- Strategic importance for the EITI**

Is an outreach activity of strategic importance for the EITI? This criterion puts an emphasis on a country's potential to encourage the implementation of the EITI regionally and/or internationally and to support the EITI's credibility generally as an open and participative multi-stakeholder platform. The size of a country's natural resource sector and importance vis-à-vis the national economy may be relevant. Some of these countries are middle -income countries that have not yet committed to implement the EITI. At the same time, implementation by OECD countries and emerging economies would enhance the credibility and legitimacy of the EITI. This would also facilitate the use of the EITI Standard for policy setting because new implementers would not only endorse the EITI but would also be inclined to mobilise relevant support.

### **Criterion 3 - Regional diversity**

Is an outreach activity contributing towards regional diversity? The EITI Standard is making excellent progress in establishing itself as a global standard. The EITI is currently implemented by 25 countries in Africa, 13 countries in Asia, four countries in Europe, two countries in the Middle East, one country in North America and six countries in Latin America and the Caribbean

### **Criterion 4 - Likelihood of effective implementation**

What is the likelihood of effective implementation? In order for implementation to be effective and sustainable, political commitment to the EITI from the government and local ownership are paramount. Another factor for successful implementation includes an enabling environment for company and civil society engagement in accordance with the EITI Standard.

### **Criterion 5 – Comparative advantage of EITI partners**

Does the Secretariat and/or chair have a comparative advantage compared to other EITI supporters? A number of EITI partners are already active in target countries through policy dialogue, networks, local offices, and capacity-building, institutional strengthening and development programmes. These could be used to leverage outreach opportunities and streamline country specific interventions.

## **6 Strategic approaches**

Strategic approaches will continue to focus on mobilising support from a wide range of stakeholders, including supporting and implementing countries, companies, investors and institutions, complemented by targeted outreach by the EITI Chair and International Secretariat. The following approaches, which draw on current practices, will be adopted or further enhanced, encouraging a balanced stakeholder in-country and global engagement. The approaches are not mutually exclusive, and will often be applied in unison:

### ► Country-specific programmes

The EITI will continue to work closely with international development partners to integrate outreach interventions into their country-specific programmes. The initial efforts focus on raising awareness about the EITI, create dialogue and build capacity of local stakeholders. A key feature of this work is developing the arguments in support of EITI implementation, in particular linking the EITI to other reform activities. Where government has expressed an interest or has committed to implement, a substantial amount of work is often required establish the EITI in government with oversight from an appropriately constituted and representative MSG. This can often be done quickly, although often requires extensive preparatory work.

### ► Ad hoc contact groups

The contact groups will bring together stakeholders with a common interest in particular countries to share information, coordinate activities, promote synergies and agree concrete actions. This includes both local and international supporters, including government, industry, investor and CSO representatives.

### ► Country visits

Targeted country visits will be conducted by the EITI Chair, Board members and/or the International Secretariat to pursue a direct dialogue with government authorities and other relevant stakeholders. Where the Secretariat undertakes country visits, a “back to office report” is typically distributed, with an update on the prospects for EITI implementation and the priorities for further outreach activities.

### ► Use of strategic meetings, events and processes

The EITI will identify relevant meetings, conferences, summits and other events, and seek to maximise the opportunities to leverage policy dialogue, public attention, political commitments, and media coverage. The EITI Global Conference, for example, is an important vehicle to reach out to broader audiences and enlist their support.

### ► Strategic collaboration with like-minded initiatives and networks

Every effort will be made to identify and collaborate with relevant initiatives and networks such as the Open Government Partnership in order to profile and communicate the benefits of EITI implementation. Key partners not yet doing so will be encouraged to include the EITI in their awareness programmes.

### ► Effective use of communications tools

The EITI will make extensive use of the wide variety of communication tools through which the different target audiences can be engaged and informed, including regular correspondence (by letter, phone, or e-mail), printed materials, and the EITI website.

### ► Engagement of the media

Media strategies will be integrated into outreach activities to promote awareness on EITI on a broad scale.

### ► Peer learning and exchange

The EITI encourages the active involvement of implementing countries in outreach efforts by providing support for peer-to-peer sharing of information and best practices at the regional and international levels.

### ► Role of the EITI International Secretariat

In some cases, the EITI International Secretariat may need to provide direct and high level advocacy, and coordinate the efforts of others directly. In other cases, the Secretariat's role may include indirect support and/or encouraging peer or regional coordination.

## 7 Priority countries

In light of the above key criteria, the EITI has identified a number of priority countries for EITI outreach. The list and motivations below need to be reviewed regularly, taking into consideration the strategic approaches identified in section 5 above. The list should not be considered rigidly. If for example a government approaches the EITI, the EITI is expected to respond positively even if it is not an outreach priority.

### Latin America and the Caribbean

Building on the momentum generated successful Global Conference in Lima, the region is a key focal point for EITI outreach. The priority countries are **Argentina**, **Brazil**, **Chile** and **Mexico**. Argentina made a commitment to implement in EITI in Lima. Brazil and Chile both face considerable political and economic challenges, and there is a strong case for using the EITI to address governance concerns in the extractive industries. Mexico has committed to implement the EITI and a candidature application is expected in 2016. The Secretariat will continue to support **Guyana** and **Suriname** as they prepare candidature applications.

### Asia and the Pacific

**Australia** recently committed to implement the EITI and a candidature application is expected in 2017. Preparations in **Armenia** and **Thailand** are also progressing. There have been numerous efforts in the past to engage **China**, with a focus on engaging with Chinese companies that operate in EITI implementing countries. There have been limited efforts to date to engage **India**, which has a large mining industry. Indian companies have a growing role internationally and there is a need to more formally engage the Indian government. The Secretariat will continue to support stakeholders in **Vietnam** as they consider implementation.

### Africa and Middle East

Key priorities for outreach efforts in the region remain **Angola**, **South Africa** and **Uganda**. Each has given indications of interest to implement, but these have not materialised. Direct encouragement from the International Secretariat has not been fruitful. Civil society and company efforts will be important. **Tunisia** has committed and the Secretariat is supporting efforts to get the process started. The government of **Lebanon** has shown considerable interest in implementing and partners are encouraging progress. The Secretariat is monitoring developments in **Equatorial Guinea**, in particular the work to engage civil society organisations, which may lead to a candidature application in 2016.



**Europe**

The Secretariat will support countries that have committed to implement the EITI including **France, Italy and the Netherlands**.

**8 Resource implications**

Increased focus on outreach priorities does not always bring additional costs. It often requires more involvement of the EITI Chair, the Head of the Secretariat and other senior representatives, requiring changes of priorities rather than additional resources. It can mean adding a visit to a priority country to a mission to an implementing country. It can sometimes entail use of conferences and bilateral opportunities. The budgetary implications of the outreach strategy include additional staffing, travel, communications and other administrative costs for the International Secretariat. The budget for outreach activities is outlined in Board Paper 35-6. At its 32<sup>nd</sup> meeting in Lima, the Board agreed to reduce the 2016 outreach budget from USD 405k to USD 325k<sup>1</sup>. The proposed 2017 outreach budget is USD 160k.