

Summary of EITI for POGAR

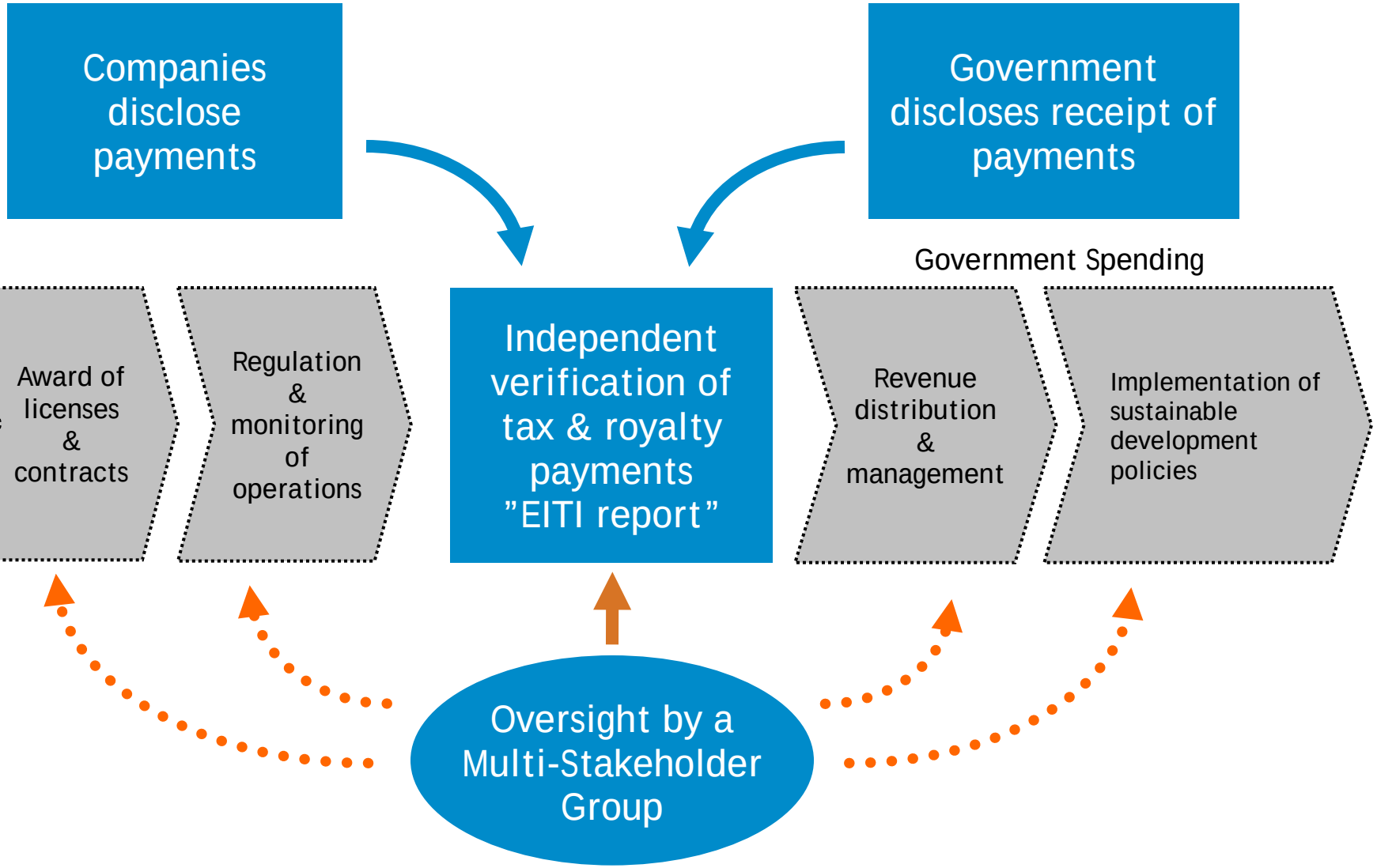
John West, UNDP

(adapted from EITI documents)

Amman 27 Oct 2010

www.eiti.org

How the EITI works



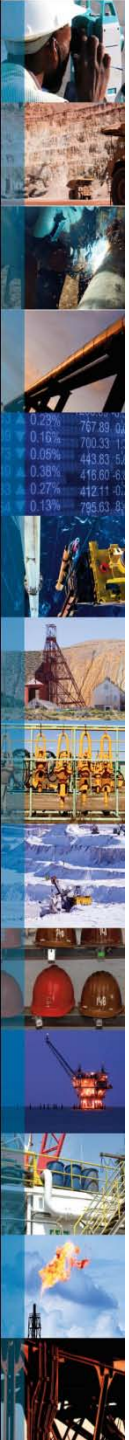
The EITI provides a forum for dialogue and a platform for broader reforms

EITI in 2010

- **31 Implementing Countries** including Azerbaijan, Norway, Iraq, Yemen; expressions of interest from Qatar & Kuwait
- **50 major companies**
- **80 institutional investors** with collective assets of over $16 trillion
- **100s of civil society groups and networks**

EITI Extractive Industries Transparency Initiative

50 of the world's leading oil, gas and mining companies Support the EITI





EITI

Extractive Industries Transparency Initiative

Sign up

- Issue government announcement
- Commit to work with all stakeholders
- Appoint implementation leader
- Compose and publish workplan

Preparation

- Establish multi-stakeholder committee
- Engage industry and civil society
- Remove obstacles to implementation
- Agree reporting templates
- Select and approve neutral EITI administrator
- Ensure full industry participation
- Ensure company and government accounts are properly audited

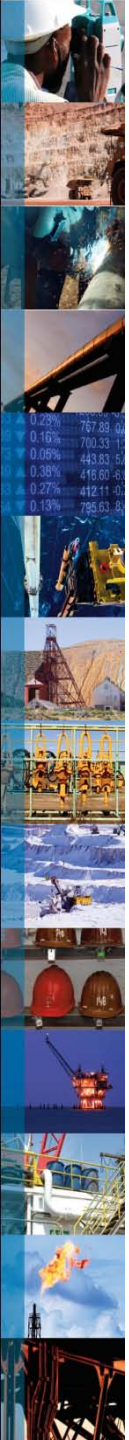
Disclosure

- Disclose payments and revenues to administrator
- Receive report from administrator
- Identify and explain discrepancies
- Recommend improvements

Dissemination

- Disseminate EITI report
- Review lessons learned and repeat

Country undertakes external validation



Licensee	Sum Licensee	Sum Government[1]	Discrepancy	Resolved	Unsolved
4Sea Energy AS	-	-	-	-	-
Aker Exploration AS	-188.953	-188.984	31	31	-
Altinex Oil Norway AS	249.028	249.028	-	-	-
A/S Norske Shell	8.713.096	8.712.811	285	285	-
Bayerngas Norge AS	-52.699	-52.699	-	-	-
Bayerngas Produksjon Norge AS	-287.496	-287.496	-	-	-
BG Norge AS	-740.303	-740.290	-13	-13	-
BP Norge AS	4.830.076	4.772.368	57.708	57.708	-
Bridge Energy AS	-109.015	-109.415	400	400	-
Centrica Resources (Norge) AS	-64.259	-64.259	-	-	-
Chevron Norge AS	366.490	366.567	-77	-77	-
Concedo ASA	-16.651	-17.590	939	939	-
ConocoPhilips Skandinavia AS	19.368.972	19.357.605	11.367	11.367	-
Dana Petroleum Norway AS	51.588	51.587	1	1	-
Det norske oljeselskap ASA (incl NOIL Energy)	-626.291	-624.467	-1.824	-1.824	-
Discover Petroleum AS	-47.196	-47.195	-1	-1	-
DONG E&P Norge AS	35.212	-	1.444	1.444	-
Edison International Spa	-31.639	-31.639	-	-	-
Eni Norge AS	10.280.934	10.280.934	-	-	-
Enterprise Oil Norge AS	975.184	975.184	-	-	-
E.ON Ruhrgas Norge AS	116.756	116.756	-	-	-
ExxonMobil Exploration & Production Norway AS					

Liberia 2nd report: 4 sectors

Extractive Industries Transparency Initiative

Oil Sector

No.	Company	Taxpayers declared payments	Government received payments	Difference
		USD	USD	USD
1	Oranto Petroleum, PTL	845,341	845,341	-
2	ANADARKO Liberia Company REPSOL Exploration, SA, YPF Woodside West Africa Pty. Ltd.	1,644,719	1,644,719	-
3	International Resources Strategic Liberia Energy	159,399	159,399	-
4	Broadway Consolidated Ltd.	150,000	150,000	-
5	NOCAL	1,661,227	1,661,227	-
	Total Oil Sector	**4,460,685**	**4,460,685**	**-**

Agriculture Sector

No.	Company	Taxpayers declared payments	Government received payments	Difference
		USD	USD	USD
1	Salala Rubber Corp	3,236,738	3,236,738	-
2	Liberia Agricultural Company	4,430,019	4,436,093	(6,074)
3	Cavalla Rubber Corporation	498,438	498,444	(6)
4	Firestone Liberia	10,043,751	10,043,751	-
5	Cocopa	125,959	30,706	95,253
6	Sime Darby	-	20	(20)
7	LIBINC Oil Palm Inc.	63	63	-
8	NOVEL Liberia Inc	11,828	11,828	-
9	Equatorial Bio-Fuels Liberia	1,595	1,595	-
	Total Agriculture Sector	**18,348,391**	**18,259,238**	**89,153**
				0.5%

Forestry Sector

No.	Company	Taxpayers declared payments	Government received payments	Difference
		USD	USD	USD
1	Tarpeh Timber Co.	77,322	77,322	-
2	B&V Timber Company	19,024	19,024	-
3	Bargor & Bargor Enterprise Inc.	9,372	9,372	-
4	Alpha Logging & Wood Processing Inc.	86,031	86,031	-
5	E J & J Investment Corporation	313	313	-
6	Liberia Tree and Trading Company	1,062	1,062	-
7	Euro Logging	27,422	27,422	-
8	D. C. Wilson Incorporated	25	25	-
9	Gebio Logging	21,351	21,351	-
10	BOPOLU	216	216	-
11	UNITIMBER Corporation	178,233	178,233	-
12	UNIVERSAL Forestry Corporation	21,124	21,124	-
13	Malavasi Logging Company	5,977	5,977	-
14	Atlantic Resources LTA	1,086	1,086	-
15	Global Wood Industries Inc	-	2,906	(2,906)
16	Olam Liberia Ltd	-	1,589	(1,589)
17	International Consultant Capital	69,205	69,205	-
18	Omeje Group of Companies Inc.	178	178	-
19	S & Z Corporation Liberia Inc	-	17,526	(17,526)
20	Buchanan Renewable Energy	1,320,615	1,349,153	(28,538)
	Total Forestry Sector	**1,838,558**	**1,889,117**	**(50,559)**
				(2.7%)

Mining Sector

No.	Company	Taxpayers declared payments	Government received payments	Difference
		USD	USD	USD
1	AmLib United Minerals	196,918	196,918	-
2	Bea Mountain Mining Corp	86,729	86,729	-
3	Putu Iron Ore Mining Inc	15,332	15,332	-
4	Liberia Gold Corporation	9,475	9,475	-
5	Western Mineral Resources Corp	21,022	21,022	-
6	KPO Resources	22,217	22,217	-
7	Alex Stewart Assayers Ltd.	11,894	11,894	-
8	Bokun Jedeh Resources Inc	36,774	36,774	-
9	ArcelorMittal Liberia	7,207,085	7,207,085	-
10	African Aura Resources	32,143	32,143	-
11	B H P Billiton World Exploration	1,294,743	1,294,742	1
12	Broadway Consolidated PLC	100,967	100,967	-
13	Ducor Minerals, Inc. (Diamond Fields, Inc)	195,612	195,612	-
14	Hummingbird Resources	360,868	360,868	-
15	Afro Minerals	963	963	-
16	Deveton Mining Company	116,187	116,187	-
17	Sinoe Exploration	983	983	-
18	Precious Minerals Mining Company	-	963	(963)
19	SubSea Resources DMCC	-	127,235	(127,235)
20	Italgems & Malavasi Mining Company	10,239	10,239	-
21	Black Sand Mining Company	2,481	2,481	-
22	Kwakmas Inc.	96	96	-
23	Texas International Group	178,340	178,340	-
24	Pride Land	21,017	21,017	-
25	KBL Mining Company	26,031	26,031	-
26	Mancnemo Incorporated	55,500	55,500	-
27	China Union Investment (Liberia) Bong Mines Company Ltd	963	963	-
28	China Union (Hong Kong) Gold Investment	109,825	109,825	-
29	Ocean Bottom Resource West Africa Inc.	130,989	130,989	-
30	Fundy Minerals Ltd	-	55,392	(55,392)
31	Shine Star Business Corporation	-	-	-
32	Vision Inc	24,869	24,869	-
33	Golden Vision Trading	-	-	-
34	Royal Company	187,573	187,573	-
35	Nimba Diamond Enterprises	1,500	1,500	-
36	A D M T Company	50,851	50,851	-
37	Gemmacom Liberia Limited	29,273	29,273	-
38	Yuly Diam Company Inc	93,145	93,145	-
	Total Mining Sector	**10,632,601**	**10,816,190**	**(183,589)**
				(1.7%)

Validation

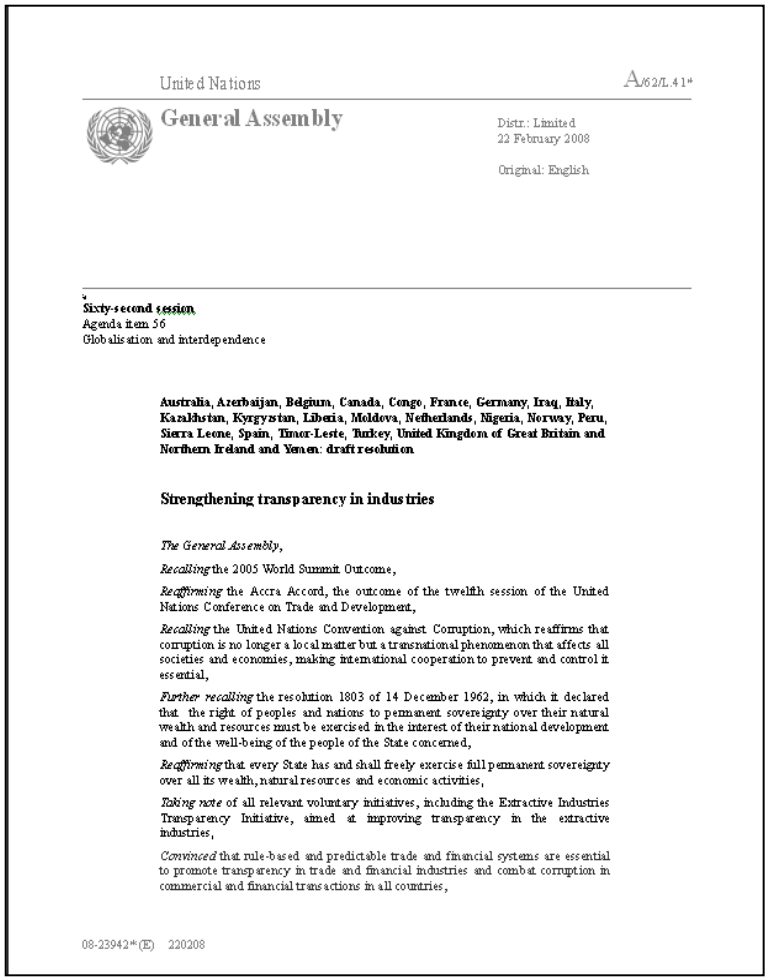
- EITI's quality assurance mechanism
- Validation has taken longer than expected, but it works.
- Validation reports are owned (and paid for) by implementing countries
- Revision of the "EITI Rules" now underway

Reporting

- 47 reports by 22 countries
- The quality of reports varies widely
  - **Coverage** (all companies & government entities)
  - Data quality (accounting standards)
  - Follow-up of **discrepancies**
  - Presentation and **dissemination**
- A **communication** challenge
  - Increasing use of user-friendly “summary reports”

The EITI has been politically endorsed by many Governments and in many forums

Extractive Industries Transparency Initiative



United Nations A/62/L.41*

General Assembly

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Sixty-second session
Agenda item 56
Globalisation and interdependence

Australia, Azerbaijan, Belgium, Canada, Congo, France, Germany, Iraq, Italy, Kazakhstan, Kyrgyzstan, Liberia, Moldova, Netherlands, Nigeria, Norway, Peru, Sierra Leone, Spain, Timor-Leste, Turkey, United Kingdom of Great Britain and Northern Ireland and Yemen: draft resolution

Strengthening transparency in industries

The General Assembly,

Recalling the 2005 World Summit Outcome,

Reaffirming the Accra Accord, the outcome of the twelfth session of the United Nations Conference on Trade and Development,

Recalling the United Nations Convention against Corruption, which reaffirms that corruption is no longer a local matter but a transnational phenomenon that affects all societies and economies, making international cooperation to prevent and control it essential,

Further recalling the resolution 1803 of 14 December 1962, in which it declared that the right of peoples and nations to permanent sovereignty over their natural wealth and resources must be exercised in the interest of their national development and of the well-being of the people of the State concerned,

Reaffirming that every State has and shall freely exercise full permanent sovereignty over all its wealth, natural resources and economic activities,

Taking note of all relevant voluntary initiatives, including the Extractive Industries Transparency Initiative, aimed at improving transparency in the extractive industries,

Convinced that rule-based and predictable trade and financial systems are essential to promote transparency in trade and financial industries and combat corruption in commercial and financial transactions in all countries,

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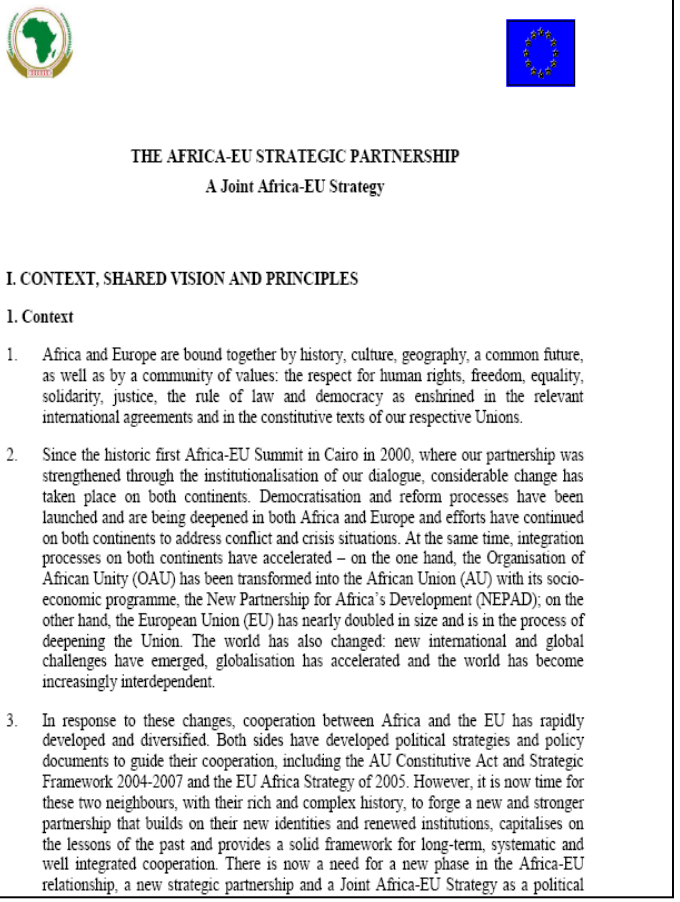

THE AFRICA-EU STRATEGIC PARTNERSHIP

A Joint Africa-EU Strategy

I. CONTEXT, SHARED VISION AND PRINCIPLES

1. Context

1. Africa and Europe are bound together by history, culture, geography, a common future, as well as by a community of values: the respect for human rights, freedom, equality, solidarity, justice, the rule of law and democracy as enshrined in the relevant international agreements and in the constitutive texts of our respective Unions.

2. Since the historic first Africa-EU Summit in Cairo in 2000, where our partnership was strengthened through the institutionalisation of our dialogue, considerable change has taken place on both continents. Democratisation and reform processes have been launched and are being deepened in both Africa and Europe and efforts have continued on both continents to address conflict and crisis situations. At the same time, integration processes on both continents have accelerated – on the one hand, the Organisation of African Unity (OAU) has been transformed into the African Union (AU) with its socio-economic programme, the New Partnership for Africa's Development (NEPAD); on the other hand, the European Union (EU) has nearly doubled in size and is in the process of deepening the Union. The world has also changed: new international and global challenges have emerged, globalisation has accelerated and the world has become increasingly interdependent.

3. In response to these changes, cooperation between Africa and the EU has rapidly developed and diversified. Both sides have developed political strategies and policy documents to guide their cooperation, including the AU Constitutive Act and Strategic Framework 2004-2007 and the EU Africa Strategy of 2005. However, it is now time for these two neighbours, with their rich and complex history, to forge a new and stronger partnership that builds on their new identities and renewed institutions, capitalises on the lessons of the past and provides a solid framework for long-term, systematic and well integrated cooperation. There is now a need for a new phase in the Africa-EU relationship, a new strategic partnership and a Joint Africa-EU Strategy as a political

Lessons

- It can be a platform for long-term reform
- From transparency to accountability
- To fight corruption – maybe
- To build trust and confidence - definitely

EITI implementing countries – value?

- Signals commitment
- Contributes towards a better investment climate in-country
- Contributes towards trust-building in-country