

**EITI** Extractive Industries Transparency Initiative



## ARPEL

The Role of the Oil and Gas Industry in Latin America and the Caribbean

Punta del Este, URUGUAY

### Corporate Governance and Transparency

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**EITI** Agenda

1. What is the EITI ?
2. The EITI in Latin America
3. ARPEL Corporate governance and transparency:  
Opportunities



## What is the EITI ?

- . It is a **coalition** of Governments, Companies and Civil Society directed to make transparency a tool to convert mineral wealth into sustainable development and less poverty in numerous natural resource-rich countries.
- . It is a **global standard** seeking to ensure that collective action strenghtens transparency as a *rule of the game* of the extractive industry.
- . It is a **methodology** that enables a sustainability in the implementation of the transparency principles in each context.
- . It is an **international** initiative implemented at **local level**.



## What is the EITI ?

The essence of the **EITI** is...

## How EITI basically works:

How EITI works



**COMPANIES PUBLISH WHAT THEY PAY**

## How EITI basically works:

How EITI works



**GOVERNMENTS DISCLOSE WHAT THEY RECEIVE**

## EITI produces a report that ....

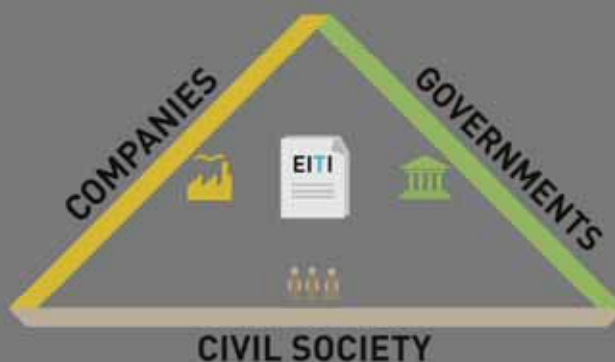
How EITI works



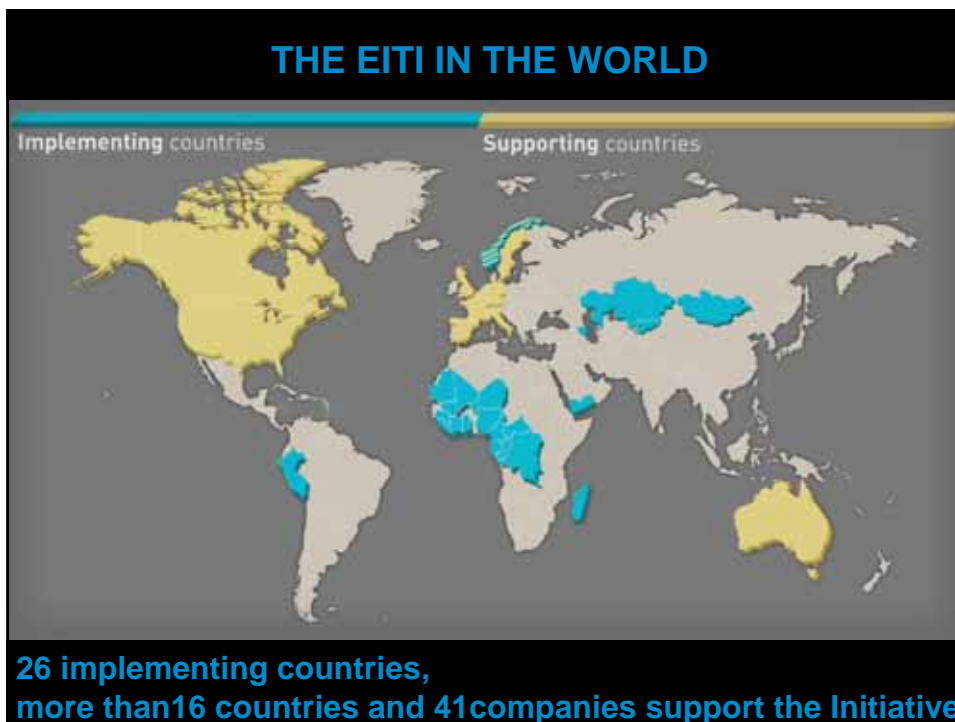
**IS A RECONCILIATION OF THE TWO SETS OF THE PREVIOUSLY MENTIONED FIGURES**

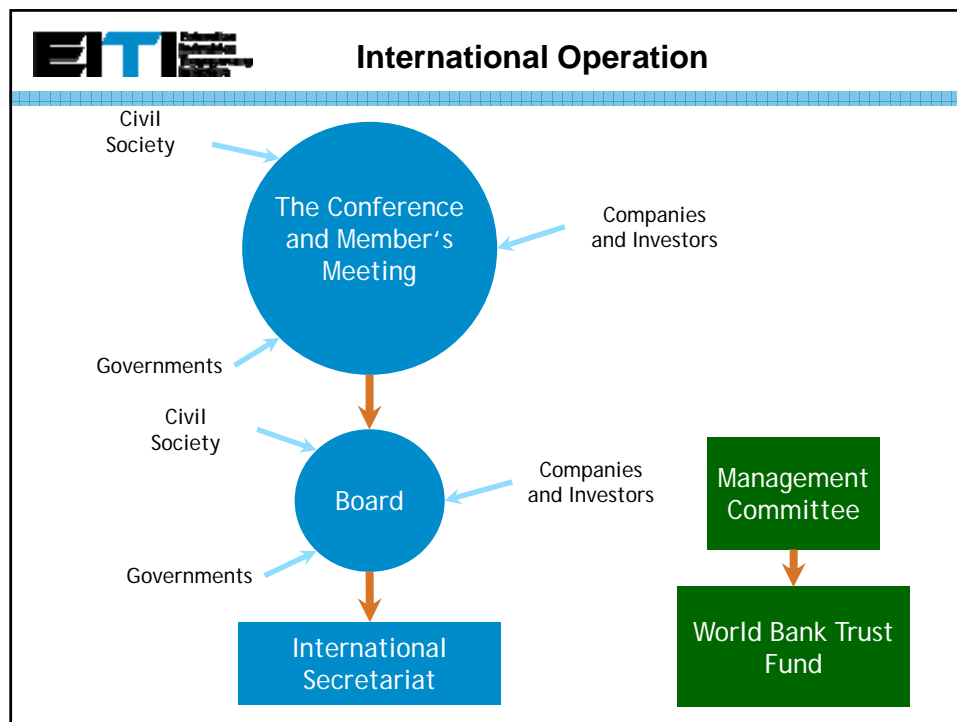
## EVERYTHING UNDER THE COORDINATION AND MONITORING OF

How EITI works



**The "Multi-stakeholder Group"  
(or the "curious coalition")**





**EITI** The EITI in Latin America

- . **Peru** is implementing and preparing its first Report (mining and hydrocarbons) for July 2009.
- . Adoption of the EITI has been **less** frequent than in other regions.
- . **Developed Civil Society**. There are very interesting examples of work in the extractive industry (Surveillance of the Extractive Industries-Citizen Proposal Group-in Peru, "Lupa Fiscal" - Faro- Group in Ecuador)
- . **Good practices**: Cooper Royalties Fund in **Chile**
- . **Special characteristics**: Importance of **Regions**
- . **Challenges**: extractive revenue management at **local level**
- . **Potential**: Bolivia, Trinidad & Tobago, Colombia, Ecuador, Chile



## ARPEL Corporate governance and transparency : Opportunities

...”companies should manage not only their financial, environmental, safety and occupational risks, but also their **social**, technological and **political risks**”...

The EITI creates a semi-institutional space to discuss specific issues of the extractive industry and its relations with the society and the political management of resources

Both private and national companies in the region face similar problems (destination of generated resources, subsidies, “spending/investment” dilemma)

... “promote dialogue among those sectors associated with the industry value chain”...”building a permanent dialogue with the society”

The EITI becomes a platform for dialogue.

It communicates “figures” and magnitudes clearly.



## Learn more about the EITI...

### Publications:

- EITI Rules
- EITI Business Guide
- Talking transparency
- Guide for legislators
- Advancing the EITI in the Mining Sector
- Other:
  - World Bank - “Implementing the EITI”
  - Revenue Watch Institute - “Drilling down”

VISIT our website:

[www.eitransparency.org](http://www.eitransparency.org)

*Thank you!*

