



Papua New Guinea Extractive Industries Transparency Initiative

**Topic: Extractive sector governance through partnerships,
outcomes & issues**

CIMC National Development Forum

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Outline



- What is EITI
- PNGEITI Objectives
- Promoting partnership through EITI
- Challenges
- Opportunities

What is EITI

- The Extractive Industries Transparency Initiative (EITI) is a **global Standard** to promote the open and accountable management of natural resources.
- The EITI seeks to strengthen government and company systems, inform public debate and promote understanding.
- The EITI is a standard by which information on the oil, gas and mining industry is published. The EITI is not a *prescription* for governance of the sector, rather a *tool* that informs the way the sector is governed.
- In each of the implementing countries, the EITI is supported by a coalition of government, companies, and civil society.

PNGEITI Objectives

- Show direct and indirect benefit of extractive industries to the economy
- Improve public understanding in the management of extractive industries
- Ensure regulatory and revenue mechanism is consistent with policy setting
- Promote engagement of different stakeholders to effectively address issues affecting the extractive industries (EI)



Promoting partnership through EITI



- EITI provides a platform for all stakeholders to participate in the management of the oil, gas and mining sectors.
- This partnership is comprised of government, companies and civil society and is aimed at improving transparency and accountability of government and companies in these sectors.
- The composition of the group is called the Multi Stakeholder Group (MSG) and is led by the Government. The partnership is based on mutual understanding.
- The MSG is responsible for the implementation of EITI Standard in a country. It is central to the operation and philosophy of the EITI, and it is reflected in how the EITI is governed and implemented.

PNGEITI MSG Responsibilities

- Provide strategic direction for EITI implementation in PNG.
- Producing annual reports in line with EITI Standard. First PNGEITI report has been published for financial year (FY) 2013, 2nd report for FY 2014 is being prepared by Ernst & Young (Independent Administrator).
- Communicating the recommendations of the report to the public to inform and stimulate discussions and debate. It is an important part of EITI as it create demand from the public for accountability and more transparency for the industry.
- Recommending “EITI report recommendations” to the Government to address key issues identified in the report.

Opportunities

- EITI provides a platform to increase transparency and accountability in the EI and compliments other anti-corruption initiatives
- MSG provides a platform for all stakeholders to address EI issues collectively
- EITI can be used as a diagnostic tool to assess the EI regulatory and fiscal regime
- Provide platform to citizens to debate and discuss the management of EI based on factual data
- Establishment of CSO peak group (natural resource governance coalition) should improve participation of CSO in the EITI

Challenges

- Working in partnership with a multi stakeholder on a consistency basis provides big challenge.
 - Getting the consistent political support
 - Securing participation of all MSG members or required quorum
- Lack of capacity within the MSG on EI issues
- Communication of EITI
- Engagement of CSOs and public at large, lack of capacity and knowledge about EI



THANK YOU