



# Papua New Guinea Extractive Industries Transparency Initiative

Topic: Implementation of the Extractive Industries Transparency Initiative (EITI) – Why is it important to Papua New Guinea?

CIMC Mamose Regional Development Forum

Village Inn Hotel

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# OUTLINE

- BACKGROUND
- WHY IMPLEMENT THE EITI?
- WHO IS RESPONSIBLE TO IMPLEMENT EITI?
- WHY EITI IMPLEMENTATION IS IMPORTANT TO PNG?
- CHALLENGES AND OPPORTUNITIES

# BACKGROUND

## What is EITI?

- Extractive Industries Transparency Initiative (EITI) - a **global Standard** to promote open and accountable management of natural resources.

## EITI Standard – what does it address?

- **Transparency** – information about extractive industries revenue is released through an annual report.
- **Accountability** – there is collaboration between government, extractive companies and civil society working together to bring about accountability in payments and receipts.



# BACKGROUND



## What is PNGEITI?

PNG Extractive Industries Transparency Initiative (PNGEITI) was approved by the Government through a NEC Decision No.90/2013, promoting revenue transparency and accountability in the country's mining and petroleum sectors,

GoPNG in collaboration with CSOs and industry established the PNGEITI Multi-Stakeholder Group in November 2013.

# WHY IMPLEMENT EITI?

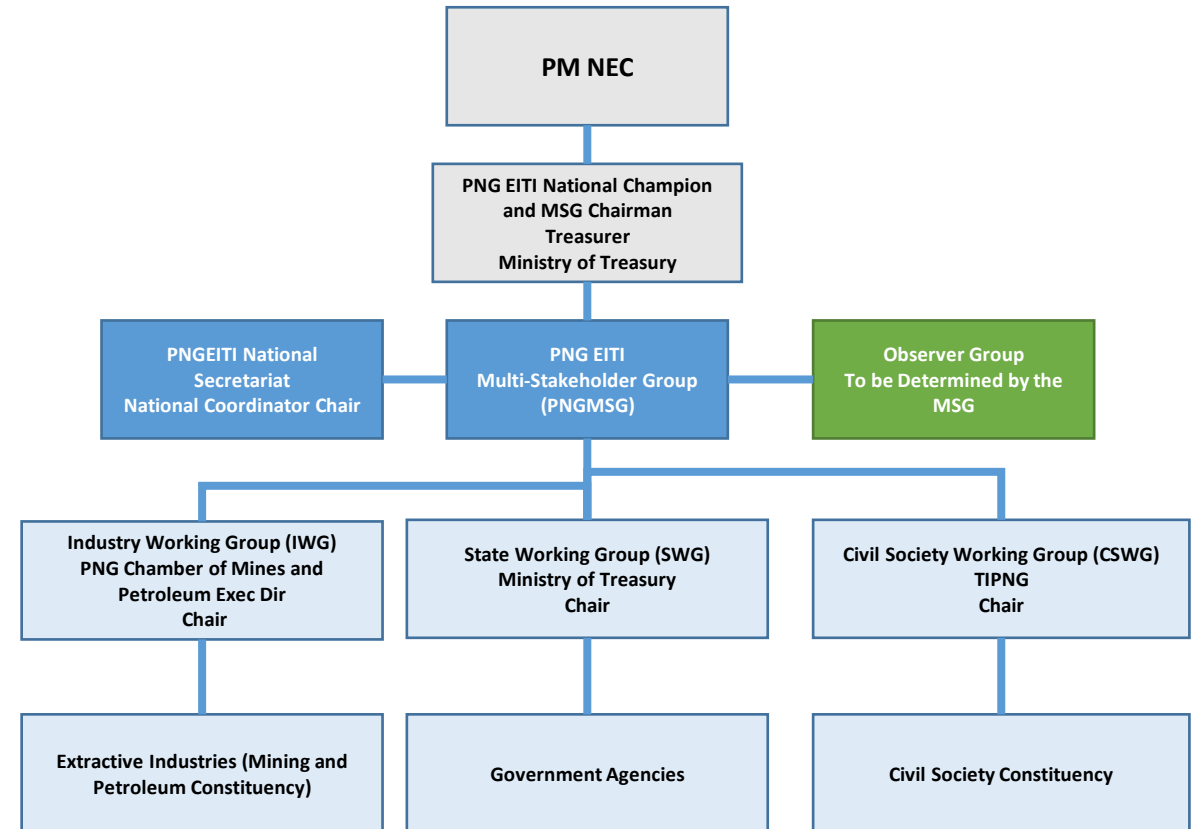
## PNGEITI Objectives

- 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)

# PNGEITI - WHO IS RESPONSIBLE?

## Multi Stakeholder Group (MSG)

- Responsible for the implementation of EITI in PNG
- Comprised 7 members each from government agencies, oil, gas & mining companies and civil society organisations
- Treasurer is the Minister responsible and Chair of MSG
- The MSG is supported by the National Secretariat (NS)
- NS is responsible for the day-to-day implementation of EITI through PNGEITI Work Plan





# PNGEITI IMPLEMENTATION TO DATE



- 2013 - NEC Decision made
- 2014 PNG is accepted as a candidate country
- 2015 PNGEITI National Secretariat established
- 2016 PNG published its First Report for FY 2013
- 2017 PNG published its Second Report for FY 2014
- 2017 preparation for publication of FY2015 and 2016 Reports
- 2018 PNG's scheduled to be validated for compliant status



# WHY EITI IMPLEMENTATION IS IMPORTANT TO PNG?



- 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 for 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 implementation
- Improves PNG's investment profile (credit ratings, corruption index, etc)





# CHALLENGES AND OPPORTUNITIES



## Challenges:

- Working in partnership with a multi stakeholder on a consistency basis provides big challenge.
- Getting 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
- Legal & administrative issues
- Securing political ownership and commitment to implement EITI Report recommendations



# CHALLENGES AND OPPORTUNITIES



## Opportunities:

- EITI provides a platform for better management of resource revenues
- PNG Government and resource owners to get the maximum benefits from resource exploitation
- Positive impact on PNG's efforts to improve transparency and accountability which will have positive scores on corruption perception and improve investment environment



THANK YOU