



Papua New Guinea Extractive Industries Transparency Initiative

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

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OUTLINE

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- 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?

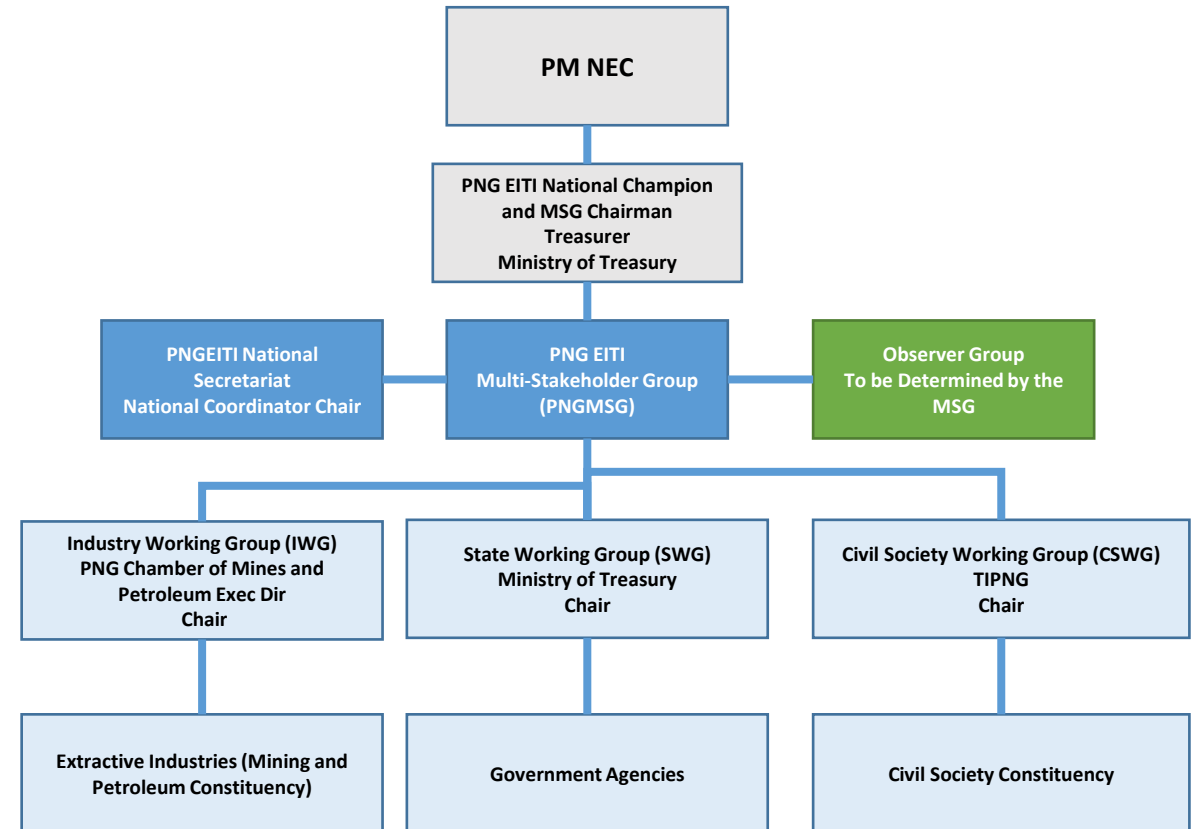
PNGEITI Objectives

- 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