

Press Release Extractive Industries Transparency Initiative

Launch of EITI International Advisory Group – 1 July 2005

GROUP LAUNCHED TO LEAD INTERNATIONAL TRANSPARENCY INITIATIVE

Peter Eigen, the founder and Chairman of Transparency International, the anti-corruption NGO, has been appointed to drive a global alliance fighting corruption in the oil and mining industries.

Dr Eigen has accepted an invitation from Gareth Thomas, the UK's minister for international development, to lead an International Panel to take forward the Extractive Industries Transparency Initiative (EITI).

EITI is a global coalition of governments, companies, and civil society organisations that works to fight corruption and promote openness in the revenues generated by developing countries. The Advisory Group has been established to internationalise the leadership of the initiative, and to consider how to clearly determine which countries are, and are not, implementing the initiative.

More than 50 countries are dependent on oil and mining, yet they are consistently amongst the poorest and most corrupt countries in the world. In both the UN's Human Development rankings, and Transparency International's Corruption Perception rankings, these countries are three times more likely to be at the bottom of the rankings than they are at the top. A lack of transparency and accountability for those revenues drives this poverty and corruption.

Dr Eigen said:

“I am very happy to accept the position of Chairman of this group. EITI is a rare coalition that has made great progress in the relatively short time that it has been around. Money from oil and mining activities in developing countries needs to benefit the many, rather than the few, in those countries. The EITI, and the international group leading the initiative, work to address that very issue.

“The remit of this group is a very broad one. EITI will succeed by promoting clear rules for transparency; establishing a process to monitor EITI implementation in different countries; and rewarding those nations that fully implement the initiative. The group will make recommendations on all of these issues.”

The International Advisory Group will consist of senior representatives from countries implementing EITI, companies, NGOs, and donors. It will be supported by a Secretariat based in the Department for International Development.

UK International Development Minister Gareth Thomas said:

“EITI has come a long way since it was launched in 2002, and the UK has played a vital role in driving the initiative forward. The time is right, however, for EITI to develop into a genuinely international initiative, and that is why we have established this group.

“Peter Eigen, as the founder of the world’s leading anti-corruption organisation, is the most credible and well qualified person to lead this group – I am very happy that he agreed to take on the role.”

The International Advisory Group will report to the next international EITI conference in 2006.

Notes for editors

More information on the Extractive Industries Transparency Initiative (EITI) can be found at www.eitransparency.org

The EITI was launched by Tony Blair at the World Summit on Sustainable Development in September 2002. It seeks to increase the transparency of payments by oil, gas, and mining companies to governments, as well as the transparency of revenues received by governments. The aim is to ensure that revenues from the extractive industries fulfil their potential as an important engine for economic growth in developing countries, instead of leading to conflict, corruption, and poverty.

A major international conference on EITI was held in London in March this year. That conference agreed a set of rules that clearly defines the steps that a country must take to implement EITI. Ten countries are currently implementing the initiative: Azerbaijan, Republic of Congo, Democratic Republic of Congo, Ghana, Kyrgyz Republic, Nigeria, Peru, Sao Tome e Principe, East Timor, and Trinidad and Tobago. A number of other countries have endorsed the initiative and are currently considering how to implement the initiative.

The following governments, companies, and organisations have accepted invitations to sit on the International Advisory Group:

- Governments: Azerbaijan, France, Nigeria, Norway, USA
- Companies: Anglo American, BP, Chevron
- Civil Society: Open Society Initiative, Global Witness, Central African Bishops Conference (Cameroon), The Coalition for Improving Transparency in the Extractive Industries (Azerbaijan)
- Investors: F&C Asset Management

The group will be supported by a Secretariat in DFID, with help from the World Bank and the IMF.

Peter Eigen founded Transparency International in 1993, and has been its Chairman since then. He is also a member of the Advisory Council of the Centre for International Development at the John F. Kennedy School of Government. He is a Trustee of Crown Agents Foundation as well as a member of the Advisory Commission on the UN, the Global Compact and the Commission on Globalisation of the State of the World Forum.

Prior to founding Transparency International he worked for the World Bank, and taught law at the universities of Frankfurt and Georgetown. In 2000 he was awarded an honorary doctorate from the Open University. In 2001 he joined the Carnegie Endowment for International Peace as a visiting scholar while teaching at Johns Hopkins University / SAIS. In 2004 he was named “European of the Year” by Readers Digest, and was made an honorary professor of political science at the Freie Universität of Berlin.

Information on Transparency International can be found at www.transparency.org

For more information on EITI contact the DFID press office at 020 7023 0620