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World Bank Group and Partners launch EITI++

Turning commodity price windfalls into benefits for poor people

WASHINGTON, April 12, 2008 –World Bank Group President Robert B. Zoellick today announced a new initiative to help developing countries manage and transform their natural resource wealth into long-term economic growth that spreads the benefits more fairly among their people.

The Extractive Industries Transparency Initiative Plus Plus (EITI++) seeks to develop national capability to handle the boom in commodity prices, and channel the growing revenue streams into fighting poverty, hunger, malnutrition, illiteracy, and disease.

“Revenue windfalls from high commodity prices must translate into tangible improvements in the lives of poor people living on the fringes of the global economy,” said **Mr. Zoellick** in launching EITI++ at the Spring Meetings of the World Bank and International Monetary Fund. *“The EITI++ will help client countries to build capacities to draw sustainable benefits from their natural resources.”*

With commodity prices at historic highs, new opportunities are opening up for some countries, especially in Sub-Saharan Africa. However, effectively managing revenue windfalls to generate growth and overcome poverty remains a challenge.

The original EITI called for the full publication and verification of company payments and government revenues from oil, gas, and mining. Since sustainable development requires paying attention to the whole process of natural resource utilization, EITI++ complements EITI’s focus on transparency in reporting revenues. It will provide governments with a slate of options including technical assistance and capacity building for improving the management of resource-related wealth for the benefit of the poor. Through technical assistance, EITI++ aims to improve the quality of contracts for countries, monitoring operations and the collection of taxes and royalties. It will also improve economic decisions on resource extraction, managing price volatility, and investing revenues effectively for national development.

Two mineral-endowed countries, Guinea and Mauritania, have already requested support in implementing the EITI++. Other resource-rich, low-income countries have also indicated interest in EITI ++. While the initial focus is on Sub-Saharan Africa, EITI++ will seek to work with all developing countries. Its activities will be funded by a multi-donor trust fund that can respond quickly to country needs.

Mauritania’s Minister of Oil and Mining, **Mohamed El Moktar Ould Mohamed El Hacem** said: *“Our new democracy needs transparency and good governance to build trust with the international community, with current and future private investors and also with our population. We welcome the EITI++ because it will help to build this trust.”*

*“We are counting on EITI++ to help us, through transparency and accountability, in realizing the aspirations of the Guinean people and ensuring that all Guineans share in the benefits of natural resource extraction,”*said **Ousmane Doré**, the Guinean Minister of Economy, Finance and Planning.

“We welcome the initiative to extend transparency in the oil, mining and gas sector beyond revenues to look at how concessions are awarded, contracts negotiated, and how the money is spent. Civil society has played a crucial role in shaping the EITI and we hope to play the same role in EITI++ because real change for the better depends on us using the information arising to hold governments and companies to account,” said **Radhika Sarin, International Coordinator, Publish What You Pay**, a coalition of 350 groups working in more than 50 countries.

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Statements of support received for EITI++:

- 1) Mr. Erastus Mwencha, Deputy Chair, African Union Commission:
Africa urgently needs to enhance its capacity to manage and to negotiate agreements on exploitation and utilization of its mineral and other natural resources and that is why we welcome the EITI++.
- 2) Mr. Haakon Gulbrandsen, State Secretary, Government of Norway:
Norway strongly supports the aims of the EITI++. The challenges that resource rich countries face are located all along the energy chain. We will work closely with the World Bank and the other partners of the initiative to realize its objectives.
- 3) Mr. Donald Kaberuka, President, African Development Bank:
The current phase of strong demand for commodities both hard and soft provides African economies a unique opportunity. But it also puts a high premium on avoiding errors of the past. I applaud progress made to date regarding transparency. EITI++ is an opportunity to take a comprehensive approach to managing our natural resources for current and future generations.

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