

## MAJOR CHANGES IN THE EITI RULES

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The Extractive Industries Transparency Initiative (EITI) was launched in 2003 and currently, about 50 countries have adhered to this initiative. Several others are compliant countries that have fully implemented EITI by successfully completing the validation process. Each country has to follow certain rules to attain compliancy. Since their first publication in February 2009, these rules have been subject to new interpretations and improvements. A first working draft was submitted for consultation in January 2011. All stakeholders were invited to make suggestions and comments. By the end of the EITI Conference on the 2<sup>nd</sup> and 3<sup>rd</sup> March in Paris, the document was finalized. Consequently, since February 2011 the new rules have taken effect.

The changes focus principally on (based on EITI website):

- The introduction of a new chapter on the requirements of the EITI, which defines more clearly the requirements that countries candidate to compliancy and their stakeholders, must meet in order to become compliant with the EITI.
- Strengthened sign up requirements: From the four requirements previously, the formation of a multi-stakeholder group is required now.
- Time limits on candidature which were unrestricted before. Candidate countries now have 18 months to publish an EITI report and two and a half years to submit a final validation report.
- More active participation of civil society.
- A redefinition of the materiality of revenues and payments.
- Regular and timely EITI reports. Countries are required to produce EITI reports annually, covering data no older than the second to last complete accounting period. Countries that have not produced a report for more than two years may be suspended and delisted from the EITI.
- The requirement for reports based on audited accounts to international standards and other reporting requirements.
- Requirements to be met to maintain compliant country status.
- A revised and simplified Validation Guide which provides instructions on how validators should ensure that the EITI requirements have been met.

The EITI International Secretariat has organized several workshops since May to build capacities of all stakeholders. The first took place in Berlin from the 2<sup>nd</sup> to the 5<sup>th</sup> and the second in Togo from the 18<sup>th</sup> to 20<sup>th</sup>. It is important to point out that the principles and criteria of EITI remain unchanged. We can say that the new rules globally intend to make the implementation process more clear. The Board has yet to plan for transitional provisions given that much work had already been done in many countries following the old rules. The aim is to allow a flexible shift towards the new rules, which could also be subject to modifications over time. Special efforts were made to manage any inconsistencies that might arise with respect to the old rules. The new rules are currently being translated into several languages to facilitate understanding by all member countries.

However many questions remain:

- Could we expect the implementation of new rules while the former were not yet even fully implemented? Were they even well understood, and by all stakeholders in the process?
- Have the capacities of all stakeholders been strengthened enough to address these changes?
- In a context of very slow implementation of new procedures like ours, how can we meet up quickly with these changes and those to come?

These notwithstanding, the new rules have already taken effect and the transparency engine is moving quickly. It is left to each stakeholder to update!

A complete version of the new edition of EITI rules is available at this link:  
<http://eiti.org/document/rules>. For more details on the various changes go to:  
<http://eiti.org/news-events/2011-edition-eiti-rules>.