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EITI scrapes through credibility test

The Extractive Industries Transparency Initiative (EITI) has done the bare minimum needed to protect its credibility in choosing to 'delist' Equatorial Guinea and Sao Tome and Principe at its Berlin Board meeting today, said Global Witness.

EITI was launched in 2002 to bring more transparency to the flow of payments to governments from oil, gas and mining companies. Its membership comprises companies, governments and non-governmental observers. Global Witness is one of ten non-governmental members of the Board.

Last month, 20 countries failed to meet the deadline to complete validation, a third-party assessment of whether they are implementing the EITI in accordance with its rules. Of those countries, only Equatorial Guinea and Sao Tome have been suspended and removed from the initiative following the two-day Board meeting in Berlin. The rest have been granted extensions even though some of them have given very unconvincing reasons for missing the deadline.

Global Witness believes that the transparency scheme's Board has thus set a very low bar for countries' performance.

The EITI rules required that these countries show "exceptional and unforeseeable circumstances" to explain why they failed to meet a March 9th deadline for Validation, a third-party assessment.

"At its meeting in Berlin this week, the EITI board has interpreted this rule so broadly that only two countries failed to meet it, even though there are serious concerns about several other countries such as Peru, Democratic Republic of Congo, Sierra Leone and the Republic of Congo," said Diarmid O'Sullivan of Global Witness.

In order to salvage its credibility, the EITI must now take a very rigorous stance on assessing countries' validation reports. The board is likely to assess a number of these reports at its meeting in October.

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Contacts: Diarmid O'Sullivan, dosullivan@globalwitness.org, 07872 620955