

## Chair of the international EITI welcomes Germany to the Initiative



EITI Chair, Frederik Reinfeldt  
Source: [EITI International Secretariat](#)

As the Chair of the Extractive Industries Transparency Initiative (EITI), let me offer you a warm welcome to the EITI community.

The EITI is a global standard to promote open and accountable management of natural resources. In February, the EITI Board accepted Germany's application to become an EITI candidate country. Thus Germany - along with Norway, the United Kingdom and the United States - has transitioned from supporting the EITI to implementing it at home. This is a significant step, and will help convince more resource-rich countries to commit to greater transparency and accountability in the oil, gas and mining sectors.

In the past ten years, the EITI has come a long way. It used to be limited to comparing the payments companies made and the government received. Overall, the EITI's 51 member countries have collectively published EITI Reports covering 290 fiscal years, covering over USD 2 Trillion in government revenues. That work has helped to ensure that this money is properly accounted for, and used to promote development and poverty reduction.

While revenue transparency is essential, there are many other issues that need to be addressed to ensure that these sectors

are governed effectively. In 2013 and again in 2016, the EITI Standard was further strengthened to address issues along the value chain. The way the sector is organised, how licenses are awarded, the role of state-owned companies, monitoring production and exports, and the ways which revenues are allocated and distributed are now all aspects that have to be more open.

Communicating to the public how these resources are governed is just as important as collecting all the data. Only then can transparency lead to more accountability and improved public debate.

The Panama Papers have further highlighted the need for a coherent and coordinated global response to tax evasion and corporate secrecy. In many countries, the identity of the real owners – the 'beneficial owners' – of the companies that have acquired the rights to extract oil, gas and minerals are unknown, hidden behind a chain of anonymous corporate entities. This opacity can contribute to corruption, money laundering and tax evasion. In February 2016, the 51 EITI member countries agreed to reporting of the beneficial owners of the oil, gas and mining companies that bid for, invest in, or operate in their country. Thus, the EITI forms a small but important part of a global response.

We welcome that D-EITI has already begun its work to develop EITI reporting in Germany. As in the 50 other implementing countries, the effectiveness of this work hinges on adapting EITI implementation so that it addresses the needs of Germany stakeholders. The early discussions about the coal sector and plans to promote renewable energy have been both challenging and rewarding. We encourage all stakeholders to make full use of the EITI process, data and findings.

Of particular interest is the work being done to ensure that EITI implementation is aligned with the EU's Accounting and Transparency Directives. This has the potential to enhance transparency and accountability while minimising compliance costs, an approach that will be of significant interest to other EITI implementing countries, especially in Europe.

Fredrik Reinfeldt

EITI Chair