Speech Guinea Mining Symposium 2011

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Transparency Initiative (EITI)

« Better resource governance to benefit all/Une meilleure gouvernance des ressources au bénéfice de tous »

Your Excellency the President of the Republic,

Your Excellency the Minister of Mines,

Secretary General,

Distinguished guests,

Friends of Guinea,

I am honored to be here with you, at this important juncture in Guinea’s history.

A year ago, there was widespread agreement: Guinea faced an uncertain future. Following the atrocities of September 2009, scenarios ranged from political instability to civil war. As the Chairman of the International Board of Extractive Industries Transparency Initiative at the time, I followed events closely. In late 2009, Guinea requested a voluntary suspension of its EITI candidate status. The political environment no longer allowed a meaningful implementation of this transparency standard. The country was not safe for the public debate so essential to the EITI, let alone good governance and accountability.

Meanwhile, the Guinean people and its leaders proved all the doom sayers wrong. Through dedication and hard work, Guineans worked out their differences and chose
their president in a free and fair election. Not only that, the runner up also accepted defeat and recognized the democratically elected president. This is a remarkable achievement.

Guinea has taken a decisive step, but we will all agree on the enormity of the task ahead. Rebuilding a nation that has suffered 50 years of poverty and instability is not an easy task, and significant challenges will have to be surmounted.

Guinea's wealth of minerals offers an exceptional potential for leveraging the country's progress and development. At the same time, this wealth is also the most formidable challenge for Guinea. Despite its riches, the country has to date remained poor and fragile. This paradox of plenty, the so-called resource curse, is a widely discussed phenomenon. In few other nations on this planet is it as apparent as here in Guinea.

As the former President Sekou Touré puts it, "Guinea is a geological scandal". Iron ore, gold, diamond, bauxite and many other precious minerals are buried underground in superb quality and immense quantities. Never have so many poor people lived on top of so many resources, in such a small perimeter.

I am so pleased to see that reforming and improving the governance and management of the mining sector is emerging as one of your top policy priorities, Mr. President. You will agree with me that in order to make these reforms meaningful and sustainable, the many players in the mining sector need to work together, and that in the right way. In the 21st century, no single actor can leverage challenges alone anymore. Governments and companies need to reach out to each other to deal with economic and financial challenges and crises. Citizens increasingly organise themselves and are more and more an essential actor in leveraging change.

We must ensure that the country and its people benefit from their natural riches. We must also ensure that the country builds lasting and mutually beneficial relationships with international partners and investors.
The Extractive Industries Transparency Initiative provides a framework for doing just that. Many countries in West Africa and beyond are implementing the EITI. Liberia, Nigeria, Niger and Ghana have already become compliant with this industry standard. They are seeing real benefits.

The EITI supports improved governance in resource-rich countries through the verification and full publication of company payments and government revenues from oil, gas and mining. The EITI recognises that business leaders, civil society groups, and the government must work together to achieve sustainable change in the mining sector. The EITI is a coalition of governments, companies, civil society groups, investors and international organizations that jointly strive for a more transparent management of the extractive industries. To achieve this, the EITI has a robust yet flexible methodology that ensures a global standard is maintained throughout the different implementing countries. The EITI Board and the international Secretariat are the guardians of that methodology. Implementation itself, however, is the responsibility of individual countries. The EITI, in a nutshell, is a globally developed standard that promotes revenue transparency at the local level. The EITI Rules establishes the methodology that countries need to follow to become fully compliant with the EITI.

Guinea began implementing the EITI as early as 2005 and established an EITI multi-stakeholder group. I salute the members of Guinea’s EITI Executive Committee and its Technical Secretariat, who have continued to implement the EITI even during the difficult times. I am also pleased that Guinea has been readmitted as an EITI candidate country, following the year of suspension during the crisis. The EITI process now needs to be boosted. Implementation of the EITI Principles and Criteria must get back to its former dynamics. Guinea has only until 29 February 2012 to achieve validation of its EITI process. If it succeeds it will join the group of EITI compliant countries that have proven they are able to manage their extractive sector transparently and accountably. Only nine months are left and a lot remains to be done. Guinea needs to publish EITI reports regularly. The wide public needs to be informed about the EITI and its benefits. To do
this, the EITI group will need all the help it can get, from the government and from international partners.

The EITI is no silver bullet. But by implementing the EITI effectively, this new government can make an important step for leverage the mining sector to the country's benefit. Transparency and good governance will attract more investors. As President Johnson-Sirleaf has said, a country should be interested not just in investors, but in good investors that are reliable and responsible. And investors increasingly consider successful EITI implementation as a sign and confirmation that a country seeks to provide long-term stability and to be a trustworthy business partner. In Nigeria and Azerbaijan, successful EITI implementation has contributed to better sovereign risk ratings.

The EITI can also help overcome obscurity and build citizen trust. We all know the effects of the resource curse on a country's peace and stability. One does not have to look far to see the devastating effects of conflict and war over the control of resources. Non-transparent governance also destabilizes regimes that cannot count on the support and trust of their citizens. The EITI aims at the full publication of want the State earns from selling a country's natural resources. This avoids misunderstandings and ensures accountability vis-à-vis the citizens. They have a right to know that the mining resources are managed effectively to in future benefit everyone, and not just a small minority as in the past.

All parties have an important role to play in the EITI process. Leaders of mining companies can demonstrate that their transactions with different government entities are transparent, and that they are responsible investors. Civil society organizations play an important role holding the government agencies and companies accountable.

Most importantly, the government has the responsibility to create a space for dialogue, ensuring that all parties are represented at the table to discuss mining sector governance effectively.
35 countries on five continents already implement the EITI. 50 companies and dozens of investors support this industry standard. Hundreds of civil society organizations contribute to anchoring the EITI around the world. Over 1,000 participants from 80 countries joined us at the 5th EITI Global Conference in Paris in March. Guinea is part of a wider community jointly promoting change in the oil, gas and mining sectors.

I have no doubt that with this new opportunity to manage their natural resources, Guineans will make the right decisions, to address their most pressing short-term needs but also to lay the tracks for long-term prosperity. But only when Guineans are appropriately informed about their revenues and appropriately involved in the management of these revenues, are they able to make decisions to benefit them. The EITI with its transparency mechanisms can help leverage the government's new agenda in the mining sector. Guineans selected their own leaders and rejected violence when they were given the opportunity. When it comes to making the most of their resource wealth, they will surprise the world yet again.