

# Is EITI another Western Agenda?

by  
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Experience has increasingly shown that the abundance of natural resources does not necessarily produce rapid development in countries where they are found. Instead, paradoxically, they all too often produce poverty, conflict and corruption whose consequences become increasingly widespread and impact development, not only in the country in question, but more broadly in an interconnected world. The rapidly globalizing world means that these consequences transcend boundaries and threaten stability of both the developed and developing world. It is therefore common sense that a search for the reversal of this disturbing trend becomes a global collective. Therefore when former British Prime Minister Tony Blair took the extractive industries transparency initiative (EITI) to the world summit for sustainable development (WSSD) in Johannesburg in 2002, the world applauded. Up until 2002, EITI have been embraced voluntarily by thirty countries out of which nine are from sub-Saharan Africa. Since then, EITI has grown to become a truly global framework for transparency, participation and good governance in the natural resources sector.

Evidence of governance deficits abound on my continent of Africa and these are creating unbearable social, economic and environmental problems. African people are responding to their continuous exclusion from the benefits of and even information on the quantum of resources they have, by greed and antics of tiny parasitic elite and their collaborators. Their response has mostly taken the form of violence. And so any initiative that will shed light on this hitherto “dark alley” will be most welcome by Africans and will certainly contribute to peace in our troubled continent.

In Nigeria, where I come from, since the discovery of oil in the tiny town of Oloibiri, the flow of billions of petrodollars has been shrouded in secrecy and opacity. The resultant effect is there now for the world to see. Deep social conflicts, militancy and insecurity have not only affected global oil supplies from the Gulf of Guinea but have unprecedented diminishing effects on our national earnings, mainly oil derived. But the depth and magnitude of these mistakes will never have become evident if not for EITI implementation in Nigeria. The Nigerian government became the first signatory to the EITI initiative in 2003. The Nigeria EITI had conducted an audit of the Nigerian oil and gas sector between 1999-2004. The audit, which was known to be the most comprehensive in the fifty years of oil exploration in Nigeria, revealed systemic capacity weaknesses and measurement inadequacies in the oil and gas sector of Africa's most populous oil rich nation. The Chairman of Nigeria EITI, Prof Asissi Asobie, was recently quoted as saying that "Nigeria still does not know the amount of oil it produces per day". The Nigeria EITI audit also led to discovery of several millions of dollars in under payments and errors of computation. The positive impact of EITI in Nigeria has been widely recognized and led to inclusion of a fundamental clause in the proposed Petroleum Industry Bill (PIB) on compliance of all industry operations with EITI in 2007.

In nearby Ghana where oil was recently discovered, the hope of citizens to derive maximum benefit from their oil wealth derives from the atmosphere of openness and disclosure created by EITI implementation. The same goes for Liberia, the first and only EITI complaint country in Africa so far, where, according to civil society, "government and extractive industry companies are opening up to constructive dialogue with civil society for the benefit of citizens."

And that leads me to what I call the unique selling point of EITI: Its multiple stakeholder approach. For the first time governments, business, and civil society are sitting around the table as equal partners to debate on matters of citizen's interest. In many African countries where autocratic regimes and military dictatorships have been the order of the day; this is a considerable break through that could sharpen the direction of good governance in years to come.

But governance skeptics who do not wish Africa well have fuelled reluctance to EITI in many African countries. They have labeled it a western agenda. They are led by many countries where extractive industry businesses are dominated by non-western countries, especially China. Angola is a good example of such countries in Africa who have continuously suppressed the voice of citizens in management of their natural resources. The tendency for politicians in such scenarios is to abuse such situations for personal accumulation and corrupt enrichment.

For governance to improve in Africa, all potential and actual partners of Africa must rise to the challenge of transparency and openness. This is also good for business as the unfortunate aftermaths of opacity will affect everyone in the long run. The so called principle of non-interference, as mirrored in the old OAU charter, which means sitting in mute indifference or cold complacency can no longer suffice. It is not sustainable and can never be.

The extractive industries transparency initiative (EITI) offers natural resource rich African countries another opportunity to ask questions and challenge corrupt leadership in a manner that will produce continental prosperity. The biggest challenge of the continent is to transparently and effectively utilize the abundant natural resource under our feet to jump start and diversify African economies.

The United States, a leading consumer of oil from Africa, has just recently passed a national legislation binding all US companies to comply with disclosure and openness. This is leadership by example. China, whose oil imports from Africa are rising daily, should naturally be the next country to follow suit!

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