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 የማዕድን ሚኒስቴር
 FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA
 MINISTRY OF MINES

United Nation Development Program
Addis Ababa

ቀን 03 AUG 2015
 Date
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Subject: Sending EEITI activity report so far done

As you are awared, Ethiopia is implementing the global EITI rules since 2009 and now designated as a candidate country from 19th March,2014 and strongly working to meet all requirements for compliant status. To ensure that the regional relevant stakeholders are engaged in the implementation process, we have been started large EEITI awareness creation campaign indifferent parts of our region. Out of these, the outreach program we made in both Afar and Benishangul Gumuz has been successfully completed and we are glad to report you all the efforts we have gone through attaching to this letter.

Additionally, we would like to acknowledge and thank for the reimbursement notification you send us and hope, your close support will continue so as to see that the EEITI implementation process will reach to maximum level.

Sincerely,

Alamu Sime
 Alamu Sime (PhD)
 State Minister



04 AUG 2015

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PHYSICAL EEITI ACTIVITY REPORT SO FAR DONE IN THE LAST 4th QUARTER

Background

The Extractive Industries Transparency Initiative (EITI) in one hand it is Country owned process in the other hand a global initiative with global standard established to strengthen natural resource governance by improving transparency and accountability in the extractive sector through collective leadership drawn from government, business sector and Civil society groups. EITI involves a process by which the payments made by companies and revenues received by governments are disclosed and published in independently verified reports. Currently, it is implemented by 48 resource rich countries in which some are designated as candidate including Ethiopia and some are at compliant status including some of the world`s powerful countries .

Implementing EITI will help countries to efficiently collect the revenue generated from the extractive industries, supports anti-corruption and good governance agendas of countries and establish citizen trust in public institutions and extractive companies. Citizens would be able to hold government accountable in the use of revenues collected from the extractive companies based on the transparent system established to manage the national resources. A transparent system will bring conducive investment climate and attract more Direct Foreign Investment in the country.

Countries like Nigeria, Ghana, Tanzania...have been started to see how practicality of the initiative would bring change in recovering thousands and millions of USD to the government account, raising the rate of mining payment (Royalty, tax...) by company, raising the level of license transparency etc.



The government of Ethiopia has recognized the contribution of EITI to reduce poverty, fight corruption, promote good governance, transparency and accountability and joined the global initiative to implement the extractive industries transparency in Ethiopia; and formally launched EEITI in 2009 and made considerable efforts to meet EITI requirements and achieved its candidature with valuable recommendation by the EITI Board.

The government is also committed to work with stakeholders in general and with CSO's in particular to raise awareness of the local communities towards the extractive sector and the EITI process as well for the development of the mining industry and to ensure sustainable development.

Since the launching of the initiative at national level, tremendous activities were delivered in accordance to the global EITI rules and principles together with committed development partners like UNDP, World Bank, AfDB and others.

Some of the successful activities we delivered are, conducting the outreach programs in the regional areas in the form of workshops & seminars like we did in Afar and Benishangul Gumuz regional state by bringing different stakeholders from government, business sectors, CSOs and local communities using financial support we obtained from UNDP as this organization is one of the leading supporting development partners in creating transparency and accountability in the sector. As mentioned from the above, with the total budget amount of 722,738.54 ETB donated by UNDP, we conducted workshops in the aforementioned regions where 357 male and 33 female with a total of 390 participants from stakeholders of the regions stated below were participated. These include:

- ✓ Regional level stakeholders including the Administrative bodies, mines bureau, land administration and environmental protection, justice bureau, revenue bureau, finance and economic



development bureau, micro and small enterprises development agency, anti corruption commission, women's affair, youth affairs and others;

- ✓ Zonal and woreda level Administrative bodies of both regions ;
- ✓ Participants from the Artisanal miners of the potential areas of both regions;
- ✓ Participants from Extractive Companies of the regions;
- ✓ Participants from Civil Society Organizations working in both regions;
- ✓ Participants from the religious Institutions of both regions; and
- ✓ Participants from Ethiopian NSC and different departments of Ministry of Mines.

Attentively selected organizations stated from the above would have fundamental roles in the implementation of the initiative through providing relevant mining data, vital in formations related with natural resource management, participating in public dialogue to extend the awareness the initiative all over the country with all its advantage to including its contribution to maintain culture of democracy among citizens etc.

Objectives of the workshop

A two days workshop in each region was conducted with the objectives of:

- ✓ Raising the awareness of the stakeholders on EITI;
- ✓ Boosting the engagement of different stakeholders;
- ✓ Ensuring the effective implementation of EEITI;
- ✓ Raising the public understanding on license allocation;
- ✓ Raising the stakeholders' understanding on legal issues related to the sector;
- ✓ Promoting transparency and accountability in the sector;
- ✓ Creating conducive environment for both Extractive Companies and Artisanal and Small Scale Miners;



created favorable condition in boosting the initiative. Apart from this, the commitment from the government to extend the transparency issue in different sectors will make our country benefit from the sector more than ever and ensuring sustainable development by promoting transparency and accountability in the sector.

Other than the commitment from the government, the dedication of our development partners in providing the technical and financial support for better implementation and sound dialogue of the relevant stakeholders in the natural resource management is the other driving power to undertake meaning full efforts in improving the resource wealth governance.

Therefore, since the implementation have been started, the efforts made in creating the importance of this initiative in the regional areas were highly motivate especially the local community living in the mining areas to raise basic problems associated with mining operation on their environment, economy, good governance and hope up on the continuous application of the same effort, the mining community will be able to put a pressure on the companies and government entities who have responsibility to issue the license to be accountable for all issues related with natural resource management.

