

## Transparency in the Oil and Gas Sector: Eni Commitment

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Business is today very much engaged by global and local stakeholders on a number of interdependent sustainability/CSR issues, among them transparency and anticorruption policies.

Big international corporations have a number of serious requirements to be compliant with: Sarbanes Oxley Act (SOA) for those quoted at the US stock exchange, EU Decree on companies and managers responsibilities, other legal and good governance requirements requested by the financial market and by shareholders are now reinforcing prevention and mitigation risk management systems.

When companies operate in energy resources owning countries, the final destination of the huge amount of money flows produced by the extractive activities should be addressed to sustainable development and the improvement of communities quality of life. In many contexts, for a number of cultural, political and historical reasons, this doesn't happen and companies are often squeezed between a weak local governance and the pressure of civil society to improve the situation.

Once transparency on the revenues-payments in the extractive industry has therefore been raised in the international agenda (especially through the launch by the UK government of the Extractive Industry Transparency Initiative, EITI, in 2003) oil and gas operators in developing countries become to be more and more committed to disclose information on financial flow related to their activity with the idea that increasing the level of transparency can enhance the control over the final expenditures destination.

This initiative is focusing on some pilot countries where the need of a more transparent revenue management is urgent to be addressed. Eni adheres and contributes through active participation in countries like Nigeria and Kazakhstan where it has a preminent role of operator.

On the other hand it is clear that higher transparency on revenues flows can be obtained only through the full commitment of all actors in the arena: national authorities, international financial and lending institutions, investors, extractive companies, NGOs and civil society pressure groups. This responsibility is crucial to get a sustainable use of natural and financial resources.