

International Secretariat 2023 Work Plan

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Executive summary

The EITI International Secretariat's 2023 Work Plan is a **planning tool to ensure efficient use of resources to achieve goals and priorities** in the coming year. It is also an accountability tool for the EITI Board and supporting partners, outlining priorities for Board Committees and the Secretariat and providing a mechanism for the Board to approve the Secretariat's budget and planned activities.

The four main priorities for the EITI Secretariat in 2023 include the following: (i) successful planning and delivery of the **Global Conference** in June 2023; (ii) completing the process of revisions of the EITI Standard for Board approval, (iii) maintaining the quality assurance of the EITI Standard through **Validations**; and (iv) providing **support to implementation**, mainly through technical assistance and ongoing projects managed by the International Secretariat.

As part of the preparation for the **Members' Meeting and the Global Conference**, support to the EITI Board and stakeholders' consultations on the **refinements to the EITI Standard, and assessment of companies' expectations** will remain high priorities in the first half of 2023.

This work plan is situated within a **dynamic global context**, marked by several novel trends and challenges facing the extractives sector. Efforts to strengthen resource governance in 2023 will face headwinds such as the continuing effects of the COVID-19 pandemic, volatile commodity prices and the implications of the energy transition for resource rich countries. These pose considerable challenges to EITI stakeholders and implementing countries, but also to the EITI Secretariat's mandate to support country implementation.

At the same time, there are several opportunities for the EITI to play a critical role in the energy transition and deepen its role in tackling corruption, as identified in **EITI's Strategic Priorities** approved by the Board and where the EITI offers clear added value. These activities, approved by the Board in October 2020, include helping implementing countries navigate the **energy transition** through multi-stakeholder engagement and support policy making, as well as renewed emphasis on **anti-corruption efforts** and their renewed importance in light of the accelerating demand for critical minerals.¹ Continued efforts to **strengthen systematic disclosures through a refreshed data strategy** are key for maximising the use and uptake of EITI data, increasing the potential impact in countries struggling to address resource governance challenges while addressing energy security.

In regard to **country implementation support**, the work plan identifies several shared priorities and objectives across regions, including **revitalised stakeholder engagement**, in line with the recommendations from the independent evaluation, **alignment with national priorities, and accelerated systematic disclosure**. The key challenges, opportunities and planned activities emphasise how regional support will adapt to the changing global circumstances and emerging policy areas distinct to each region. The new Validation model will be leveraged to maintain robust quality assurance of EITI implementation, while also strengthening technical capacities in implementing countries and capturing lessons learned in order to strengthen implementation across country contexts.

In regard to **global policy and partnerships**, the work plan identifies key priority areas, building on EITI's strategic priorities and recommendations from the independent evaluation, Key objectives

¹ [Board Paper 48-4-B Energy transition and EITI - Priorities and next steps.pdf](#)

and activities are identified for each of these, spanning work at both the national and global levels. Nationally, this involves the provision of high-quality technical support and guidance for more active engagement of companies and civil society in EITI implementation, as well as efforts to inform and support national policy debates concerning novel policy challenges and issues. At the global level, this involves providing support to companies to adopt and adhere to the EITI company expectations and deepening collaboration with international partners such as, the World Bank, the European Commission and the IMF.

Efforts to **strengthen communications** will focus on the 2023 Global Conference as a major deliverable for the Secretariat. In preparation for **the Members' Meeting** in conjunction with the Global Conference, the Secretariat will seek to mobilise support for the EITI's mandate, grow the EITI's reach, and strengthen communications capacity of national secretariats, with an emphasis on activities aligned with the six shifts set out in the Board paper on Strategic Priorities.²

In regard to **global governance and outreach**, planned activities will aim to strengthen trust and accountability between constituencies, while reflecting the diversity of stakeholders in a changing global environment, to address some of the challenges posed by virtual Board meetings during the COVID-19 pandemic. This section also sets out fresh opportunities for outreach efforts to potential implementing countries as preparations for the Global Conference get underway.

Management of the EITI International Secretariat in 2023 will focus on strengthening systems for resource tracking, financial management, procurement and project reporting. This is complemented by growing emphasis on **monitoring, evaluation and learning** in EITI implementation. Building on the results of the independent evaluation, the Secretariat plans to strengthen internal monitoring and learning processes and invest more in capacity development efforts to improve monitoring and evaluation in implementing countries. Internal processes for results-based planning have been strengthened, as part of the International Secretariat's efforts to improve its **operational efficiency and outcomes**.

The work plan closes with a provisional **budget**, presenting income, expenditure, and risks to implementation of the work plan. While the presentation of the budget remains consistent with previous years for ease of comparison over time, the Secretariat proposed a two-step process for the development of the 2023 budget. First, preliminary aggregate figures were presented to the Board for discussion in October. A more detailed budget is submitted to the Board for decision by Circular in December to be endorsed by the Board at its meeting in March 2023.

Expected income of USD 10.8m compares to projected expenditures of USD 11.4m, including funding and expenditure for the Global Conference. This would result in a projected deficit of USD 0.56m, could lead to dipping into the reserve fund (which was increased to USD 2.4m in 2021 to guard against this risk). This highlights the importance of ensuring that future revenue streams take into account inflation-related increases that affect salaries and travel in particular. Successful planning and delivery of the Global Conference in June will be a central focus on the 2023 workplan supported by earmarked funding. The Secretariat will continue to rigorously prioritise support to implementing countries and Validation while focusing on efforts to advance progress on EITI's strategic priorities. The Secretariat is exploring a potential increase in core funding contributions from governments and companies to mitigate inflation-related cost

² The Board agreed its strategic priorities for 2021-2022 through Board Circular 24 December 2020. Full Board decision is available on the EITI website [here](#).

increases. The Secretariat will also be pursuing additional opportunities to mobilise project fundraising for work on the energy transition and the new data strategy.

On expenditure, the Secretariat will continue to explore the potential to realise cost savings as it further prioritises planned activities for the year. It will prioritise project-related travel to ensure that deliverables are on track while ensuring that travel for implementation, Validation, and outreach continues to receive priority. It is undertaking value for money reviews of travel and language services to ensure the Secretariat receives high quality support with the potential to realise cost savings.

1. Supporting country implementation

As resource-rich countries adapt to the changing global conditions, it will be critical to ensure that national EITI processes are results-driven, effective and aligned with the priorities of national stakeholders. There continues to be a demand to **demonstrate impactful implementation** beyond regular disclosures. There are opportunities to strengthen results-based implementation and robust impact analysis and communication. In addition, more intensive efforts **on domestic resource mobilisation, energy transition, anti-corruption**, open data and accelerating progress on systematic disclosures will remain a high priority for the EITI. Proactive disclosures founded on timely, usable and accessible data will gradually replace retrospective reporting to inform decision making, foster independent analysis, and promote public debate.

In support to implementing countries in maximising the benefits of implementing the EITI Standard, the Secretariat will focus on the following **objectives**:

- Drawing on the recommendations of the independent evaluation, **revitalise stakeholder engagement**, for civil society, companies, and governments for a more effective functioning of MSGs as a platform for dialogue. This will be done through a combination of in-person and virtual missions, targeted engagement with key stakeholder groups and facilitation of policy dialogues focused on issues of national relevance.
- **Align EITI implementation with national reform priorities** by working with stakeholders to identify complementarity. Ensuring work plan objectives are aligned with national priorities and that planning is results-based and geared towards generating impact will receive priority. Subject to funding and where there are demands, the Secretariat will collaborate with the OECD and IGF to provide support to countries where ASM is highly relevant.
- In collaboration with GIZ, the World Bank and USAID, advance **systematic disclosures** through capacity building, technical assistance and peer learning, making optimal use of EITI data.
- **Focus implementation support on tasks that achieve greater impact** by applying learning from stakeholder engagement and realigning priorities to identify higher-value work.
- **Contribute to policy development in the extractive sector** and identify opportunities for stakeholders to use EITI data in ongoing policy and debate on natural resource governance.
- **Support multi-stakeholder groups to focus increasingly on data, analysis and policy relevance** and less on commissioning and producing reports.
- **Facilitate peer learning and knowledge sharing** across regions and themes.
- **Leveraging the new Validation model**, provide technical advice to current and prospective implementing countries on mapping systematic disclosures through completion of transparency templates and preparation and submission of Summary Data.
- Drawing on lessons learned from the EITI pilot on **alternative approaches to reporting**, provide guidance to MSGs' planning of EITI disclosure cycles to ensure disclosure of timely, reliable and relevant information in a cost-effective manner.

International Secretariat implementation support will include efforts to mobilise political support for country implementation, facilitate the development of results-oriented work plans in line with national objectives, support for effective governance of MSGs, assist timely and relevant reporting, and provide advice on systematic disclosure and data dissemination efforts, tailored to regional and national priorities

A. Anglophone and Lusophone Africa

The Anglophone and Lusophone region comprises 13 countries in West, East and Southern Africa.³ The macro-economic and political outlook for the region is uncertain as several countries have elections in the coming year. While recovery is forecast for 2023, economic growth will remain slow. Commodity price volatility has been acute in the last two years as a result of the COVID-19 pandemic and Russia's continued invasion of Ukraine. The oil price shock at the height of the pandemic resulted in a severe strain on government public spending, particularly for oil dependent countries. Uncertain government revenues as a result of commodity price volatility have been compounded by debt crises. Ghana, Mozambique and Zambia have negotiated IMF programmes to address debt challenges. The main priority for countries in the region is to mobilise domestic resources to finance public spending.

An overarching objective for the Secretariat in the region is to **improve the quality of EITI disclosures and demonstrate impact**. This will build on progress made through flexible reporting and systematic disclosures in the region. It is expected that EITI reporting in the region will be more analytical and will influence government decision making and public debate on **domestic resource mobilisation**. **Validations** of Ghana, Uganda and Nigeria will be used to encourage further reform and demonstrate impact.

A key priority in the region is to mitigate against the risk of corruption, while improving **disclosures by State-Owned Enterprises (SOEs)**. Those of the Nigerian SOE NNPC, Ghana's GNPC, Angola's Sonangol and Mozambique's ENH are expected to contribute to **anti-corruption efforts**. The Secretariat will support participation of these SOEs within the SOE network and outreach efforts for them to consider becoming EITI supporting companies. Support will be given to Malawi and Uganda to conduct a diagnostic of vulnerabilities in the award of mineral rights to help manage corruption risks. As part of the Validation of Nigeria, the Secretariat will investigate allegations of corruption involving government agencies and make recommendations of corrective actions for the EITI Board to consider.

The Secretariat will also support public debate, legal reform and practice with respect to **contract disclosures**. The focus will be on countries that do not currently disclose contracts and where there is huge public interest in disclosures, notably Angola, Nigeria, Tanzania and Uganda. In countries like Ghana and Mozambique, where disclosures are already made, efforts will be focused on supporting MSGs to consider the analysis of contracts disclosed.

Several countries in the region, including Ghana, Liberia, Nigeria and Zambia, are part of the Opening Extractives Programme. The Secretariat will work with these countries to make progress on **beneficial ownership (BO) disclosures**, as several of these countries transition from a focus on the legal and policy framework to dealing with challenging bottlenecks in data collection, data verification and the use of data. The Secretariat will also work with Malawi, Uganda and Sierra Leone to advance BO disclosures. The Secretariat aims to integrate BO data analysis with data on licensing and contracts.

The **energy transition** offers opportunities and risks for countries in the region that host critical minerals and/or are heavily dependent on oil and gas. Countries in the region are focused on the link between energy access and the energy transition. The Secretariat will continue efforts in Ghana, Nigeria, Sierra Leone, and Zambia to support government decision-making within this

³ EITI Countries: <https://eiti.org/countries>

context. Efforts will primarily be put towards influencing national policies to help countries manage the impact of the energy transition.

B. Francophone Africa and MENA

The Francophone Africa and MENA region comprises of 16 implementing countries, both in West and Central Africa, North Africa and the Middle East. **Senegal** will host the **EITI Global Conference in June 2023**.

Several countries in the region are facing **political instability**, with notable recent military coups in Burkina Faso, Guinea and Mali, and political transition following the brutal death of Chadian president. These countries face significant security and socioeconomic challenges. A **lack of EITI funding** is also a concern in many countries. The EITI continues to offer a platform for **dialogue with local civil society** organisations who sometimes operate in challenging environments in the region. In this context the International Secretariat plans to organise a regional workshop to strengthen civil society engagement in EITI implementation.

Furthermore, the Francophone Africa team plans to support interested countries in three key shifts by providing technical and coordination assistance.

The Secretariat will promote regional engagement on **domestic resource mobilisation**, building on initial work in the Republic of Congo. Scaled up work on DRM will focus on opportunities in the Democratic Republic of Congo (DRC), Gabon, Niger, Republic of Congo and Senegal.

The Secretariat will continue to support countries in understanding the impact of **energy transition** on their extractive sectors, critical minerals, opportunities in renewables, and forestry where this reflects national priorities. Mauritania is already leading a project on energy transition and fresh opportunities are being discussed with DRC and Gabon.

The Secretariat plans to strengthen outreach to **anti-corruption** entities in Francophone Africa and to provide further support to countries involved in recent scandals such as Cameroon, Cote d'Ivoire and the DRC. Further support opportunities are also being discussed in Gabon.

The Secretariat will support multi-stakeholder groups (MSGs) overcome challenges to **contract disclosure** including legal and infrastructural barriers in countries such as Cameroon, Central African Republic, Côte d'Ivoire, Gabon, Madagascar, Mali and Niger.

The Secretariat will provide targeted support to countries where **artisanal and small-scale mining (ASM)** is a priority, notably Burkina Faso, Chad, the DRC, Mali and Niger, including efforts to address related gender issues. The Secretariat will continue its collaboration with the OECD on the implementation of the OECD Due Diligence on Responsible Mineral Supply chains, through technical assistance and capacity building. The Secretariat aims plans to provide tailored support on **subnational payments and transfers** to Burkina Faso, Chad, Cote d'Ivoire, DRC, Mali and Niger.

The Secretariat will provide guidance and input to countries struggling with **MSG governance** and will support initiatives for **systematic disclosures and alternative reporting**, such as the pilot initiative in Mauritania.

The first half of the year will also be dedicated to supporting countries prepare to showcase their work at the **Global Conference**. Additionally, the Secretariat intends to hold three **regional capacity building workshops** on **beneficial ownership, SOE governance**, as well as supporting the

monitoring of **EITI impact** in countries.

C. Asia-Pacific

There are three sub-regions that are included in the Secretariat's Asia Team, with each sub-region having distinct political and economic context. These sub-regions include Eurasia (Central Asia, Caucasus and Europe), Southeast Asia and the Pacific.

Asia accounts for 75% of global demand for coal and has four of the leading coal producers in the world (China, India, Indonesia, and Kazakhstan), making the discourse on **energy transition** especially relevant in the region. **Afghanistan's suspension** from the EITI is raising concerns around the opacity of production and revenues especially on critical minerals. **Myanmar** remains suspended with little prospect of progress on extractives governance. The Secretariat will continue to raise awareness on energy transition, specifically on critical minerals in 2023. This includes a regional forum on the energy transition planned in Q4. Targeted support on addressing governance risks in critical minerals and facilitating community dialogues on just transition will be provided for MSGs in Indonesia and the Philippines. A regional workshop on the 2023 EITI Standard is planned to coincide with the regional forum on energy transition.

Four countries, Armenia, Indonesia, Mongolia and the Philippines, are implementing the Opening Extractives Programme. The Secretariat will continue to provide technical support to these countries on **beneficial ownership** data verification, data collection, improvement of BO registers and data use. The Secretariat will also ramp up support on BO in other countries, including Kyrgyz Republic and Papua New Guinea (PNG), where there are opportunities to strengthen policy frameworks and data collection procedures. In Iraq, the Secretariat will support the MSG's planned scoping exercise to improve data collection on beneficial ownership.

Countries including Armenia, Mongolia, Philippines and Timor Leste are already **disclosing contracts**. However, other countries in the region continue to face legal and administrative obstacles. The Secretariat will support Indonesia and PNG in addressing legal barriers, drawing from recommendations from legal reviews and scoping studies funded by the USAID in 2022. The Secretariat plans to support Kazakhstan and Kyrgyzstan in publishing mining contracts. As part of regular implementation support and addressing corrective actions from Validation, the Secretariat will support Armenia, Albania, the Philippines, Mongolia and Timor Leste in strengthening their implementation of Requirement 2.4 on contract disclosure.

Several countries in the region have started partially disclosing EITI data through government portals. The Secretariat will provide targeted support on **systematic disclosures** to Indonesia, the Kyrgyz Republic, Mongolia, and the Philippines to build on the reforms that these countries have started to implement on systematic disclosure.

The Secretariat will continue to provide technical support to MSGs in Armenia, Indonesia, Mongolia, and the Philippines which have started incorporating **anti-corruption** work in their EITI processes. Depending on availability of resources, the Secretariat will consider support on a corruption diagnostic in the Kyrgyz Republic.

The Asia team will support preparations for Validation in Indonesia, Iraq, Kazakhstan, Kyrgyz Republic, and Tajikistan, as well as conduct regular technical sessions with countries that were validated in 2021 and 2022 including Albania, Armenia, Mongolia, the Philippines, PNG, and Timor Leste.

On regional engagement, the Asia team will strengthen collaboration with the ASEAN on data sharing with the ASEAN Minerals data base and will continue engagement with the Open Government Partnership and EBRD. Sustained engagement with the Asian Development Bank on the energy transition and beneficial ownership will also be explored.

D. Latin America and the Caribbean

The 11 countries in the region will continue to face slow growth following the COVID-19 pandemic, high inflation rates, social tensions, and political instability in 2023. Resource-rich countries like Colombia and Chile will need to balance development of their extractive resources with ambitious environmental and energy transition goals. Other countries such those in the Caribbean will need to ensure that the revenues from the extractive sector continue to address developmental goals. Countries with small extractive sectors, such as the Dominican Republic, Guatemala and Honduras, are seeking to continue ensuring their relatively small sectors contribute to economic development at the local level.

The Secretariat will give priority to five thematic areas namely **systematic disclosure, environmental transparency, subnational implementation, beneficial ownership** and **SOEs**. Opportunities for engagement include the planned Board meeting in Buenos Aires in early March, the Global Conference in June and pre-Validation support missions. The International Secretariat will continue its engagement with regional CSOs on EITI implementation issues and challenges.

Building on the support provided to Argentina, the Dominican Republic, Ecuador, Guatemala and Trinidad and Tobago in 2022, the Secretariat will continue to work with these countries, as well as Mexico and Peru to advance **systematic disclosures**. The region has relatively well-developed government systems and the Secretariat aims to promote smarter EITI implementation through improved use of EITI data and findings.

Environmental transparency is important to many countries in the region. The Secretariat will work with countries like Colombia, Guatemala, Mexico and Peru on sharing regional experiences in advancing transparency of environmental issues and impact. This will include addressing emerging opportunities to contribute to governance risks around **energy transition** efforts in key countries in the region.

Subnational implementation of the EITI, including engaging extractive communities, is a salient issue for extractive governance and development impact of extractives activities. The Secretariat will work with countries like Argentina, Colombia, the Dominican Republic, and Peru to ensure lessons and good practices are shared across regions. In particular, the Secretariat will support the expansion of EITI coverage beyond the federal level in Argentina.

While many countries in the region are implementing **beneficial ownership** disclosures as part of the Financial Action Task Force (FATF) commitments, further progress is needed in most countries to ensure that countries are meeting the EITI requirement on beneficial ownership. The Secretariat, together with the Opening Extractives programme, will continue supporting Argentina and other countries across the region such as Colombia, Ecuador, Mexico and Peru in advancing towards their BO's goals.

SOEs such as the Mexican PEMEX, Colombian Ecopetrol and Petro Ecuador are key national champions in transiting toward sustainable extraction. Mexico is starting to develop its national lithium industry. The Secretariat will seek opportunities to contribute to these companies' efforts on transparency and good governance.

The International Secretariat will prioritise outreach to Chile and will continue strengthening engagement with Jamaica based on outreach efforts in 2022. The International Secretariat will begin exploring opportunities for EITI implementation in Panama.

E. Europe

European countries have made steady progress on EITI implementation. The strategic objective for the region is to ensure a cost-effective approach to EITI implementation that adds value to national policy and debates. Common themes include open government, promoting trade and investment, energy transition, structural adjustment and decommissioning. Energy and raw material supply chain security is high up the European agenda following disruption in trade relations with Russia.

The Secretariat will encourage Europe regional collaboration to explore how the EITI process can contribute to public debate on the **energy transition**, particularly on areas of common interest such as North Sea decommissioning and new business models for carbon capture and storage. The Secretariat will focus increasingly on supporting national efforts to use EITI data to inform policy on critical mineral supply chains. Following the Global Conference and revisions to the Standard, the Secretariat will discuss how the UK EITI process can add value to the national debate on energy transition.

Adherence to the EITI Standard in Europe is increasingly focused on **systematic disclosure**, such as company reporting in accordance with the EU transparency and accounting directives. The Secretariat will follow up with Norway to encourage sharing of best practice in systematic disclosure including examples of how the use of data underpins public debate, drawing on the example of Germany. The Secretariat will continue to build civil society awareness of the EITI and its relevance for national priorities, including the expansion of mining in the country.

Prior to 2022, Ukraine had significant hydrocarbon transportation and extractive activities (4.5% GDP). However, **Russia's military assault on Ukraine** has destabilised the country and led to suspension of most of the extractive activities. The war in Ukraine has posed challenges on economy and energy security globally and more specifically in the region. In response to these exceptional and difficult circumstances, the Secretariat will work closely with partners to **provide targeted assistance for continued EITI implementation in Ukraine with dedicated support for this purpose**.

Germany aims to leverage progress in its pilot reporting to champion a new model for **data quality assurance** through risk-based reconciliation. This approach will build awareness of how EITI data can be used for analysis of national priorities issues such as raw material security of supply.

The Secretariat will explore the interest of business associations, CSOs and MSGs in the European Union and United Kingdom in using EITI disclosures in enhancing **commodity trading transparency**.

The Secretariat will provide technical support to the United Kingdom on **contract disclosure**. It will also encourage greater UK stakeholder use of EITI data and reporting, as well as sharing with the global EITI network about the UK experience in data timeliness. Following the Global Conference and revisions to the Standard, the Secretariat will discuss how the UK EITI process can add value to the national debate on energy transition.

The Secretariat will deepen engagement with the **European Union** including through engagement

of the diplomatic community to explore areas where the EITI can connect with national and regional priorities. It will also follow up a fresh opportunity for a candidature application from Romania.

F. Validation

The Validation model incentivises sustainable and effective country EITI implementation and stronger involvement of national stakeholders. Validation aims to provide strategic recommendations for future areas of priority, while upholding the robust quality assurance of the EITI Standard across all implementing countries.

To continue safeguarding the quality of the EITI implementation in member countries, the Secretariat will aim to:

- Ensure effective and inclusive Validation processes in member countries.
- Build capacity of EITI stakeholders and International Secretariat staff to participate in and implement the Validation model.
- Document and communicate lessons learned from the results of Validations.
- Review lessons learned from Validations of Requirement 1.3 and Adherence to the EITI protocol: Participation of civil society with a view to strengthening implementation of this provision of the EITI Standard.
- Adjust the Validation model in light of agreed refinements to the EITI Requirements and develop transitional arrangements to the 2023 EITI Standard.
- To achieve its objectives, the Secretariat will undertake Validations in 17 countries and support MSGs in preparing for Validation in 22 countries. The Secretariat will further explore how Validation is contributing to systematic disclosures. Finally, the Secretariat will report to the Board on progress and challenges and facilitating Validation Committee discussions on the lessons learned from Validation.

The 2021 Validation model provides opportunities for identifying and rewarding innovative approaches to implementation and impact. The focus on systematic disclosures of EITI data provides a robust foundation for identifying and popularising country examples of cost-effective implementation and alternatives to traditional EITI reporting. The refinements to the EITI Requirements present an opportunity to further refine the Validation model to further incentivise cost-effective and impactful implementation ahead of the next Global Conference.

The COVID-19 pandemic has had a negative impact on the capacity of MSGs and implementing countries to prepare and support Validation. There will continue to be challenges in adhering to the agreed Validation schedule while optimising the increased MSG ownership of the Validation process if the impacts of COVID-19 persist or if political instability increases in specific countries.

With a majority of implementing countries undergoing their third or fourth Validation under the EITI Standard, there is a risk of MSGs facing increasing 'Validation fatigue'. The new Validation model seeks to integrate Validation preparations into the routine implementation cycle, although MSG capacity may be constrained by budget limitations and competing priorities. The Validation schedule for 2023 is ambitious, particularly in a Global Conference year, with the potential for

capacity constraints in adhering to the schedule. Further strengthening Secretariat capacity and drawing on consultancy support and staff peer review will be essential to enable the Secretariat to effectively deliver on 2023 Validations. Adjustments to the Validation schedule in light of implementing country extension requests as well as International Secretariat and Board capacity constraints may be required.

G. Outreach

Outreach to stakeholders is key to enabling resource-rich, non-implementing countries to join the EITI and to encourage new companies to support the EITI. With the resumption of international travel the Secretariat will aim to:

- Engage resource-rich, non-implementing countries to encourage them to join the EITI.
- Mobilise industry support from the oil, gas, energy, mining and commodity trading sectors, as well as support from financial institutions involved in these sectors.

Consistent with the Board-approved EITI Outreach Strategy, activities will include targeted outreach to priority resource-rich countries, such as **Australia, Brazil, Chile and South Africa**, as well as demand-driven engagement with other countries that have committed to EITI implementation such as **Lebanon, Jamaica and Tunisia**. The Secretariat will also respond to interest from other countries and assist them with implementation upon request, as in the case of **Equatorial Guinea, Namibia, Romania, Serbia, South Sudan and United States**.

Activities will also include the participation of outreach companies at the global Conference, targeted engagement with investors and financial institutions, and communicating the importance of the EITI, particularly with regard to commodity trading, energy transition, ESG, investing and lending, responsible sourcing and state-owned enterprises.

2. Global Policy and partnerships

The EITI continues to operate in a dynamic global context with uncertainties linked to the Russian continued invasion of Ukraine. Ongoing volatility in the oil and gas sectors, buoyant demand for strategic minerals, and diversification of energy companies is increasing the prominence of policy priorities related to the energy transition and anti-corruption. The EITI will continue to work on the six priority strategic areas for the EITI in 2023, which were set out in the EITI's Strategic Priorities paper approved by the Board in October 2020.⁴ The Secretariat will engage with these policy areas by supporting national implementers and collaborating with international partners. It also aims to ensure that the priorities of stakeholders are reflected in EITI Board discussions on a revised EITI Standard that is coherent, relevant, cost-effective and in line with national ownership.

H. Country engagement and support

As member countries have aligned the implementation of the EITI to their national policy priorities, the demand for technical assistance and EITI data to inform key policy issues has increased. The International Secretariat builds on expertise and experience across teams to provide high-quality support and guidance to implementing country stakeholders. In some cases,

⁴ EITI's Strategic Priorities: <https://eiti.org/documents/eiti-strategic-priorities-2021-2023>

it entails close collaboration and engagement with reformers, technocrats and advocacy leaders and demand-driven capacity building efforts for MSGs and constituency representatives, and efforts to deepen the participation of civil society organisations.

I. Policy development and international partnerships

Building on the lessons learned from the country-level engagements and support, the Secretariat develops guidance and engages with global partners to contribute to norm-setting in extractives transparency. In 2023, the Secretariat will continue engaging in multilateral fora, international organisations and working groups focused on transparency and accountability standards. The Secretariat will leverage these networks and partnerships to support member countries on policy issues that are outside of the expertise of the International Secretariat. The Secretariat will also facilitate Board-level discussions and consultations with stakeholders on refinements to the Standard ahead of the 2023 Global Conference and consider the way in which the Standard is presented to ensure greater accessibility and understanding of the requirements. The Secretariat also notes that recommendations from the Independent Evaluation are likely to have an impact on our policy work in the coming year, notably the implications for sub-national implementation.

J. Overview of strategic priorities, objectives and activities

Strategic area	Objectives	Activities
Anti-corruption	<ul style="list-style-type: none"> Ensure a clearer articulation of the role of the EITI in addressing corruption risks at the national and local level. 	<ul style="list-style-type: none"> Global and regional trainings and awareness raising to explain anti-corruption provisions in the EITI Standard. Engagement with anti-corruption actors and partners, including the OECD-NRGI-EITI expert group on critical minerals. Updating of guidance note on anti-corruption based on refinements to the Standard. Strengthen advocacy on the role of EITI in addressing corruption risks in energy transition
Energy transition	<ul style="list-style-type: none"> Support national stakeholders in using EITI data and multi-stakeholder platform to contribute to policy dialogue on the energy transition. Subject to the outcome of the refinement to the Standard, strengthen the profile of the EITI's mandate and value-added on energy transition. issues. 	<ul style="list-style-type: none"> Support the use of EITI data, tools, guidance and analysis with stakeholders in selected EITI countries. Support development of guidance on energy transition and the impact of the transition on oil, gas and mining revenues. Deepen partnerships and engagement with key actors working on global energy transition and climate change policy. Ramp up engagement to share lessons learned on transparency and multi-stakeholder dialogue with the renewable energy sector. Ensure policy alignment and coherence with existing initiatives.
Multi-stakeholder governance and civil society engagement	<ul style="list-style-type: none"> More effective MSG processes in implementing countries. Stronger participation of civil society in extractive sector governance. 	<ul style="list-style-type: none"> Develop mechanisms for monitoring civic space and addressing concerns in selected countries experiencing civic space challenges. Facilitate capacity-building activities on the civil society protocol where there is need and demand.

	<ul style="list-style-type: none"> Global industry support for the EITI is translated to transparent and accountable industry engagement in MSGs. 	
Beneficial ownership	<ul style="list-style-type: none"> Sustain political support and deliver enhanced technical assistance to develop public registers with high quality data. Build capacity for use of BO data to improve resource governance. Share knowledge at regional levels. Leverage the Opening Extractives OE) programme to demonstrate impact and mobilise global support for BO transparency. 	<ul style="list-style-type: none"> Maintain political support from Opening Extractives governments through high-level events and strategic communications. Deepen technical assistance on beneficial ownership and capacity building for data use. Hold regional and global peer exchange events and forums/communities of practice. Conduct research and global advocacy on the impact of beneficial ownership transparency. Support international extractive companies to adhere to expectations for supporting companies on beneficial ownership transparency, work with professional services firms to develop a BO transparency statement, work with OE countries to build capacity of companies at a national level. Update guidance on implementing Requirement 2.5 based on the 2023 EITI Standard
Contract transparency	<ul style="list-style-type: none"> Mobilise country leadership and catalyse global discussions to sustain momentum for contract transparency reforms. Increase stakeholder capacity to strengthen country adherence with Requirement 2.4. Document use cases and demonstrate relevance of contract transparency to strategic priorities, 	<ul style="list-style-type: none"> Conduct research and global advocacy on the importance of contract transparency in strengthening extractive sector governance. Country/regional level technical studies and capacity building on contract transparency and use of contracts. Support for the contract transparency network for governments. Update guidance on implementing Requirement 2.4 based on the 2023 EITI Standard
Revenue collection and tax analysis	<ul style="list-style-type: none"> Improve domestic resource mobilization through transparency around how taxes are decided, 	<ul style="list-style-type: none"> Provide support to improving disclosures that are relevant for fiscal analysis.

	<p>calculated and paid to facilitate informed debate on the fiscal regime in the extractive sector.</p> <ul style="list-style-type: none"> Document the impact of the EITI on domestic resource mobilization. 	<ul style="list-style-type: none"> Update guidance note(s) on production and exports Conduct a gap analysis of existing disclosures in selected countries. Develop guidance and/or policy briefs on the EITI and domestic resource mobilization
SOE and Commodity trading	<ul style="list-style-type: none"> Advance systematic disclosures related to state participation by governments and SOEs and strengthen capacity to use the data. Demonstrate and communicate the impact of the EITI on SOE and commodity trading transparency. Contribute to a global norm of commodity trading transparency by governments and companies. 	<ul style="list-style-type: none"> Facilitate the SOE network and Commodity Trading Working Group meetings. Refine the guidelines for disclosure of minerals and metals sales. Update disclosure template for state-owned enterprises. Facilitate capacity building for CSOs in producer countries on commodity trading. Co-host a roundtable with the European Commission on commodity trading.
Gender, social and environmental impact	<ul style="list-style-type: none"> Increase the participation of women and diverse groups of citizens in EITI implementation. Support implementing countries' efforts to assess the rules and practices related to management and monitoring of the environmental impact of extractive industries. 	<ul style="list-style-type: none"> Analyse Validation results to deepen implementing support on gender-related requirements. Facilitate training sessions for new MSG members on oversight of gender provisions in the EITI Standard. Incorporate documentation of country stories and best practices on gender and artisanal and small-scale mining.
Subnational implementation	<ul style="list-style-type: none"> Support local actors in shaping disclosures and dialogue on the energy transition through the EITI. Develop understanding of the criteria that lead to effective subnational implementation. 	<ul style="list-style-type: none"> Disseminate lessons learned on the impacts of the energy transition on local communities at the local, national and global level. Provide regional support to implementing countries interested in subnational implementation on an ad-hoc basis.
Corporate engagement	<ul style="list-style-type: none"> Measure and improve EITI related corporate disclosures and accountability. Better establish EITI's role and relevance in ESG through further work on scoping and 	<ul style="list-style-type: none"> Assessment of company progress under Expectations for EITI supporting companies.

	<p>communicating the contribution of existing EITI data metrics.</p> <ul style="list-style-type: none"> • Improve relevance of EITI and increase incentives for companies. 	<ul style="list-style-type: none"> • Promote adherence to the company expectations through capacity building activities and guidance to companies. • Map existing EITI data relevant to ESG metrics and communicate relevance to ensure that company disclosures at the national and international levels are understood by investors, ESG ratings agencies and other stakeholders. • Conduct outreach activities to grow companies' membership. • Due diligence on new companies and completion of initial reviews.
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K. Data strategy

Building on the EITI Board-approved [EITI Strategic Priorities](#) on supporting open data, a 2023-25 EITI Data Strategy is expected to be adopted in March 2023 that will be based on the mapping of key audience data needs and access preferences. The Secretariat will make progress in implementing activities aligned with the three inter-related objectives of data generation, accessibility and use under the rubric of promoting a digital transformation of the EITI.

The Secretariat will make progress in catalysing the regular use of EITI data by target stakeholder groups for strategic activities, aligned with the EITI's strategic priorities. There is significant scope for the use of extractive data disclosed through the EITI to support progress on the EITI's strategic priorities with a view to strengthening revenue mobilisation, supporting anti-corruption efforts and measuring impact. Empowering key audiences' use of EITI data to achieve their strategic objectives can be advanced through the development of standard data analysis tools, data analyses that support the EITI's Strategic Priorities and capacity building for key audiences.

The Secretariat will seek to improve the quality and public availability of structured open data that meets key audiences' needs and access preferences. Aggregating open-format, machine-readable and inter-operable extractive data in accessible databases that meet the needs of key target stakeholder groups at the national and international levels is key to promoting the use of EITI data in conjunction with other data sources. The Secretariat will build on the EITI's existing structured database of disaggregated government revenue data and Validation results to develop datasets and access tools aligned with key audiences' data needs and access preferences.

The Secretariat will strengthen its efforts to catalyse the transition to timely systematic disclosure of information required by the EITI in policy and practice, aligned with national priorities. The current share of data required by the EITI that is systematically disclosed in implementing countries stands in the 24%-26% range. The Secretariat will undertake targeted support for implementing countries, including building MSGs' capacity to identify existing systems that could be tailored to strengthen systematic disclosures and developing actionable plans to accelerate the transition to systematic disclosure of information in line with countries' respective national priorities. The Secretariat will improve the sharing of good practices in systematic disclosures across regions by developing a global repository of good practices in government and company disclosure systems, and launching a public systematic disclosure dashboard that provides a gateway to country-level disclosure portals of information required by the EITI Standard. The Secretariat will provide support to the development of national systematic disclosure policies in order to increase the share of EITI data that is systematically disclosed. The Secretariat will also seek to leverage opportunities for the EITI to strengthen the use of consistent data standards in implementing countries' systematic disclosures of data required by the EITI.

The 2023 Global Conference offers an opportunity to demonstrate early progress on these three work streams.

3. Strengthening communications

During the first half of 2023, communications resources will largely be focused on preparations for the Global Conference, including the generation of publications to be showcased at the event

and communications products connected with the staging of the conference itself. During the second half of the year, attention will shift to maintaining momentum on EITI's strategic priorities, for example by developing publications and videos which leverage commitments made at the conference. The communications team will also dedicate resources to the production and/or updates of guidance notes on the 2023 EITI Standard and to laying out the 2023 Standard so that it is more accessible.

Throughout the year, the communications team will continue to support project communications, notably on the Opening Extractives programme and the Ford Foundation project on local governance, both of which have strong communications components. The communications team will also continue to support EITI events and EITI participation in major external events in a way that builds the organisational profile and engages stakeholders on key topics.

Key priorities will include:

- Developing and executing a communications strategy for the Global Conference, to include promotion of the event, generating communications assets (programme, video and publications), and ensuring media engagement. A flagship 20th anniversary edition of the EITI Progress Report for the Global Conference will be an opportunity to build on lessons from the independent evaluation of the EITI to strengthen the EITI's narrative on impact.
- Supporting the process of refining the EITI Standard by exploring ways in which the EITI Standard can be presented in a more accessible format. Production of explanatory materials on the 2023 EITI Standard, including the EITI Standard itself and associated webpage updates. Updating and publishing guidance on the 2023 EITI Standard.
- Undertaking any necessary refinements to the EITI website to accommodate a seamless user experience to conference registration and participation.
- Ensuring follow up to the Global Conference by developing publications and videos which leverage commitments made and themes discussed.
- Continuing to provide ad hoc support for country communications strategies, where this is requested. Guidance on national communications strategies is outdated. We will explore the scope for greater exchange of ideas between implementing countries on communications strategies used in country, and for updated guidance on demand.
- Offering support on country-level branding where required, to ensure greater consistency among countries on application of the EITI brand.
- Investigating options for updating the EITI's branding and rolling out any update of the brand and visual identity that might be agreed by the Board.

4. Global Governance of the EITI

A. Governance and Board support

Strong oversight at the global Board level is critical to accountable and effective management of

the EITI. The objectives for the Secretariat in the aftermath of the COVID-19 pandemic are to ensure:

- Effective global management of the EITI and strengthen trust between constituencies.
- Inclusive and responsive global governance processes with strong involvement of key constituencies.
- Governance mechanisms and processes that reflect the diversity of stakeholders in a changing global environment.

Activities will include regular and efficient convening of virtual and in-person Board and Committee meetings, support to the EITI Chair, support to the constituencies to engage effectively in the global management of the EITI, and dissemination and application of EITI policies, including addressing concerns voiced through a fair, timely and transparent process. Activities also include those in Governance and Oversight Committee 2023 work plan, which will prioritize assessment of progress against the Expectations for EITI supporting companies and the review of the Articles of Association. The Secretariat will also facilitate the review process for the 2023 EITI Standard and support constituencies with the Members' Meeting and nomination of their representatives.

B. 2023 Global Conference

The EITI Global Conference will be hosted by the Government of Senegal and will take place in Dakar in June 2023 with expected attendance of 1,200 participants. The Conference is a unique event, which allows governments, companies and civil society to meet on an equal footing to further the objectives of the EITI and to express their views on its policies, strategies and governance. The spirit of the Global Conference is to ensure that the EITI remains responsive to stakeholder perspectives. This inclusive, multi-stakeholder approach has fostered vibrant side events around previous conferences and served to have a significant catalysing effect not only on the EITI but also on extractives transparency.

In planning for the Global Conference, the International Secretariat will prioritise the following objectives:

- Re-affirm relevance of the EITI's mandate and priorities.
- Share and celebrate achievements in country level implementation.
- Create learning and peer exchange opportunities to strengthen implementation further.
- Forge strong connections among existing and new stakeholders.
- Create momentum on existing commitments and a platform to discuss new commitments and emerging themes.
- Raise visibility of the EITI, creating a platform for growth, outreach and continued financial sustainability.

The following activities will be required to ensure good conference planning and an event that meets these objectives:

- Ensuring Board input to the Global Conference by coordinating Board Working Group meetings and gathering input on key aspects from group members
- Concluding the fundraising campaign and ensuring all financial commitments are secured.

- Outreach and invitations to senior stakeholders from governments, supporting companies and CSOs
- Coordinating with the Government of Senegal on matters relating to the Conference, including logistics, high-level attendance and in-kind contributions.
- Producing guidance to support country delegations and assisting in travel arrangements
- Developing a Global Conference programme and content in line with the event objectives
- Developing and implementing a multi-channel communications strategy
- Organisation and execution of a National Innovation exchange and pitch corner to showcase work from each of EITI's implementing countries.

C. Managing the EITI International Secretariat

Strengthening systems and policies is an ongoing focus area for the Secretariat as it aims to continuously improve its operational efficiency. Further development will continue in 2023 with an emphasis on “How we Work”, with the aim of balancing greater efficiency with attention to staff well-being. This will be based on the following priorities:

- Develop lean operating processes and create internal monitoring tools that together support the Secretariat's learning culture, staff well-being and improve the effectiveness of the Secretariat management.
- Strengthening the Secretariat's project management structure focusing on tools and internal capacity development.
- Combining the Secretariat's values with a learning culture that rewards, values and prioritises the sharing of knowledge with a specific focus on Diversity, Inclusion, Equity and Belonging (DEIB).
- In the support of the Global Conference and project management, the Secretariat will continue to develop the financial management structure with a focus on lean processes and efficiency and addressing long-term funding requirements.

D. Monitoring and learning in the EITI

The International Secretariat's approach to monitoring and learning has made significant strides in 2022, through dedicated investments of time and resources.

In 2023, the International Secretariat will continue to strengthen its approach to monitoring, evaluation and learning (MEL) across the EITI. This work will continue to build on the recommendations of the 2020 independent review of best practice in results measurement, as well as the Independent Evaluation conducted in 2022. These efforts will focus on four interrelated work streams and outcome areas:

- **Tools and resources for country planning, learning and adaptation:** Support to implementing countries in 2023 will emphasize operationalizing updated guidance on national work plans and country-sensitive approaches to measurement and progress reviews. By supporting MSG use of these guidance notes to build closer links between planning and review, the Secretariat will help implementing countries strengthen how they measure, document, and achieve results.
- **Leveraging global learning and insights for stronger country implementation:** Investments in MEL processes, the independent evaluation, and outcome studies strengthen understanding of the impact pathways through which countries can achieve key results and governance. In 2023, the Secretariat will prioritize activities to share these insights and their implications with implementing countries.
- **Continuing to refine monitoring and learning in the International Secretariat:** 2023 will see a continued refinement of how the International Secretariat monitors, evaluates, and learns from its own activities. Diagnostic, design and prototyping work completed in 2022 will allow for piloting and refinement of internal tracking and monitoring platforms, as well as efforts to develop a standardized approach to project MEL, to reduce inefficiencies and strengthen learning across teams. In line with a recommendation from the independent evaluation, operationalization of the revised EITI KPIs will contribute to a more consistent impact narrative to guide the Secretariat's internal planning and external communications.
- **Documenting and communicating results:** In 2023, the Secretariat will consolidate early experimentation with different methods for researching and documenting the results and impacts of EITI. Important processes such as the Independent Evaluation of the EITI, dedicated research on constituency benefits, and the consolidation of results and country outcomes will be consolidated into a series of evidence briefs that document and clearly communicate the difference that EITI makes.

The International Secretariat's approach to monitoring and learning has made significant strides in 2022, through dedicated investments of time and resources. 2023 will build on these gains with a focus on meeting the needs and demands of implementing countries and key stakeholders. This principle will continue to guide the Secretariat's adaptive approach to monitoring and learning through ongoing dialogue with countries and target audiences.

5. EITI 2023 Budget

Overview and historical figures

The budget and related risks is addressed in this section. The provisional 2023 budget figures presented to the Board in October 2022 have been updated, with more detailed cost and higher degree of certainty on projected revenues. The work plan sets out a proposed budget of USD 11.4m including the Global Conference. The proposed budget will enable the Secretariat to continue its core activities of support to implementation through ongoing projects and Validation, while delivering a high-quality Global Conference. It is foreseen that that Secretariat will realise a deficit of USD 0.56m in 2023 or 5% of the budget, which is in line with the results in the most recent conference year in 2019.

Table 1 below provides a historical context of income, expenditure and results over the last 10 years.

Table 1: EITI historic budget outcomes 2012 – 2022

INCOME	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual
Implementing countries						105	120	98	67	60	111
International development partners, including donors, NGO's and foundations	3.019	3.656	3.108	2.708	3.104	4.685	4.783	4.277	4.282	6.682	6.713
Project - Specific funding								52		1.719	3.752
Supporting governments and IFIs	3.019	3.656	3.108	2.708	3.104	4.685	4.783	4.225	4.282	4.963	2.961
Private sector											
Oil and Gas	1.254	1.205	1.263	1.110	1.522	1.130	1.052	1.426	1.093	1.154	740
Mining and Minerals	635	904	634	575	867	716	706	901	744	762	736
Financial Institutions	13	10	10	9	7	20	29	15	17	28	20
Non-extractives		10	16	10	56	74	70	31	14	59	100
Total Revenues	4.920	5.784	5.031	4.411	5.557	6.731	6.760	6.748	6.217	8.745	8.420
Total Costs incl currency effect	4.017	6.512	5.026	5.080	5.280	5.541	5.589	7.150	5.625	7.933	8.788
Result	903	- 728	5	- 669	277	1.190	1.171	- 402	592	812	- 368

2023 Budget

Based on the outcome of a successful fundraising effort for the Global Conference and negotiations for multi-year funding agreements with supporting countries, the Secretariat is confident that the estimated revenues of USD 10.9m is realistic and reasonable in the context of the Global Conference. 70% of projected revenues are already secured or highly anticipated, meaning that there is a contractual basis or written confirmation for invoicing. Confirmed funding also includes the Secretariat use of its own accumulated surplus, mostly to complement the fundraising effort for the Global Conference. 22% of projected revenues is anticipated based on reoccurring contributions or proposals submitted to donors, pending negotiation and signature. Planned proposals that are yet to be submitted to donors represent less than 10% of projected revenues.

Table 2: Projected funding 2023

Row Labels	Core funding	Project funding	Global Conference	Grand Total	
Secured Funding	1 745 770	2 523 570	590 500	4 859 840	45 %
Secretariat use of surplus	100 000		400 000	500 000	5 %
Highly Anticipated Funding	1 367 492	728 000		2 095 492	19 %
Anticipated funding	1 517 850		604 000	2 121 850	20 %
Planned Proposal	510 000	750 000		1 260 000	12 %
Grand Total	5 241 112	4 001 570	1 594 500	10 837 182	
	48 %	37 %	15 %		
Funding excluding Global Conference	9 242 682				

The Secretariat has updated the 2022 forecast, which provides a baseline for the 2023 budget. Table 3 below present the full overview of the 2023 budget broken down by sources of funding and expenditure by type and by function. Core funding is expected to grow mostly through contribution from implementing countries and slightly higher multi-year contributions from supporting countries. Project specific funding, which accounts for 37% of the projected funding in

2023, will grow slightly to reflect modest growth in the OE programme in particular. Support from companies, including confirmed funding to the Global conference, is expected to increase substantially in 2023 and beyond.

Table 3: 2022 Forecast and 2023 Budget

INCOME	2022 Actual	2023 Budget	% Change
<u>Secretariat use of surplus</u>		100	
<u>Implementing countries</u>			
Implementing countries	111	190	71 %
<u>International development partners, including donors, NGO's and foundations</u>	6.713	6.999	4 %
Project - Specific funding	3.752	4.002	7 %
Supporting governments and IFI's	2.961	2.998	1 %
<u>Private sector</u>			
Oil and Gas	803	960	20 %
Mining and Minerals	675	844	25 %
Financial Institutions	17	30	73 %
Non-extractives (commodity traders)	100	120	20 %
<u>Global Conference</u>		1.600	
Global conference funding - from fundraising		1.200	
Global conference funding -from Secretariat cumulative surplus		400	
Total Revenues	8.419	10.843	29 %
EXPENDITURE	2022 Actual	2023 Budget	% Change
<u>Cost by function</u>			
Support to the EITI Chair and Board	903	912	1 %
Global conference	0	1.600	N/A
Implementation	2.077	2.167	4 %
Implementation through subgrant	917	1.310	43 %
Capacity building	451	456	1 %
Validation	1.445	1.597	10 %
Outreach	451	411	-9 %
Communications	1.264	1.355	7 %
Management and administration	1.522	1.597	5 %
Total Costs by function	9.030	11.405	26 %
<u>Costs by type</u>			
Salaries	2.461	2.789	13 %
Other staff costs	1.133	1.294	14 %
EITI Contract staff (outside Norway)	1.267	1.303	3 %
Office expenses	899	947	5 %
Travel and accomodation	664	802	21 %
Translation and interpretation	445	401	-10 %
Project consultants	1.220	813	-33 %
Other charges	23	0	-100 %
Sub Grant (Open Extractives and Ukraine)	917	1.310	43 %
Contingency (1.5%)		145	
Global Conference expenditure		1.600	
Total Costs by type	9.030	11.405	26 %
Result	- 611	- 562	
Currency effect	242	0	
Net result	- 369	- 562	

In terms of **expenditure**, estimated figures for 2023 show an increase of 29%, **including** the estimated cost for the Global Conference. Excluding this item, overall cost is expected to increase by 10%, which is mostly due to inflation adjustments as it relates to salaries and travel and increase in subgranting to Open Ownership and to Ukraine. The Secretariat and its partner Open Ownership are seeking fresh funding from the USAID to the OE programme. If this new funding is realised, the sub-grant to OO will grow proportionately. Targeted support to Ukraine to produce its next report, under exceedingly difficult circumstances will also be a sub-grant. Although this cost category is part of the Secretariat's support to implementation, it is shown separately for ease of reference. Similarly, capacity building is part of the Secretariat's support to implementing countries but shown separately for ease of reference. The use of project consultants will be scaled back in 2023 to prioritise the Global conference.

Budget for the Global Conference

The **estimated cost of the 2023 Global Conference** will be met through fundraising and through a drawdown on the accumulated surplus. The fundraising campaign was launched in September 2022 with a target of USD 1m. The response so far has been encouraging, and if the fundraising target is met, the drawdown on the surplus for this purpose is estimated to be approximately USD 0.4m, with the host Government of Senegal meeting the cost of the venue, some hospitality, VIP transport and security. At this stage, the overall budget is indicative and is based on conference costs incurred in 2019, taking into account cost inflation and the potential for higher delegate numbers reflecting an overall increase in the number of EITI implementing countries and a focus on EITI's 20th anniversary.

Table 4: Global conference budget - details

Global Conference	2023 Budget
-	
Income	<u>1 600</u>
Global conference funding - from fundraising	1 200
Global conference funding - from surplus	400
-	
Expenditure	<u>1 600</u>
Publications	100
Software	10
Project consultant	353
Travel	862
Translations	200
Contingencies	75

For more information on the budget, see Tables 5 and 6 in Annex A, which provide a detailed breakdown of funding.

Risks to the Work Plan

The Secretariat foresees four key risks to the execution of the work plan, namely political instability, resurgence of the COVID-19 pandemic, judicial actions on beneficial ownership disclosure and human and financial resources.

Firstly, a growing number of EITI implementing countries (Afghanistan, Burkina Faso, Chad, Guinea, Mali and Myanmar) are experiencing **political instability and conflict**. If this trend continues, Secretariat staff will spend more time attending to urgent tasks that were not foreseen in the work plan and this can affect the Validation schedule and other ongoing projects. To mitigate against these risks, the Secretariat has established a consultant roster to mobilise technical capacities on a short notice and respond to sudden increase in workload, and the Board has clarified policy and procedures in cases of political instability.

Secondly, there is **risk of a resurgence of the COVID-19 pandemic**, which would pose fresh challenges for EITI implementation and the Global Conference. An uneven recovery from the pandemic could mean that the effects of the pandemic will persist in many EITI member countries with weak capacities. These countries could be forced to prioritise a fresh response to the pandemic and government funding for EITI implementation would remain limited. The shift towards systematic disclosure should help reduce the cost of EITI implementation in the long run. However, such changes often require substantial technical and financial support. Virtual missions helped mitigate against this risk somewhat in the past two years, but this approach has also shown its limits. The outlook for EGPS support from the World Bank to implementing countries has improved with fresh donor commitments though disbursement delays persist. A major fundraising effort for EITI implementation in selected EITI countries may be necessary to maintain momentum.

Thirdly, a ruling by the European Union Court of Justice (CJEU) has resulted in the temporary suspension of public beneficial ownership registers in several EU member countries. It is our expectation that EITI implementing countries outside the EU will continue progress on collecting and disclosing beneficial ownership data as required by the EITI Standard. However, given the influence of EU policy around the world, this ruling is assessed as moderate risk to the work plan, particularly as it relate to the OE programme. To mitigate against this risk the Secretariat will work closely with its partners to seek clarity from the EU Commission and the EU Parliament on how the CJEU ruling can be implemented without undermining progress on beneficial ownership disclosure to mitigate against risk of corruption and money laundering. The Secretariat will also intensify its efforts to convey the benefits of open registers in line with EITI Requirement 2.5.

Fourthly, there are risks posed to delivery in the 2023 Work Plan, related to both **human and financial resources**. In regard to staff capacities, the work plan is ambitious and staff turnover or capacity limitations could impact on the ability to deliver. The Secretariat is taking steps to mitigate these risks by maintaining staff retention, investing in training for new staff, and drawing on short-term consultants for implementation support. Salary and travel cost inflation exert continued pressure on expenditure and present ongoing risk and uncertainty.

In regard to **financial resources**, inflation arising in large part from the energy crisis is a factor which creates uncertainty regarding financial contributions from supporting governments and implementing countries. Unsecured funding, such as projects under development, might not fully materialise under such circumstances. Expected minimum contributions from implementing countries might also not materialise in full. The implementation of some projects could also be delayed due to external factors beyond the control of the Secretariat. For these reasons the Secretariat has included a contingency in projected expenditure.

Currency fluctuations could also increase the projected deficit if the Norwegian Kroner (NOK) were to further depreciate against the USD and EURO. The exchange rate of the NOK to the US dollar has depreciated over the past year, while the exchange rate relative to Euro has been relatively stable. As most of the contributions to the budget are made in US dollars and Euros, and more than half of the spending (including staff costs) are made in NOK, the stronger the dollar or the Euro the lower the contribution in NOK. The Secretariat has taken a combination of measures to mitigate against this risk. The most important measure is to maintain two operating accounts in NOK and in USD. This allows the Secretariat to cover expenses in foreign currencies from a dollar denominated account and expenses in NOK from the NOK account. The anticipated exchange rate of 1USD = 10 NOK is assessed as medium risk based on current trends in view of continued volatility in the exchange rate.

For all these reasons, the Secretariat could realise a deficit of USD 0.56m in 2023, which could lead to dipping into the reserve fund (which was increased to USD 2.4m in 2021 to guard against this risk). The Secretariat is exploring an increase in core funding contributions from governments and companies to mitigate inflation-related cost increases. The Secretariat will also be pursuing additional opportunities to mobilise project fundraising for work on the energy transition and the new data strategy.

On expenditure, the Secretariat will continue to explore the potential to realise cost savings as it further prioritises planned activities for the year. It will prioritise project-related travel to ensure that deliverables are on track while ensuring that travel for implementation, validation, and outreach continue to receive priority. It is undertaking value for money reviews of travel and language services to ensure the Secretariat receives high quality support with the potential to realise cost savings.

ANNEX A

Table 5: Funding 2023 - details

Sum of Amount in USD		Column Labels		
Funding Status		Core funding	Project funding	Grand Total
<input type="checkbox"/> Secured Funding		1.745.770	2.523.570	4.269.340
Equinor			115.000	115.000
Ford Foundation			125.000	125.000
Government of Canada		118.400		118.400
ICMM		625.570		625.570
MFA - Belgium		228.800		228.800
MFA - Germany		208.000		208.000
MFA - The Netherlands		300.000		300.000
SECO - Switzerland		265.000		265.000
SECO - Switzerland (project)			324.360	324.360
OE BHP Foundation			1.847.210	1.847.210
USAID -US (current grant)			112.000	112.000
<input type="checkbox"/> Secretariat use of surplus		100.000		100.000
EITI		100.000		100.000
<input type="checkbox"/> Highly Anticipated Funding		1.367.492	728.000	2.095.492
European Commission-EU			624.000	624.000
MFA - Denmark		280.000		280.000
MFA - Finland		242.320		242.320
MFA - France		104.000		104.000
MFA - Norway		453.172		453.172
MFA - Sweden		288.000		288.000
EBRD			104.000	104.000
<input type="checkbox"/> Anticipated funding		1.517.850		1.517.850
<input type="checkbox"/> Company		1.327.850		1.327.850
<input type="checkbox"/> Country		190.000		190.000
<input type="checkbox"/> Planned Proposal		510.000	750.000	1.260.000
<input type="checkbox"/> Country		510.000	750.000	1.260.000
Grand Total		5.241.112	4.001.570	9.242.682

Table 6: Funding for the Global Conference

Funding for Global Conference				
Amount in USD		Income Category		
Funding classification	Name of Donor	Anticipated funding	Secured Funding	Grand Total
Supporting governments, IFIs, NGOs	European Commission-EU	104.000		104.000
	MFA - Finland	50.000		50.000
	MFA - France	100.000		100.000
	MFA - Germany	50.000		50.000
	MFA - Norway	50.000		50.000
	SECO - Switzerland		53.000	53.000
	Canada	37.295		37.295
Supporting governments, IFIs, NGOs Total		391.295	53.000	444.295
Oil and Gas	Chevron		50.000	50.000
	Equinor		50.000	50.000
	Inpex Corporation	25.000		25.000
	Kosmos Energy		50.000	50.000
	NNPC		25.000	25.000
	Bp		100.000	100.000
	Shell		50.000	50.000
	Staatsolie Maatschappij Suriname NV		7.500	7.500
TotalEnergies	50.000		50.000	
Oil and Gas Total		75.000	332.500	407.500
Mining and Minerals	Anglo American		50.000	50.000
	BHP	50.000		50.000
	OCP SA		25.000	25.000
	Rio Tinto		30.000	30.000
	Vale	30.000		30.000
	Newmont Corporation		50.000	50.000
	Glencore		50.000	50.000
Freeport-McMoRan		10.000	10.000	
Mining and Minerals Total		80.000	215.000	295.000
Non-Extractives	Trafigura		50.000	50.000
Non-Extractives Total			50.000	50.000
Grand Total		546.295	650.500	1.196.795