

International Secretariat 2024 Work Plan

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Executive summary

The EITI International Secretariat's 2024 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 five key priorities for the EITI Secretariat in 2024 are: (i) **communicating and building understanding of the 2023 EITI Standard** among key stakeholders; (ii) undertaking a light touch **refresh of EITI's Strategic Priorities**, (iii) providing **support to implementation** through technical assistance and projects managed by the International Secretariat; (iv) rolling out EITI's data strategy to **accelerate progress on systematic disclosure and mainstreaming**, and (iv) **maintaining the quality assurance of the EITI Standard** through high-quality Validations.

This work plan is situated within a **dynamic global context**, marked by several novel trends and challenges facing the extractives sector. Demand for critical minerals is rising exponentially alongside buoyant demand for gas and oil. Efforts to strengthen resource governance in 2024 continue to face headwinds from rising levels of debt, fiscal instability and commodity price volatility. 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 EITI data and dialogue to play a critical role in support to implementing countries as they navigate the **energy transition**, deepen its role in **tackling corruption**, and contribute to **domestic resource mobilisation** where the EITI offers clear added value in line with its core mandate. The Board will be reviewing EITI's strategic priorities in the coming year to ensure these remain fit for purpose. The revised 2023 EITI Standard focuses on helping implementing countries navigate the energy transition through multi-stakeholder engagement to promote public understanding and inform policy making. Efforts to **strengthen systematic disclosures through a rollout of the new 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.

In regard to **country implementation support**, the work plan identifies several shared priorities and objectives across regions, including **revitalised stakeholder engagement, 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. Summary regional plans set out key objectives and deliverables for 2024.

The Secretariat will continue to **invest in high-quality Validation processes** to maintain robust quality assurance of EITI implementation, safeguard the reputation and credibility of the EITI Standard, and support outreach in line with the EITI's mission and mandate. In 2024 the Secretariat will aim to ensure effective and inclusive Validation processes in 14 member countries in addition to two targeted assessments, 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, and update the Validation model to take account of the 2023 EITI Standard.

The **outreach** work plan sets out fresh opportunities for strengthened country outreach efforts which build on these workstreams and include outreach to potential new members of the

supporting companies' constituency.

In regard to **policy and partnerships**, the work plan identifies key priority areas 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 in line with the provisions of the 2023 EITI Standard. At the global level, this involves providing support to companies to progress with the EITI company Expectations, deepening collaboration with international partners such as the European Union, the IMF, the OECD and the World Bank, and ensuring that progress on revisions to the 2023 EITI Standard is made in alignment with other disclosure mechanisms.

Efforts to **strengthen communications** will build on the outcomes of the 2023 Global Conference. A key objective for the communications team in 2024 will be to ensure that revisions to the 2023 EITI Standard are well understood by stakeholders, particularly at a national level, by developing guidance to strengthen understanding and mobilise support for the EITI's mandate. Efforts will be made to strengthen communications capacity of national secretariats, with an emphasis on activities aligned with the 2023 EITI Standard and EITI's refreshed Strategic Priorities.

Management of the EITI International Secretariat in 2024 will consolidate ongoing efforts to strengthen systems for resource tracking, financial management, procurement and project reporting. This is complemented by growing emphasis on **monitoring, evaluation and learning** in EITI implementation and in major projects by strengthening internal monitoring and learning processes and investing more in capacity development efforts to improve monitoring and evaluation in implementing countries. Internal processes for results-based planning and tracking progress on implementation will be further 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 for discussion at the virtual Board meeting in November founded on a medium - income budget scenario. While the presentation of the budget remains consistent with previous years for ease of comparison over time, the Secretariat has developed income scenarios and a more detailed breakdown of cost by function. This will be presented to the Board for decision by Circular in December.

The Secretariat is also developing a three-year outlook from 2024-2026 to present a clearer picture of budget assumptions and scenarios over the lifetime of the new Board to be endorsed at its meeting in March 2024.

Expected income of USD 10.8m and projected expenditure of USD 10.8m provides a balanced budget for 2024 under the medium-income scenario. On expenditure, the Secretariat will continue to control costs rigorously and plan activities for the year that are achievable within a low-income scenario. Value for money reviews of travel and language services completed in 2023 will ensure the Secretariat continues to receive high quality support while maintaining cost control measures. Further value for money reviews of financial management and legal advisory services are planned in 2024.

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 is demand, the Secretariat will collaborate with the OECD and IGF in countries where ASM is highly relevant.
- **Accelerate progress on 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** on the energy transition, anti-corruption and domestic resource mobilisation and identify opportunities for stakeholders to use EITI data in ongoing policy and debate on natural resource governance.
- **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.
- **Support multi-stakeholder groups to focus increasingly on data, analysis and policy relevance** and less on commissioning, producing and disseminating reports.
- Provide guidance to MSGs to **improve the availability and access to timely, reliable and relevant data** 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.

Budget allocation - Implementation

It is foreseen that USD 3.86m of the budget is spent on implementation, of which USD 1.93m accounts for staff time (33.6% of total staff cost).

The current allocation of staff time reflects the Board's recommendation to prioritise support to implementation of the 2023 Standard and systematic disclosure. Anticipated reduction in technical assistance from the World Bank will increase demand for support to implementation.

A. Anglophone and Lusophone Africa

The Anglophone and Lusophone region comprises 13 countries in West, East and Southern Africa. The key objectives for the Secretariat in the region are to (i) improve transparency through high quality EITI disclosure through flexible reporting and systematic disclosure; (ii) improve SMG governance and technical capacity to implement the 2023 EITI Standard, and (iii) strengthen country preparations for Validations and support post Validation efforts to address corrective actions. It is expected that EITI reporting in the region will be more analytical and will influence government decision making and public debate on anti-corruption and domestic resource mobilisation. A key priority in the region will be to support MSG and EITI national secretariats on the implementation of the 2023 EITI Standard through executing country level and regional capacity building sessions and providing support in the revision of national workplans.

The Secretariat will focus on mitigating against the risk of corruption, primarily through continued work on improving **beneficial ownership disclosures**. Several countries¹ in the region are part of the Opening Extractives Programme and the Secretariat will work with these countries to make further progress on beneficial ownership (BO) disclosures in 2024. The Secretariat aims to integrate BO data analysis with data on licensing and contracts. Additionally, the Secretariat will facilitate knowledge exchange and experience sharing among national and regional **anti-corruption** actors to ensure concerted efforts to address corruption in the extractives sector.

The Secretariat will also support public debate, legal reform and practice with respect to **contract disclosures** with a focus on **domestic resource mobilisation**. The focus will be on countries that already disclose some contracts including Ghana, Malawi, Mozambique, Nigeria. The Secretariat will leverage required disclosures on project support to provide targeted support on contract analysis and contract monitoring.

Coming to **Validation**, the Secretariat will undertake one Validation in Angola in Q4 and prepare for two planned Validations to take place in 2025: Sierra Leone and Malawi. There will also be a concerted effort to effectively communicate Validation results and provide post-Validation support in Ghana, Nigeria and Tanzania.

Priorities for **outreach** include Namibia and Rwanda where the European Union has been actively encouraging candidature applications. Missions are planned to both counties to take the process forward.

¹ Ghana, Liberia, Nigeria, Zambia

B. Francophone Africa and MENA

The Francophone Africa and MENA region comprises 16 implementing countries in West and Central Africa, North Africa and the Middle East. The team will continue its active monitoring of EITI implementation and civic space in a context of increasing political instability in the region and the presence of several military regimes in the Sahel.

Key objectives for the region in 2024 are as follows: (i) strengthen capacity of MSGs in leading EITI implementation, (ii) countries achieve meaningful progress on EITI's strategic priorities, especially DRM, anti-corruption and the energy transition, (iii) deepen transparency and accountability in the governance of extractive sector in implementing countries through systematic disclosure and data use; and (iv) support MSG governance and uphold the civil society protocol. Furthermore, the Francophone Africa team plans to support countries by providing technical and coordination assistance, promoting use of data and supporting meaningful implementation of EITI and elaboration of work plans aligned with national priorities.

The Secretariat will step up peer learning on **domestic resource mobilisation**, building on initial work in the Republic of Congo, DRC and Niger and extending support to all interested countries.

The Secretariat plans to strengthen outreach to **anti-corruption** entities in Francophone Africa and to provide further support to countries involved in recent cases or with heavy engagement in commodity trading such as Cameroon, Cote d'Ivoire, DRC, Gabon and Republic of Congo, as well as support follow up from recent work by EITI Togo.

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. The Secretariat will leverage EITI Mauritania's existing work on energy transition on LNG and green hydrogen for peer learning and support work on critical mineral governance, notably in DRC, CDI, Gabon, Guinea and Mali.

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, strengthen capacity building on the civil society protocol** and will support peer learning on Mauritania's use of the data warehouse for advancing systematic disclosure.

Additionally, the Secretariat intends to leverage the momentum from the 2023 Francophone Africa workshop on **beneficial ownership transparency** to provide technical support to countries and leverage recent achievements such as in Senegal, Cote d'Ivoire, DRC and Mauritania.

Several countries in the Francophone Africa region will undergo **Validation** in 2024 and 2025. One major objective for the Secretariat will be to strengthen capacity of MSG and prepare for Validation in Togo, Mauritania, CAR, Gabon and Iraq. Three Validations are currently planned for 2025: DRC, CDI and ROC.

C. Asia-Pacific

There are two sub-regions included under Asia, namely Southeast Asia (Indonesia, Papua New Guinea, the Philippines, Timor Leste) and Central Asia (Mongolia, Kazakhstan, Kyrgyz Republic, Tajikistan). Two countries are currently suspended, namely Afghanistan and Myanmar.

In 2024, the Secretariat will prioritise four key areas: (i) **strengthening political support** in the region through high-level missions and thematic engagements with key stakeholders in select countries, (ii) renewed focus on increasing transparency by **improving the quality of EITI reports for data use, work plans and annual progress reports** across all countries, (iii) building stakeholder capacity by providing **technical support to countries in implementing the 2023 EITI Standard** through presentations and workshops, and (iv) ensuring **meaningful civic participation** in extractive sector governance by monitoring civic space.

The Secretariat will continue to support efforts to attract legitimate investors and detect corruption risks in the region by providing technical support on **beneficial ownership** (BO) reforms relating to data verification, data collection, improvement of BO registers and data use. In Indonesia and the Philippines, the OE Programme will support licensing authorities in the mining sector in using BO data to screen license applications to enhance their due diligence processes. The Secretariat will also ramp up support on BO in Central Asian countries, including Kyrgyz Republic where a BO register will be established, and Kazakhstan where BO trainings will be organised through the EBRD grant.

The Secretariat plans to contribute to national efforts on **domestic resource mobilisation** and **anti-corruption** in the region. A regional forum on addressing corruption risks and mobilising resources in the **energy transition** and **critical minerals** will be organised in 2024. MSGs will be trained to include anti-corruption objectives in their work plans and implement corruption detection strategies through data use. An anti-corruption diagnostic is planned in Kyrgyz Republic. Targeted support for **contract transparency** will be provided in Kazakhstan, Mongolia, PNG and Tajikistan.

As most countries in the region have either concluded or are preparing for **Validation**, the Secretariat will prioritise providing technical support in **addressing corrective actions** in Indonesia, Kyrgyz Republic, Mongolia, Papua New Guinea, the Philippines, and Timor Leste, and in preparing for Validation in Kazakhstan and Tajikistan.

The Secretariat will also aim to support countries in strengthening government systems by advancing **systematic disclosures** in Indonesia, Mongolia (SOE data disclosure in particular), Kyrgyz Republic and Kazakhstan.

On regional engagement, the Asia team will leverage other ongoing technical support in the region by strengthening 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. Existing collaboration with USAID and the IGF will be further strengthened.

Under **outreach**, efforts will be pursued to secure Malaysia's commitment to pursuing a candidature application to the EITI.

D. Latin America and the Caribbean

Key objectives for countries in the LAC region in 2024 are as follows: (i) **strengthen EITI implementation and impact** through strong work plans, (ii) **improve the quality of EITI reporting**, (iii) support for **Validation**, (iv) support for **regional priorities in line with EITI strategic priorities**, (v) **strengthen political commitment** to EITI implementation, and (vi) **increase EITI membership** of LAC countries through outreach efforts.

The Secretariat will give priority to five thematic areas, namely **environmental transparency and energy transition, subnational implementation, beneficial ownership, SOEs governance, and artisanal and small-scale mining**. The Secretariat will place special attention to promoting **systematic disclosure and data use** for an informed debate on extractive activities.

In addressing the **energy transition** challenges in the region, the Secretariat will focus on identifying common ground between EITI implementation and the Escazú Agreement, facilitating peer exchanges on **environmental information disclosure** and data analysis. Moreover, in supporting **SOE governance**, the Secretariat will facilitate a regional discussion on commodity trading transparency and how SOEs in the region are preparing for the energy transition.

The Secretariat will continue supporting **beneficial ownership transparency** in the region. With Opening Extractives, the Secretariat will promote regional exchanges on beneficial transparency data use in the extractive sector, with focus on Argentina and Ecuador. The Secretariat will also support the implementation of BOT policies in Suriname and Colombia.

With the incorporation of more Argentinian, Colombian and Peruvian subnational entities to EITI reporting, the Secretariat will support efforts to strengthen **subnational implementation** of the EITI with a specific focus on contract transparency, beneficial ownership transparency and domestic resource mobilisation. This work will be linked to the support the Secretariat will provide in identifying opportunities and strengthening reporting on **artisanal and small-scale mining** in Honduras, Guatemala, Peru, Ecuador, Colombia and Suriname.

Validation priorities in the region will be concentrated in supporting the conduction of Validation in **Ecuador, Peru and Honduras**, as well as **Guatemala**, pending a decision by the Validation Committee.

The International Secretariat will continue engaging CSOs in the region for regular exchanges on regional priorities and will continue its support to countries with low Validation results or that have been recently suspended, such as Guatemala, Honduras and Mexico. The Secretariat will emphasise support for Chile's candidature to the EITI and maintain outreach support to Jamaica and explore opportunities with Brazil and Panama.

E. Europe

The delivery of **high-quality support for implementation and Validation** will be the Secretariat's focus for Europe in 2024. Technical advice will centre around helping countries to address

corrective actions and strategic recommendations from Validations conducted since 2021. Targeted support will be prioritised for **Ukraine** which will commence Validation in October 2024.

Regional capacity building will help implementing countries in Europe to make progress on **beneficial ownership disclosure**. Tailored advice will include addressing legal barriers, advancing disclosure of politically exposed persons and developing links between license and beneficial ownership registers.

The Secretariat will encourage Europe regional collaboration to explore how the EITI process can contribute to public debate on the **energy transition**. The Secretariat will support national efforts to use EITI data to inform policy on critical mineral supply chains.

Europe is increasingly focused on **systematic disclosure**. The Secretariat will encourage European countries to share best practice with other regions, including how the use of timely data underpins public debate.

Russia's military assault on Ukraine has destabilised the country and led to suspension of most of the extractive activities. In response to these exceptional circumstances, the Secretariat will work closely with partners to **provide targeted assistance for continued EITI implementation in Ukraine**.

The Secretariat will deepen engagement with the **European Union** including through the diplomatic community to explore areas where the EITI can connect with national and regional priorities. Follow up with **Romania** will support a decision by April 2024 on whether the country will pursue a candidature application.

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.
- Ensure that all countries have undertaken at least one Validation under the 2019 EITI Standard before end of 2024.
- 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.
- Update the Validation model to take account of the 2023 EITI Standard.

To achieve its objectives in 2024, the Secretariat plan to undertake Validations in 14 countries (of which four will be first Validations and ten will be subsequent Validations) in addition to two targeted assessments. Furthermore, the Secretariat will support MSGs in preparing for Validation

in 12 countries. The Secretariat will undertake more country missions for Validation than in the pandemic years, with project funding from several partners. 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.

Further strengthening Secretariat capacity and drawing on consultancy support and staff peer review will be essential to enable the Secretariat to effectively deliver on 2024 Validations. The Board is expected to agree a new Validation schedule for all countries' Validations under the 2023 EITI Standard. Further adjustments to the Validation schedule in light of implementing country extension requests may be required.

Budget allocation – Validation

It is foreseen that USD 1.52m of the budget is spent on validation, of which USD 1.21m accounts for staff time (21.1% of total staff cost).

At least 14 Validations and two targeted assessments are expected in 2024. Preparation of high-quality Validation reports and support to the Validation Committee require an in-depth knowledge of the EITI Standard and a keen understanding of national context. The Secretariat will invest in broadening its skill base for conducting Validations to build resilience. Validation missions are also cost effective in incentivising progress in key thematic priorities and building stakeholders capacities at the national level. Stakeholders' consultations are conducted in official national languages, which has material effect on cost of Validation. Provision for external experts remains limited under the medium scenario.

G. Outreach

The Board is expected to agree an Outreach Strategy for 2023 to 2026 at the Board meeting in November 2023.

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.

Pending finalisation of the Outreach Strategy, activities are expected to include targeted outreach to priority resource-rich countries such as Australia, Brazil, Chile, Lebanon, Malaysia, Namibia, Romania, Rwanda and South Africa. The strategy is expected to recognise the intention of Equatorial Guinea to re-join the EITI. Outreach to develop additional supporting country members will continue and may include further engagement with Japan.

Outreach to companies, and in particular state-owned enterprises (SOEs) is expected to play a more significant role under the new strategy, given the broader work that the EITI is carrying out to develop engagement with SOEs, their importance to the governance of the sector, the possible financial contribution that they can provide to the EITI and their potential as a platform for outreach to priority countries. Outreach to companies will also target new oil, gas and mining companies, financial institutions and commodity traders concerning financial contributions to the EITI, furtherance of the EITI supporting company expectations and support for high-priority policy

areas and improved company disclosures. Consideration will also be given to the potential interest of renewable energy companies signing up as supporting companies.

The Secretariat will continue to develop outreach collaboration with partners, Board members and other stakeholders. This includes collaboration among peer countries and support among companies, investors, EITI donors and civil society organisations.

The Secretariat's outreach priorities usually require involvement of the EITI Chair, the Executive Director and regional directors. The budgetary implications of the outreach strategy include staff time, travel, and communications on the part of the International Secretariat, but outreach efforts can also be included as part of regional implementing country missions.

Budget allocation - Outreach

It is foreseen that USD 0.47m of the budget is spent on outreach, of which USD 0.35m accounts for staff time (6.1% of total staff cost).

This is the minimum spend based on the outreach strategy. This cost could increase if more than two countries were to submit candidature applications for membership in 2024.

2. Policy and partnerships

The EITI continues to operate in a dynamic global context in which geopolitical tensions, including the ongoing war in Ukraine, contribute to increased uncertainty and volatility in the sector. The prospect of a boom in future demand for strategic minerals has placed focus on the relevance and urgency of actions to address governance risks in mineral supply chains. The ongoing diversification of energy companies, and uncertain nature of future oil and gas demand, have heightened the importance of the EITI's policy priorities related to the energy transition, anti-corruption and the mobilisation of domestic revenues from mining, oil and gas.

While it will undertake a refresh of the six priority strategic areas for the EITI agreed by the Board in 2020, the Secretariat's workplan envisages engaging doubling down on these priorities both by supporting national implementers and collaborating with international partners.

Building on the revisions to the 2023 EITI Standard, the EITI's policy work will focus in 2024 on ensuring that new and existing areas of the EITI Standard are well understood by national-level stakeholders and global partners. Priorities for creating new guidance material on the 2023 EITI Standard will focus on areas of major revision and take into account demand from implementing countries. Increased focus will be placed on articulating the role and contribution of the EITI on key policy themes, and on ensuring that guidance on revisions to the 2023 EITI Standard takes account of other existing disclosures mechanisms. The EITI will further contribute to an emerging body of work on mining sector standards convergence, ensuring that emerging standards reflect EITI requirements and leverage the EITI's existing multi-stakeholder structures.

The following table shows the objectives and some of the key activities to be undertaken on various policy themes in 2024.

A. Overview of strategic priorities on thematic policy areas

Thematic area	2024 objectives
Anti-corruption	<ul style="list-style-type: none"> • Strengthen the capacity of national stakeholders to engage on anti-corruption issues and implement the new provisions of the 2023 EITI Standard on anti-corruption. • Improve awareness and understanding of the role of the EITI in addressing corruption especially in the context of energy transition and its impact on critical minerals governance. • Build capacity on data disclosure and use to mitigate corruption risks.
Energy transition	<ul style="list-style-type: none"> • Further articulate the EITI's role and value add in advancing transparency and accountability in the context of the energy transition. • Strengthen the capacity of national stakeholders to implement provisions in the 2023 EITI Standard related to the energy transition, especially on critical raw materials. • Promote coordination and alignment with partners working on transparency and governance issues related to the energy transition.
Domestic resource mobilisation (DRM)	<ul style="list-style-type: none"> • Strengthen the EITI's messaging on DRM as a core focus of EITI implementation. • Document how the EITI can contribute to DRM. • Strengthen the capacity of national actors, including through peer learning on DRM, use of data and guidance on new related requirements such as costs.
Civil society engagement	<ul style="list-style-type: none"> • Support stronger participation of civil society in extractive sector governance. • Improve the capacity of multi-stakeholder groups to monitor civil society engagement in EITI processes.
Corporate engagement	<ul style="list-style-type: none"> • Measure and improve EITI related corporate disclosures and accountability centred on the EITI company Expectations. • Better establish EITI's role and relevance in ESG through further work on scoping and communicating

Thematic area	2024 objectives
	<p>the contribution of existing EITI data metrics and elaboration of a clear strategy. The envisaged review of the EITI's strategic priorities will be used to support clearer focus on the EITI's role and value add.</p> <ul style="list-style-type: none"> • Improve relevance of EITI and increase incentives for companies.
Beneficial ownership	<ul style="list-style-type: none"> • Sustain political support and deliver enhanced technical assistance to develop public registers with high quality data and support institutionalisation of BO reforms. • Build capacity for use of beneficial ownership data to improve resource governance, including regional knowledge sharing. • Leverage the Opening Extractives programme to demonstrate impact and mobilise global support for beneficial ownership transparency.
Contract transparency	<ul style="list-style-type: none"> • Provide technical support and build capacity to enable contract disclosure in accordance with the EITI Standard. • Work with partners to increase political support for disclosures and address legal barriers. • Develop messaging and capacity on linkages between contract transparency and other topics, including anti-corruption, DRM and the energy transition.
State-owned Enterprise (SOE) and commodity trading transparency	<ul style="list-style-type: none"> • Advance systematic disclosures related to state participation by governments and strengthen capacity to use 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.
Gender	<ul style="list-style-type: none"> • Increase the participation of women and diverse groups in EITI implementation. • Contribute to awareness, understand and capacity building on EITI requirements related to gender.
Social and environmental impact	<ul style="list-style-type: none"> • Strengthen the capacity of country stakeholders to implement refinements to the EITI Standard related to social and environmental requirements. • Improve stakeholder oversight of the social and environmental impact of extractives.

Thematic area	2024 objectives
Artisanal and small-scale mining (ASM)	<ul style="list-style-type: none"> • Support implementing countries in producing timely and credible disclosures on the contribution of ASM to the extractive sector and the national economy and on policies governing the sector. • Contribute to formalisation efforts of ASM activities, including linkages to DRM.
Subnational implementation	<ul style="list-style-type: none"> • Identify key factors for effective subnational implementation. • Propose options for furthering subnational implementation of EITI. • Implement these options in selected pilot countries.

Across these policy areas, activities to be prioritised will include **national and regional trainings, and missions and workshops** to support stakeholders in implementing countries to implement the 2023 EITI Standard. **Training materials, guidance notes and other communications materials** will be developed to support EITI's policy work. We will also launch **resources to support data use** and, where project funding allows, provide **technical assistance** to support the development of open data platforms and data disclosures, e.g., through the Opening Extractives programme.

Updated **Terms of Reference** are being developed to support MSGs in scoping reports under the 2023 EITI Standard and in making progress on systematic disclosures. While work in 2024 will focus on **consolidating understanding and raising awareness** of the revised provisions of the 2023 EITI Standard, the policy team will also **explore how learnings from EITI implementation can further global transparency norms**, where there is demand from stakeholders and linkages to existing areas of the EITI's mandate, for example through discussion of the findings of the EITI's research on renewables sector governance and case studies on the use of the EITI to provide disclosures on the renewable energy sector.

The EITI will collaborate with global and regional partners to deliver implementation support and to take work forward its work on these thematic areas. Key international partners include the European Union, World Bank, the OECD and the IMF. Collaboration with these and other regional partners is critical to ensure that EITI requirements are taken forward in a way that is well aligned with other disclosure mechanisms. Participation by the EITI in key **regional and global events** ensures that the role and impact of the EITI is well understood and communicated.

B. Open data

Following the Board's review of the 2023-29 EITI Data Strategy in June 2023, the International Secretariat is launching implementation of the strategy, commencing with the restructuring of a database of state-owned enterprise (SOE) data in 2023-2024. Based on a 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 International Secretariat will regularly report on progress in the implementation of the EITI Data Strategy as part of the Implementation Progress Report to the EITI Board.

The Secretariat will deepen its efforts to catalyse the **transition to timely systematic disclosure of data and 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 at 30%. 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 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. The Secretariat will seek to **improve the quality and public availability of structured open data** that meets key audience needs and access preferences. The Secretariat will build on the EITI's existing structured database of disaggregated government revenue data and Validation results to redevelop the EITI's data into a relational database, with support from SECO and USAID. Meanwhile, the Secretariat will sustain efforts to maintain a coverage of 90% of data in EITI Reports in open format, accessible through the EITI database.

3. Strengthening communications

In 2024, communications activities will continue to focus on raising awareness of the mission, activities and impact of the EITI among global and national audiences, and on clarifying the role of the organisation as it moves forward on updating and making progress on its strategic priorities.

A key objective for the communications team during 2024 will be to ensure that revisions to the 2023 EITI Standard are well understood by stakeholders, particularly at the national level. In undertaking capacity building on the 2023 EITI Standard, the EITI aims to use a blend of communications materials, including guidance notes, to explain revisions to stakeholders. Communications input will be required to produce explanatory material, guidance notes and

policy briefs that are visual and accessible, and to ensure that there is a focus on participatory and peer learning approaches.

As in previous years, the EITI will produce a progress report, designed to show examples of how the EITI has created impact, and how it has moved forward on achieving its mission to strengthen **resource governance**. Blogs and news items, promoted on the EITI website and in its newsletters, will expand on the work of the EITI on priority themes, linking the work of the EITI to evolutions in the global context and to developments in the natural resource sector. These communications will also endeavour to support the data team in meeting the objectives of the EITI's data strategy, including by showcasing examples of data use and making EITI data more accessible on eiti.org.

The communications team will continue to support project communications, notably on the Opening Extractives programme as it enters its second phase, as well as to support EITI events and EITI participation in major external events, to build the organisational profile and engage stakeholders on key topics. Key global, regional events and partner events in which the Secretariat has participated in the past and will aim to attend in 2024 include Africa Mining Indaba, the Open Government Partnership (OGP) Summit, the Annual General Meeting of the Intergovernmental Forum on Mining Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development (IGF), the ICMM Forum, COP, and the Conference of States Parties (COSP) of the UN Convention against Corruption. Where possible, the EITI leverages event participation through its communications activities and by coordinating its attendance with key partners and stakeholders.

Budget allocation - Communications

It is foreseen that USD 0.87m of the budget is spent on communications, of which USD 0.53m accounts for staff time (9.2% of total staff cost).

In addition to staff cost, maintenance of the EITI website and publication of material in multiple languages remain a key driver of cost.

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 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 2024 work plan, which will prioritise the review of

EITI 2024 KPI's and EITI policies such as voicing concerns and the openness policy.

Budget allocation - support to the EITI Chair and Board

It is foreseen that USD 1.32m of the budget is spent on support to the EITI Chair and Board, of which USD 0.58m accounts for staff time (10,1% of total staff cost). Board support is foreseen to be USD 0.6m of which USD 0.2m accounts for staff time. The numbers and locations of Board meetings are key drivers of associated cost (venue, travel and accommodation, translation and interpretation cost).

Committee support is foreseen to be USD 0.3m of which USD 0.1m accounts for staff time. A key driver of cost includes frequency of committee meetings and the volume of Board papers (translation and interpretation).

Under a low budget scenario, cost reduction strategy may involve amending the Board language policy and prioritising which Board papers are translated, considering for example translating summaries instead of entire lengthy documents, especially for substantial reports like validation reports.

B. Managing the EITI International Secretariat

To continue to deliver on core functions, the Secretariat will need to maintain number of Full Time Employees (FTE) as per previous years. The minimum level is estimated to be 49 FTE's as per the budget low scenario, but this will require the Secretariat to prioritise and balance its ambitions. To meet increasing demand and address retention risk, the Secretariat plans to recruit for 2 new FTE's in 2024. This is included in the medium scenario, and it will allow for the Secretariat to dedicate resources towards areas such as capacity development, monitoring and learning, Validation and data.

	Low	Medium	High
FTEs	49	51	53

As the number of projects and share of project specific funding continue to grow the Secretariat's Operational Team will continue to work on strengthening systems and policies to continuously improve operational efficiency and ensure compliance with contractual obligations with partners. Further development will continue in 2024 with an emphasis on "How we Work", with the aim of balancing greater efficiency with attention to staff well-being. This is based on the following priorities:

- Develop lean operating and approval processes and create internal monitoring tools that support the Secretariat's learning culture, staff well-being and improve the effectiveness of the Secretariat's management.
- Continue to strengthen 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 priorities to increase and share knowledge. Staff training will focus on thematic capacity development, management and leadership skills, tools for work life balance and a second phase of a Diversity, Inclusion, Equity and Belonging (DEIB) training program.

- The Secretariat will continue to develop its financial management systems with a focus on lean processes, value for money and efficiency, and sustainability of long-term funding requirements.

Budget allocation - Management of the Secretariat

It is foreseen that USD 1.16m of the budget is spent on management of the Secretariat, of which USD 0.92m accounts for staff time (16.1% of total staff cost).

In addition to day-to-day management of the Secretariat, the increase in project-specific funding, coupled with the broad spectrum of compliance requirements, procurement policies, and efforts to minimize fiduciary risks, constitute the principal factors contributing to increased costs.

C. Monitoring and learning

In this area the objectives of the International Secretariat are twofold: first, facilitating the monitoring of its own activities by stakeholders, especially Board members, donors, and partners organisations; and second, by assisting countries in the monitoring and learning of each country's activities in order to ensure that EITI implementation is meaningful and contributes to the good governance of extractive resources.

International Secretariat: The IS will report on its own activities and those advance with the support of development partners through specific projects. This reporting will continue to occur through various mechanisms: regular reporting through the implementation, outreach and finance reporting through each Board meetings. Secondly, the IS will continue to communicate and document results of EITI implementation across all EITI countries. This includes its annual report aiming at showcasing examples of impactful implementation of global and country-level activities. And finally, following the agreed set of key performance indicators approved by the Board in 2023, the IS will report progress on those KPIs. Additionally, the IS will optimise the reporting on these indicators with its internal tracking platform and the collection of indicators as demanded by the different funding agreements that the Secretariat has entered for 2024 with development partners.

Monitoring and review of country's implementation: The IS will develop and disseminate guidance for countries to strengthen their own monitoring and learning. This updated guidance will consolidate the provisions established in the Standard such as Validation, work planning, monitoring and review. It will aim at providing countries with a better understanding of the different impact pathways which countries can, through EITI implementation, have an impact on the governance of the extractive sector.

D. Fundraising

The EITI Board needs to ensure a predictable and secure source of funding for the EITI. In accordance with the Board decisions² on contributions by each constituency and subsequent

² The Board approved at its 35th meeting on 26 Oct 2016 the funding review and agreed to revisit the issue upon clarification of supporting countries' position at its 36th meeting.

updates, the International Secretariat negotiates multi-annual contributions of membership fees (core funding) from governments and from companies. In addition to this the Secretariat conducts active fundraising for project specific funding to support new lines of work to support country implementation and policy development. This requires an active and ongoing fundraising effort with governments and companies, including proposals for enhancement of fees and grant contributions in line with inflation. In 2024 the Secretariat will be following up fresh multi-year contributions from Australia and Finland and project support from Norway for work on the energy transition and engage in early preparations for renewed government contributions from 2025. It will also focus on soliciting grant support from private foundations to support work on local community engagement and beneficial ownership transparency. Finally, the Secretariat will also be following up the recommendations of the approved Board paper on financing the Secretariat through enhanced fee contributions from companies and implementing countries. The Executive Director leads on fundraising efforts with support from the Senior Management Team and the Finance Manager, along with the Board Chair. This will require a modest additional investment of staff time in the coming year to meet anticipated funding needs.

5. EITI 2024 Budget

This section sets out the budget and associated risks, which have undergone careful scrutiny by the Finance Committee. Overall, the International Secretariat continues to operate as a streamlined and highly efficient organisation with a team of about 50 staff members with the responsibility to support and monitor EITI implementation in 57 member countries, conduct at least 14 Validations and two targeted assessments scheduled for 2024. Additionally, the Secretariat conducts outreach efforts in line with the Outreach strategy, focusing on priority countries, and offers support to a multi-stakeholder Board comprising six committees and one working group.

Following review of the initial budget by the Finance Committee on 27 October, the Committee tasked the Secretariat to develop three distinctive financial scenarios—low, medium, and high—to provide a comprehensive overview and help manage risks. The Finance Committee also recommended to the Secretariat to ensure that long-term financial obligation related to the Global Conference is reflected in all three scenarios. Recognising that it may be challenging for the Secretariat to pre-determine the full cost of the next Global Conference, which can significantly vary based on the conference location and the level of support from the host government, the Secretariat has made budget provision in all three scenarios in 2024 to contribute to the cost of the 2026 Global Conference.

All figures in USD thousands

	Low scenario	Medium scenario	High scenario
Income	9.699	10.855	12.666
Expenditure	9.839	10.848	12.651
Result	(140)	7	16

The three proposed scenarios outline the potential trajectories for the Secretariat's activities, based on level of funding, ranging from a low fallback scenario to a high ambitious strategy. In the low scenario, activities are scaled down, which would impact on support for the implementation of the 2023 Standard, with limited flexibility for additional activities and reduced capacity to discharge the Secretariat's core functions. The medium scenario, considered realistic and the most likely, ensures full funding for the Secretariat's core functions, with an increased focus on systematic disclosure. It allows for moderate ambition in anti-corruption efforts and supports scaled-up efforts on domestic resource mobilisation (DRM) for achieving the Sustainable Development Goals (SDGs). The high scenario, the most ambitious, not only includes the elements of the medium scenario but also proposes an ambitious data strategy, enhanced anti-corruption efforts, increased support for DRM to achieve the SDGs, and guidance on energy transition policies.

New information on additional sources of income that came to light following the first draft budget made the medium scenario the expected and realistic financial outlook for 2024. Following the initial review of the budget by the Finance Committee, the Secretariat received provisional confirmation on a multi-year agreement with Denmark with a substantial increase in funding.

	Low (fallback plan)	Medium (expected and realistic)	High (ambitious strategy)
Main priorities	<p>Scaled-down activities, affecting support to implementation of the 2023 Standard. Ambition on systematic disclosure negatively impacted.</p> <p>No flexibility on additional requests for Validation or targeted assessment, beyond those already scheduled.</p> <p>Reduced capacities to process multiple candidature applications and conduct additional outreach.</p> <p>Limited flexibility on additional committee meetings and translation of Board papers.</p>	<p>The Secretariat core functions are fully funded, including support to implementation in all 57 member countries with increased focus on systematic disclosure.</p> <p>Allows for moderate ambition in Anti-Corruption efforts and scaled-up support to DRM to achieve the SDGs.</p>	<p>In addition to activities in the medium scenario, the high scenario presents a more ambitious data strategy on both systematic disclosure and facilitating use of data.</p> <p>Allows for a more ambitious strategy in Anti-Corruption, intensified support to DRM to achieve the SDGs, and greater ambition on energy transition policies on critical minerals.</p>
Budget assumptions	<p>Renewed agreements with no increase from all supporting countries including Australia, Finland, France,</p>	<p>Renewed agreements with an increase from Australia, Finland, France, Sweden and</p>	<p>Renewed agreements with an increase from Australia, Finland, France, Sweden and</p>

Low (fallback plan)	Medium (expected and realistic)	High (ambitious strategy)
<p>Sweden and UK.</p> <p>Receive payments from all supporting companies based on existing membership fees.</p> <p>Contributions from implementing countries remain at the same level as 2023.</p>	<p>UK.</p> <p>Receive payments from non-ICMM supporting companies of which half include increased fee contributions.³</p> <p>Reach agreement with the Ford Foundation for phase 3 project and additional project support from Belgium.</p> <p>Modest increase in contributions from implementing countries</p>	<p>UK.</p> <p>Receive payments from supporting companies based on increased fees in line with the updated funding formula.</p> <p>Significant increase in contributions from all implementing countries</p>

The Board is recommended to approve the medium scenario as the 2024 budget. The current work plan is based on the medium scenario of USD 10.8 million, while the low scenario budget of USD 9.69 million serves as a fall-back plan in the event of a significant and unforeseen revenue shortfall. The low scenario indicates a deficit, which is primarily attributed to long-term statutory liabilities associated with the Global Conference and a modest contingency. Consequently, the presence of a deficit does not automatically necessitate tapping into the reserves. Nevertheless, it is crucial to acknowledge that the low scenario represents a financially constrained budget with heightened staff retention risks. Factors such as high inflation and the depreciation of the Norwegian Krone against the dollar exert upward pressure on staff costs, which are not adequately accounted for in the low scenario.

In such circumstances, the Secretariat will need to scale down its activities as outlined in the work plan above. Notably, the low scenario would have the greatest impact on support for the implementation of the 2023 Standard, particularly in terms of regional training and efforts to promote systematic disclosure.

It is also important to highlight that, based on current projections, we anticipate a substantial increase in demand for support to implementation, driven by a combination of factors, including the need for training on new provisions in the 2023 Standard and anticipated scaled-down technical assistance to implementing countries from the World Bank's EGPS. In a worst-case

³ The new fee structure will be considered for ICMM companies during development of a new MoU between ICMM and EITI, once the existing MoU which covers 2024 expires.

scenario, the Board retains the discretion to revisit its language policy and/or frequency of Board and committee meetings, which could have a material impact on costs.

The high scenario presents a more ambitious strategy and resource intensive approach for implementing the data strategy. This includes accelerating systematic disclosure and amplifying the use of EITI data by implementing countries. Such an approach helps mitigate the risk of corruption, intensify efforts to promote domestic resource mobilisation in support of the Sustainable Development Goals (SDGs), and more systematic work to guide government policies in the energy transition.

The high scenario is built on optimistic income assumptions, projecting 16% growth in income and increased expenditure compared to the medium scenario, ultimately yielding a modest surplus. By approving the medium scenario, the Board maintains a balanced and realistic approach to funding, while recognising the potential for a more ambitious path with the high scenario. This dual perspective ensures prudent financial planning while allowing room for greater impact if favourable conditions prevail.

A. Historical Figures

The Secretariat has experienced a varying financial performance over the years, with deficits occurring in 2019, which was a last conference year. The baseline for the 2024 budget is the 2023 budget, which reflect similar level of activities and ongoing projects.

The work plan sets out a proposed budget of USD 10.85 million based on the medium scenario reflect a no growth outlook compared to the 2023 budget of USD 10.84 million.

Table 1 below provides a historical context of income, expenditure and results over the last 11 years.

Table 1: EITI historic budget outcomes 2012 – 2023

All figures in USD thousands

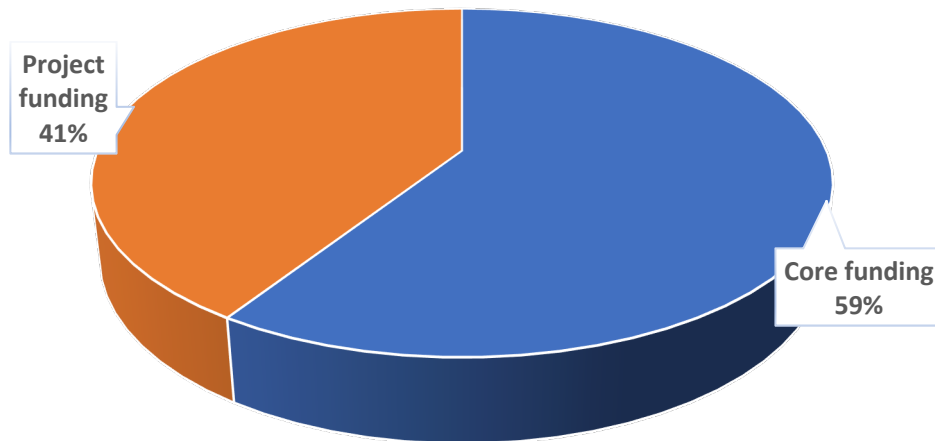
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Outlook
INCOME												
Implementing countries												
Implementing countries						105	120	98	67	60	111	260
International development partners, including donors, 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	6.627
Project - Specific funding								52		1.719	3.752	3.325
Supporting governments and IFI's	3.019	3.656	3.108	2.708	3.104	4.685	4.783	4.225	4.282	4.963	2.961	3.302
Private sector	1.901	2.128	1.923	1.703	2.453	1.941	1.857	2.373	1.868	2.003	1.596	2.082
Oil and Gas	1.254	1.205	1.263	1.110	1.522	1.130	1.052	1.426	1.093	1.154	740	1.042
Mining and Minerals	635	904	634	575	867	716	706	901	744	762	736	889
Financial Institutions	13	10	10	9	7	20	29	15	17	28	20	31
Non-extractives		10	16	10	56	74	70	31	14	59	100	120
Global Conference												1.554
Total Revenues	4.920	5.784	5.031	4.411	5.557	6.731	6.760	6.748	6.217	8.745	8.420	10.523
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	10.415
Result	903	- 728	5	- 669	277	1.190	1.171	- 402	592	812	- 368	108

B. Budget analysis - income

The type of income the Secretariat receives is split between core and project specific funding.

Income labelled core is based on negotiated multi – year or annual agreements with supporting countries and contributions from supporting companies and implementing countries. Project specific funding is received on the basis of a specific scope, committed timeline and budget which limits the use of the funds received. The Secretariat has a healthy balance between core funding 59% and project-specific funding 41%. A large share of project-specific funding is deployed through project consultants or subgrant to support implementation in key thematic areas.

Figure 1: Balance between core and project funding (medium scenario)



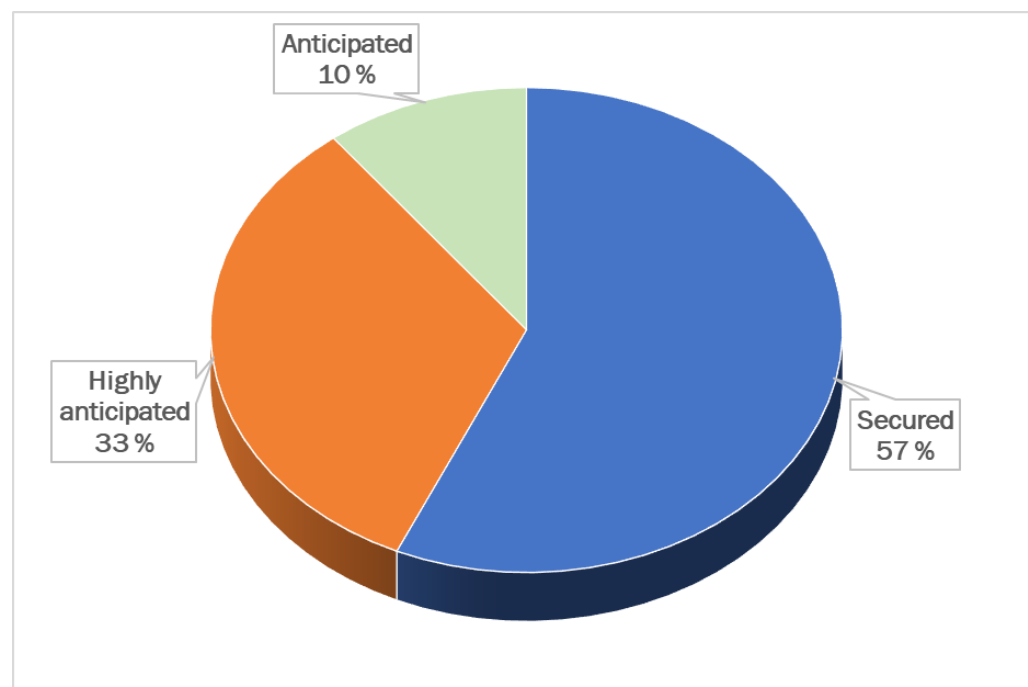
The low scenario was built on assumptions that received contributions from implementing countries will be the same as in the 2023 updated outlook and no increase in company fees.

The medium scenario estimates an increase in project specific funding for 2024 by 33% compared to 2023. The increase in core funding is due to both an increase from supporting countries and supporting companies. An estimated 23% increase is expected from supporting countries due to renewed multi - year agreements. The increase from supporting companies is mainly due to the outcome of Board Paper 56-4-B that refers to an increase in fees from supporting companies. The Secretariat recommends in the medium scenario to plan for a modest outcome (50% of the supporting companies) as the implementation of the Board decision on financing the Secretariat can also open for a decrease in number of supporting companies. The high scenario expects a higher percentage commitment from supporting companies.

Table 2: 2024 budget income (medium scenario)

All figures in USD thousands

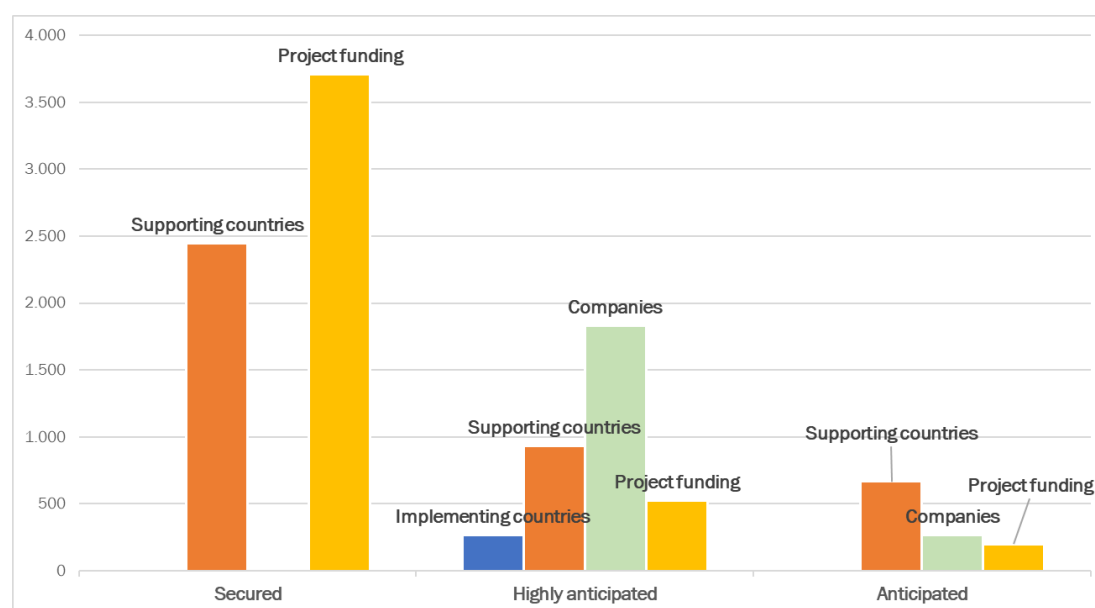
INCOME	2023 Budget	2023 Outlook	2024 Medium	2024 vs 2023 Outlook
Secretariat use of surplus	100			
Implementing countries				
Implementing countries	190	260	270	4 %
International development partners, including donors, NGO's and foundations	6.999	6.627	8.484	28 %
Project - Specific funding	4.002	3.325	4.435	33 %
Supporting governments and IFI's	2.998	3.302	4.049	23 %
Private sector	1.954	2.082	2.101	1 %
Oil and Gas	960	1.042	950	-9 %
Mining and Minerals	844	889	1.011	14 %
Financial Institutions	30	31	20	-36 %
Commodity traders	120	120	120	0 %
Global Conference	1.600	1.554	0	
Global conference fundraising	1.200	1.200	0	
Global conference funding -from Secretariat cumulative surplus	400	354	0	
Total Revenues	10.843	10.523	10.855	
Change including Global Conference	29 %	-3 %	-8 %	
Total Revenues - excluding Global Conference	9.243	8.969	10.855	
Change excluding Global Conference		-3 %	8 %	

Figure 2: Overview of income status

Projected income in 2024 is USD 10.8m where 57% is already secured, meaning that there is a contractual basis or written confirmation for invoicing. A further 33% is highly anticipated based on recurring contributions or proposals submitted to donors, pending negotiation and signature. In total 88% of the budgeted income is either highly anticipated or secured. Anticipated funding is estimated to be 10%.

Major contributors to core funding, secured through confirmed annual and multi-year agreements, include the Governments of Belgium, Canada, Denmark, Germany, the Netherlands, Norway, and Switzerland. Meanwhile, discussions are currently underway for the renewal of enhanced multi-year agreements with the governments of Australia, Finland, France, Sweden, and the United Kingdom. Major contributors of project-specific funding include USAID, the EU, the BHP Foundation, SECO, EBRD, and the Ford Foundation, GIZ and the Ministry of Foreign Affairs of Belgium. Please see Annex A for a comprehensive overview of both core and project funding sources, including their commitments and the status of ongoing discussions.

Figure 3: Relationship between funding and status income



C. Budget analysis - expenditure

For ease of analysis, the budget is presented in 3 dimensions:

- “cost by function” - provides an overview and split of expenditure based on core functions
- “cost by type” - linked to accounting
- obligated/committed expenditure versus discretionary.

To understand the budgets constraints, the Secretariat has reviewed all costs and grouped them together as “committed/obligated” and “discretionary.”

Table 3 shows the breakdown. An obligated cost includes staff salaries and long-term reporting commitment to the Norwegian government linked to employment. A committed cost is any cost related to project funding. The breakdown shows that 85% of the estimated expenditure is either committed and/or obligated. To understand the link with EITI core functions, Table 3 is presented based on “cost by function”.

Table 3: Overview of expenditure committed/obligated and discretionary.

All figures in USD thousands

EXPENDITURE medium - by function COMMITTED/OBLIGATED	2024
Capacity building	549
Communications	708
Implementation	3.463
Management and administration	1.005
Outreach	401
Support to the EITI Chair and Board	627
Validation	1.386
Implementation through subgrant	874
Global Conference	210
Total Expenditure	9.223

EXPENDITURE medium - by function DISCRETIONARY	2024
Capacity building	5
Communications	161
Implementation	397
Management and administration	159
Outreach	68
Support to the EITI Chair and Board	696
Validation	138
Implementation through subgrant	-
Global Conference	-
Total Expenditure	1.624

Expenditure considered to be “discretionary” are staff cost such as benefits and staff retreat (travel, venue), board meetings (travel, venue, translation) and project consultants funded by the core budget (legal, staff training and development). 15% of the expected expenditure is classified as “discretionary”.

Table 4 shows the expected expenditure based on “cost by function” and Table 5 shows expected expenditure based on “cost by type”. Estimated figures for 2024 show an overall increase of 18% compared to outlook for 2023, excluding costs for the Global Conference.

Table 4: 2024 Expenditures “Cost by function”

All figures in USD thousands

EXPENDITURE medium - by function	2023 Budget	2024	2024 vs 2023 Budget
Capacity building	456	554	22 %
Communications	1.355	869	-36 %
Implementation	2.167	3.860	78 %
Management and administration	1.597	1.164	-27 %
Outreach	411	469	14 %
Support to the EITI Chair and Board	912	1.322	45 %
Validation	1.597	1.524	-5 %
Implementation through subgrant	1.310	874	-33 %
Global Conference	1.600	210	
Total Expenditure	11.405	10.847	
EXPENDITURE medium - by function in percentage of total cost	2023 Budget	2024	2024 vs 2023 Budget
Capacity building	4 %	5 %	1 %
Communications	12 %	8 %	-4 %
Implementation	19 %	36 %	17 %
Management and administration	14 %	11 %	-3 %
Outreach	4 %	4 %	1 %
Support to the EITI Chair and Board	8 %	12 %	4 %
Validation	14 %	14 %	0 %
Implementation through subgrant	11 %	8 %	-3 %
Global Conference	14 %	2 %	-12 %

Capacity building, day-to-day support for implementation, and support through subgrants together constitute 52% of the budget. This reflects the Board's priorities and aligns with recommendations from the recent independent evaluation, aiming to enhance implementation for maximum impact. The budget for Validation also remains a priority, accounting for 14% of the budget, the same as in 2023.

The core function of the Secretariat, which provides support to the Chair, the Board, and its committees, constitutes 12% of the budget. This slight increase from 2023 is essential to ensure the efficient operation of a new multi-stakeholder Board.

The budget for management and administration, as well as support functions, continues to maintain efficiency and cost-effective.

Table 5: 2024 Expenditures “Cost by type”

All figures in USD thousands

EXPENDITURE Medium	2023 Budget	2023 Outlook	2024	2024 vs 2023 Outlook
Salaries	2.789	2.490	2.719	9 %
Other staff costs	1.294	1.088	1.406	29 %
EITI Contract staff (outside Norway)	1.303	1.456	1.610	11 %
Total staff cost	5.386	5.034	5.735	14 %
Office expenses	947	1.096	1.091	0 %
Travel and accomodation	802	734	1.196	63 %
Translation and interpretation	401	335	548	64 %
Project consultants	813	845	1.021	21 %
Other charges *	-	54	17	-68 %
Sub Grant (Open Extractives)	1.310	1.001	874	-13 %
Contingency	145	73	157	
Global Conference	1.600	1.554	210	
Total Expenditure	11.405	10.726	10.848	1 %
Currency effect		311	-	-
Total Expenditure - excluding Global Conference	9.805	9.172	10.848	18 %
Change	9 %	-6 %	18 %	
Net Result	(562)	108	7	

The Secretariat will continue to implement sub-grants to Open Ownership and EITI Ukraine in 2024. The subgrant to Open Ownership is based on the current Opening Extractives programme commitment. Open Ownership will also work together with the Secretariat on achieving the deliverables for the newly secured project funding from USAID. From a reporting perspective this is shown as subgrant.

As the medium scenario carries more risk in terms of funding a consideration for contingency has been added in addition to a provision for the long-term commitment of the Global Conference to be held in 2026. These considerations do not impact the reserves of the International Secretariat.

The 2024 budget shows a 18% increase in expenditure due to staff cost, travel and cost associated with translation. The increase in staff cost is due to annual salary adjustments, renegotiation of key staff contracts and the full effect of employment of 51 FTE's running from January to December. Travel, translation and project consultants are all variables linked to project specific funding. The overall increase of 33% in project funding also impacts on travel and translation costs. It is expected that funds to be spent on project consultants will increase.

It is expected that the budget for translation and interpretation will increase by 64% compared to the 2023 outlook. In 2023 USD 115k of translation and interpretation were covered by the Global Conference budget, including cost for the two board meetings held in Dakar. The cost for two in-person board meetings and one virtual meeting is included in the 2024 budget. Furthermore, additional cost for translation and interpretation is expected for projects on top of increased language costs for disseminating the new EITI standard.

Travel cost is expected to increase by 63%. A third of this increase comes from more travel related to projects in support of implementation. While the majority of technical advice from the

International Secretariat is conducted online, there is high demand for in-person missions from the Secretariat for capacity building, implementation support and Validation, all of which add to the projected increase in spending on travel in 2024.

The anticipated staff cost budget for 2024 is 53% of overall expenditure (Table 4). An increase of 14% is expected in 2024 when compared to the 2023 outlook. The increase is mainly driven by salary cost for 51 FTE's, renegotiation of contracts for key staff members and budget for the 2024 annual salary adjustment.

Staff costs consist of salaries to Oslo based employees and remote workers (contractors), benefits and social cost to the Norwegian government linked to employment. In line with Norway's Work Environment Act, staff salaries are to be annually adjusted where inflation considerations are one key parameter. The estimated budget is created by calculating a 4.5% increase on all staff salaries plus the added social cost and contribution to insurance and pensions to ensure the Secretariat remains competitive in retaining high quality staff in the face of continued price inflation.

Staff benefits are constantly reviewed in terms of the Secretariat's need to balance retention and to meet a competitive recruitment market. While they compare well with government and non-profit sector, salary levels at the Secretariat are below those of the private sector and the benefit package becomes important in order to attract qualified candidates. For 2024 the staff benefits budget is USD 0.23m. All costs listed as benefits are considered as "discretionary" as presented in Table 3.

Staff salaries are based on 2024 contracts and are considered as "obligated" cost (Table 3). Staff salaries for staff in Norway carries with it social cost to the Norwegian government and long-term commitments in terms of type of employment, insurance and pensions.⁴

Figures 4 – 6 show the breakdown of travel, translation and project consultant costs split between project and core funding. Overall, project funding is estimated to increase by 33% in 2024 and provides 41% of the Secretariat's budgeted income. In summary, 59% of the travel budget and 92% of project consultant budget are committed via planned project execution. Costs associated with translation and interpretation are split between Board meetings, Committee support and country work.

The proposed travel budget of USD 1.086 million reflects a well-considered and balanced approach to managing travel-related expenses, while leveraging projects in maximising support to implementation and impact. Project specific funding constitute 55% of the total budget, while core funding makes up the remaining 45%. The allocation of resources within the travel projects category underscores the Secretariat's commitment to delivering on its strategic objectives. This includes support for project-related activities, workshops, and events, all of which play a vital role in advancing strategic priorities outlined in the work plan. The Secretariat uses virtual technologies for delivering a significant share of technical training and capacity building but there are high expectations from implementing countries for enhanced investment in in-person

⁴ The Norwegian Work Environment Act refers to that all recruitments in Norway are to be for permanent hire unless they meet very specific requirements listed in the Act. Short term hire is typically only applicable if it is to replace staff on different types of leave, or specific project execution. Permanent employment will create long term commitments of insurance and pension contributions.

missions to support implementation, Validation and outreach.

Figure 4: Breakdown of expenditure: travel cost - core versus project

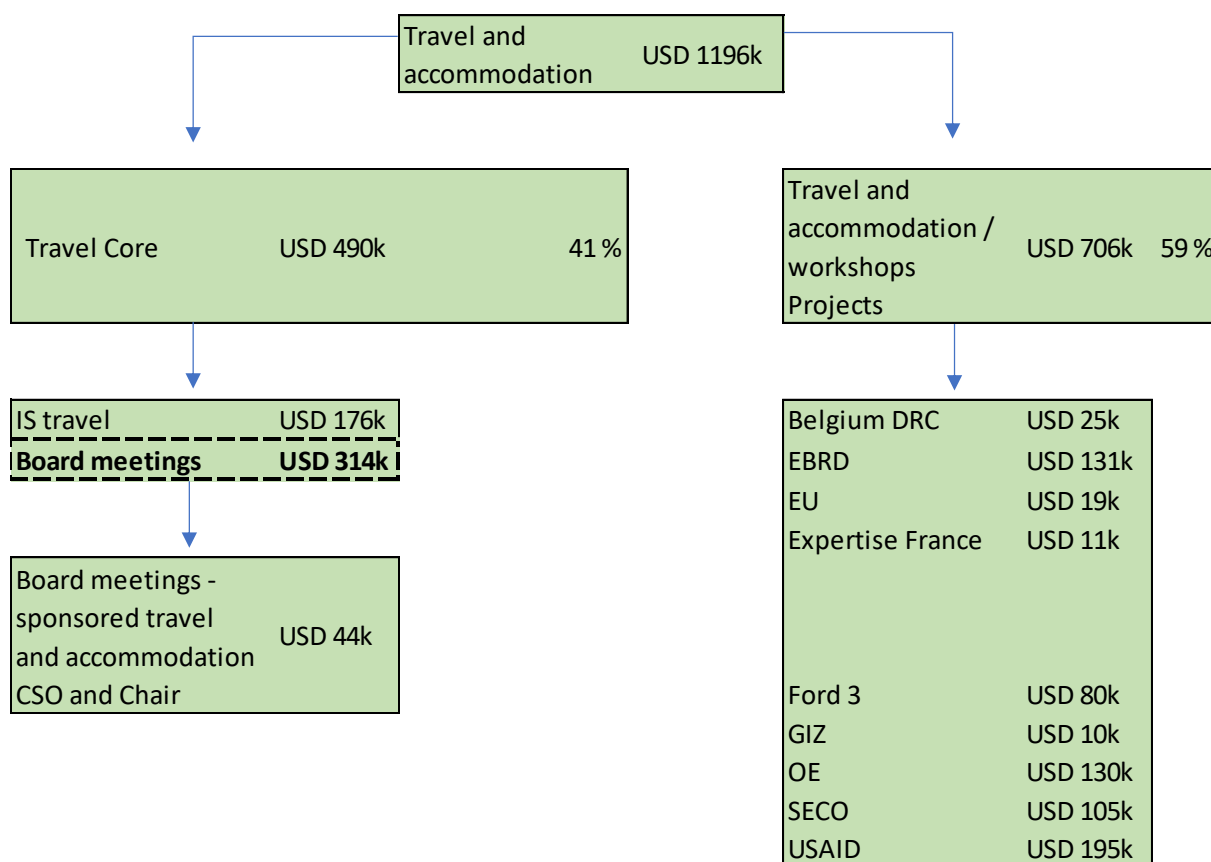
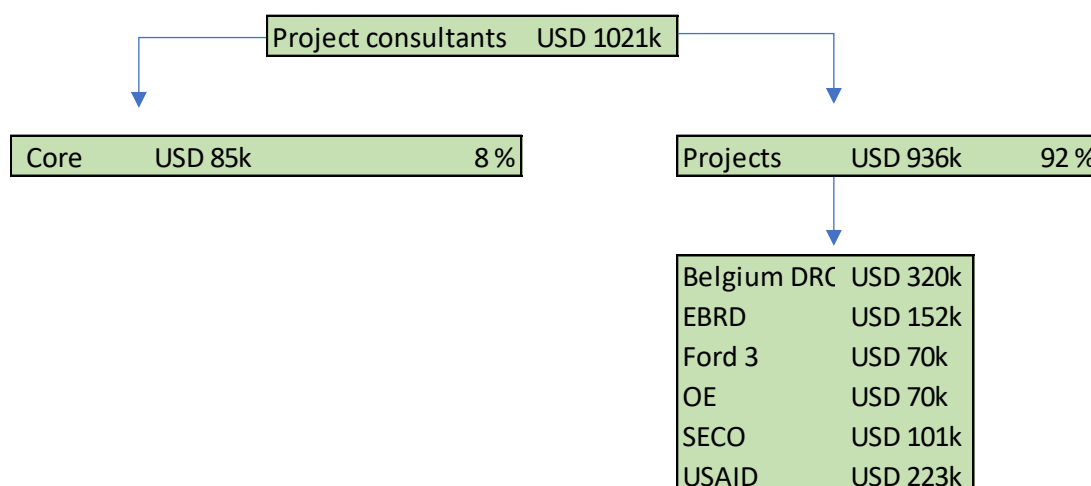


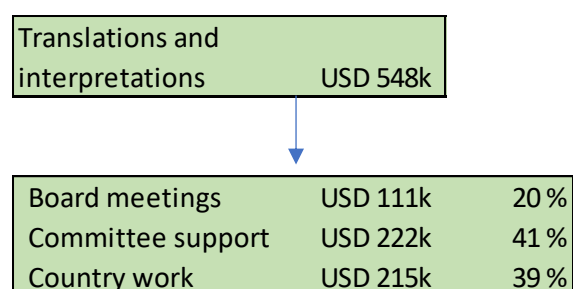
Figure 5: Breakdown of expenditure: project consultants - core versus project



The Secretariat provides direct support to implementing countries through project consultants, ensuring an appropriate level of separation of its role of support and control. The deliverables are defined and owned by the supported MSGs. In addition to our technical guidance, the Secretariat also provides administrative support, which include support in drafting of Terms of Reference (TORs), the selection of qualified consultants through competitive procurement processes, and

the supervision of delivery of high-quality studies.

Figure 6: Breakdown of expenditure: translation and interpretation



D. Risks to the Work Plan

The Secretariat foresees four key risks to the execution of the work plan, namely political instability, the potential for reduced funding for EITI implementation, uneven recovery from and possible resurgence of the COVID-19 pandemic, and human and financial resources.

Firstly, the number of EITI implementing countries (Afghanistan, Burkina Faso, Chad, Gabon, Guinea, Mali, Niger and Myanmar) which are experiencing **political instability and conflict** continues to increase. If this trend continues, Secretariat staff will spend more time attending to urgent tasks that were not foreseen in the work plan, in turn impacting on the Validation schedule and other ongoing projects. To mitigate these risks, it is anticipated the Board will clarify policy and procedures in cases of political instability to inform the Secretariat's response and continued engagement. The Secretariat has also established a consultant roster to mobilise technical capacity at short notice and respond to a sudden increase in workload.

Secondly, there is a **risk to EITI implementation** resulting from uncertainties in funding available for this purpose. While most countries continue to bear the costs of implementation, fiscal challenges and political instability potentially undermine budget availability for EITI national secretariats and for reporting in a growing number of countries. A further related risk concerns the outlook for EGPS trust fund support from the World Bank to implementing countries, which is anticipated to broaden beyond EITI priorities and reduce the funding available for EITI implementation in some countries. While a greater focus on systematic disclosure may have a positive impact on the cost of reporting, it also requires substantial technical and financial support. A major fundraising effort to support EITI implementation in selected EITI countries may be necessary to maintain momentum while ensuring the World Bank continues to earmark EGPS resources to support EITI implementation.

Thirdly, while there has been continued improvement, there remains a **risk of uneven or protracted recovery from and/or a resurgence of the COVID-19 pandemic**, which would pose fresh challenges for EITI implementation. Either scenario would result in persistent challenges for many EITI member countries with weak capacities. These countries could be forced to prioritise a fresh response to the pandemic and/or limit government funding for EITI implementation. This further underlines the need to identify additional sources of dedicated financial support for EITI implementation.

Fourthly, there are risks posed to delivery in the 2024 Work Plan, related to **human and financial resources**. In regard to staff capacities, staff turnover or capacity limitations will impact on the

ability of the Secretariat to deliver with the combination of a low scenario budget. The Secretariat is taking steps to mitigate these risks by increasing number of FTE's, 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**, there is uncertainty regarding future financial contributions from supporting countries due to pressure on development budgets reflecting competing priorities resulting from the continued effects of the Ukraine war on and increased support for refugee and humanitarian programmes. Unsecured funding, such as projects under development, might not fully materialise under such circumstances and the implementation of some projects could also be delayed due to factors beyond the control of the Secretariat. While inflation is abating, the Secretariat continues to face cost increases and upward pressure on salaries. For these reasons the Secretariat has included a contingency in projected expenditure.

Currency fluctuations could also increase the projected deficit if the Norwegian Krone (NOK) were to further depreciate against the USD and the 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) is 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 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 = 10.7 NOK is assessed as medium risk based on current trends in view of continued volatility in the exchange rate. However, the positive currency effects experienced in 2023 are not expected to last due to expected strengthening of the NOK, so no provision is made for this in the budget.

For all these reasons, the Secretariat is pursuing an increase in core funding contributions from governments and fees from supporting companies. The Secretariat will also be pursuing additional opportunities to mobilise dedicated project funding to support work on the energy transition and the new data strategy. Some areas of policy work on gender, environmental and social considerations, ASM and subnational are funded by core contributions as these do not receive dedicated project support.

On expenditure, the Secretariat will continue to explore the potential to realise cost savings as it further prioritises planned activities for the year. It has developed a conservative approach to budgeting based on a low-cost scenario. A major consideration for 2024 is to consider an extension on the existing lease or to source new office facilities from June 2024. Further cost control measures are to 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 legal services and financial management services to ensure the Secretariat receives high quality support with the potential to realise cost savings.

Annex A

Table 6: Detail overview - income

	Core funding	Project funding	Total	Comments
Secure	2.447.500	3.709.804	6.157.304	
Belgium	240.000		240.000	2021 - 2024. Future funding under discussion
Canada	243.000		243.000	End 2024. Future funding under discussion
Denmark	719.500		719.500	2023 - 2026 - committed
EBRD		377.418	377.418	End 2024
EU		550.000	550.000	2023 - 2027. Signed
Expertise France		55.000	55.000	End 2024 - committed
Germany BMZ	268.000		268.000	End 2025 - signed
Giz		36.160	36.160	End 2024 - committed
Netherlands	300.000		300.000	2021 - 2024. Future funding under discussion
Norway	392.000		392.000	2023 - 2024. Future funding under discussion
OE/BHP		926.909	926.909	End 2025
Seco		291.840	291.840	End 2025
Switzerland (Seco)	285.000		285.000	2022 - 2024. Future funding under discussion
Ukraine		38.333	38.333	End 2024
USAID		1.434.144	1.434.144	2023 - 2026
Highly anticipated	3.037.000	525.000	3.562.000	
Companies	1.833.600		1.833.600	
Implementing countries	270.000		270.000	
Supporting countries	933.400		933.400	
France	132.000		132.000	Yearly, in line with previous contributions
Sweden	338.400		338.400	Yearly, in line with previous contributions
Switzerland (Seco)	82.000		82.000	
United Kingdom	381.000		381.000	
Projects		525.000	525.000	
Fresh Belgium (DRC)		525.000	525.000	
Anticipated	935.900	200.000	1.135.900	
Companies	267.500		267.500	
Supporting countries	668.400		668.400	
Australia	312.000		312.000	
Finland	356.400		356.400	
Projects		200.000	200.000	
Ford III (low end)		200.000	200.000	
Grand Total	6.420.400	4.434.804	10.855.204	

Annex B

In addition to the budget presented above based on a medium-income scenario, the Secretariat has developed a high scenario. For reference income under the low scenario is also summarised.

Low scenario: The low scenario anticipates no increase in income from implementing countries, no increases in funding from supporting countries on the basis of renewed agreements, and no increased fee income from supporting companies.

Table 7: Low scenario - income

INCOME	2023 Outlook	2024 Low
<u>Secretariat use of surplus</u>		
<u>Implementing countries</u>	-	-
Implementing countries	260	260
<u>International development partners, including donors, NGO's and foundations</u>	<u>6.627</u>	<u>7.506</u>
Project - Specific funding	3.325	3.710
Supporting governments and IFI's	3.302	3.796
<u>Private sector</u>	<u>2.082</u>	<u>1.934</u>
Oil and Gas	1.042	920
Mining and Minerals	889	874
Financial Institutions	31	20
Commodity traders	120	120
<u>Global Conference</u>	<u>1.554</u>	<u>0</u>
Global conference fundraising	1.200	0
Global conference funding -from Secretariat cumulative surplus	354	0
Total Revenues	10.523	9.699
Change including Global Conference	-3 %	-8 %
Total Revenues - excluding Global Conference	8.969	9.699
Change excluding Global Conference	-3 %	8 %

Table 8: Low scenario - expenditure

EXPENDITURE low	2023 Outlook	2024 Low
Salaries	2.490	2.598
Other staff costs	1.088	1.331
EITI Contract staff (outside Norway)	1.456	1.603
Total staff cost	5.034	5.532
Office expenses	1.096	1.031
Travel and accomodation	734	1.086
Translation and interpretation	335	490
Project consultants	845	664
Other charges *	54	17
Sub Grant (Open Extractives)	1.001	874
Contingency	73	48
Global Conference	1.554	97
Total Expenditure	10.726	9.839
Currency effect	311	-
Total Expenditure - excluding Global Conference	9.172	9.839
Change	-6%	7%
Net Result	108	(140)

High scenario: The high scenario anticipates an increase in fees from implementing countries, greater contribution for project funding from the Ford Foundation, fresh project funding from Norway, full effect of increases in company fees and additional contributions from ICMM member companies.

Table 9: High scenario - income

INCOME	2023 Outlook	2024 High
Implementing countries		
Implementing countries	260	280
International development partners, including donors, NGO's and foundations	<u>6.627</u>	<u>9.551</u>
Project - Specific funding	3.325	5.501
Supporting governments and IFI's	3.302	4.049
Private sector	<u>2.082</u>	<u>2.835</u>
Oil and Gas	1.042	1.080
Mining and Minerals	889	1.616
Financial Institutions	31	20
Commodity traders	120	120
Global Conference	<u>1.554</u>	<u>0</u>
Global conference fundraising	1.200	
Global conference funding -from Secretariat cumulative surplus	354	
Total Revenues	10.523	12.666
Total Revenues - excluding Global Conference	8.969	12.666
Change excluding Global Conference		41 %

Figure 8: High scenario - income

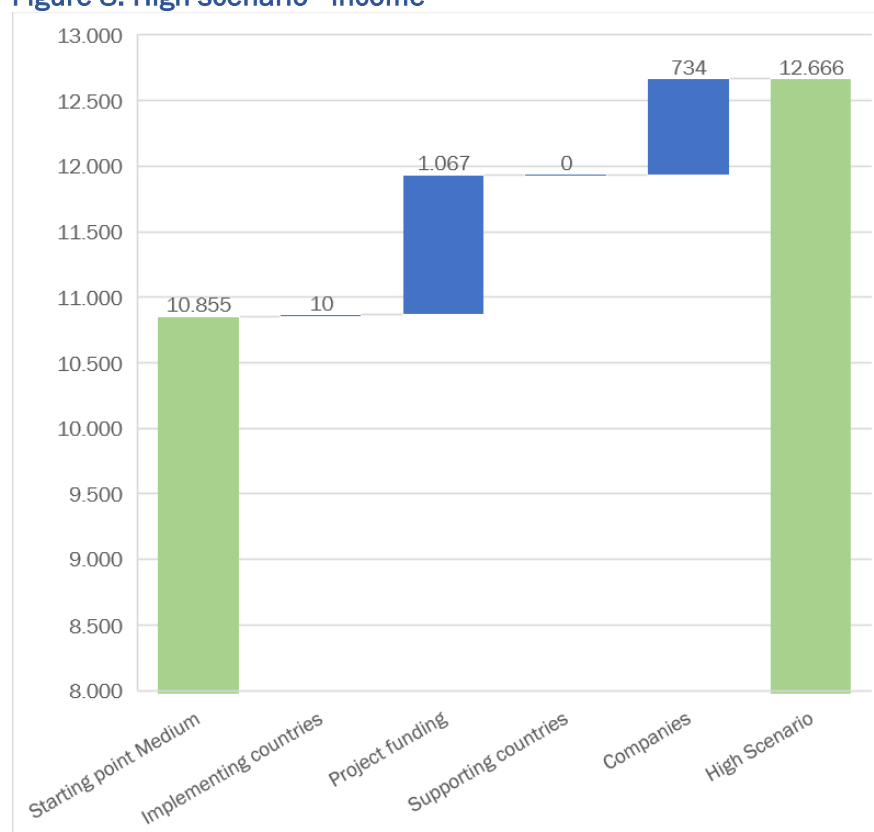


Table 10: High scenario – expenditure

EXPENDITURE high scenario	2023 Outlook	2024 First draft
Salaries	2.490	2.886
Other staff costs	1.088	1.489
EITI Contract staff (outside Norway)	1.456	1.610
Total staff cost	5.034	5.985
Office expenses	1.096	1.104
Travel and accomodation	734	1.442
Translation and interpretation	335	548
Project consultants	845	1.744
Other charges *	54	17
Sub Grant (Open Extractives)	1.001	874
Contingency	73	351
Global Conference	1.554	586
Total Expenditure	10.726	12.651
Currency effect	311	
High income	10.523	12.666
High scenario Net result	108	16