

# Minutes

These Minutes capture the discussion and agreed outcomes of the 60<sup>th</sup> Board meeting.

## MINUTES OF THE 60<sup>TH</sup> EITI BOARD MEETING

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### Abbreviations

FC – Finance Committee  
GOC – Governance and Oversight Committee  
IC – Implementation Committee  
LAC – Latin America and the Caribbean  
MSG – multistakeholder group  
OCC – Outreach and Candidature Committee  
OECD – Organisation for Economic Co-operation and Development  
RRC – Rapid Response Committee  
VC – Validation Committee

## 60-1 Welcome and adoption of the agenda

The **EITI Board Chair, Helen Clark**, opened the 60th Board meeting, expressing appreciation to Board members for attending. She thanked the Government of Switzerland for hosting the meeting, with special thanks to Jürg Vollenweider for facilitating it. She then invited Ivo Germann, Ambassador and SECO's Director of Foreign Economic Affairs, to make the welcoming remarks.

Ambassador Germann welcomed attendees to the Board meeting in Geneva, noting Switzerland's previous hosting of a Board meeting in 2015 and the EITI's growth from 48 implementing countries to 56 since then. He noted the EITI's progress in improving data collection and disclosure processes, contributing to combatting corruption, and informing policy decisions, with new standards for beneficial ownership and contract transparency. The commodity trading sector is of significance to Switzerland's economy, and Switzerland supports EITI's mission for transparency and accountability. He added that extractive sector governance is important to Switzerland's cooperation with resource-rich partner countries and noted its commitment to the EITI since 2009. Amid global crises, the EITI exemplifies the importance of multilateral cooperation. He urged attendees to uphold this spirit for collective progress.

The Board Chair thanked Ambassador Germann and proceeded to open the Board meeting. She reminded Board members of the main items on the agenda. The Chair acknowledged the multi-stakeholder nature of the Board, recognising inevitable differences in opinion. She encouraged Board members to contribute to the proceedings on the basis of mutual respect in the interest of arriving at decisions by consensus on the proposed items. She highlighted key opportunities and challenges leading up to the 2026 Global Conference. The importance of fully understanding and implementing the revised 2023 EITI Standard was stressed. More formal guidance will be forthcoming from the International Secretariat. The Chair called for greater inclusivity in multi-stakeholder groups (MSGs) and stronger stakeholder engagement, particularly involving legislators, local community representatives, and the media. She noted the focus on commodity trading transparency at the meeting and its inherent corruption risks.

The Chair then introduced the draft Board meeting agenda which was approved.

She noted the following new Board members:

- Ms Hasmik MANUKYAN, Armenia EITI National Coordinator who succeeded Ms Lusine Tovmasyan as a Board member.
- Ms Svitlana GRYNCHUK, Deputy Minister of Energy of Ukraine who succeeded Mr Genci Terpo as an alternate Board member.

She noted apologies from the following members:

- Frances ALGHALI, Minister of State, Office of the Vice-President, Sierra Leone
- Agus Cahyono ADI, EITI National Coordinator, Indonesia
- Clancy MOORE, Chief Executive Officer, Transparency International, Australia
- Kathryn CASSON, Chief Adviser, Civil Society and Outreach, Rio Tinto
- Christopher RICE, Executive Vice President, Tax, Shell International Limited

## Voices from the national secretariats

The Board Chair informed the Board of the National Coordinators Meeting held prior to the Board meeting. With support from the State Secretariat for Economic Affairs of the Government of Switzerland (SECO) and the World Bank, representatives from 44 EITI implementing countries met for two days in a peer-learning exercise. Topics discussed included priorities for EITI implementation, innovative practices, and alternatives to funding by donors such as the World Bank. Esteban Manteca from the Secretariat provided a brief introduction, and invited representatives from national secretariats in each region to share their perspectives:

- *Leontine Oyouomi Loumbou*, the EITI National Coordinator from **Gabon**, shared reflections from Francophone Africa, highlighting concerns regarding implementation of the EITI Standard. She noted that many countries lack the logistical, human, and financial resources to adapt to new demands. Progress with the Standard requires constant adaptation, affecting both existing and new members. She recommended that National Coordinators reinforce capacities within MSGs to facilitate the real-time exchange of information about the 2023 Standard. Leontine emphasised the need for EITI Champions to be more perceptive and available, ensuring integration with corresponding administrations for smoother facilitation.
- *Lucas Alkan*, the EITI national coordinator from **Papua New Guinea**, summarised the discussions for Asia over the previous two days. He highlighted three main issues. Firstly, the lack of capacity at the MSG level to implement the EITI Standard effectively, which is a common problem across all EITI implementing countries. This includes funding and technical capacity constraints that hinder stakeholders, especially within MSGs and civil society, from participating effectively. Second, he noted weak participation from senior government officials, with a need for greater engagement from senior administrative levels in the EITI implementation process. It was suggested that the International Secretariat should engage political decision-makers through regular country missions and support forums to gain political traction. Third, there can be a misalignment between EITI activities and the Government's development priorities. EITI's annual work plans need to align with the Government's agenda to ensure traction and support. Lucas ended his intervention with a call for support from the International Secretariat, international donors, and development partners to address these challenges.
- *Ronald Ibarra*, the EITI National Coordinator from **Peru** highlighted the discussions held by LAC, emphasising the ever-changing political and economic context. He outlined three main points: the impact of illegal mining linked to corruption and the need for policy actions to tackle it; the importance of protecting indigenous populations affected by extraction activities, referencing the International Labour Organization Convention 169 on Indigenous and Tribal Peoples; and the significant environmental impact of the extractives industry. He stressed the necessity for EITI to be more accessible to local communities, citing the example of Peru's subnational implementation of the EITI. Additionally, he underscored the importance of donor support, including from the World Bank, to reinforce and examine implementation processes and address the challenge of regional expansion.
- *Ian Mwiinga*, National Coordinator from **Zambia**, highlighted the demanding nature of the EITI Standard and stressed the need for flexibility in its implementation due to the rapidly changing global environment. He underscored the need for financial and technical support for implementation. Ian referred to innovative strategies to tackle these challenges, with a particular focus on regional contexts, such as the non-physical geological border between the Democratic Republic of the Congo (DRC) and Zambia. He expressed concerns about the lack of electricity in sub-Saharan Africa, which adversely affects mining investments, and emphasised the urgent need to address risks in the energy sector. Ian called for a strategic repositioning of EITI, recognising the indispensable role of energy in mining. He also stressed the importance of support at the MSG level and beyond, advocating for the renewed strategic perspective of EITI to address contemporary issues.

The Chair thanked the four presenters, noting their emphasis on the continuous learning and adaptation required for progress against the EITI Standard. Funding challenges were highlighted, particularly for middle-income countries struggling to secure donor support. The Chair stressed the importance of aligning EITI implementation with government priorities to maintain engagement and making reports more accessible to communities. Ian's insights, reflecting his Board experience, underscored the need for flexibility in EITI implementation, considering the rapidly changing global context.

Board members thanked the national coordinators and noted the timeliness of their meeting. They raised the following points:

- Industry representatives queried potential gaps in EITI's Strategic Priorities, questioning if any adjustments or reprioritisation were needed based on discussions held by implementing countries. *The Chair encouraged the Board to consider this point during the discussion of the Strategic Priorities during the Board meeting.*
- Supporting Countries thanked the Government of Switzerland for organising the meetings and stressed the importance of understanding the needs and priorities of implementing countries for successful EITI implementation.
- CSO representatives emphasised the inclusion of renewable energy in discussions about energy transition, particularly for Africa. They encouraged greater involvement of civil society in future national co-ordinator meetings. They also stressed the significance of addressing environmental and social issues (in Latin America), particularly emphasising prior consultation and environmental impacts. They advocated for increased support for work with Indigenous Peoples to enhance the EITI's positive impact.
- Implementing Countries raised the importance of setting minimum requirements in the Terms of Reference (ToR) while maintaining flexibility. They stressed the need for Validation to balance procedural rigour with innovation and consider country-specific contexts.

The Chair thanked all who participated for their reflections on the reports.

## 60-2 Report from the Secretariat

### Board Paper 60-2-A Implementation Progress Report– for information

Mark Robinson introduced the Implementation Progress Report (IPR) for the period February 2024 and May 2024. He noted that there are currently 56 implementing countries of which 5 (Albania, Dominican Republic, Mexico, Niger and Suriname) are currently suspended for missing reporting deadlines. Four countries (Cameroon, Guatemala, Honduras, and Mexico) are suspended for inadequate stakeholder engagement. He further noted that the International Secretariat had completed 50 Validations as of April 2024. The spotlight section focused on first trade disclosures by Iraq, with the thematic focus delving into first trade disclosures by SOEs and commodity traders.

Mark invited regional directors to provide more detail account of progress on implementation in various regions:

- On **Anglophone Africa**, Gilbert Makore noted continued progress on beneficial ownership transparency in the region as well as demonstrated interest in establishing online platforms for EITI reporting and systematic disclosure in Ghana, Mozambique, Tanzania, and Zambia. Finally, he noted stalled implementation of the EITI in Ethiopia, Sao Tome and Principe, and Seychelles.
- On **Asia and the Pacific**, Gay Ordenes noted that implementation support in Asia has focused on addressing corrective actions from Validation and technical support on systematic disclosure, SOE, contract transparency and anti-corruption. She further noted that the region is prioritising the use of beneficial ownership to address corruption challenges given the large amount of critical minerals in the region.
- On **Europe**, Mark Burnett noted that Validations in Albania, Germany and Kazakhstan were a team priority during this period. He noted that Europe has been building a community of practice through peer learning including development of work plans, systematic disclosures, and on the energy transition. Board members participated in a

session with European National Coordinators on engagement with civil society organisations (CSOs).

- On **Francophone Africa**, Nassim Bennani noted that the Francophone Africa team held a capacity building for National Co-ordinators and MSG members in Cote d'Ivoire on the 2023 Standard which was well attended by all the implementing countries in the region. He further acknowledged that Cameroon and Niger have been suspended with other countries facing civil society constraints and funding challenges.
- On **Latin America and the Caribbean**, Esteban Manteca noted that EITI implementation in Argentina was underway in six provinces. He noted that EITI implementation has weakened in Guatemala and Honduras which have small extractives industries. He further noted that the International Secretariat continues to engage Chile in its candidature application process.

Board members thanked the Secretariat for the report and raised the following points:

- CSO representatives sought clarity on the strategy the Secretariat has adopted to increase technical support to implementing countries on beneficial ownership transparency.
- They noted regression in the implementation of Requirement 1 in several countries. It was requested that the International Secretariat discuss Niger at the Implementation Committee to provide the Board with an update on the country's implementation status.
- They also requested the Secretariat to expand its efforts on gender issues beyond the composition of MSGs.
- Implementing Countries noted that many suspensions are due to reporting issues and suggested that the Secretariat consider reducing the reporting burden to decrease the number of such suspensions.
- Supporting Countries representatives recognised the efforts of Ukraine and the DRC in continuing EITI implementation despite the conflicts in their respective countries. They also expressed concern at the high number of countries at risk of suspension for various reasons.
- Industry representatives recognised that 126 human rights defenders were killed in the LAC region during the period in review and queried how many of the deaths were linked to the extractives industry. They also recognised the crucial role that CSOs play, particularly in mining communities. They also noted that while there was an increase in systematic disclosures to 34%, at the current pace, it may take 10 years to attain 70%.

The Secretariat thanked Board members for their feedback, including the concerns around suspension of countries for various reasons. They also noted that the Opening Extractives programme is providing targeted support to countries on beneficial ownership transparency. Additionally, the Secretariat acknowledged that countries are facing constraints in progressing on systematic disclosures.

**Actions:**

- The Secretariat to continue to support country efforts to advance systematic disclosures and provide targeted support at a national level.
- The Secretariat to clarify policy on engaging in countries with little or no extractive sectors.

## Board paper 60-2-B Outreach Progress Report– for information

The International Secretariat presented the paper, focusing on target countries and companies as outlined in the Outreach Strategy 2023-2026.<sup>1</sup> Key insights included EITI's participation in major events such as the 2024 Investing in Africa Mining Indaba, Prospectors & Developers Association of Canada (PDAC), and CERAWeek. Outreach efforts at Mining Indaba in February led to progress towards potential EITI implementation through ongoing conversations with civil society stakeholders in Namibia. In Asia, efforts centred on Malaysia, with discussions for a mission pending confirmation from Malaysian officials. In LAC, outreach efforts in Brazil focused on strengthening partnerships and initiating government discussions. The Secretariat supported Chile in preparing a candidature application that may be ready for Board consideration in November 2024. Corporate outreach saw the addition of Endeavour Mining and Seplat Energy as an EITI supporting company with continued progress on other outreach efforts with SOEs.

Board members raised the following points:

- Industry representatives requested more detailed information on broader ~~outcomes~~ learnings from outreach efforts at the CERAWeek event. They also offered ~~assistance~~ support with outreach with companies participating in the CERAWeek ~~where relevant and highlighted the potential of broadening focus to include renewable companies.~~ They also sought further detail on outreach to renewable companies.
- Implementing Countries requested more detailed reports on outreach activities in specific countries. One member raised concerns about outreach to Rwanda.
- Supporting Countries highlighted the Secretariat's outreach efforts to Brazil and Chile, noting their importance in the energy transition. They welcomed greater engagement with SOEs and encouraged outreach towards S&P Global. Industry Representatives inquired about the value and utility of EITI data for S&P Global and their motivations for becoming an EITI Supporting Company. They also noted the potential outcomes of the outreach event held in Geneva on 18 June, aimed at financial institutions and commodity traders, hoping it would help fill a vacant Board seat.
- CSO representatives discussed outreach to Equatorial Guinea, noting grave civic space concerns. They emphasised that EITI membership requires a functioning MSG ~~without challenging civic space issues~~ and sufficient civic space to operate without fear of reprisal. Under current conditions, the CSO constituency ~~believes~~ reiterated that EITI would not add value in terms of accountability. They advised the Secretariat to halt outreach activities in the country until there is a functioning MSG and adequate civic space.
- Supporting Countries appreciated efforts to attract companies outside the oil and gas sector, promoting greater constituency diversity. They endorsed outreach to European Union (EU) member states, particularly Poland and Portugal, and praised the regional approaches, noting progress on Chile's sign-up process.
- CSO representatives requested specifics on outreach to Romania and sought clarification on the process for verifying beneficial ownership information of new Supporting Companies.

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<sup>1</sup> See the EITI Outreach Strategy here: <https://eiti.org/sites/default/files/2023-11/Board%20Paper%2058-3%20EITI%20Outreach%20Strategy%202023-2026.pdf>

The Secretariat thanked the Board for its feedback and noted that:

- Outreach to Equatorial Guinea has been driven by the IMF, with the country seeking MSG governance support and technical assistance. The Secretariat sought the Board's guidance on how to proceed with this engagement, and will duly follow-up with the government of Equatorial Guinea and the IMF
- The Secretariat elaborated on outreach to EU member states, requesting assistance from EITI implementing EU countries to share their implementation experiences. They highlighted outcomes of outreach to renewable energy companies following the COP28 Call for Action, specifically mentioning a dialogue between energy company SSE and the UK-EITI MSG.
- The Secretariat clarified that outreach efforts in Rwanda are progressing slowly but with no firm commitment as yet.
- The Secretariat acknowledged the engagement from S&P at CERAWEEK, clarifying that EITI data is not currently used by S&P Global and there is limited interest in joining the EITI. It further noted that all new companies joining the EITI undergo an initial assessment, including a review of beneficial ownership.
- Regarding Romania, the Secretariat adhered to the Outreach Strategy by collaborating with EITI partners, specifically the Open Government Partnership (OGP), which included an EITI commitment in its national action plan. However, the OGP did not deliver on this in 2023 and the action plan expired in April 2024. The Secretariat will reassess outreach opportunities with the OGP following elections in Romania later this year.

**Actions:**

- The Secretariat will intensify work with Chile and follow up with targeted support on activities to deliver a candidature application by November 2024.
- Outreach efforts in Equatorial Guinea will remain on hold.
- The Secretariat will continue to develop outreach efforts to the financial services sector and to SOEs, building on the commodity trading event in Geneva.

## 60-3 Report from the World Bank

Robert Schlotterer, Practice Manager for the World Bank's Energy and Extractives Global Practice presented the report from the World Bank, focusing on three main areas: a summary of EITI activities, insights from the peer-learning exercise, and a readout of the EGPS Partnership Council meeting. The report highlighted 10 active projects within the current EITI portfolio, with three new projects in the pipeline, expected to be approved between June and September 2024. Additionally, one global activity on citizen engagement for accountability and transparency is being supported, along with two engagements for Madagascar and Uganda. A recently closed project in Chad and a soon-to-close project in Armenia were also noted.

Robert provided an overview of the peer learning initiative, which involved collaboration with the International Secretariat and national coordinators, resulting in 181 completed survey responses from 51 countries. The survey revealed that 60% of respondents identified improved governance as a key benefit of EITI implementation. However, challenges remained, particularly regarding budget constraints from national governments. Robert noted that the EGPS Partnership Council meeting endorsed the first window under EGPS-3, focusing on the mid- and downstream of minerals value chain development. He confirmed continued support for EITI, noting the strategic shifts in the priorities in the extractives sector the World Bank Group finances through grant support.

Board members raised the following points:



- Supporting Countries called for continued support from the World Bank for extractive sector governance through the EGPS, stressing that EITI's focus is on extractives governance broadly, not limited to mining, and that EITI's focus should remain on governance and transparency, irrespective of the sector.
- Industry representatives thanked Robert for the clarity and stressed the importance of planning for potential resource gaps. They reiterated the need to resource the process of good governance and avoid politicisation in selecting sectors.
- CSO representatives highlighted the importance of communication and cooperation between the World Bank and CSOs, aiming to leverage EITI's governance expertise. They emphasised the crucial role of civil society in the EITI process and the need for technical and financial support to ensure full implementation. They pointed out financial constraints faced by countries, especially those dealing with debt issues, and suggested a regional perspective on EITI implementation to address common challenges. Additionally, they urged the World Bank to view the 2023 EITI Standard as an opportunity to support energy transition requirements, highlighting the need for support in meeting these new requirements.

Robert reiterated the World Bank's commitment to supporting EITI's governance standards. He acknowledged the constraints regarding oil and gas sectors due to strategic shifts but assured the Board that the World Bank would continue to explore ways to support EITI's governance work.

## 60-4 Report from the Implementation Committee

### Board paper 60-4-A EITI Strategic Priorities 2024 -2028 – for discussion

The Secretariat presented the paper, which outlines three core strategic priorities for the EITI for the period 2024-2028: anti-corruption, energy transition, and domestic revenue mobilisation (DRM). The paper also proposes three enabling priorities: inclusive governance, data access, and monitoring and learning. These priorities aim to maximise EITI's global impact and inform resource allocation decisions.

Board members raised the following points:

- Industry representatives expressed support for the idea of setting strategic priorities but noted reservations over the level of detail in the paper. They also questioned the sequencing of the development of the strategic priorities and the Board Paper 60-6-A on the Three-Year outlook, raising questions around how to finance the ambitions set out in the strategic priorities. A suggestion was made to either dial back the level of detail in the paper or work further on the exact wording to build support from the industry constituency.
- CSO representatives expressed their support for approving the strategic priorities at the Board meeting rather than through a Board Circular at a later date. They reiterated that national coordinators had emphasised an urgent need for support and that approving the strategic priorities could help direct resources effectively.
- Industry representatives emphasised that the document should establish a strategic direction rather than simply serving as a communications tool. They questioned the purpose and alignment of the Key Performance Indicators (KPIs), noting that it was unclear whether they should correspond to the Three-Year outlook or the strategic priorities.
- CSO representatives stressed the need for EITI to evolve in line with sector developments. They highlighted the importance of including renewables and transition minerals in the EITI's work on the energy transition and called for greater attention to environmental and

social aspects. They noted that strategic priorities should be agreed before developing KPIs.

- Supporting Countries advocated for continuity in strategic priorities, supporting a core focus on transparency, anti-corruption, and DRM. They also suggested hiring a DRM expert into the International Secretariat and recommended incorporating ESG (Environmental, Social, and Governance) performance throughout the value chain, particularly for transition minerals.
- Industry representatives emphasised that strategic priorities should provide clear objectives and goals. They noted that the document's length and lack of clarity had made it difficult to adopt. They suggested that it would be useful for all constituencies to understand the objectives behind each priority. They highlighted an opportunity for external support, including to ensure alignment of the strategic priorities with the three-year outlook, which may also contribute to better understanding of each of these elements.

#### **Actions:**

- Board members to aim to reach an agreement before the following day's Board discussions resume, ensuring it aligns with strategic priorities, considers resource implications, and includes clear objectives.
- Secretariat to work with the Implementation Committee on finalising the paper, before presenting it for approval via Board Circular.

### **Board paper 60-4-B ToRs for EITI reporting – for discussion**

Co-Chair of the Implementation Committee, Diana El Kaissy, presented the paper, emphasising the ToRs and the Board's push for systematic disclosure of data by governments and companies. She indicated that the draft ToRs highlight the MSG's role in defining and overseeing the reporting process while providing tools and approaches for MSGs to foster innovation and ensure meaningful EITI reporting. She recalled the five criteria for the ToRs agreed upon at the 59<sup>th</sup> Board in Toronto: flexibility, relevance, timeliness and accessibility, cost-effectiveness and data quality. She noted the distinction in the ToRs between the financial disclosures, supported by four approaches, and non-financial disclosures, supported by a mapping of systematic disclosures.

Board members raised the following points:

- CSO representatives acknowledged the relevance of the draft ToRs in addressing challenges such as budget constraints and the capacity of MSGs at national level. However, they noted that removing the Independent Administrator should only be done when there are reliable alternative data reliability options, and it should never be recommended as a shortcut to meet report deadlines. They emphasised the need for the International Secretariat to remain neutral in presenting the terms of reference and the menu of options to MSGs, particularly concerning the use of an Independent Administrator. They also requested that the ToRs include guidance on the methods to be applied in cases where there is no consensus within the MSG on which data assurance mechanism to pursue.
- Implementing Countries reported four observations discussed the previous day during the Implementation Countries Constituency Meeting. They noted that the draft ToRs are challenging to understand and requested that the ToRs set minimum requirements to be reflected in EITI reports, along with the scope of flexibility regarding their content. Additionally, they expressed the need for clarification on the options for modular EITI reporting.

The EITI Chair thanked the Board for constructive feedback and tasked the Implementation Committee to address these comments in the next iteration of the draft ToRs, which will be shared with the Board via Board Circular.

**Actions:**

- Secretariat to work together with the Implementation Committee on updating the ToRs.
- Implementation Committee to submit the final draft ToRs to the Board for approval via Board Circular.

### Board paper 60-4-C Update on Afghanistan – for decision

Diana El Kaissy presented the paper and the proposed decision to the Board. The Board Chair invited the Board members to comment, noting the severe nature of delisting. Supporting Countries agreed on the need for consistent delisting procedures, while acknowledging that this case adhered to established protocols.

Board members did not raise any additional points on this agenda item. There was consensus on delisting Afghanistan.

**Actions:**

- The Secretariat to publish the Board decision on the EITI website, and a statement on the country page on Afghanistan.

### Board paper 60-4-D Stocktake on Requirement 2.5 on Beneficial Ownership – for information

Diana El Kaissy informed the Board of the stocktake of EITI implementing countries' progress in meeting Requirement 2.5, that the International Secretariat conducted as of the first quarter of 2024. The stocktake revealed that 83% of implementing countries have passed or are planning to pass legal reforms whilst 90% have defined specific thresholds for beneficial ownership reporting. The stocktake also revealed that 15 implementing countries already have public registers.

Diana noted that challenges continue to persist in defining politically exposed persons and achieving high quality and open disclosure. Legal barriers also pose a challenge to the public disclosure of beneficial ownership information in some EITI countries. Diana noted that targeted support and advocacy efforts would be needed at a national level to address these challenges, which was currently being supported via funding from partners such as USAID, BHPF and EBRD.

Board members raised the following points:

- CSO representatives ~~noted~~ expressed concern that there are still significant gaps in the implementation of beneficial ownership disclosure requirements that came into effect in 2020, , including issues with definitions and data access. However, they congratulated the EITI Secretariat for a strong report, and noted full agreement with the EITI's position that every citizen has a "legitimate interest" in beneficial ownership data on the extractive industry.
- Industry representatives inquired about the progress of the work on linking beneficial ownership data use to license application process, noting the reference in the paper to the upcoming work on this matter in Colombia and Indonesia.

The Secretariat concurred that use of beneficial ownership data in reviewing licence applications is a clear opportunity to strengthen licensing procedures, but this work needs to gain traction through inter-agency co-operation at a national level.

**Actions:**

- The Secretariat will continue to advance use of beneficial ownership data by licensing authorities at national levels.

## 60-5 Report from the Validation Committee

### Board paper 60-5-A Report from the Validation Committee

Chair of the Validation Committee (VC), Hieu Vu, presented the Committee's recommendations to the Board. He provided the background information on the targeted assessment of the Philippines and the Validation of Germany and invited the Secretariat to present its findings from the fact-finding mission to Mali.

#### Targeted assessment of Philippines – for decision

Board members and observers from the Philippines recused themselves. Subsequently, the Committee Chair, with the support from the Secretariat presented the paper and the recommendation from the VC to the Board.

Board members raised the following points:

- CSO representatives expressed serious concerns about the civic space environment and noting ongoing fragility, requested the Secretariat to continue monitoring progress. However, they supported the recommendation based on their discussions with local civil society.

#### **Actions:**

- The Board Chair to write to the Government of the Philippines to communicate the Board decision.
- The Secretariat to publish the decision and targeted assessment report.

#### Validation of Germany – for decision

Board members and observers from Germany recused themselves. Subsequently, the Committee Chair, with the support from the Secretariat presented the paper and recommendation from the VC to the Board.

Board members appreciated the quality of the Secretariat's assessment. They raised the following points:

- Industry representatives expressed concerns about the level of disclosures of beneficial ownership and supported the overall assessment.
- CSO representatives emphasised the importance of a global definition for "project" in project-level disclosures, as such definitions affect other (non-EITI) jurisdictions. They also emphasised the importance of public access to beneficial ownership data (an issue in this validation), reiterating that the definition of ~~stressed the need to define~~ 'legitimate interest' in -beneficial ownership disclosures must be wide when it comes to **the extractive industries**, to ensure public access to this vital information.

#### **Actions:**

- The Board Chair to write to the Government of Germany to communicate the Board decision.
- The Secretariat to publish the Board decision on Germany's Validation and Validation report.

#### Targeted assessment of Mali – for discussion

Board members and observers from Mali recused themselves. Subsequently, the Committee Chair, noted that the Validation Committee had received a briefing from Secretariat's in-person mission to Mali but that the Validation Committee did not agree on a recommendation for the

Board. He acknowledged that the Committee members had limited time to review the new information. The Chair also highlighted the challenges of conducting the mission and its value for informing the Board discussion. The back-to-office-report was presented to all Board members.

Bady Baldé of the International Secretariat highlighted that the mission, requested by the Board Chair in April, was well received by all national stakeholders. He presented the country context of military coups, the retreat of the United Nations Multidimensional Integrated Stabilization Mission in Mali (MINUSMA) mission and the ongoing tense security situation. While insurgents primarily attack the north and east, mining activities are concentrated in the west and south.

Following the mission, the Secretariat suggested amending the assessment by changing government engagement from mostly met to fully met, and civil society engagement from partly met to mostly met. The other requirements (2.2, 2.3 and 2.4) remain unchanged. The mission found significant improvements in government engagement (1.1), detailing the key government actions supporting implementation.

Regarding civil society, the Secretariat found no evidence supporting the allegations which had previously been made concerning armed groups. Some stakeholders, including civil society on the MSG, claimed that they had the freedom to speak. ~~MSG Members confirmed that they could freely express views on extractive industry governance.~~ The mission noted increased scrutiny and monitoring of civil society activities ~~related to the military transition~~ generally, but did not find this had material effect on civil society members engaged in the governance of extractive industries. ~~but no restriction linked to extractive industries.~~ The mission also confirmed there was sharp criticism from non-MSG CSO members, that the longstanding members representing civil society consists of a closed group and that they felt excluded from the EITI process. This was the main reason the International Secretariat recommended 'mostly met'.

Bady further presented recommendations from the mission: adhering to the civil society protocol even in the context of war; swiftly renewing CSO representation on the MSG; the government gathering evidence on the rapid development of the formal and semi-formal sector; and the MSG undertaking wide consultations to develop a multi-year work plan drawing on EITI strategic priorities on anti-corruption, ASM and domestic resource mobilisation.

Board members expressed appreciation of the International Secretariat's in-person mission amid the tense security environment. They raised the following points:

- Supporting Countries acknowledged the update to the broader civil society context, noting positive developments and the advantages of an in-person mission for accurately capturing the situation. They noted continued issues with the MSG composition regarding to civil society and urged concluding the assessment during the Board meeting.
- Implementing Countries urged longstanding civil society members on the MSG to enable meaningful engagement of more voices and emphasised the importance of differentiating between the linkage of civic space in general terms to limitations of civic space relating to the extractive industries.
- Industry representatives reminded the Board of the recommendation to suspend Mali due to breaches of the Civil Society Protocol. They acknowledged the advantages of in-country consultations and noted the mission did not change assessments regarding licence allocations, register and contracts. They highlighted the need for strong monitoring of the rapidly changing ASM landscape as armed groups could seize gold by occupying ASM sites.
- CSO representatives noted the disparity between the original targeted assessment and the report presented, citing arrests of journalists that criticise the government for basic things like cost of living, so it is difficult for civil society to know the redlines they could not overstep ~~and the difficulty of discerning red lines.~~ They noted the government in Mali had suspended all political parties, all activities even *related* to politics, and prohibited the media from covering such issues. ~~They wanted~~ Civil Society requested a more

comprehensive mission report, providing evidence on the lack of obstacles for civil society participation, and another Validation Committee discussion.

- Some Board members noted that it was positive that the Board had not taken a decision in Toronto, as the mission findings indicated no breach, and a suspension would have been incorrect.

The Board Chair noted the lack of consensus and tasked the Committee Chair Hieu Vu with chairing a working group to provide a way forward.

The following day, Hieu Vu reported that the working group had agreed on a Board statement, recommendations for Requirement 1.1, and corrective actions and recommendations for Requirement 1.3. Corrective actions on licence allocations and the register were updated to reflect the mission's observations. He noted that, as a next step, the Secretariat would circulate the decision for sharing with constituency members and that the targeted assessment report would be updated to reflect the findings of the mission. Following the Validation Committee's review, the report and decision will be shared with the Board for decision via Circular.

Following the presentation of the result of the working group, CSO representatives reiterated the need for more time to corroborate the International Secretariat's findings with their constituency.

**Actions:**

- The Secretariat to circulate the Board statement, including corrective actions, recommendations and the scorecard agreed by working group to Validation Committee members.
- The Secretariat to update the targeted assessment from January to reflect the findings of the fact-finding mission.
- The Secretariat to submit the Validation Committee's agreed recommendation to the Board via Board circular.

## **Board Paper 60-5-B Updates to key Validation documents and broader issues for consideration**

- **Update to key Validation documents in light of the 2023 EITI Standard – for decision**

Committee Chair Hieu Vu, with the support from the International Secretariat, presented the paper and the recommendations to the Board. The International Secretariat noted that the procedure was updated to reflect lessons learned on the Validation and assessment timelines. The guide was updated to reflect the 2023 EITI Requirements and was restructured to reflect the grouping of requirements by modules, as in the Validation reports. The templates would be redesigned to follow the guide and to respond to feedback from Implementing Countries, which had been shared in the preceding days during the National Coordinators' meeting.

Board members approved the decisions put forward.

**Actions:**

- The Secretariat to publish the updated Validation guide and procedure on the eiti.org website.
- The Secretariat to work on the Validation templates in line with the agreed principles.

- **Broader Validation issues for consideration – for discussion**

Committee Chair Hieu Vu, with the support from the International Secretariat, presented the paper and the recommendations to the Board.

Board members raised the following points:

- Implementing Countries shared feedback from their meeting in Geneva. They agreed that Validation improves governance but sometimes feels punitive. They proposed extending the Validation timeframe from three to five years due to its demands on MSGs and national secretariats. Some countries felt the civil society engagement assessment went beyond EITI participation. They sought clarification on 'modularity' in practice, suggesting Validation should balance rigour while recognising innovations, include separate scores for mining/quarrying and oil/gas sector, and adjust scoring ranges to align with requirements. They also found the transparency template cumbersome.
- CSO representatives expressed a united position not to re-open the assessment of the civil society protocol. They emphasised that active engagement is key for meaningful EITI implementation. ~~They further noted that~~ and that achieving ~~ensuring civic space~~ an adequate score on Requirement 1.3 is the collective responsibility of an implementing country. Finally, they noted that ~~the Standard set out~~ that the timelines for Validation set by the Standard are a useful tool to ensure progress. They expressed concerned over proposals to adjust scoring or extend timeframes, citing a negative relationship between performance and longer intervals.
- Industry representatives noted the importance of revisiting the Validation model given the commencement of Validations against the 2023 Standard starting January 2025. The Board should consider ways to lighten the load without compromising the quality assurance mechanism of Validation. It also echoed caution in revisiting the methodology of assessing civil society engagement and urged that the review be a thoughtful exercise. It requested further clarification for timeframes for addressing the various issues.
- Supporting Countries noted that it was important to apply the Standard as it is agreed now, in particular with regard to scoring.

The Secretariat thanked the Board for feedback and proposed options for next steps to be worked on with the Validation Committee.

**Actions:**

- The Secretariat to take note of the input of Board members for forthcoming Validation Committee discussions on the review of the Validation model.

## Oral Report from the Validation Committee

### A. Update on the Validation of Honduras - for decision

The Chair of the Validation Committee, with the support from the Secretariat, presented Committee's recommendation to the Board to replace the validation of Honduras with a targeted assessment due to the absence of any EITI activity in the country.

CSO representatives questioned the need to undertake another targeted assessment, given the clear weaknesses and lack of progress already documented over the last three years, or whether there was sufficient evidence already to de-list Honduras.

The decision to proceed with a targeted assessment was approved.

**Actions:**

- The Secretariat to notify the government and MSG of Honduras on the changed assessment.
- The Validation Committee to oversee the targeted assessment of Requirement 1 of Honduras, to commence on 1 July 2024.

## B. Update on the Validation of Ukraine - for discussion

Board members and observers from Ukraine recused themselves. The Committee Chair noted that the Committee had discussed the feasibility of commencing Ukraine's Validation on 1 October 2024, given that the latest EITI Report had large sections redacted. Lacking consensus on a recommendation, the Committee sought the Board's view on how to proceed with the Validation.

The Secretariat noted that information related to EITI requirements 2.3, 2.5, 2.6, 3.1, 3.2, 3.3, 4.4, 4.7, 6.1 and 6.3 has been completely or partly redacted in Ukraine's public report due to state security concerns, as the information is considered strategic and sensitive in the current context. While the unredacted report covering 2022 is available to the International Secretariat, it is not accessible to the public. The Secretariat highlighted that Validation is based on public information, and the current Validation guide does not account for such exceptional circumstances, which may set a precedent for other countries. It noted that Validation could be deferred until EITI information could be made available without redaction, likely under the 2023 EITI Standard. The Secretariat sought Board's guidance on how to proceed with this Validation.

Board members acknowledged the Board's past support to countries in difficult situations and urged flexibility for Ukraine. They recommended proceeding with Validation under the 2019 EITI Standard as scheduled, using the unredacted report due to the exceptional circumstances. They sought clarification on whether the unredacted report would be made available for the Board members overseeing the Validation.

### **Actions:**

- The Secretariat to clarify with the Government of Ukraine if Board members can receive access to the unredacted report for the purpose of overseeing Validation.
- If the access is given, the Secretariat to carry out the Validation under the 2019 Standard, commencing on 1 October, based on the unredacted report which is available to the EITI International Secretariat and Board members.

## 60-6 Report from the Finance Committee

### Board Paper 60-6-A Three-Year Outlook 2024-2026 – for decision

Christine Detaille, Chair of the Finance Committee, introduced the paper and invited the Secretariat to provide clarifications.

Board members noted a lack of connection between the Strategic Priorities and the Three-Year Outlook and asked that the Secretariat review the two papers, arguing the need to link them more closely together. They further raised the following points:

- Industry representatives raised several concerns about the integration of different processes and suggested seeking external consultancy advice. They emphasised the need to align the varying timeframes of these processes and questioned the distinction between activities and outcomes in the paper. They also highlighted the unclear link between core and enabling priorities. There was an inquiry about whether an independent evaluation, similar to the one conducted in 2022, was planned. Additionally, they questioned if a proposed increase in fees from certain mining companies had been agreed upon. It was noted that support for implementation would decrease in 2026 due to the Global Conference, prompting a question about which specific activities would be reduced as a result. Despite these concerns, the constituency expressed readiness to agree on the paper in principle.
- CSO representatives commented on the number of Validations to be performed in 2026, highlighting that this might increase as a result of decisions made during the Board meeting.



- Supporting Countries noted their agreement on the document, in principle. They observed that the cost in the low-income scenario was the same as in the medium scenario and asked which costs could be reduced if less income was realised.
- Implementing Countries noted a lack of clarity on various terms used in the paper. They sought clarity on the intended outcome of the paper, though they stated that the overall intent of the document was fine.

The Secretariat thanked the Board for their feedback and noted the emphasis on focusing on outcomes, using clearer language, and ensuring alignment between documents. The Secretariat explained that the medium funding scenario included expenditure for projects not yet secured. They acknowledged the suggestion for joint committee meetings and responded to the comment on seeking external help by noting that a monitoring, evaluation, and learning (MEL) specialist has been recruited and will start after the summer. They also mentioned that the budget figures in the Three-Year Outlook are estimates that will be refined during the annual work plan process.

The Chair of the Board noted that there was no clear link between the Strategic Priorities and Three-Year Outlook papers, and that more work needs to be done on this link following joint committee meetings. She further suggested a different process going forward and asked the Secretariat to reflect on how to provide the Board with clear links between documents and to consider getting help on ensuring consistency between documents.

The Board agreed the recommendations in the paper with the caveat that it be reviewed by the Implementation Committee before approval by Circular.

**Actions:**

- The Secretariat to review the Strategic Priorities and the Three-Year Outlook to establish a clear connection between the two.
- The Secretariat to clarify various terms used in the paper and ensure the intended outcomes are clearly defined.
- The Secretariat to reflect on how to present strategy and planning documents to the Board with clear links between them, including via convening joint Committee meetings, and to consider obtaining external help for achieving greater consistency.

## **Board Paper 60-6-B Q1 Finance Report – for information**

Christine introduced the paper and invited the Secretariat to provide clarifications.

No points were raised by Board members.

## **Board Paper 60-6-C Update on EITI Reserve Policy – for decision**

Christine introduced the paper and invited the Secretariat to provide clarifications.

Board members raised the following points:

- Supporting Countries noted that the Secretariat should undertake a review of project management and establish coherent criteria for managing projects and financial risks. They suggested that this could be addressed in a separate discussion within the Finance Committee.
- Industry representatives proposed that the Reserve Fund should be split in three currencies to mitigate risk on exchange rate fluctuations. The Secretariat responded that while not agreed by the Board, this could be included in a broader discussion on investment strategy for the Reserve Fund.

- Industry representatives asked for clarifications as to why there was a decrease in liabilities for the fixed cost. The Secretariat clarified that this is due to decreasing contract length of the office premises.

## 60-7 Report from the Governance and Oversight Committee

### Board Paper 60-7-A Review of the EITI Policy on Voicing Concerns – for decision

The Chair of the Governance and Oversight Committee, Olena Pavlenko, presented the paper. The GOC recommended that the Board agree the recommendations to improve implementation and administration of the Policy on voicing concerns, as detailed in the paper. She invited the Secretariat to provide clarifications. The Secretariat added that:

- Annex B to the current paper is the Secretariat's existing Standard Operating Procedure (SOP) for addressing concerns. This details how the Secretariat implements and administers the EITI Policy on voicing concerns.
- Annex C to the current paper presents the Secretariat's log of concerns received from October 2019 through April 2024. The log is rather detailed. For ease of review, each of the concerns in the log is summarised and discussed in the body of the paper.

The Secretariat also explained that the GOC was not recommending changes to the policy itself. Instead, the review identified two main areas where implementation and administration of the policy could be improved. These include: 1) the Secretariat's administration of concerns submitted under the policy, and 2) the scope of EITI's mandate to address concerns.

The Secretariat presented the recommended changes to the standardised operating procedures (SOP) and to the Secretariat's online form for submitting concerns, including to achieve compliance with the General Data Protection Regulation (GDPR). The Secretariat further presented the recommendation to develop a new internal Secretariat policy, separate from the Policy on voicing concerns, to address Secretariat staff concerns.

Board members raised the following points:

- CSO representatives raised continued concerns that the current policy is not aligned with best practices, particularly due to a lack of oversight from stakeholders outside the Secretariat. They stressed the importance of regular updates to the GOC and Board regarding these concerns and recommended that the GOC review the scope of the EITI to address specific issues in certain circumstances. They also highlighted the role of the Rapid Response Committee in addressing more urgent concerns. Civil Society agreed to accept the paper in the spirit of compromise and monitor implementation of the new policy works in practice, keeping open the option of further review if necessary.

The Board agreed the recommendations in the paper.

#### **Actions:**

- The Secretariat to update the SOP on addressing concerns, add a consent and GDPR statement to the online form for submitting concerns, update the Secretariat's log of concerns, and develop a new internal Secretariat policy for use by staff for raising concerns about work environment and/or the employee-employer relationship.

### Board Paper 60-7-B Updated Guidance on the Expectations for EITI Supporting Companies – for information

Olena Pavlenko introduced the paper and invited the Secretariat to add clarifications. Presenting the paper, the Secretariat reminded the Board that following Board's recommendation, the

Secretariat has updated the Guidance on the Expectations for EITI supporting companies. The Guidance now includes best practice examples for Supporting Companies on Expectations 3, 4, 6, 7, 8 and 9. The Secretariat has also aligned the Guidance with the revised EITI Articles of Association and the 2023 EITI Standard.

Further, to address GOC feedback, the Secretariat has also clarified in the preamble to the Expectations as well as in Expectation 2, that Supporting Companies are expected to make comprehensive disclosures in accordance with the EITI Standard in all EITI Implementing Countries where they operate. They are further encouraged to participate in multi-stakeholder groups and further support implementation through participation in national EITI events, advocacy for the EITI in-country, participation in EITI pilots and other activities in addition to reporting under the EITI Standard.

The Secretariat noted that updates to the Guidance are shown in “track changes” in the paper.

**Actions:**

- The Secretariat shall finalise, publish and disseminate the guidance to supporting companies.

## **Board Paper 60-7-C Follow up to the 2023 assessment of Expectations – for information**

Committee Chair Olena Pavlenko presented the paper and invited the Secretariat to provide clarifications. The Secretariat noted that it completed the recommended follow-up with EITI Supporting Companies following the 2023 assessment of company progress in meeting the Expectations for EITI Supporting Companies. The paper presented to the Board briefly discusses the process followed by the Secretariat for the follow-up through a survey with participating companies. The paper then reports on the responses from supporting companies to the follow up.

Board members raised the following points:

- Industry representatives acknowledged the progress made by companies in meeting the Expectations and expressed appreciation for the open dialogue with the CSO constituency about the Expectations and making further progress. They further noted that they had updated their Constituency Guidelines to emphasise the importance of company progress in meeting the Expectations as a consideration in nominating representatives to the EITI Board. They encouraged continued collaborative dialogue with the CSO Constituency, particularly through the GOC.
- CSO representatives expressed appreciation for the dialogue between the Industry Constituency and CSO Constituency. However, they ~~noted~~ expressed disappointment that the paper did not address their expectations, based on inter-constituency discussions following the 2023 EITI Global Conference in Dakar. ~~and~~ They noted the response rate to the Secretariat’s follow-up was ~~too~~ low. They and expressed concern that some companies indicated they did not intend to meet certain Expectations, while others only had preliminary plans for further progress. The Constituency hoped for significant improvement by the next assessment. Additionally, they commented that the Secretariat’s publication of data on the Expectations was not user-friendly.
- CSO representatives, particularly through the GOC, further acknowledged that dialogue between constituencies has improved and that progress is being made. However, they emphasised that there is still room for further improvement moving forward.

The Secretariat responded with the following points:

- From the Secretariat’s standpoint, the response rate to the survey was high, not low. The follow-up was not part of the original plan for the assessment communicated to companies but was a late add-on by the Board. Responding to the follow-up was voluntary, conducted over a short timeframe, and scheduled in the middle of other annual

company reporting, all of which impacted response rates. In addition to poor timing, there were also language challenges and concerns about publication. Despite these factors, the Secretariat reiterated that the overall response rate was quite high.

- The Secretariat acknowledged that the publication of data was not the most user-friendly. They agreed that improvements would require a website redesign and stated that such technical updates could be considered and implemented ahead of the next assessment.
- Finally, the Secretariat noted that the publication closed out the recommendations from the 2023 assessment and that they would now be moving on to preparations for the 2025 assessment.

The Chair of the GOC Committee closed the discussion with a note of appreciation to the members of the Committee and the Secretariat, in particular Andrew Irvine, for the constructive approach and the willingness to come to a consensus in the interest of all.

## **AOB**

Mark Robinson provided an update on the upcoming Board meetings, noting that the 61<sup>st</sup> Board meeting is planned for 11-12 November 2024, to be held virtually. He further added that the Government of Tanzania has expressed keen interest in hosting the 62<sup>nd</sup> Board meeting in Arusha, Tanzania in March 2025. Details on exact dates would follow.

Supporting Countries raised a follow-up question regarding the letter sent about the former EITI Board member in Azerbaijan, Gubad Ibadoghlu, inquiring if there had been any response or feedback. Board Chair noted that she had not received an official response but understands that Mr Ibadoghlu has now been released from prison and is now under home arrest. CSO representatives provided an update on his situation, confirming he is currently under home detention but in need of surgery outside the country. The Chair noted that continued advocacy was necessary to secure his full release and ability to travel for health treatment.

Industry representatives requested the Secretariat to develop a detailed strategy on the future of commodity trading discussions, highlighting the importance of having a clear direction. This request was acknowledged and will be followed up.

Board members expressed gratitude to the host Government of Switzerland for providing exceptional hospitality.

The meeting concluded with appreciation for everyone involved in preparing for the Board meeting, including committee members, Secretariat staff, Board members, alternates, and observers. A special thanks was given to the interpreters for their hard work.

### **Actions:**

- The Secretariat to develop a detailed strategy on the future of commodity trading discussions.

## Annexe A: Deep Dive on Commodity Trading

### Session summary:

Saad Rahim, Chief Economist of the Trafigura group, began his [presentation](#) by providing an overview of Trafigura and its operations across various commodities. He highlighted Trafigura's role as a physical commodity trader, focusing on buying, transporting, storing, blending and selling commodities rather than owning upstream production assets. The company trades about 20-25% of world's critical minerals.

Saad further demonstrated how commodity traders like Trafigura add value to the supply chain. To emphasise the transformation of commodities over time, he clarified Trafigura's hedging practices, noting common misunderstandings. They noted that during the COVID-19 pandemic, oil prices went negative. Trafigura managed fiscal bottlenecks and price volatility by hedging, reversing pipelines, utilising storage, and optimising trade flows to maintain market stability.

On the challenges and opportunities in the energy transition, they noted the increased demand for critical minerals like copper due to the energy transition. This demand poses challenges due to underinvestment in mining and supply chain disruptions. They noted that the shift towards renewable energy requires recalibrating global trade flows, with a need for more efficient and resilient supply chains. This includes addressing geopolitical risks and ensuring the availability of critical resources.

- Industry representatives questioned whether the historic record profits in 2022 were the outcome of speculative positioning in the physical and financial derivatives commodity markets and through leveraging price volatility. Saad noted that the record profits were not due to price movements but the physical movement of oil. Trafigura's margins were higher due to service fees related to optimising trade flows and addressing market disruptions.
- In discussion one member questioned what due diligence procedures Trafigura applied when purchasing minerals from producing countries, particularly referencing the OECD due diligence guidance for Conflict-Affected and High-Risk Areas "CAHRA". Another Board member highlighted a significant shift towards responsible sourcing of materials among major brands. In the past, these brands were less concerned about the origins of their materials. Now, there is a strong emphasis on ensuring ethical and sustainable sourcing, driven by a low tolerance for risks related to human rights violations and environmental issues. Saad confirmed that Trafigura engages in rigorous due diligence processes, working closely with governments and local entities. This involves comprehensive assessments of Environmental, Social, and Governance (ESG) performance to identify and mitigate risks such as human rights abuses. Despite these efforts, Saad noted the challenges posed by downstream buyers, who may abruptly cease purchasing from certain regions if even minor risks are identified. One member questioned whether those practices are against the principle of responsible sourcing. There was recognition that ceasing trade with CAHRA is not a sustainable solution, which could lead to further deterioration of human rights.
- A Board member asked for clarification about Trafigura's hedging practices, noting significant trading of paper contracts despite being a physical commodity trader. She inquired about Saad's views on the carbon market and continued demand for oil and gas. Saad clarified that while Trafigura is primarily a physical commodity trader, they use paper contracts (financial instruments) to hedge against price risks. He noted that the paper market is significantly larger than the physical market, often by a factor of 20 times. However, the use of these financial instruments is strictly for hedging purposes. Regarding the transparency of these trades, Saad acknowledged the complexity but assured that Trafigura maintains a clear chain of custody for physical commodities. This

involves robust tracking and reporting systems to ensure transparency and compliance with regulatory standards.

- Saad noted that carbon prices have dropped partly due to EU regulations aimed at balancing high gas prices with carbon credit availability. However, despite the current lower prices, Saad believes that carbon markets are crucial for the energy transition, providing a mechanism to price carbon emissions, incentivising reductions and supporting the shift towards cleaner energy sources. He highlighted the need for ongoing development and regulation of carbon markets to ensure they effectively contribute to reducing emissions.
- A Board member asked about the impact of geopolitical changes on global commodity flows and storage, specifically asking how these flows might change if current political struggles, such as the sanctions on Russia, were to end. Saad noted that geopolitical events like the Russian embargo have permanently altered trade flows. While lifting sanctions might ease some pressures, the shifts in trade flows and diversification strategies adopted during the sanctions are likely to have lasting effects. He highlighted that during the period of sanctions, smaller, less-regulated entities emerged in trade, especially in risky environments. If sanctions are lifted, these less-regulated entities might be pushed out, leading to a more regularised trading environment with more transparent and regulated entities, reducing risks like oil spills and other environmental hazard. Strategic reserves for critical minerals are being considered to ensure supply chain resilience and reduce dependency on any single energy source or route.

### **Discussion: The EITI's Commodity Trading Transparency Journey**

#### **Session Summary:**

Bady Baldé provided a history of EITI's engagement in commodity trading transparency, starting with Iraq in 2011. He highlighted how Iraq's reporting set a precedent for other countries and led to the development of EITI's standards on commodity trading.

Jürg Vollenweider emphasised Switzerland's commitment to transparency due to the significant role of commodity trading in its economy. The Swiss Government's support aligns with public demand for greater corporate responsibility and transparency.

Bady Baldé discussed ongoing challenges, such as debt sustainability and complex trade deals. He highlighted the need for continued support from civil society and governments to address these issues and expand transparency to other sectors, including solid minerals. In response to a question about the future of EITI's work on commodity trading amid increasing calls for decarbonisation, Bady highlighted the relevance of transparency in managing the transition to sustainable energy sources. Ensuring transparent and accountable practices in the trading of transition minerals like copper and lithium is critical.

Jürg Vollenweider called for increased awareness and responsibility from companies involved in resource-backed loans. He stressed the importance of voluntary standards and collaborative efforts to ensure transparency and good governance in the commodity trading sector. A member noted that barter agreements and resource-backed loans not always are on unfavorable terms to countries and SOEs. In the oil sector, in many instances international companies are carrying the share of investments of SOEs and are gradually being reimbursed with the profit oil of the SOEs without applying interest. Those practices enable SOEs to continue petroleum activities benefiting the associated revenue streams (i.e., income taxes paid by the international companies).

The session concluded with a call for sustained engagement from all stakeholders, including civil society, governments, and the private sector, to further the agenda of transparency and responsible commodity trading.

## Annexe B: Participant List – 60<sup>th</sup> EITI Board Meeting

Grey = not attending / virtual participation

### CHAIR

Rt Hon. Helen CLARK

### Implementing Countries

Mr Mohamed Lemine AHMEDOU, EITI National Coordinator, Mauritania

Alt: Mr Antoine Kocounseu MIMBA, Chairman, EITI National Council Côte d'Ivoire

Ms Isabel CHUVAMBE, EITI National Coordinator, EITI Secretariat, Mozambique

Alt: Ms Francesc ALGHALI, Minister of State, Office of the Vice-President, Sierra Leone

Mr Agus Cahyono ADI, EITI National Coordinator, Indonesia (virtual)

Alt: Bayani AGABIN, Undersecretary, Department of Finance, Philippines

Mr Jean-Jacques KAYEMBE, EITI National Coordinator, Democratic Republic of Congo

Alt: Mr Florent Michel OKOKO, EITI National Coordinator, Republic of the Congo

Alt: Mr Gregory McGUIRE, Chairman of TTEITI Steering Committee, Trinidad & Tobago

Ms Hasmik MANUKYAN, EITI National Coordinator, Armenia

Alt: Ms Svitlana GRYNCHUK, Deputy Minister of Energy, Ukraine

### Supporting Countries

Ms Christine DETAILLE, Head of Unit Transitional Development and Governance, Ministry of Foreign Affairs, Foreign Trade and Development Cooperation, Belgium

Alt: Ms Melissa SÄILÄ, Programme Director, Taxation for Development Action, Unit for Development Finance and Private Sector Cooperation, Ministry of Foreign Affairs, Finland

Mr Hieu VU, Director General, Explosives, Regulatory and Business Services Branch in the Lands and Minerals Sector at Natural Resources Canada

Alt: Mr Carl WATSON, Director, Office of Policy Analysis & Public Diplomacy (ENR/EGA/PAPD), Bureau of Energy Resources, U.S. Department of State, USA

Mr Jürg VOLLENWEIDER, Head, Macroeconomic Support Section, State Secretariat for Economic Affairs (SECO), Switzerland

Alt: Mr Paul GARAYCOCHEA, Director, Sustainable Transformation of Supply Chains, Federal Ministry for Economic Cooperation and Development (BMZ), Germany

### Civil Society Organisations

Mr Aliou Ba COULIBALY, President, Publish What You Pay (PWYP) Coalition, Mauritania

Alt: Mr Kossi KOUGBLENOU, Executive Director, ACOMB, Togo

Ms Diana EL KAISSY, Advisory board member at the Lebanese Oil and Gas Initiative-LOGI, Lebanon

Alt: Mr Matthieu SALOMON, Lead, Anti-corruption, Natural Resource Governance Institute, France

Ms Vanessa CUETO LA ROSA, Environmental Lawyer, Derecho Ambiente y Recursos Naturales, Peru

Alt: Ms Yessica PRIETO RAMOS, National Director, Projects & Research, Crudo Transparente, Colombia

Ms Mariya LOBACHEVA, Executive Director, Echo - Public Association, Kazakhstan

Alt: Ms Olena PAVLENKO, President, DiXi Group, Ukraine

Mr Clancy MOORE, Chief Executive Officer, Transparency International, Australia (virtual)  
Alt: Ms Tamika HALWIINDI, Climate Change and Environmental Sustainability Lead, Transparency International, Zambia

## Companies, including investors

Ms Kathryn CASSON, Chief Adviser, Civil Society and Outreach, Rio Tinto (virtual)

Alt: Mr Richard MORGAN, Head of Government Relations, Anglo American

Mr Chinonso EMEHELU, Senior Director, Public & Government Affairs, Exploration, Strategy & Business Development, ExxonMobil

Alt: Mr Mike ANDERSON, Senior Vice President, Sustainability and External Affairs, Kosmos Energy

Mr James ENSOR, Vice President, External Affairs, BHP

Alt: Mr Nick COTTS, Senior Vice President, Sustainability and External Relations, Newmont Mining

Ms Nathalie MOGNETTI, Senior Vice President, Tax, TotalEnergies

Alt: Mr Roberto NARDI, Head for Consolidated Financial Statements and Reporting, Eni

Mr James NICHOLSON, Head of Corporate Responsibility, Trafigura Group

Alt: TBC

Mr Christopher RICE, Executive Vice President, Tax, Shell International Limited (virtual)

Alt: Ms Ivanka MAMIC, Senior Vice President, Sustainability, bp

## Board Secretary

Mr Mark ROBINSON, Executive Director, EITI International Secretariat, Oslo

## Observers

Mr Kyzdo ADEKUNLE d'ALMEIDA, SNPT, Togo

Ms Gro ANUNDSKAAS, Assistant Director General, Ministry of Foreign Affairs, Norway

Mr Christian Alexis ARIAS, Ingeniero Químico, Ecuador

Mr Christophe ATANGANA NDENDE, Exploration Director, SNH, Cameroon

Mr Kwame Amoah BAAH-NUAKOH, Ghana National Petroleum Corporation, (GNPC), Ghana

Ms Alena BAASCH, Policy Advisor, Division IVB1, Federal Ministry for Economic Affairs and Climate Action, Germany

Mr Joe BARDWELL, Campaigns Manager, Publish What You Pay (PWYP), UK

Ms Margarita BATLLE, Principal Advisor, Civil Society and Outreach, Rio Tinto

Ms Placide NKALA BASADILUA, Chief Executive Officer, GECAMINES, Democratic Republic of Congo

Mr Jelle BEZEMER, National Coordinator, The Netherlands

Mr Mahamadou BONFOH, Head of General Accounting Department, Société Togolaise des Eaux (TdE), Togo

Mr Jan BOLLMANN, Junior-Advisor, Extractives for Development, GIZ, Germany

Mr Godsgood Kofi BOTWE-KOOMSON, Senior Crude Oil Marketing Officer, Ghana National Petroleum Corporation (GNPC), Ghana



**Ms Ana CARBALLO**, Research and Program Manager, Accountable Mining Transparency International, Australia

**Ms Adaeze Wigwe CHIZINDU**, Young Professional, World Bank

**Ms Hannah CLAYTON**, Just Transition Lead, Strategy & Sustainability, bp

**Mr Agostinho CUSSOMBA**, SODIAM EP, Angola

**Mr Kubanychbek Uulu DASTAN**, Regulatory Compliance Specialist of Kumtor Gold Company CJSC, Kyrgyzstan

**Mr Miguel Angel DÍAZ**, Vice-Minister of Mines, Dominican Republic

**Ms Sophie DONSZELMANN**, Senior Program Officer, The International Council on Mining and Metals Limited, ICMM

**Ms Meriem EL ASRAOUI**, Chief Global Affairs Officer, OCP Group

**Mr Kemelov Talantbek ERKINOVICH**, Senior insurance specialist, Kumtor Gold Company CJSC, Kyrgyzstan

**Mr FRANK KOFIE FIAKA**, Deputy Manager Institutional Reporting, Ghana National Petroleum Corporation (GNPC), Ghana

**Mr Nicholas Ndeh FOFANG**, Gas Director, SNH, Cameroon

**Ms Adwoa FRAIKUE**, Chief Economic Officer, Ghana

**Mr Vitalii FYLENKO**, EITI Expert, EITI Ukraine

**Mr Chris GALVIN**, Head of Communication & Outreach, International Code of Conduct Association (ICoCA), Switzerland

**Ms Murjanatu Ibrahim GAMAWA**, Head Business Ethics, Nigerian National Petroleum Corporation (NNPC), Nigeria

**Ms Elizabeth GELDER**, Program Support Officer, The International Council on Mining and Metals Limited, ICMM

**Mr Ivo GERMANN**, Ambassador and SECO's Director of Foreign Economic Affairs, State Secretariat for Economic Affairs (SECO), Switzerland

**Ms Mareike GOEHLER-ROBUS**, Advisor, D-EITI Secretariat, Germany

**Ms Thi Thi HAN**, PHD student, University of Lausanne, France

**Mr Vincent HANAPPIER**, VP Corporate, Expertise and Methods in Exploration & Production Legal Department – TotalEnergies

**Mr Benjamin HALSTENBERG**, Advisor, Extractives & Development, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, Germany

**Mr Jan-Petter HOLTEDAHL**, Senior Adviser, Section for Governance, Department for Human Development, Norwegian Development Aid (NORAD), Norway

**Ms Maryamu IDRIS**, Executive Director, Crude and Condensate, Nigerian National Petroleum Corporation (NNPC), Nigeria

**Ms Nina INAMAHORO**, Operations Officer, Energy & Extractives, World Bank

**Mr Celestin Kibeya KABEMBA**, COMINIÈRE, Democratic Republic of Congo

**Mr Alexandre Amisi KAHAMBWE**, EITI Focal Point in the Office of the President of the GMP, Ministry of Planning, Democratic Republic of Congo

**Mr Onadja KANFIDO**, Permanent Secretary, Burkina Faso

**Ms Afi Egnonam KODJO**, Sales and Marketing Advisor, Société Togolaise des Eaux (TdE), Togo

**Mr Mele KYARI**, Group Chief Executive Officer, Nigerian National Petroleum Corporation (NNPC), Nigeria

**Mr Elvis Camille LEKOUÉDE**, Société Equatoriale des Mines, Gabon

**Mr Yves Eric LIBOCK**, Sales Director, SNH, Cameroon

**Mr Sherwin LONG**, National Coordinator, Trinidad and Tobago

**Ms Hassnae MAAD**, Strategic Stakeholder Engagement, OCP Group

**Mr Ryan MACKLER**, Department of State, USA

**Ms Isabelle MAGNE**, European Commission, Belgium

**Mr Thomas MASBOU**, Policy Officer, Extractives Industry Governance, Ministry of Europe and Foreign Affairs, France

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## Annexe C: List of action points from the 60th Board meeting

60-2-A	The Secretariat to continue to support country efforts to advance systematic disclosures and provide targeted support at a national level
60-2-A	The Secretariat to clarify policy on engaging in countries with little or no extractive sectors
60-2-B	The Secretariat will intensify work with Chile and follow up with targeted support on activities to deliver a candidature application by November 2024.
60-2-B	Outreach efforts in Equatorial Guinea will remain on hold.
60-2-B	The Secretariat will continue outreach efforts to the financial services sector and to SOEs, building on the commodity trading event in Geneva
60-4-A	Board members to aim to reach an agreement before the following day's Board discussions resume, ensuring it aligns with strategic priorities, considers resource implications, and includes clear objectives.
60-4-A	Secretariat to work with the Implementation Committee on finalising the paper, before presenting it for approval via Board Circular
60-4-B	Secretariat to work together with the Implementation Committee on updating the ToRs.
60-4-B	Implementation Committee to submit the final draft ToRs to the Board for approval via Board Circular
60-4-C	The Secretariat to publish the Board decision on the EITI website, and a statement on the country page on Afghanistan
60-4-D	The Secretariat will continue to advance use of beneficial ownership data by licensing authorities at national levels
60-5-A	The Board Chair to write to the Government of the Philippines to communicate the Board decision.
60-5-A	The Secretariat to publish the decision and targeted assessment report
60-5-A	The Board Chair to write to the Government of Germany to communicate the Board decision.
60-5-A	The Secretariat to publish the Board decision on Germany's Validation and Validation report.
60-5-A	The Secretariat to circulate the Board statement, including corrective actions, recommendations, and the scorecard which was agreed by the working group to Validation Committee members for socialisation.
60-5-A	The Secretariat to update the targeted assessment from January to reflect the findings of the fact-finding mission

60-5-A	The Secretariat to submit the Validation Committee's agreed recommendation to the Board via Board circular
60-5-B	The Secretariat to publish the updated Validation guide and procedure on the eiti.org website.
60-5-B	The Secretariat to work on the Validation templates in line with the agreed principles
60-5-B	The Secretariat to take note of the input of Board members for forthcoming Validation Committee discussions on the review of the Validation model
60-5	The Secretariat to notify the government and MSG of Honduras on the changed assessment.
60-5	The Validation Committee to oversee the targeted assessment of Requirement 1 of Honduras, to commence on 1 July 2024
60-5	The Secretariat to clarify with the Government of Ukraine if Board members can receive access to the unredacted report for the purpose of overseeing Validation.
60-5	If the access is given, the Secretariat to carry out the Validation under the 2019 Standard, commencing on 1 October, based on the unredacted report which is available to the EITI International Secretariat and Board members
60-6-A	The Secretariat to review the Strategic Priorities and the Three-Year Outlook to establish a clear connection between the two.
60-6-A	The Secretariat to clarify various terms used in the paper and ensure the intended outcomes are clearly defined.
60-6-A	The Secretariat to reflect on how to present documents to the Board with clear links between them, including via convening joint Committee meetings, and to consider obtaining external help for achieving consistency.
60-7-A	The Secretariat to update the SOP on addressing concerns, add a consent and GDPR statement to the online form for submitting concerns, update the Secretariat's log of concerns, and develop a new internal Secretariat policy for use by staff for raising concerns about work environment and/or the employee-employer relationship.
60-7-B	The Secretariat shall finalise, publish and disseminate the guidance to supporting companies.
AOB	The Secretariat to develop a detailed strategy on the future of commodity trading discussions.