

Systematic disclosure of EITI data, and Summary data checklist: tracking progress

Understanding systematic disclosures



The global standard for the good governance
of oil, gas and mineral resources.

Mainstreaming / Systematic disclosure

eiti

Terminology

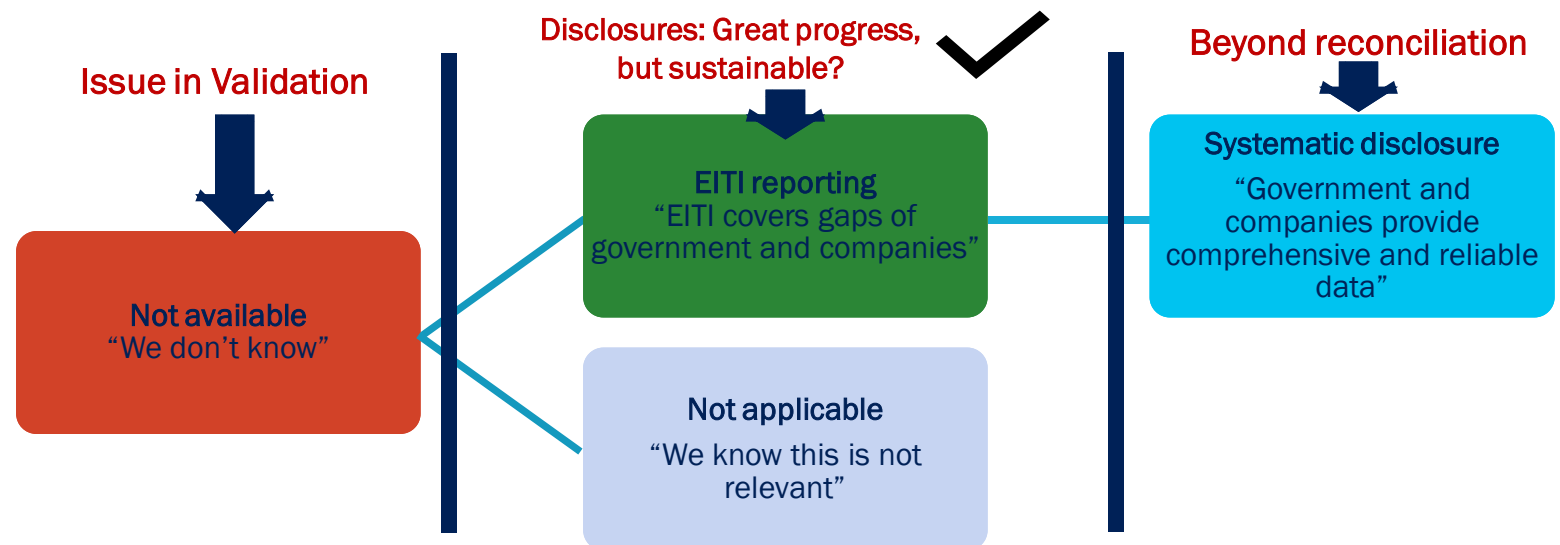
- The terms ‘**systematic disclosure**’ and ‘**mainstreaming**’ are used interchangeably.
- Refer to the desired end-state, where the EITI’s disclosure requirements are met through **routine and publicly available company and government reporting**.
- This could include public financial reporting, annual reports, information portals and other open data initiatives.
- **Systematic disclosure is the expectation, with EITI Reports used to provide additional context, collate the disclosures, and address gaps and concerns.**
- EITI disclosure requirements can be met by referencing publicly available information and/or data collected as part of EITI implementation.

Why systematic disclosure?

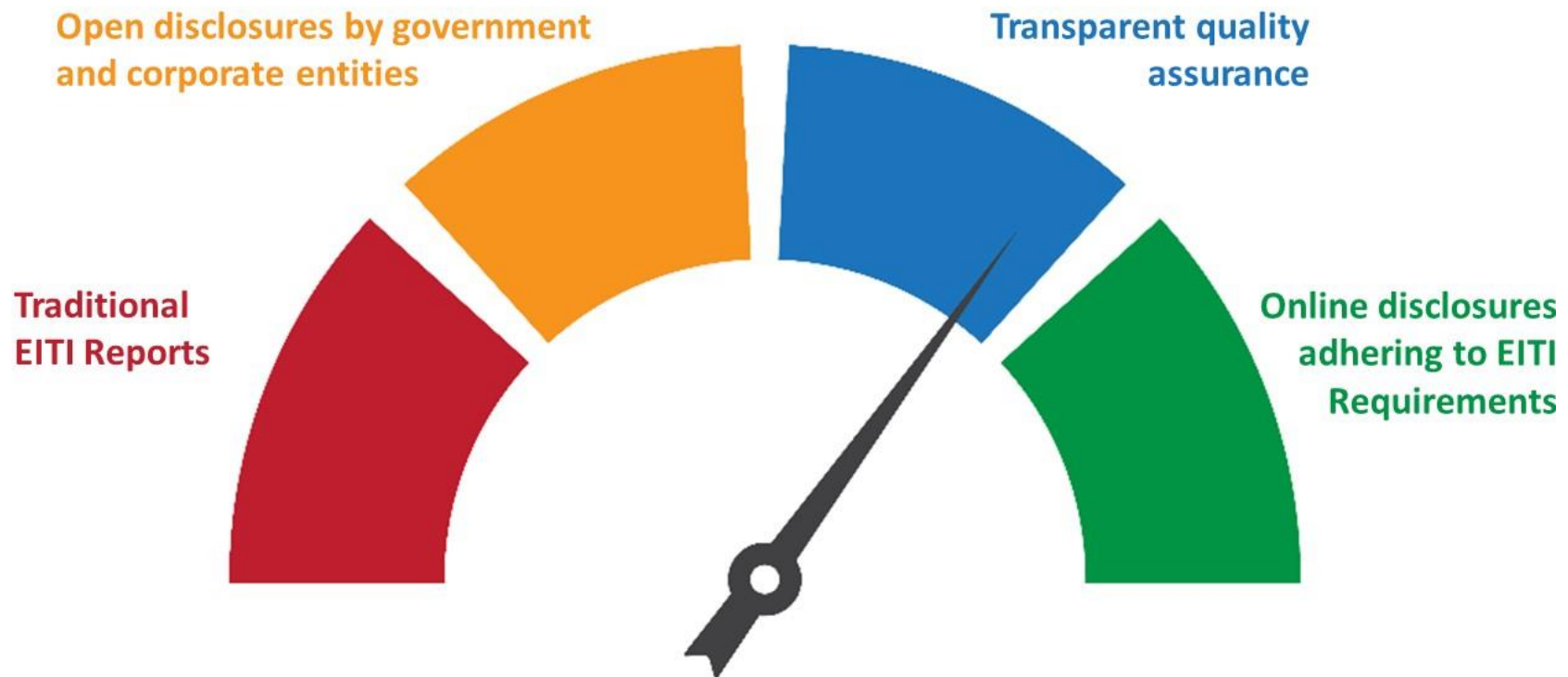
Goal: EITI aims to provide timely, comprehensive, and reliable data to inform public debate.

- Systematic disclosures prevents operating in a silo detached from other efforts.
- It is more cost effective and mitigates risk posed by limited funding.
- With reporting at source, data becomes more **timely**
- Reduces the reporting burden
- **MSGs retain (enhance?) importance as they now monitor government and corporate performance, annually**

Mainstreaming is the process leading to the “desired end-state”;
Systematic disclosure



What is mainstreaming?



What is mainstreaming?

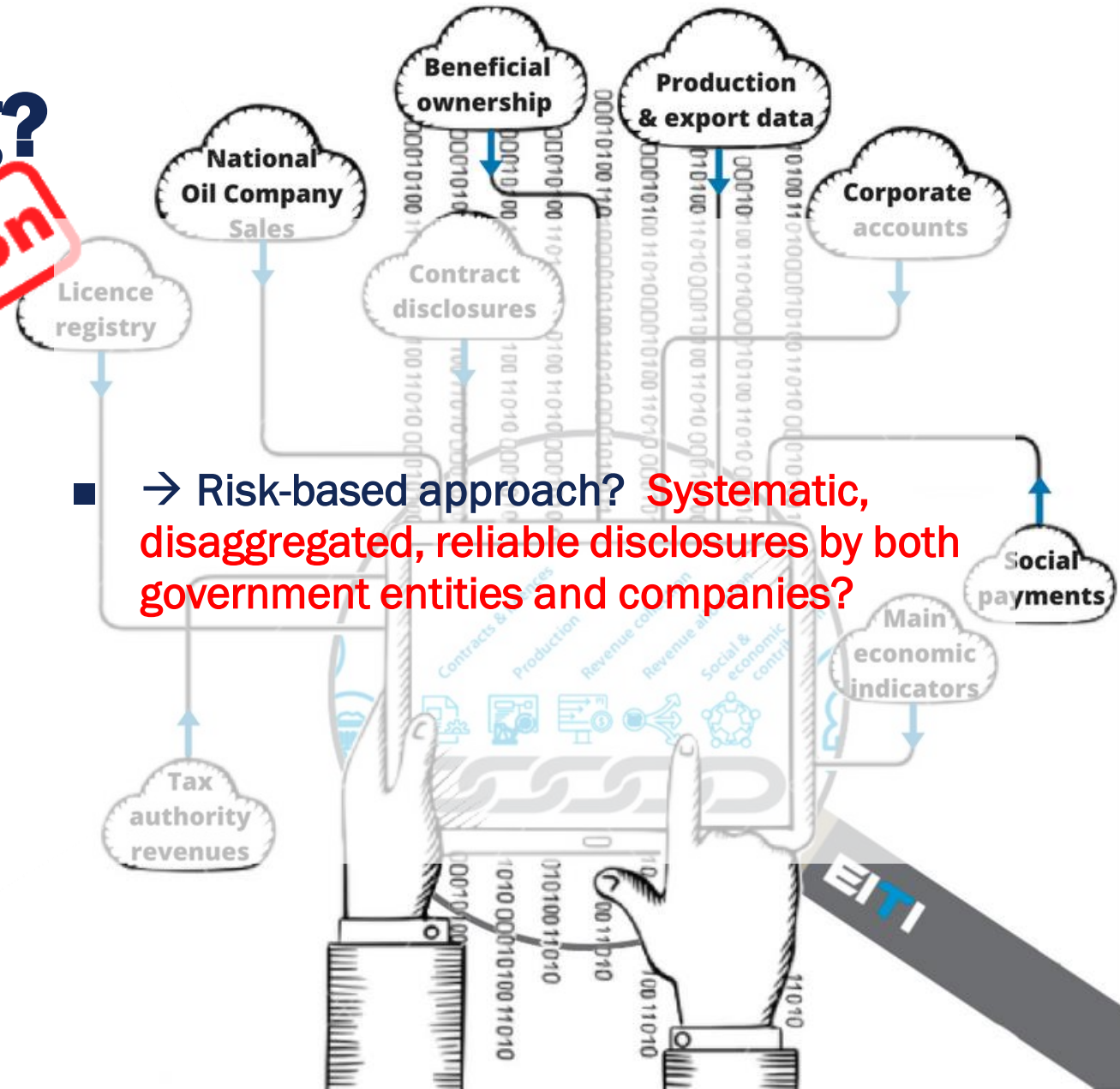
Requirement 4.9.b:

Should the multi-stakeholder group wish to deviate from the standard procedures, approval from the EITI Board must be sought in advance:

- (i) the rationale for deviating from the standard procedure;
- (ii) whether there is routine disclosure of the data required by the EITI Standard in requisite detail;
- (iii) whether the financial data is subject to credible, independent audit, applying international standards; and
- (iv) whether there is sufficient retention of historical data.

For financial data / information

■ → Risk-based approach? **Systematic, disaggregated, reliable disclosures by both government entities and companies?**



Alternative approaches to reconciliation: risk-based

- Mongolia 2016 EITI Report.
- A combination of a quantitative materiality threshold for both revenues and companies and an additional risk-based approach for adding smaller companies.

Individual selection

This group comprises companies with the highest reported payments, for which an individual reconciliation for each company was considered appropriate. The information below is based on the government reported data.

Level	Materiality threshold (MNT)	Number of companies
National	250 million and above	128
Sub-national	100 million and above	43

Individual reconciliation at national level: companies with key national revenue streams of MNT 250 million and above constituted 96.3% of the total key national revenue streams. Reconciliations for each of these 128 companies were completed at the individual company level. Please refer to Section 3.1 for details of distributions to determine the materiality threshold.

Individual reconciliation at sub-national level: companies with key sub-national revenue streams of MNT 100 million and above constituted 92.6% of total key sub-national revenue streams. Reconciliations for each of these 43 companies were also completed at the individual company level. Please refer to Section 3.1 for details of distributions to determine the materiality threshold.

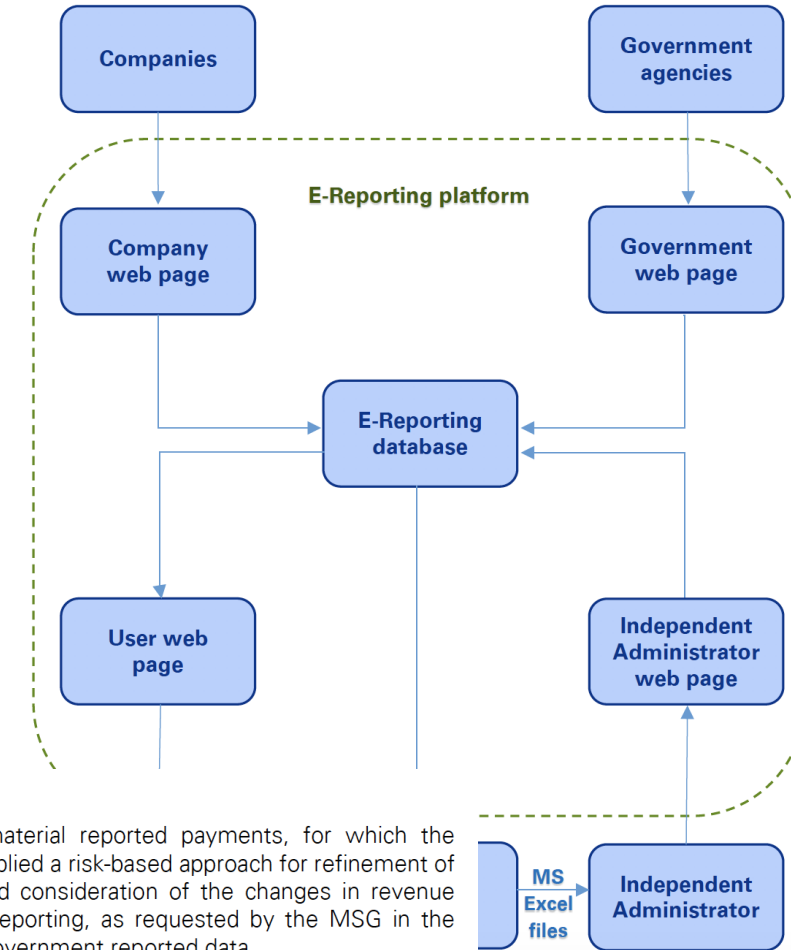
Sampling selection

The sampling method covered companies with less material reported payments, for which the reconciliation was performed on a sample basis. KPMG applied a risk-based approach for refinement of the company selection. The risk-based approach included consideration of the changes in revenue streams from certain companies against the prior year reporting, as requested by the MSG in the Inception Workshop. The information below is based on government reported data.

Level	Materiality threshold (MNT)	Number of companies
National	More than 50 million and less than 250 million	255
Sub-national	More than 30 million and less than 100 million	39

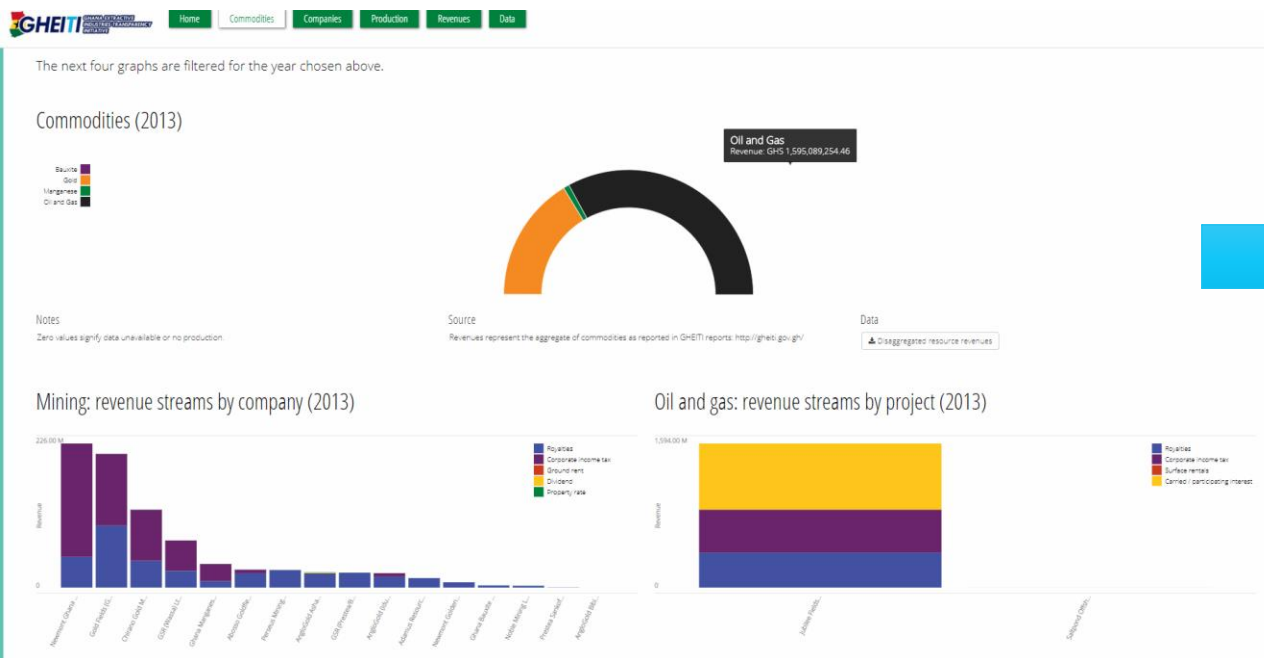
Sampling reconciliation at national level: companies with total key national revenue streams of more than MNT 50 million but less than MNT 250 million were sampled using a risk-based approach. There were 255 such companies. Please refer to Section 3.1 for details of distributions to determine the materiality threshold.

When added to the 128 individually reconciled companies described above in Section 3.3.1.1 (383 in total), the revenue streams from these companies brought coverage to 98.8% of the total reported key national revenue streams.

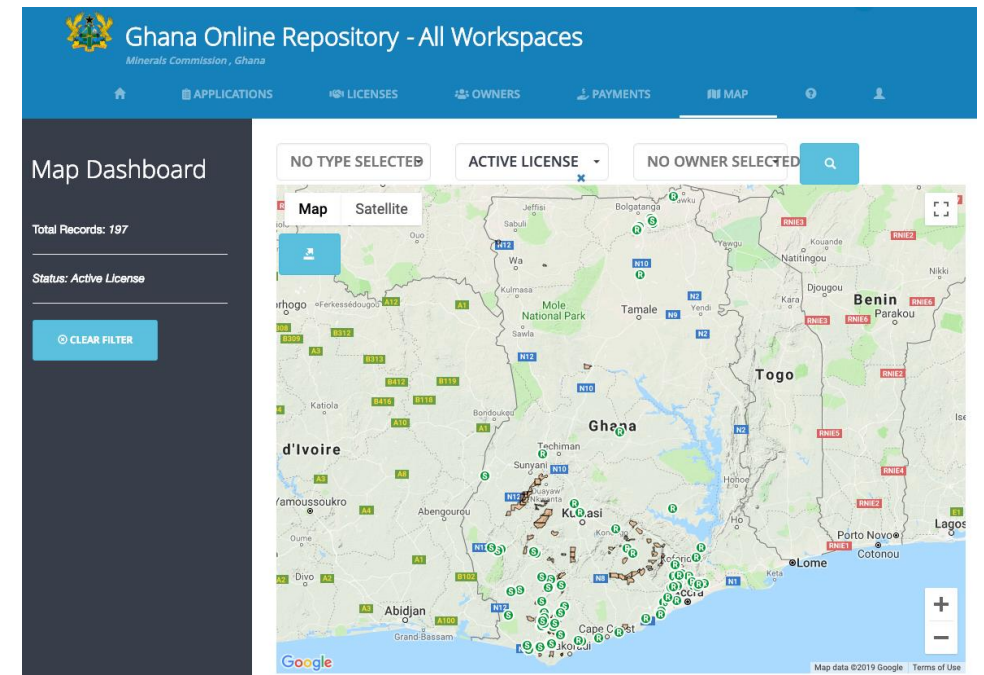


Examples of mainstreaming: General

EITI Reports in open data...



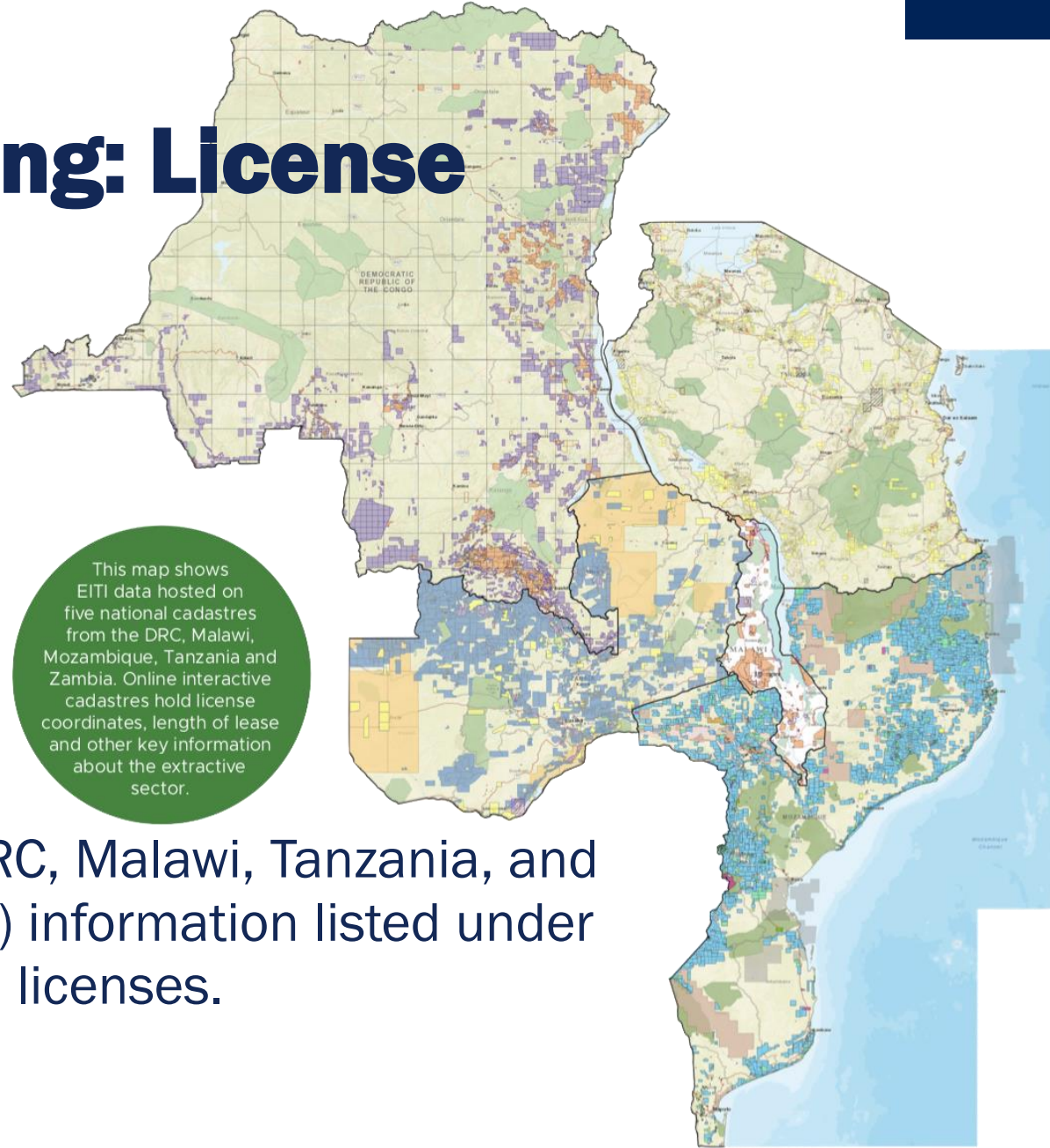
...to systematic disclosures of EITI data



➤ **GHEITI Dashboard:**
<http://data.gheiti.gov.gh/>

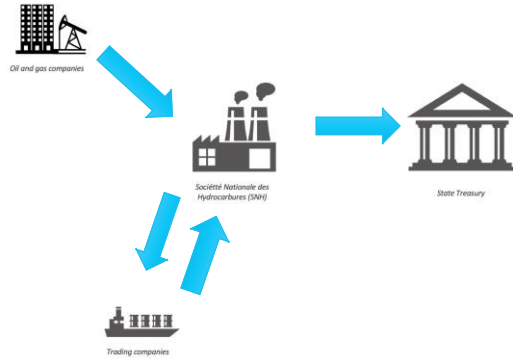
➤ **Ghana online repository:**
<https://ghana.revenuedev.org/>

Examples of mainstreaming: License registers/cadastrals



- Several countries, including DRC, Malawi, Tanzania, and Zambia provide most (if not all) information listed under Requirement 2.3.b. for mining licenses.

Examples of mainstreaming: State-owned enterprises



Contacts Connexion Messagerie

SOCIÉTÉ NATIONALE DES HYDROCARBURES
NATIONAL HYDROCARBONS CORPORATION

CHIFFRES CLÉS
2017-2018

ACCUEIL A PROPOS DE LA SNH HYDROCARBURES AU CAMEROUN PLEIN GAZ RESPONSABILITÉ SOCIÉTALE PUBLICATIONS ESPACE ITIE

Titres miniers
Extensions et retraits

Bassin de Rio Del Rey

- Signature, le 03 octobre, de l'Annexe n° 1 au Contrat de Partage de Production (CPP) Minda (Pétrole Cameroun, Opérateur) dont l'objet est la modification de l'article 6 relatif au programme minimum des travaux de la période initiale de la phase de recherche.
- Reversement dans le domaine minier libre, du bloc Bakassi Ouest (Dans Pétrole, Opérateur), dont le contrat est arrivé à expiration le 31 juillet.

Bassin de Douala/Ekibi-Campo

- Reversement dans le domaine minier libre, du bloc Tilapia (Noble Energy, Opérateur), dont le contrat pétrolier est arrivé à expiration le 06 juillet.
- Extension pour une période de 02 ans, à compter du 12 décembre, de la phase de recherche de l'ADR Bonono (Euroil, Opérateur), afin de permettre la finalisation de l'évaluation de la découverte Ronko réalisée en 2015.

Associations pétrolières existantes au 31 décembre 2016

Permis et Autorisations Exclusives de Recherche

N°	Associations	Assentis	Retenabilité	Partenaires	Partenaires
Bassin de Douala/Ekibi-Campo					
1	Bonono	Euroil	Révisé	100 %	
		Glaxo	Révisé	90 %	

SOCIÉTÉ NATIONALE DES HYDROCARBURES
RAPPORT ANNUEL 2016

Gestion du portefeuille

Rapport général du commissaire aux comptes
Etats financiers
Exercice clos le 31 décembre 2016

En exécution de la mission qui nous a été confiée par votre Conseil d'Administration, nous vous présentons notre rapport relatif à l'exercice clos le 31 décembre 2016 sur :

- le contrôle des états financiers de la SNH, volet Gestion du Portefeuille, établis en Pdf tels qu'ils sont joints au présent rapport,
- les vérifications spécifiques et les informations prévues par la loi.

I. OPINION SUR LES ÉTATS FINANCIERS

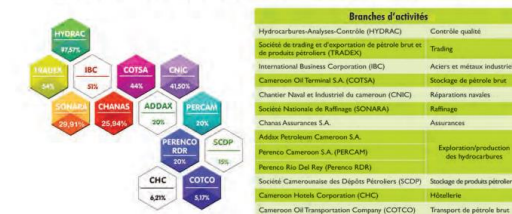
Nous avons effectué notre audit suivant les normes de la profession applicables au Cameroun ; ces normes requièrent la mise en œuvre de diligences permettant d'obtenir l'assurance raisonnable que les états financiers ne comportent pas d'anomalies significatives.

Un audit consiste à examiner par sondages les éléments probants justifiant les données contenues dans ces états financiers. Il consiste également à apprécier les principes comptables suivis et les estimations significatives retenues par l'arrêté des états financiers et à apprécier leur présentation d'ensemble. Nous estimons que nos contrôles fournissent une base raisonnable à l'opinion exprimée ci-après.

Nous certifions que les états financiers de la Société Nationale des Hydrocarbures, volet Gestion du Portefeuille, établis conformément aux principes comptables généralement admis au Cameroun, sont réguliers et sincères et donnent une image fidèle du résultat des opérations de l'exercice clos au 31 décembre 2016, ainsi que de la situation financière et du patrimoine de la société à la fin de cet exercice.

Un groupe en expansion

Groupe en expansion, la SNH diversifie ses activités depuis 1984. Son portefeuille compte 13 sociétés actives dans les secteurs pétrolier, parapétrolier et connexe.



Cameroon's national oil company (SNH) regularly discloses its audited financial statements, disaggregated between its functions on behalf of government and its commercial operations. Company statutes, relevant laws and regulations are accessible from the SNH website.

www.snh.cm/index.php/fr/publications/rapport-annuel

Comprehensive two-sided disclosures – Kazakhstan

- Kazakh EITI and Ministry of Energy request companies file payments as part of mandatory reporting for license holders, using an existing online platform – EGSU ([link](#)).
- The system proved to be successful during the data collection processes and for two-sided disclosure of financial data. But missing assurances



Integrated information system
"UNIFIED STATE SYSTEM OF SUBSOIL USE MANAGEMENT OF THE REPUBLIC OF KAZAKHSTAN"

18:26:17 Monday, 04 November 2019 | kaz rus | A + A-

Имя пользователя Пароль To come in
Registration Forgot your password?

Final report on tax and non-tax payments / income of payers of the oil and gas and mining sectors of the Republic of Kazakhstan

Select company

Search Payer bin Name of payer Year 2018

Export to Excel

I. Tax revenues		II. Revenues for the use of natural and other resources		III. Other non-tax revenues to the budget		IV. Customs payments		Total						
No. p.p.	Payments / Receipts	Kbk	Payer Data			EITI Report Recipient Data			Difference					
			In cash	Amount in thousand US dollars	Total amount in thousand US dollars	In cash	Amount in thousand US dollars	Total amount in thousand US dollars	In cash	Amount in thousand US dollars	Total amount in thousand US dollars			
one	Corporate income tax incl.	101110-101105	639149372.257	3671715.190	0.000	639149372.257	0.000	0.000	0.000	0.000	639149372.257	3671715.190	0.000	639149372.257
1.1.	excluding revenues from oil sector organizations	101110 (101101-101104)	351139033.605	796,041,628	0.000	351139033.605	0.000	0.000	0.000	0.000	351139033.605	796,041,628	0.000	351139033.605
1.2.	Corporate income tax for legal entities of oil sector organizations	101105 (101105-101107)	288010338.652	2875673.562	0.000	288010338.652	0.000	0.000	0.000	0.000	288010338.652	2875673.562	0.000	288010338.652
2.	Individual income tax incl.	101201-101205	10359680.526	14094.197	0.000	10359680.526	0.000	0.000	0.000	0.000	10359680.526	14094.197	0.000	10359680.526
2.1.	Individual income tax on income taxed at source	101201 (101201, 101204)	103437165.789	14094.197	0.000	103437165.789	0.000	0.000	0.000	0.000	103437165.789	14094.197	0.000	103437165.789
2.2.	Individual income tax on income not taxable	101205	10359680.526	14094.197	0.000	10359680.526	0.000	0.000	0.000	0.000	10359680.526	14094.197	0.000	10359680.526

By revenue stream

By companies

By government

Difference

Approaches to data reliability in EITI

EITI

Disclosure of payments to government

- by payment stream;
- subject to audit and assurances in line with international standards.



Disclosure of extractives revenues

- by revenue stream and by company;
- subject to audit and assurances in line with international standards.



Additional quality assurances required for EITI reporting?

- Management certification that EITI reporting in line with AFS;
- Certification of EITI reporting by external auditor?

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- Management certification that EITI reporting in line with AFS;
- Certification of EITI reporting by SAI?

Financial statements for the year under review:

- Audited to international standards?
- What accounting basis?
- Disaggregated by payment to government?
- Publicly-available?

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- Disaggregated by payment to government?
 - Publicly-available?



Extractives companies



Government

How to begin? Mapping

- For national secretariats and MSGs:
Board-agreed [Summary Data Template 2.0 \(SDT 2.0\)](#). *Required for all reporting as of 1 July 2019. Combines data and type of disclosure*
- More detailed assessment: “Transparency template” under development by the EITI Board. *Questionnaire aligned with summary data, in addition to documentation for Validation and MSG comments on nuances/progress.*
- Even more detailed (requires consultant): The [systematic disclosure toolkit](#) and mainstreaming feasibility study (ToR [here](#)).

What does mapping do? → Workplan

- Don't create parallel plans: integrate/mainstream it in your regular workplan!
- Align systematic disclosures with government, corporate, and civil society priorities.
- Specify individual responsibilities and timeframes.

The next EITI reporting cycles can *increasingly focus on gaps* in publicly-available information.

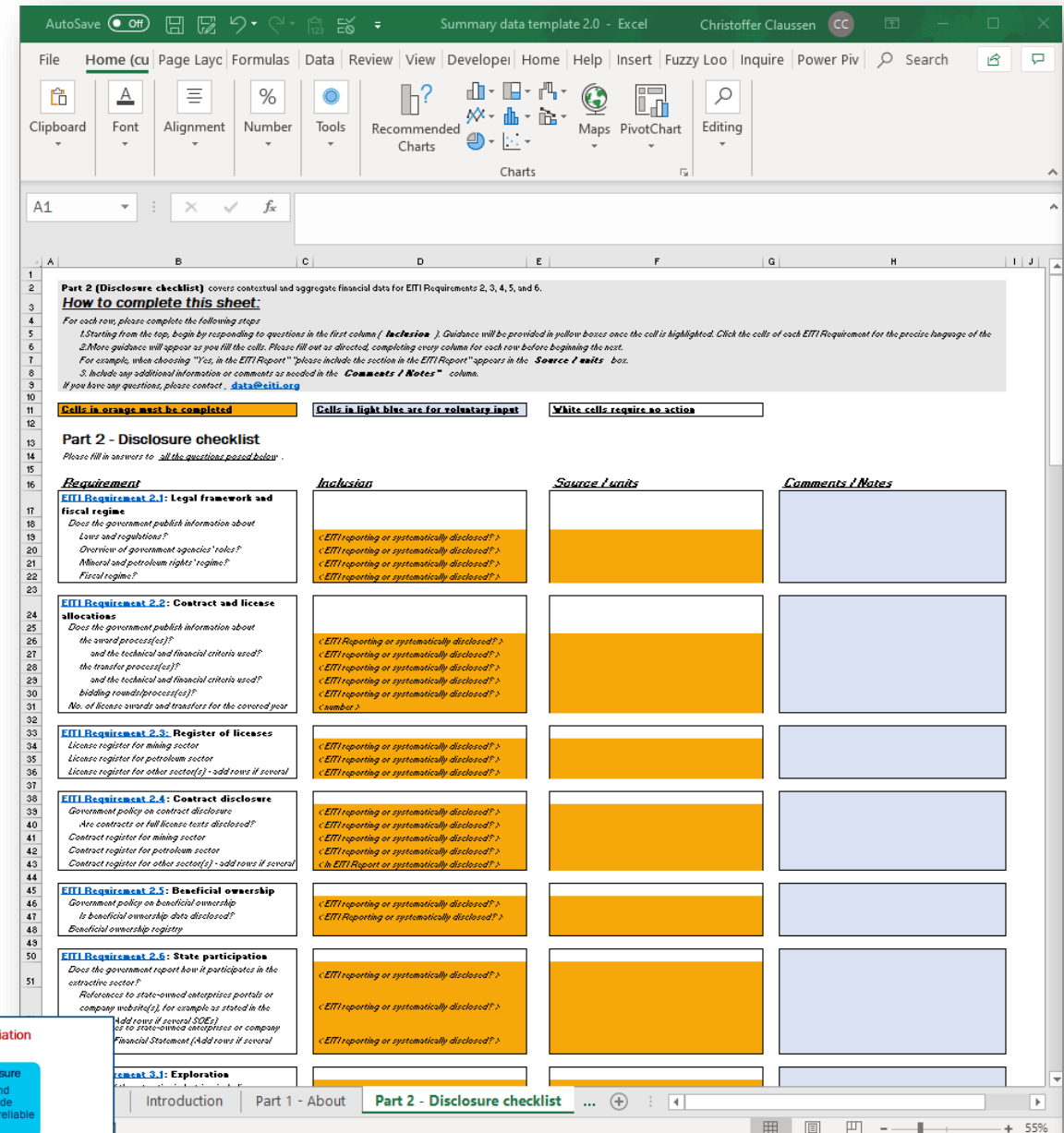
Tracking progress of systematic disclosures: Summary data template 2.0 (SDT)

eiti

What is Summary Data?

Summary data is a standardised excel file. It is not designed to respond to *all* needs. A basis for flexible tools adapted to context and audience.

1. Part 1 (About): Country-level data characteristics
2. Part 2 (Disclosure checklist): Contextual data and summaries for EITI Requirements 2-6, including sourcing: is information systematically disclosed?
3. Part 3 (Reporting entities): All reporting entities (government agencies, companies and projects)
4. Part 4 (Government revenues): Full government disclosures of extractive sector revenues (GFS).
5. Part 5 (Company data): Company- and project-level data per revenue stream

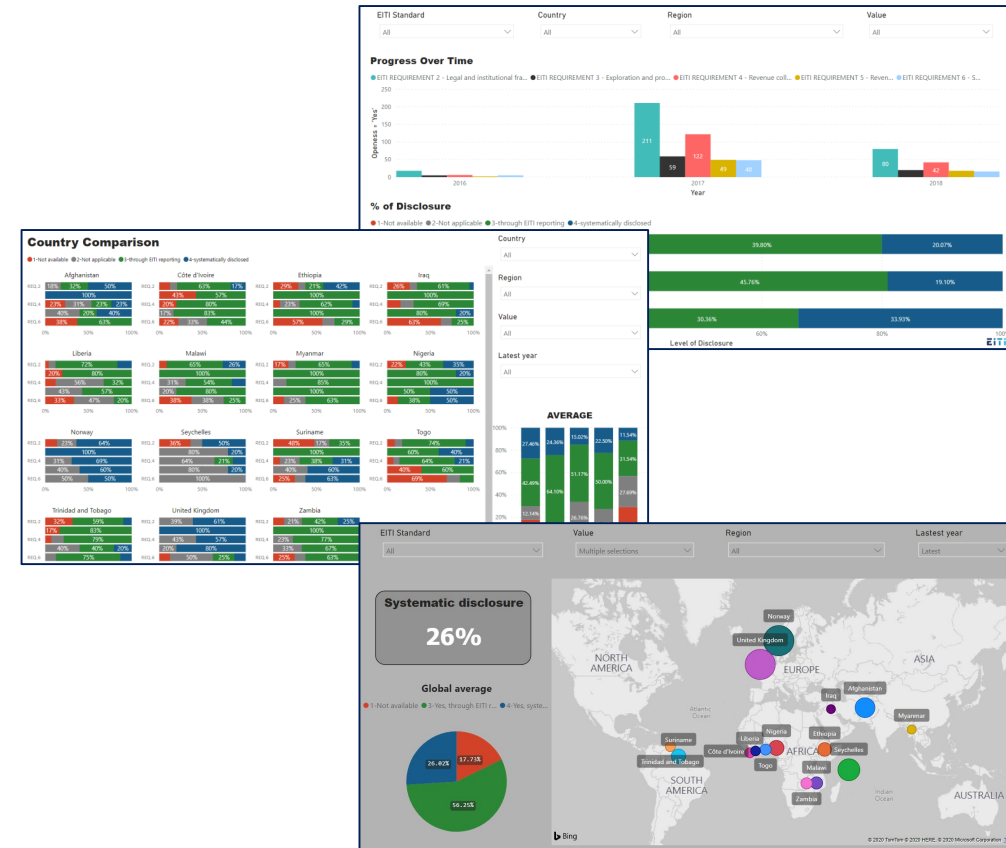


Visualisation project: tools to visualise systematic disclosures*

... why?

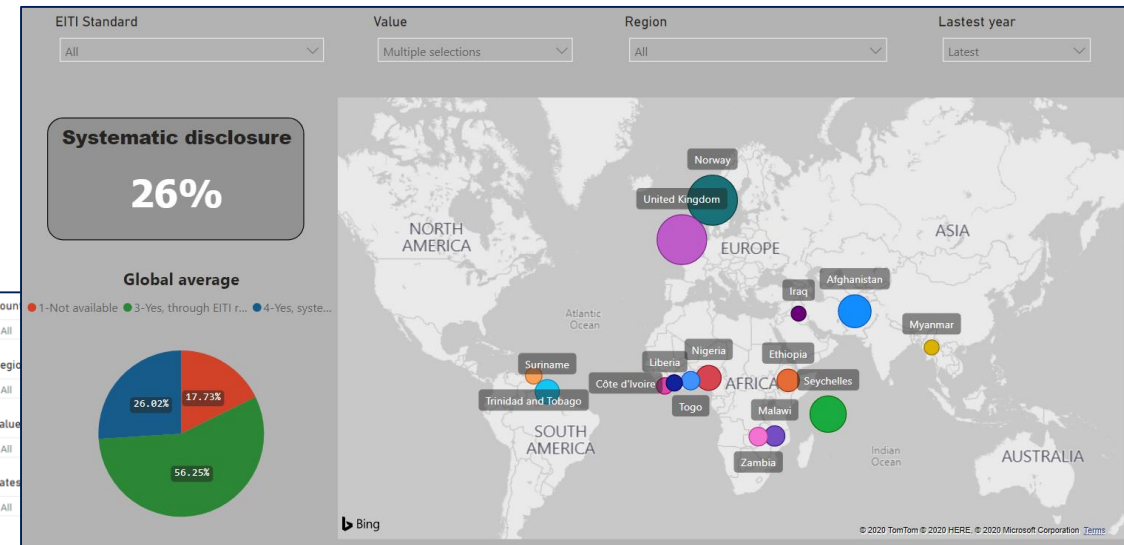
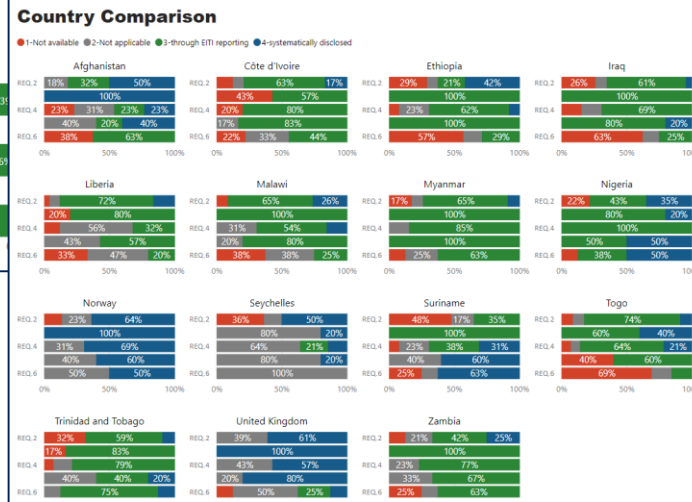
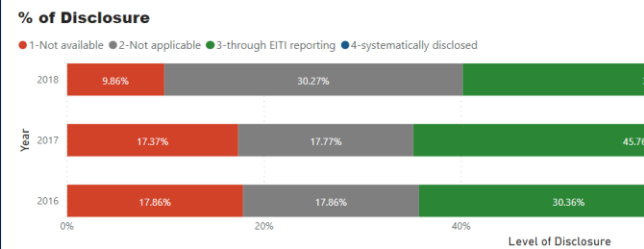
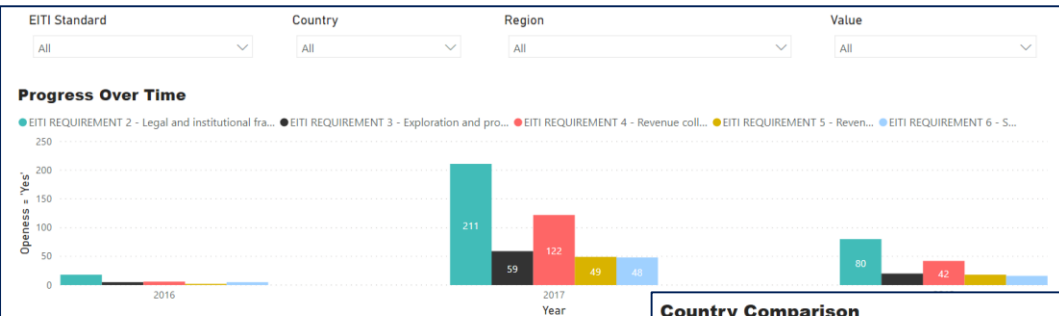
- Review country progress over time (in country)
- Document *other* country-examples
- Peer learning: Comparing different countries/regions and requirements – what are the priorities (PMEL)?

*Caveat: Removes nuances, on-going efforts. Requires specific software for now (Microsoft Power BI, free to use upon registration).



Visualisation project: Presenting

*Caveat: Removes nuances, on-going efforts. Requires specific but free software (Microsoft Power BI) for now.





Extractive Industries
Transparency Initiative

Thanks!

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DATE December 2020

OCCASION Systematic disclosure webinar
Oslo, Norway (virtual)

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