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For decision

For discussion

For information

Project-level reporting practices in the EITI

Summary

This paper is a review of EITI reporting practices in implementing countries, investigating the level of disaggregation of data on company payments and government revenues in EITI Reports. It reviews to what extent EITI Reports contain revenue data that is disaggregated by project and what types of definitions of project are being used for EITI reporting purposes. The paper is an update of previous draft compilations by the International Secretariat.

Supporting documentation

None

Has the EITI competence for any proposed actions been considered?

N/A

Financial implications of any actions

N/A

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PROJECT-LEVEL REPORTING PRACTICES IN THE EITI

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Summary

Following the 36th Board meeting in Bogota, the International Secretariat has completed a review of current reporting practices of EITI implementing countries. Three of 45 EITI implementing countries seem to fully disaggregate data by project, namely **Indonesia, Philippines** and **Trinidad and Tobago**. This has been achieved by disaggregating payments and revenues by individual Product Sharing Contracts/Agreements (PSCs/PSAs), which give rise to payment liabilities, consistent with the EU's approach to project-level reporting.

An additional 25 countries, or 56% of all implementing countries, are deemed to *partially* report by project meaning that their EITI Reports were disaggregated by project for some projects or for some revenue streams. Three of these countries included an explicit definition of the term 'project' in their EITI Report, but disclosures by project were nonetheless only provided for some sectors, companies or revenue streams. The remaining 17 countries could not be deemed to report by project.

This review identifies some of the key issues to consider in project-level disclosures. Legal frameworks are important for defining projects in various countries; whether by licenses, contracts or other legal agreements. Fiscal regimes and how payment liabilities are levied are important for identifying which revenues are applicable for project-level disaggregation, and to precisely identify which companies are effectuating the different payments. This is especially relevant in contractual arrangements involving several parties. We conclude that project-level disclosures could make EITI reporting easier, as it will streamline EITI reporting with existing monitoring, recording and reporting practices of governments and companies, complementing new areas of implementation such as mainstreaming.

1. Introduction

Company taxes and payments related to oil, gas and minerals are often levied on a project level basis, i.e. per single license or contract governing an extractive project. Government entities collecting such payments also often record the receipts by project in their internal systems, with the exception of general taxes such as e.g. corporate income tax, which is most often (but not always) reported and recorded by legal entity.

Public disclosure of payments and taxes by project may enable the public to assess the extent to which the government receives what it ought to from individual extractive projects, by providing a basis for comparison of terms set out in laws or contracts governing a project. For host communities, it could contribute to showing the benefits that each extractive project generates. It has also been argued that project-level reporting can help address tax avoidance and tax evasion by shedding light on transfer pricing practices. On the other hand, concerns have been raised that project-level reporting may reveal commercially sensitive information, distort competition and create legal conflicts with host governments.

To date, the EITI has required disaggregation by individual company. Reporting at project-level has been required as well, provided that it is consistent with the EU and SEC requirements ([EITI Requirement 4.7](#)). This paper reviews reporting practices in EITI implementing countries, investigating the level of disaggregation that is currently adopted by implementing countries. It reviews to what extent EITI Reports contain revenue data that is disaggregated by project and presents stakeholder views on the feasibility of project-level reporting. It shows that 28 out of the 45 EITI implementing countries report per project, at least partially. Three of these were deemed to report consistent with the EU's definition of project-level disclosures.

2. Background

In agreeing the 2013 EITI Standard in May 2013, the EITI Board decided that “Reporting at project level is required, provided it is consistent with the United States Securities and Exchange Commission rules and the forthcoming European Union requirements” (Requirement 5.2e in the 2013 Standard and Requirement 4.7 in the 2016 Standard¹).

It should be noted that, at the time, there were divergent views on whether and when such reporting would be required in the US and the EU. A key challenge was the definition of project and the desire to harmonise EITI reporting with other relevant reporting requirements that were in development at the time. The European Union had not yet finalised the revisions to the European Union Accounting and Transparency Directives, hence the reference to ‘forthcoming’. It was deemed necessary by the Board to consider both the EU and SEC rules. The Canadian Extractive Sector Transparency Measures Act (ESTMA)² and its Technical Reporting Specifications³ had also not yet been developed.

Although this interpretation was contested, the EITI deemed that it would only enforce the requirements once mandatory disclosure rules were agreed in both the EU and the US. On 26 June 2013, the European Parliament and Council of the European Union (EU Member States) adopted a new directive requiring oil, gas, mining and

¹ <https://eiti.org/document/standard#r4-7>

² <http://laws-lois.justice.gc.ca/eng/acts/E-22.7/page-1.html>

³ http://www.nrcan.gc.ca/sites/www.nrcan.gc.ca/files/mining-materials/PDF/ESTMA-Technical_e.pdf

logging companies registered in the European Economic Area⁴ to annually disclose the payments they make to governments on a country-by-country and project-by-project basis⁵.

On 27 June 2016, the Securities and Exchange Commission adopted rules⁶ that would require companies to disclose payments made to governments for the commercial development of oil, natural gas or minerals beginning in 2019. Section 13(q) was added to the Exchange Act in 2010 by Section 1504 of the Dodd Frank Act. Although the rule was initially adopted by the Commission in August 2012 (Rule 13q-1), it was subsequently vacated by the U.S. District Court for the District of Columbia. However, on 14 February 2017 President Donald Trump signed a Congressional Review Act (CRA) resolution of disapproval⁷, voiding the SEC rule implementing Section 1504 of the Dodd-Frank Act. Under the terms of the CRA, the SEC now has one year to adopt a new rule. It appears to be much uncertainty about the future of the new rule.

After the adoption of the SEC rule in June 2016, the EITI begun discussing the implications for implementing countries and a transitional phase to project-level reporting. The Implementation Committee submitted a paper for information to the EITI Board at its meeting in October 2016⁸. Another paper, Board paper 36-4-B, was submitted for discussion at the March 2017 Board meeting. At this meeting, the EITI Board made the following decision:

“The Board reaffirmed that project level reporting is required. The national multi-stakeholder group should devise and apply a definition of the term project that is consistent with relevant national laws and systems as well as international norms.

The Board tasked the Implementation Committee with reviewing current project level reporting practices by implementing countries with a view to developing recommendations for revising requirement 4.7, reviewing considerations related to the payments to be covered by the requirement, and developing guidance on the implementation of the requirement and a transition schedule for validation.

Project level reporting is required for all reports covering fiscal years ending on or after 31 December 2018. Given the EITI’s “two-year rule” (requirement 4.8), this would effectively require project level reporting by all countries by 31 December 2020 at the latest.

In the interim, the current language of requirement 4.7 remains: “The multi-stakeholder group is required to agree the level of disaggregation for the publication of data. It is required that EITI data is presented by individual company, government entity and revenue stream. Reporting at project level is required, provided that it is consistent with the United States Securities and Exchange Commission rules and the forthcoming European Union requirements”.

This research aims to contribute to the above by providing updated information on reporting practices in

⁴ Norway adopted its law in December 2013 and applies to financial years beginning on or after 1 January 2014.

⁵ The disclosure requirements are set out in Chapter 10 “Report on payments to governments” of the EU Accounting Directive and Article 6 “Report on payments to governments” of the revised EU Transparency Directive.

⁶ <https://www.sec.gov/rules/final/2016/34-78167.pdf>

⁷ H.J.Res.41 <https://www.congress.gov/bill/115th-congress/house-joint-resolution/41/all-actions>

⁸ Board paper 35-4-E Project level reporting: <https://eiti.org/document/35th-board-meeting>

implementing countries.

3. Project-level reporting: rationale and global practices

As noted above, government entities which collect payments related to the extractive sector often levy and record these payments by project, i.e. by individual contracts or licenses. In many cases, this is not applicable to general taxes such as e.g. corporate income tax, which is typically paid and recorded by legal entity. In some countries, even corporate income tax is ring-fenced⁹ by project.

Over the past few years, a number of jurisdictions have made efforts to adopt regulations requiring companies engaged in natural resource extraction to disclose the payments they make to governments and state-owned companies. In addition to the EU and US efforts described above, Canada enacted the Extractive Sector Transparency Measures Act (ESTMA)¹⁰ on 16 December 2014, and brought into force on 1 June 2015. It requires extractive entities active in Canada to publicly disclose, on an annual basis, specific payments made to all governments in Canada and abroad¹¹. In Australia, the Corporations Amendment (Publish What You Pay) Bill 2014 (Cth) was introduced into the Senate in October 2014 but lapsed in 2016. The laws make extensive reference to the EITI.

Public disclosure of payments and taxes by project may enable the public to assess the extent to which the government receives what it ought to from each individual extractive project, by providing for a comparison with terms set out in laws or contract governing the project. For host communities, it could contribute to show the benefits that each extractive project generates. It has also been argued that project-level reporting can help address tax avoidance and tax evasion by shedding light on transfer pricing practices. It can also assist government in making more accurate forecasts for future changes in revenues, by using quality assured disclosures on a granular level. On the other hand, concerns have been raised that project-level reporting may reveal commercially sensitive information, distort competition and create legal conflicts with host governments. This is why project-level reporting has enjoyed considerable support but also considerable opposition globally.

In terms of costs and benefits of project-level reporting in the EITI, it has been pointed out by government agencies in particular that reporting by project would be easier than current reporting, because it would be more consistent with how the government levies and records the payments and revenues. Thus, rather than having to aggregate up the various payments received by a company, which is often the case under current reporting, data could be submitted "as recorded" to the EITI Independent Administrator. This could reduce time, costs and discrepancies. However, it would be imperative that the definition of project and associated reporting for the EITI mirrors how the government is levying and recording the payments. If companies and government agencies have different understanding of how the payments should be reported, this risk increasing discrepancies, costs and time spent on EITI reporting. In addition, project-level reporting will be more viable for countries that are mainstreaming their disclosures, as conventional EITI reporting and reconciliation by project is likely to generate more work for the Independent Administrator.

⁹ *Ring-fencing* refers to practices of separating financial accounts by certain activities or operations, either by creation of separate legal entities or merely for reporting purposes.

¹⁰ <http://laws-lois.justice.gc.ca/eng/acts/E-22.7/page-1.html>

¹¹ <http://www.nrcan.gc.ca/mining-materials/estma/18180>

4. Review of project-level reporting in EITI countries

4.1 Comment on methodology

This paper is a review of reporting practices in EITI implementing countries, investigating the level of disaggregation that is currently adopted by implementing countries. For the purpose of this review, project-level reporting is defined according to *Directive 2013/34/EU* on the annual financial statements, consolidated financial statements and related reports of certain undertakings¹². Article 41.4 states that a project is defined as “the operational activities that are governed by a single contract, license, lease, concession or similar legal agreements and form the basis for payment liabilities with a government. Nonetheless, if multiple such agreements are substantially interconnected, this shall be considered a project”. Art. 43.2.c further states that “Payments made by the undertaking in respect of obligations imposed at entity level may be disclosed at the entity level rather than at project level”. Recital 45 explains the objective of the Directive:

The report should serve to help governments of resource-rich countries to implement the EITI principles and criteria and account to their citizens for payments such governments receive from undertakings active in the extractive industry or loggers of primary forests operating within their jurisdiction. The report should incorporate disclosures on a country and project basis. A project should be defined as the operational activities that are governed by a single contract, license, lease, concession or similar legal agreements and form the basis for payment liabilities to a government. Nonetheless, if multiple such agreements are substantially interconnected, this should be considered a project. Substantially interconnected legal agreements should be understood as a set of operationally and geographically integrated contracts, licenses, leases or concessions or related agreements with substantially similar terms that are signed with a government, giving rise to payment liabilities. Such agreements can be governed by a single contract, joint venture, production sharing agreement, or other overarching legal agreement.

For the purpose of this paper, EITI Reports were assessed against two aspects:

- i. Whether disclosures of revenue information are commensurate with the EU definition provided above¹³; and
- ii. whether disclosures using alternative project level definitions were identified.

In addition to these two aspects, countries that have undergone Validation towards the 2016 EITI Standard were also subject to an additional review. The initial data collection reports produced by the EITI International Secretariat were consulted to explore whether Validation had identified any project level disclosures, with a particular focus on stakeholders’ comments.

Based on this assessment, each EITI implementing country was deemed to have an EITI Report(s) classified as follows:

¹² Directive 2013/34/EU, European Parliament (2013). <http://eur-lex.europa.eu/eli/dir/2013/34/oj>. Accessed on 28 February 2017.

¹³ In conducting this analysis, the International Secretariat has only reviewed whether revenue data in the EITI Report appears to be disaggregated by individual contract, license and similar for revenue streams that are levied at a project level. We have not sought to establish whether certain projects can be considered ‘substantially interconnected’.

- Yes. Includes project-level reporting. *The reports were deemed to provide a level of detail closely aligned with reporting under the EU definitions, although not necessarily explicitly stating so.*
- Partial. Includes some degree of project-level reporting. *The reports included some project-level disaggregation, but only for some revenues, some projects, or with inconsistencies in definitions.*
- No. Does not include project-level reporting. *The reports were found to disclose payments purely on a company level.*

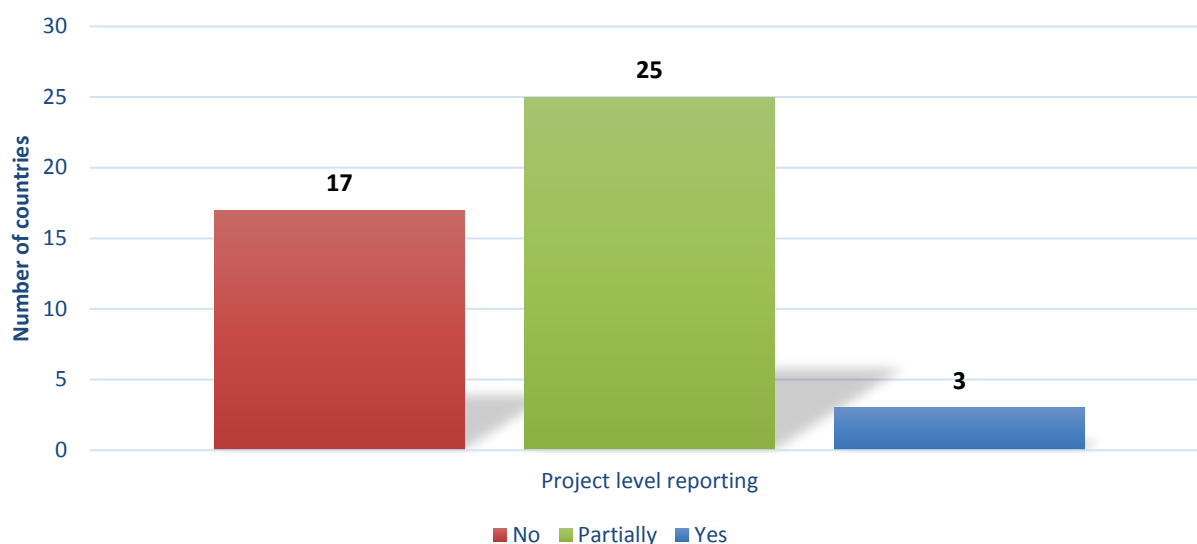
In total 45 countries have been assessed for the purpose of this paper. All EITI implementing countries with EITI Reports published recently have been assessed, excluding Central African Republic and Yemen, as they are currently suspended. Armenia, Dominican Republic, Germany and Malawi have not yet published reports¹⁴. The review only considered EITI Reports and not other disclosure efforts such as those performed by companies affected by the EU disclosure requirements.

4.2 Findings

The following section provides an overview of the main findings from this preliminary review. For detailed information of assessments per country, please refer to the Annex. In summary:

- Of the 45 countries which form the basis of this assessment, 28 had EITI Reports that were found to include some degree of project-level reporting. Three of these countries were found to include project-level reporting consistent with the EU definition, while the remaining countries only disaggregate payments by project for some projects or revenues.
- The assessment reflects that legal and fiscal frameworks, stipulating how the sector is governed and taxes are levied, are important in determining whether project-level reporting is feasible and relevant. The legal framework is important to understand whether the sector is governed through licensing systems or other forms of legal agreements, which will assist in defining what a project is. Understanding the fiscal regime, and distinguishing between payment liabilities levied on a company basis and those levied on licenses or other legal agreements, will help clarify which revenue streams should be disaggregated by project and those that are only subject to be disaggregated by company. Ring-fencing refers to practices of separating financial accounts by certain activities or operations, either by creation of separate legal entities or merely for reporting purposes, therefore the extent to which there is a practice of ring-fencing of accounts will also be an important factor for determining which revenue streams should be reported by project.
- Project-level reporting may facilitate EITI reporting in that it could enable disclosures that are more consistent with how governments record and monitor payments by companies. This may complement new areas of EITI implementation such as mainstreaming.

¹⁴ During the finalisation of this paper, Malawi EITI published their first EITI Report for fiscal year 14/15.

Figure 1: Project-level reporting coverage (N = 45)***EITI Reports fully disaggregated by project***

Two countries have EITI Reports that fully disaggregate data by project: **Indonesia, Philippines and Trinidad and Tobago**. This has been achieved by adopting EITI reporting per individual Product Sharing Contracts/Agreements (PSCs/PSAs) that give rise to payment liabilities, consistent with the EU definition. Trinidad and Tobago's report for 2014-2015¹⁵ states that the MSG has considered project-level reporting, but awaits agreement of international definitions before proceeding. Even so, each oil block is governed by a single license or PSC. Companies therefore incorporate subsidiary companies that function as operators for each license or PSC. The payments are paid and reported per license by the operator, as the operator is responsible for making payments on behalf of itself and other parties to a PSC. Thus, the reporting complies with what is envisaged under the EU Directive.

This is also the case for Indonesia, as their oil and gas report is disaggregated per PSC. The revenues reported are disaggregated by individual operator and by individual block for non-tax payments (production share, royalty, DMO etc.). Tax payments are not paid by the operator and are reported instead by each party to the PSC, per PSC. For mining and coal operations, companies can only hold one contract or one permit, and report according to these. Therefore, Indonesia's reporting is fully compliant with what is foreseen under the EU Directive.

In the Philippines, most revenues that are levied on a project basis are reported as such. Some are still reported on a company level as well, due to the way these are reported and monitored by the government. Still, the scope of Philippines' EITI Report only includes companies that hold a single contract. In other words, Philippines report implicitly by project regardless of how payments are levied.

The next page presents a table providing an overview of the findings of the assessment per country.

¹⁵ Trinidad & Tobago's 2014-2015 EITI Report: <https://eiti.org/document/20142015-trinidad-tobago-eiti-report>.

Table 1: Assessment overview table

Country*	Report(s) assessed	Assessment	
Indonesia	2013	Yes. Includes project-level reporting	
Philippines	2014		
Trinidad & Tobago	2014-2015		
Afghanistan	2012-2013	Partial. Includes some degree of project-level reporting	
Burkina Faso	2014		
Cameroon	2014		
Chad	2014		
Ethiopia	FY13/14		
Ghana**	2014		
Guatemala	2014-2015		
Iraq	2015		
Kazakhstan	2015		
Kyrgyz Republic**	2013-2014		
Liberia**	FY13/14		
Madagascar	2014		
Mali**	2014		
Mauritania**	2014		
Mongolia**	2015		
Myanmar	FY13/14		
Niger	2014		
Nigeria**	2014		
Papua New Guinea	2014		
Senegal	2014		
Tajikistan**	2014		
Timor-Leste**	2013		
Togo	2014		
United Kingdom	2014		
Zambia	2015		
Albania	2013-2014		No. Does not include project-level reporting
Colombia	2014 - 2015		
Côte d'Ivoire	2014		
Democratic Republic of Congo	2014		
Guinea	2014		
Honduras	2014		
Mozambique	2014		
Norway**	2015		
Peru**	2014		
Republic of the Congo	2014		
São Tomé and Príncipe**	2014		
Seychelles	2013-2014		
Sierra Leone	2014		
Solomon Islands**	2014		
Tanzania	FY13/14		
Ukraine	2014-2015		
United States of America	2015		

* The following countries have been excluded from this assessment as they have not yet produced an EITI Report, or are suspended: Armenia, Central African Republic, Dominican Republic, Germany, Malawi and Yemen.

** The following countries have undergone or are currently undergoing Validation towards the 2016 Standard. Thus, Validation documents have also been consulted.

EITI Reports with project definitions

Although 28 countries were found to include project-level reporting only three countries define the term 'project' in their EITI Report, notably Nigeria, Togo and United Kingdom.

The Nigerian oil and gas report for 2014 outlines a definition similar to the EU Directive: *"According to the NSWG a project is defined as a licence for each OPL / OML."* (Nigeria EITI, 2014 Oil & Gas Audit Report¹⁶, page 16). In the Nigerian context, OPL / OML stands for Oil Prospecting License and Oil Mining Lease. Therefore, the definition adopted by the Nigerian MSG equates a license to a project. However due to the complexity of disclosures and company/project structures in Nigeria, the report as a whole is only partially disaggregated by project. A challenge for project-level reporting in Nigeria, using their own definition, are Joint Ventures (JV) as these tend to hold multiple OPLs without any ring-fencing of revenues or payments per OPL. The current challenge for reporting by project using the EU definition, is the difficulty in establishing whether i) all OPLs under a JV pertain to one overarching legal agreement, ii) whether they constitute separate legal agreements, but are "geographically and operationally interconnected" and have "substantially similar terms", or iii) whether they are indeed separate legal agreements.

The definition of project as equivalent to a single license is also the case for Togo. The Togolese 2014 EITI Report identifies all private companies as reporting by project, pointing out that they only hold a single license each. However, the state-owned enterprise Société des Phosphates du Togo (SNPT) is identified as the only company holding more than one license and does not disaggregate payments by each mine. The remainder of companies included in the Togolese report are nonetheless considered to report by project as they only hold one license each¹⁷. Due to the aggregate reporting of SNPT, Togo is only partially reporting by project.

The UK report¹⁸ includes project-level reporting for some petroleum revenues. On page 9, the report states "The MSG decided that licences should be reported at licence level, which is equivalent to project reporting. All payments were disclosed by the OGA (Oil and Gas Authority) to the IA and are reported in Annex 4." Also, page 10 highlights "The MSG decided that PRT should be reported at the project level (by field)." Reviewing Annex 3, covering Petroleum Revenue Tax (PRT), and Annex 4, covering license fees, these payments are in fact paid per license grouped by petroleum company. Project-level reporting was not applicable to corporate taxes of petroleum companies as these levied by company. However, mining companies with multiple licenses did not report by project. For this reason, although providing and applying a definition commensurate with EU definitions for the petroleum sector, the UK only partially reports by project.

Nigeria, Togo and the UK were the only countries that have EITI Reports stipulating a definition of project commensurate with the EU definition. Still an additional 25 countries were found to include some form of project-level reporting. For almost all countries this merits an assessment of 'partial' project-level reporting, as disaggregation by project was only provided by the companies that hold a single license or contract.

¹⁶ The 2014 Oil & Gas Audit Report for Nigeria: <https://eiti.org/document/2014-nigeria-eiti-report-covering-oil-gas>.

¹⁷ Togo's 2014 EITI Report, section 2.6 Niveau de désagrégation: <https://eiti.org/document/togo-2014-eiti-report>.

¹⁸ United Kingdom 2014 EITI Report: <https://eiti.org/document/2014-united-kingdom-eiti-report>.

EITI countries with legislation enabling project-level reporting

The legal framework of a country is also important for determining the feasibility and relevance of project-level reporting. While not having undertaken a comprehensive legal review, at least four countries, notably Norway, Sierra Leone, Tanzania and the UK, have enacted legislation which enables reporting per project, at least partially.

In 2015, Tanzania's Petroleum Act¹⁹ was passed, requiring ring-fencing of operations when holding more than one license. The Mining Act of 2010 includes similar requirements. In Sierra Leone, similar legislation exists for large-scale mining licenses. The Mines and Minerals Act 2009²⁰, section 155(1) indicates that all such licenses should have separate accounts to properly distinguish payments from other operations. Whether these legislations will translate into project-level reporting is still unclear, but ring-fencing information/data by operation should ease countries ability to include disclosures by projects. In addition, Norway and the UK have transposed the EU Accounting Directive and Transparency Directive into national legislation mandating project-level reporting by large extractive companies as well as extractive companies listed on the Oslo and London stock exchange.

Relevant findings from EITI Validation

Thirteen of the countries included in this assessment have undergone Validation against the 2016 EITI Standard, or are in the final stages of the process. In some of these countries, Validation has shed light on the feasibility and stakeholder opinions on project-level reporting.

For example, the Validation report from Nigeria²¹ highlights the need for flexibility. In Nigeria, stakeholders claim that project-level disclosures should be straightforward in terms of PSCs but much more difficult for Joint Ventures (JVs). JVs in Nigeria do not ring-fence budgets and payments, rather, the legal framework requires consolidated accounts and reporting for all Oil Mining Leases (OML) under a single JV. The stakeholders therefore indicate that legal reforms are required to ensure project-level disclosures in these instances, unless the OMLs are also operationally and geographically interrelated in which case a JV could be considered "substantially interconnected legal agreements" in accordance with the EU definition.

In the Validation report from Norway²², the MSG indicated there have been discussions of project-level disclosures. Publish What You Pay Norway did specifically call for increased transparency within license accounts, i.e. calling for project-by-project reporting including revenues per company involved in each license. However, during MSG discussion this was decided against, due to the non-existence of such forms of accounting in Norway as all revenues apart from fees are levied on a company basis rather than on a license basis.

¹⁹ Petroleum Act 2015 of the United Republic of Tanzania: <https://mem.go.tz/wp-content/uploads/2014/02/17.06.15A-BILL-PETROLEUM-ACT-2015-Updated-version-15.6.15.pdf>

²⁰ Mines and Minerals Act 2009 of Sierra Leone: <http://www.sierra-leone.org/Laws/2009-12.pdf>

²¹ Nigeria 2016 Validation: <https://eiti.org/validation/nigeria/2016>.

²² Not yet available on EITI's public website.

Liberia's Validation process identified that Liberia's EITI Report for FY13/14 includes financial flows disaggregated by companies and revenue streams, but not by government entities nor project. However, industry representatives did note that there are no commercial sensitivities that would pose a challenge for reporting on a project basis. In fact, they noted that Liberian legislation *requires* ring-fencing of taxes by projects to curb basic forms of transfer mispricing. Similarly, companies in the Philippines have been quick to emphasise that project-level reporting would be helpful to the companies in terms of showing the benefits that each oil and mining site are bringing to local communities. Nobody could think of any technical or commercial reason not to do so²³.

Treatment of state-owned enterprises

Another aspect which may influence project-level disclosures in a country is the role of state-owned enterprises (SOEs). Sometimes SOEs act as a fiscal agent by collecting revenue on behalf of governments. In the Republic of the Congo, the state-owned enterprise receives in-kind payments from private companies on behalf of the state for marketing. In this instance, once companies' payments are reported per project, the government's share will also implicitly be disaggregated by project.

Other times, SOEs may play similar roles as private companies by making tax payments in accordance with their participation in various projects. For example, Ghana's SOE (GNPC) participates in multiple petroleum projects and effectuate specific payments that are levied through contracts – lifting barrels of oil intended for the payment of carried and participating interests, as well as royalties. So far, GNPC has reported these payments as aggregated transactions to the government. This means disclosures are made on a company basis, not by project. Regardless of whether an SOE is considered a payer, a revenue collector or both, disclosures by SOEs must be disaggregated by project if the payment type is levied by project.

Another issue to consider is cases where an SOE receives payments both as a fiscal agent and as an equity partner in a project. While the latter could arguably be perceived not to be a payment to government but rather a return on investment, it should be clarified whether such payments would also be disaggregated by project.

4.3 Consultation and next steps

In completing the review of project-level reporting practices in EITI, the International Secretariat has asked implementing countries for feedback, including some specific questions that may help start discussions on how to implement project-level reporting at the national level.

The International Secretariat posed the following questions to implementing countries for clarification:

1. Please identify which taxes-/payment-liabilities are levied on:
 - a. A company basis
 - b. A license or contractual basis
2. If multiple companies participate in a license or contract, please clarify which taxes-/payment liabilities are effectuated by the operator, and which taxes/payment liabilities are effectuated by the participating companies, if any?

²³ Blog: EITI and project by project reporting. <https://eiti.org/blog/eiti-project-by-project-reporting>

3. Does the following preliminary assessment properly reflect the status of disaggregation in your last EITI Report?

Eleven countries responded to the consultation: Burkina Faso, Ghana, Kazakhstan, Liberia, Mali, Philippines, Senegal, Tanzania, Ukraine, United States and Zambia. In general implementing countries agreed with the International Secretariat's assessments. The assessment of the Philippines was changed upon receiving clarifications that the scope of their EITI Report solely includes producing companies that hold a single contract or agreement. Therefore, Philippines implicitly report by project regardless of how the payment liabilities are imposed. Mali and Tanzania also had some clarifications that could have potentially altered our preliminary assessment, but upon further exploration the Secretariat concluded that project-level reporting is partial in Mali and Philippines, while we could not demonstrate any project-level reporting in the case of Tanzania.

The International Secretariat will continue to solicit feedback on the assessments. Upon completion of the review, the next step will be to develop guidance for implementing countries on how to report by project, compile some good practice examples from EITI reports and companies' *payments to governments* reports, and develop suggestions for reporting templates. Consultations with Independent Administrators and revisions to the TORs for Independent Administrators will also be necessary further down the line. Finally, a proposed transition schedule will be created for Validation, and further work on revisions to requirement 4.7.

Annex: Detailed country by country assessment

Afghanistan.....	II	Mozambique	XIV
Albania	II	Myanmar	XIV
Burkina Faso	III	Niger	XV
Cameroon	III	Nigeria	XV
Chad	IV	Norway	XVI
Colombia.....	IV	Papua New Guinea	XVII
Republic of the Congo	V	Peru	XVII
Côte d’Ivoire	V	Philippines	XVIII
Democratic Republic of Congo	VI	São Tomé and Príncipe.....	XVIII
Ethiopia	VI	Senegal	XIX
Ghana.....	VI	Seychelles.....	XX
Guatemala	VII	Sierra Leone.....	XXI
Guinea.....	VII	Solomon Islands	XXI
Honduras	VIII	Tajikistan	XXII
Indonesia	VIII	Tanzania	XXII
Iraq.....	IX	Timor-Leste	XXIII
Kazakhstan.....	IX	Togo.....	XXIII
Kyrgyz Republic.....	IX	Trinidad & Tobago.....	XXIV
Liberia	X	Ukraine	XXIV
Madagascar	XI	United Kingdom.....	XXV
Mali	XII	United States of America	XXV
Mauritania	XIII	Zambia	XXV
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Country	Report assessed	Assessment
Afghanistan	2012-2013	<p>PARTIAL: INCLUDES SOME PROJECT-LEVEL REPORTING</p> <p>The report covers both mining and petroleum sectors, both of which are governed by contracts. The report indicates that for the level of disaggregation is made by companies. It is difficult to verify whether the disclosures of the report were made by single or multiple licenses or contracts, as one of the major challenges of the extractive sector in Afghanistan is an unreliable central cadastre: <i>“The licensing records maintained by the central cadastre were not up to date, [...] and filing systems were inadequate” (page 8, 2012-2013 EITI Report).</i></p> <p>Throughout the report are descriptions of various field/mining sites, as well as affiliated licenses and contracts. But these are not consistently identified as specific projects nor associated with particular companies. However, Appendix 10.14 does list the participating companies according to Tax Identification Number (TIN) and associated license(s). For nine out of the 12 companies, license numbers have been identified, and one of the companies are identified as holding two licenses. Due to the shortcomings of the cadastre the information is far from certain and it is unclear whether payment liabilities of companies holding multiple licenses are based on single or multiple contracts.</p> <p>Still, it does indicate that for some of the companies, there is project-level reporting.</p>
Albania	2013-2014	<p>NO: DOES NOT INCLUDE PROJECT-LEVEL REPORTING</p> <p>The Albanian EITI Report covers the years 2013 and 2014, for the hydropower, mining and petroleum sectors. The report includes plenty of information regarding licenses by companies, but does not include financial flows disaggregated by project. For the mining and hydropower sectors, all licenses are listed in Appendix 7 and 10. The appendices reveal that several companies hold concessions or licenses for multiple mining sites/hydropower plants.</p> <p>The disclosures closest to the EU definitions are made for the petroleum sector companies. Five companies are involved in production PSAs, while another six are involved in exploration PSAs. Disaggregation is not fully commensurate to the EU definition, as the actual financial disclosures are made by companies while holding several interests/shares in multiple fields. Even though most of the PSAs seem to relate to several oil blocks it could be viewed as project-level reporting if operations and locations are substantially interrelated. However, this is not part of our assessment and we therefore conclude that the report does not include disclosures by project.</p>

Burkina Faso	2014	<p>PARTIAL: INCLUDES SOME PROJECT-LEVEL REPORTING</p> <p>Burkina Faso reported on their mining sector in their 2014 report. Eighteen companies were included in the scope of reconciliation, and are listed under section 3.3.2. Prior to the list, under section 2.5 the report identified the following levels of disaggregation explicitly: by company, tax/payment flow, and by government recipient. The report also distinguishes between companies involved in exploration and production in section 6.1.1. It identified nine companies in production-stages and ten in exploration. According to correspondence with the national secretariat, all payment liabilities are levied on a company level, identified by the tax identification numbers (IFU in Burkina Faso).</p> <p>No exploration companies were found to hold a single license and therefore does not report per project. Of the eight companies holding production and construction licenses, the following hold a single license, and therefore implicitly report per project: Bissa Gold (00030276N), Iam Gold Essakane SA (00016079H), Semafo Burkina Faso (00009763S), Burkina Mining Company SA (00006204X), Société des Mines de Belahouro (00011610K), Nantou Mining Burkina Faso (00010790T), and Riverstone Karma SA (00037904A).</p> <p>Except for Société des Mines de Taparko (00007047V), all the producing companies listed in Annex 6.1 and 6.2 hold a single production license. Implicit project-level reporting therefore exists, though only for some of the companies included in the scope of the report.</p>
Cameroon	2014	<p>PARTIAL: INCLUDES SOME PROJECT-LEVEL REPORTING</p> <p>Cameroon's 2014 report addresses levels of disaggregation under section 2.5 but does not explicitly indicate that the report includes disclosures per project. The state participates in the sector through its state-owned enterprise Société Nationale des Hydrocarbures (SNH), through its two branches SNH-Mandat (SNH-M) and SNH-Fonctionnement (SNH-F). SNH-M markets government shares of petroleum products, while SNH-F participates directly in several oil operations. SNH-F also holds equity shares in certain operators and in COTCO (Cameroon Oil Transportation Company).</p> <p>There are six companies in production phase: SNH, Addax Petroleum Cameroon Company (APCC), Perenco RDR, Perenco CAM, Noble Energy Cameroon Ltd and Gaz du Cameroun. Perenco RDR holds eight concessions in the production phase, Perenco CAM holds two and APCC holds three. Other companies hold only one concession, but there are multiple participants involved in each of these (Annex 5). Section 6.5 lists production figures per concession and in-kind payments that are disaggregated by company and by oil field.</p> <p>Tax information, and other contextual information is disaggregated by Tax ID. Perenco RDR and Perenco CAM have separate tax IDs and therefore report all tax information separately. Similarly, the two Addax companies APCC and APCL report their tax information separately.</p> <p>Annex 5 reveal that Perenco RDR holds several concessions, all located next to each other. As there are more concessions than oil wells, this implies that the same wells are producing from interconnected oil concessions. However, it is not possible to properly ascertain whether all the concessions</p>

		<p>listed in Annex 5 are subject to a single agreement, as the EU definition requires. In addition, Perenco RDR's concessions involves at least the participation of APCC and vice versa, without explicitly identifying whether operators are the sole contributors of payment liabilities for each of the fields. One could argue that this instance in Cameroon fulfils the secondary definition of the EU, 'substantially interrelated' concessions. But this is not assessed in this paper. Also, as the report is unclear whether there exists a single agreement giving rise to payment liabilities, we cannot determine that the disclosures of Perenco RDR are by project level. Regardless, the disclosures highlighted under section 6.5 page 82 do disaggregate production information by concession, including production entitlements of SNH, meaning that there are some project-level disclosures in Cameroon.</p>
Chad	2014	<p>PARTIAL: INCLUDES SOME PROJECT-LEVEL REPORTING</p> <p>Section 2.5 of Chad's 2014 EITI Report highlights that data is presented by company, government recipients, and by revenue stream. Chad's report includes three sectors: hydrocarbons, mining and transport. While disaggregation is relevant for mining and petroleum industry, the oil transport sector has not been assessed.</p> <p>The petroleum sector is dominated by participation of Chad's state-owned enterprise, the Société des Hydrocarbures du Tchad (SHT). SHT participates in all oil fields in Chad and receipts of SHT cannot be identified as being per project. Section 3.2.4 outlines how revenues and payment liabilities are distributed for three PSA-consortiums in production. Payments to SHT are production entitlements only and SHT does not make any payments of their own. Therefore, projects which only involve a single private company include project-level disclosures.</p> <p>The report identifies three principal consortiums, or Production Sharing Agreement-holders, for companies involved in oil production. Section 3.1.3 identifies the participants and operators within each PSA and in-kind revenues from three consortiums are reconciled and reported by project in sections 5.3 and 6.1.1. In one of the instances (for the ESSO consortium) there are multiple agreements involved (Annex 7). Therefore it is difficult to confirm disclosures by projects for payments other than in-kind payments, as most companies participate in multiple PSAs. This is particularly the case for larger PSAs. We did uncover some PSAs that were only held by a single private company (together with SHT): Global Petroleum, SAS, GTI SA, ERHC, United Hydrocarbon, Moncref and Meige International.</p> <p>For the mining sector, information is reported per company. We could not identify any of the mining companies as including implicit project-level reporting, as all companies were identified to either hold multiple licenses, or to operate in the same mines as other companies (see Annex 8).</p> <p>Based on the above there are some data reported by project in Chad.</p>
Colombia	2014 - 2015	<p>NO: DOES NOT INCLUDE PROJECT-LEVEL REPORTING</p> <p>Section 3.2.4 of Colombia's 2014-2015 EITI Report implies that data is disaggregated by revenues, companies and government recipients. However,</p>

		<p>disclosures do not always correspond to these. Based on Table 43, revenues and other disclosures are not disaggregated by company, but rather <i>groups of companies</i>. For example, the entity presented as Canacol throughout the report refers to three individual companies or legal entities: Canacol Energy Colombia (TIN 900.108.018-2), CNE Oil and Gas S.A.S. (TIN 900.713.658-0), and Geoproduction Oil & Gas Company (TIN 830.111.971-4). Company groups are used rather than the individual companies when disclosing “per-company” revenues (pp. 119-128). Also, Ecopetrol (the state-owned enterprise) has a complex structure of stakes in several companies as indicated in Illustration 46, page 55. This further complicates the difficulty of disclosing per project in Colombia.</p> <p>Based on the above Colombia is therefore assessed to not include project-level reporting.</p>
Republic of the Congo	2014	<p>NO: DOES NOT INCLUDE PROJECT-LEVEL REPORTING</p> <p>Section 4.6 of the 2014 EITI Report indicates that disaggregation of data is by companies, government recipient and revenues. Any disaggregation of information by extractive project would therefore be implicit, if companies hold only one license or agreement. The report covers mining, petroleum and forestry sectors, but for this assessment we only focus on mining and petroleum. The report highlights that ordinary taxes are levied on a company-basis, not per project. It does not mention any ring-fencing of such information either (section 3.1.4.a).</p> <p>The Republic of the Congo extractive sector is based on contractual agreements both for mining- and petroleum-licenses. Production Sharing Agreements (PSAs) and Mining Agreements give rise to payment liabilities of the license holders. Reviewing information from Annex 1, listing the various companies and affiliated agreements, only a few companies make payments through a single agreement. For the petroleum sector, four producing companies and eleven exploration companies are operators for a single agreement.</p> <p>Most companies participate in multiple PSAs. Some companies, like Nuevo Congo Company participate in a single license and include production entitlement disclosures. This implies that all participating companies, including non-operators, also make payments for a project. This is also the case for most mining companies holding mining agreements, making it difficult to ascertain any project level disclosures in the EITI Report.</p>
Côte d’Ivoire	2014	<p>NO: DOES NOT INCLUDE PROJECT-LEVEL REPORTING</p> <p>According to section 3.6, revenues are reported by company, revenue stream and government recipient. No other level of disaggregation was identified under this section. However, as the first recommendation of the report, on page 87, it specifically identifies that project-level reporting is not included due to how operations, taxes and performances are reported/monitored. The recommendation is to perform a study to explore the potential for such levels of reporting. Disaggregation is clearly by company and by operator for the petroleum sector. Annexes 8 and 9 lists all mining licenses and reveal that most, if not all, mining companies hold several licences. The same indication is found in Annex 10 for petroleum companies,</p>

		<p>when listing the various oil blocks.</p> <p>Based on these findings we do not consider Côte d'Ivoire to include project-level reporting.</p>
Democratic Republic of Congo	2014	<p>NO: DOES NOT INCLUDE PROJECT-LEVEL REPORTING</p> <p>Section 2.5 of the 2014 EITI Report indicates that disaggregation of data is by companies, government recipient and revenues. Annex 15 lists petroleum blocks in production and exploration phase, including affiliated companies by shares in each block. For all blocks, even though there are separate operators, there are several companies involved in each Production Sharing Agreement (PSA). We cannot determine that companies only pay revenues based on their operating-involvement in a single project. Therefore, reporting is difficult unless company payments are summed up for each PSA. However, no such aggregations are found in the report. It is also not clear whether the list is an extensive list of PSAs in the country, as the report states there is no license/agreement registry for the petroleum sector (section 4.1.c).</p> <p>The number of mining licenses are listed in section 4.2.c claims there are 2,510 mining production and exploration licenses in DRC. As listed in Annex 17, several companies hold various licenses for different sites, making project-level reporting difficult. We also tried to get a more comprehensive list from the mining cadastre (CAMI, www.cami.cd), but these were not available for download.</p> <p>Due to the difficulty of performing this comparison we cannot conclude there is project-level reporting in the DRC.</p>
Ethiopia	FY13/14	<p>PARTIAL: INCLUDES SOME PROJECT-LEVEL REPORTING</p> <p>The Ethiopian EITI Report for FY13/14 identifies disclosures to be by companies, government recipients and by revenue streams. However, upon examining the companies included in the scope of the report and the number of licenses each of them hold, it reveals that 14 of 25 mining companies and four of six petroleum companies only hold one license (see Annex 8). Even though some of these licenses cover multiple blocks, e.g. Falcon Petroleum Ltd holds a PSA for three blocks in a single basin, therefore it is still commensurate with EU definitions. Therefore, Ethiopia does implicitly include partial disclosures per project.</p>
Ghana	2014	<p>PARTIAL: INCLUDES SOME PROJECT-LEVEL REPORTING</p> <p>Table 3.2 in the 2014 Oil and Gas report provides information on project phase, operator and block. In Ghana, several concession-blocks exist per oil field. Most of the operators' payments are implicitly reported by block when companies are only involved in a single concession. For most operators, payments from several fields and/or blocks are aggregated and is not by project. Payments levied through contracts are royalties, carried and</p>

		<p>participating interest, as well as surface rental. Corporate income tax is the only relevant payment stream levied on companies. Furthermore, the Ghana National Petroleum Corporation (GNPC) participates in multiple projects, but only reports aggregate figures. Based on comments from the national secretariat, GNPC lifts barrels of oil for the payment of carried and participating interests, as well as royalties. All other companies under each contract are liable for the remaining payments. Apart from GNPC and operators involved in multiple oil fields, company payments are implicitly provided on a project level. However, this type of reporting is not done consistently.</p> <p>For mining companies, there are several mining leases per company (see Table 4.4). Disclosures are implicitly by project level for three companies that only hold one license: AngloGold Ashanti (Iduapriem), Noble Gold Mining Co. and Prestea Sankofa Gold Ltd. Other mining companies' disclosures are not on a project level. The national secretariat notes that although a company may be involved in several concessions, this may be due to previous restrictions on concession-sizes. Therefore, for companies holding multiple concessions, these are for all intents and purposes substantially interrelated both operationally and geographically (Goldfields Ghana Ltd. Has been identified as an example). However, as this review avoids this secondary definition of a project, Ghana's disclosures for mining companies are still considered to be partially disclosed by project.</p> <p>From the draft <i>Report on initial data collection and stakeholder consultation</i>, under section <i>Level of disaggregation (#4.7)</i>, it states that 2014 reports disclose some project information in the narrative, but no data disaggregation by projects. Stakeholders did not have any views on disaggregation.</p>
Guatemala	2014-2015	<p>PARTIAL: INCLUDES SOME PROJECT-LEVEL REPORTING</p> <p>Guatemala's EITI Report includes disclosures of financial flows by companies. During our assessment, we could not identify any project-level reporting being explicitly identified. However, some company level data is implicitly per project. When reviewing information on pages 25-28, three companies hold one license out of nine included in the scope. The companies Procesamiento de Materias Primas, Silice y Derivados de Centroamerica SA, and Entre Mares SA, are all mining companies and hold a single license each. Perenco Guatemala Ltd is identified as having one production contract (contract 2-85) in Campo Xan, but was awarded an additional exploration license in 2015.</p> <p>Therefore, the financial disclosures of the report are implicitly on a project level for the three mining companies listed above (at least for 2014), meaning partial disclosures by project.</p>
Guinea	2014	<p>NO: DOES NOT INCLUDE PROJECT-LEVEL REPORTING</p> <p>The 2014 EITI Report covers 45 companies from the mining sector (section 4.3). Section 4.6 outlines the level of disaggregation included in the report, as disclosures per company, revenue flows and government recipient. The report does identify two petroleum companies holding at least three exploration licenses or agreements as well (Tullow Oil and Simba Energy), but they are outside the scope of the report (see section 3.1.5).</p>

		<p>Mining companies are listed in Annex 1 by company, and include a column for tax identification numbers (TIN or NIF) as well as information on licenses. However, for 38 of the 45 listed companies, permits were either not disclosed by the companies (28) or the companies were not involved in licenses per se, rather in transportation or other activities (10). Those that do include permit information, seem to include names – presumably by location or mine site name. Section 3.2.6 identifies several important actors within Guinea’s mining sector, listing five companies: Compagnie des Bauxites de Guinée, Compagnie des Bauxites de Kindia, Rusal Friguia, Société Anglogold Ashanti de Guinée and Société Minière de Dinguiraye. For the last four of these, only one mining site or mine is mentioned. But for this assessment we have not been able to verify whether this is comprehensive.</p> <p>Based on this information we cannot identify any disclosures by project.</p>
Honduras	2014	<p>NO: DOES NOT INCLUDE PROJECT-LEVEL REPORTING</p> <p>The latest EITI Report for Honduras covers 2014. It includes seven companies from the mining sector and one from petroleum (section VI.1). The report disaggregates payments by revenue streams, companies and receiving government entity on pages 76-86. No claims of project-level reporting were located. Annex 1 lists concessions in Honduras per 31 Dec 2014 and affiliated license-holders. The annex shows that for most companies, if not all, several licenses are held. But even if some companies have only been awarded a single license, it is often difficult to ascertain whether company names refer to different legal entities or not, due to inconsistent naming of companies.</p> <p>No additional information or views were available from Honduras’ Validation procedure which commenced 1 Jan 2017. Based on this information, we cannot conclude the existence of project-level reporting in Honduras’ 2014 report.</p>
Indonesia	2012-2013	<p>YES: INCLUDES PROJECT-LEVEL REPORTING</p> <p>For oil and gas companies, Annex 1 of the 2013 EITI Report details the various PSCs pertaining to different fields/blocks, including information regarding several subsidiaries and degrees of ownership. The revenues reported under Annex 2 are disaggregated by individual operator and by individual block for non-tax payments (production share, royalty, DMO etc.). Tax payments are not paid by the operator and are therefore reported by each party to the PSC, per PSC.</p> <p>For mining and coal operations, companies are only allowed to hold one contract or one permit, and report according to these. The contracts are limited to specific geographical areas and the terms outline which payment liabilities are to be enforced. Therefore, Indonesia is fully compliant with the EU definition of project by project reporting.</p> <p>The contracts we refer to are: PKP2B/Coal Contract of Work, IUP-BB or -M/Coal or Mining business permits, and KK-M/Contract of Work. As a cross-reference we also explored a guide for mining companies in Indonesia, which clearly reflects the same points. Based on this information, we conclude</p>

		that there is project level reporting in Indonesia.
Iraq	2015	<p>PARTIAL: INCLUDES SOME PROJECT-LEVEL REPORTING</p> <p>Iraq's report presents data disaggregated by company but not project (pages 16-22). However, some sections do cover data disaggregated by projects or oilfields. Examples can be found for Remuneration fees, corporate income taxes and cost recovery. These disclosures are solely by fields (i.e. by projects), but not per company. This peculiarity of disclosures may be due to the structure of Iraq's extractive sector. Iraq owns 100% of its extractive sector through regional SOEs, with a centralised export-monopoly, SOMO. For various fields, each of the regional SOEs have Technical/Production Service Contracts that often involve several companies.</p> <p>Therefore, there is some partial project-level reporting in Iraq, which supplants company-level reporting for some revenues.</p>
Kazakhstan	2015	<p>PARTIAL: INCLUDES SOME PROJECT-LEVEL REPORTING</p> <p>Section 1.2 mentions data is per company. Section 3.1.4 of the 2015 EITI Report lists the Production Sharing Agreements (PSAs) in Kazakhstan, 12 in total. Some PSAs are reported individually in sections 4.1.1 to 4.1.4. Therefore, there is project-by-project-level reporting for a limited amount of entities. One such example is Tengizchevroil LLP, in which KazMunaiGas, LukArko, ExxonMobil and Chevron all participate.</p> <p>Consulting with the national secretariat, several payments are levied on both companies <i>and</i> contractual arrangements. However, it also identified instances where several companies participate in a single contract are still viewed as separate tax payers according to their tax identification numbers. For the example provided above, the separate companies do not pay separately under a single contract. In other instances, such as for CNPC (Chinese National Petroleum Corporation), all payments are levied on the separate participants.</p> <p>We therefore conclude that there are different terms on payment liabilities between different contracts. This may complicate project-level disclosures unless information on how payment liabilities are levied is made available for each instance.</p> <p>This disaggregation of disclosures is not systematic nor explicitly referred to as such, but some revenues are implicitly disaggregated by project.</p>
Kyrgyz Republic	2013-2014	<p>PARTIAL: INCLUDES SOME PROJECT-LEVEL REPORTING</p> <p>The EITI Report for Kyrgyz Republic includes 73 companies in its scope. Most these are mining companies with the exception of three oil companies. Section 6.6.7 of the report notes that due to the licensing framework in the Kyrgyz Republic, it <i>"[...] is impossible to provide an overview of licenses."</i></p>

		<p>The report does refer to the webpages of the State Agency on Geology and Mineral Resources, but the website was not functioning during this assessment.</p> <p>On page 117, Kyrgyz EITI Report highlights that the government “[...] may issue more than one subsurface use license for geological prospecting and exploration works on the same licensed area without the consent of the licensee already carrying out their activities in the area in respect of minerals not covered by the valid subsurface use license”. This means that although one company may report by project, it may be that another company is making payments to the government for operations from the same geographical area. This would not pose a problem using the EU definition as the activities are still operationally separate.</p> <p>Nevertheless, the report lists which licenses/contracts/agreements are affiliated with each company in the scope, including the name of the sites. The list can be found in Annex 7. Although a substantial number of reporting companies hold a single license, many companies have been awarded several licenses. This means that there are some implicit disclosures by project, but only partially. The draft <i>Report on initial data collection</i> for Kyrgyzstan’s Validation, the report indicates that the levels of disaggregation is by companies, revenue streams and government entity but not by project. Stakeholders have not been identified to have any views on project-level reporting.</p>
Liberia	FY13/14	<p>PARTIAL: INCLUDES SOME PROJECT-LEVEL REPORTING</p> <p>Liberia’s EITI Report covering FY13/14 includes several sectors, namely mining, oil and gas, agriculture and forestry. This assessment will only focus on mining and the petroleum sectors’ level of disaggregation. The level of disaggregation used in the main report is per company and per revenue stream, but these do not seem to be disclosed in combination (ref. sections 5.1 and 5.2). The scope of reconciliation is described to cover 19 mining companies and five oil and gas companies.</p> <p>Liberia’s legislation towards oil, gas and mining companies clearly provides a framework for project-level reporting. According to sections 3.1 and 3.2, Liberian law requires ring-fencing of taxable incomes. For mining, the report states that “[r]egardless of the legal form of organisation adopted by one or more persons having an interest in a mining project, a producer’s taxable income shall be determined separately for each mining production project, and a person with an interest in more than one mining production project shall not be permitted to consolidate income or loss of one mining production project with that of any other.” (page 21). An almost identical statement is included for the petroleum sector on page 23. Based on input from the national secretariat in Liberia, more than 60 of the 100+ revenue streams covered by Liberia’s EITI Reports are levied on a license or contractual basis.</p> <p>The main difference between the sectors are twofold. Firstly, the mining sector is exclusively made up of private companies, whereas the petroleum sector includes state participation through the National Oil Company of Liberia (NOCAL) (section 3.6). NOCAL is both a receiver and payer of tax liabilities, and submits information for each petroleum company. Secondly, the licensing regime is different. Mining companies seem to almost</p>

		<p>exclusively rely on licenses for each field, while the petroleum sector is governed by Production Sharing Contracts (PSCs).</p> <p>Annex 2 lists extractive companies by group their respective subsidiaries and affiliated Tax Identification Numbers (TINs). Some companies are associated with multiple TINs, such as Arcelor Mittal Liberia Ltd (mining). More detailed information is located in Annex 4 listing licenses by mining companies. Several only hold a single license, making implicit project-level disclosures possible. Annex 5 covers petroleum blocks. It lists participating companies per petroleum block, including the operator and the main shares of the participants as per the PSCs. All companies are operators or participants of multiple blocks, except for ExxonMobil. However, there is an additional contractor affiliated with the same PSC named COPL, which fell below the materiality threshold. COPL therefore was only covered through unilateral declarations by the government (see Annex 3).</p> <p>As a last assessment, we could not find any indication that the reporting templates of Annex 11 ask for information by project, but rather per company and affiliated TIN. The templates do ask for information on active licenses, payment types, core and secondary activities of the companies, but the disclosed financial flows were not considered for reporting per license or project.</p> <p>Liberia’s Validation process identified that Liberia’s EITI Report for FY13/14 includes financial flows disaggregated by companies and revenue streams, but not by government entities nor project. However, industry representatives did note that there are no commercial sensitivities that would pose a challenge for reporting on a project basis. In fact, they noted that Liberian legislation requires ring-fencing of tax calculation by projects to curb basic forms of transfer mispricing. Other constituencies did not have views pertaining to project-level reporting, and the Independent Administrators (IA) confirmed that such discussions had not been undertaken by the MSG. The IA also noted that whether government systems can easily extract project level data is still unclear.</p> <p>Based on the above information, we can deduce that some companies report by projects implicitly, through holding a single license. But as this is only the case for specific companies, the assessment is that Liberia includes partial disclosures by project.</p>
<p>Madagascar</p>	<p>2014</p>	<p>PARTIAL: INCLUDES SOME PROJECT-LEVEL REPORTING</p> <p>Revenues are disaggregated by company and government entities, as well as per revenue stream. Therefore, in order to include project-level reporting, there is a need for companies to only hold a single license, or a single PSA in which no other private company participates. Section A.2.1 states that 1 751 mining licenses and ten oil Production Sharing Agreements (PSAs) were active as of 13 December 2014. Some 65 countries were chosen for reconciliation, of which 40 participated (section B.III). After reviewing annexes 4 and 12, several companies do implicitly report per project. For petroleum companies this is confirmed by table 26 in the main report, listing which PSA holders only participate in blocks connected to single PSAs. Matching this with Annex 12, we identified one such PSA with no other participating company, held by Amicoh Resources.</p> <p>For mining companies, it is difficult to ascertain which companies hold only one license, but we did find some examples. The following companies (license no.) were identified, according to annex 4: QIT Madagascar Minerals (651), Labrador Madagascar (94), Tantalum Rare Earth (Malagasy) SARLU</p>

		(6698), Farasangs SARL (6985) and Taoufik Mhoamed (5615). Based on this information there are partial project-level disclosures in Madagascar.
Mali	2014	<p>PARTIAL: INCLUDES SOME PROJECT-LEVEL REPORTING</p> <p>Mali's EITI Report covers both the mining and petroleum sector. Section 2.5 identifies that data is disaggregated by company, revenue stream and government recipient. Section 3.3.1 lists mining companies included in the scope of reconciliation, 27 in total.</p> <p>The petroleum sector is managed by Production Sharing Agreements and the Petroleum Code, which provides for state ownership of all oil and gas reserves (discovered or not). For each commercial discovery, the state has the right to claim a stake in the PSC, which varies on a PSC basis. (section 4.1). The Mining Code provides for a 10% stake in favour of the state in all mining companies, once a mining production license is awarded. The state has the option to increase its share to 20%, but only the statutory 10% stake is eligible to yield dividends (section 4.2).</p> <p>Annex 8 lists all licenses from the mining cadastre (MCAS). Several companies do hold several licenses, without any explicit ring-fencing of revenues. However, it is not clear whether some companies only hold a single license or not, due to the size of the annex. Using one example, Gold Field Exploration Mali SARL (TIN 084113842B), we found it holds seven exploration licenses (PR164/12, PR178/11, PR174/11, PR242/10, PR259/09, PR241/10 and PR57/11). However, companies can only hold a single production license and we could not locate any company with multiple ones. This suggests that mineral-producing companies already disclose on a project level. The national secretariat clarified that for each operating agreement, a Malian company must be incorporated (per article 64 of the Mining Code), with most of these agreements being published on the website of the Ministry of Mines²⁴. For the two projects not included on the website, SADIOLA and YATELA, declarations are made per project although these are operated by a single company; AngloGold Ashanti. Therefore, the mining sector does seem to report by project for production licenses, but it is important to note that project-level reporting is not done for exploration activities.</p> <p>Annex 9 and 10 covers petroleum blocks and associated companies and concessions. Three of four companies listed in Annex 10 seem to hold a single PSA with the government, while the latter agreement covers two blocks. From Annex 9, Petroma is identified as holding rights for both blocks 17 and 25. It has later been clarified that block 25 was merged into block 17 while the other examples were not included in the scope of the EITI Report. As Petroma SA therefore seems to hold the rights for a single block, meaning it is an instance of implicit project-level reporting. For Circle Oil & Gas one PSA governs their rights for two blocks, 21 and 28, but neither Circle Oil & Gas nor SIPEX, the last company, was included in the reconciliation exercise.</p> <p>Validation identified that financial data is disaggregated by company, government recipients and revenue streams, including a combination of these. The report does not identify any disclosures by project. When consulting stakeholders it seems the MSG are satisfied with the level of disaggregation,</p>

²⁴ <http://mines.gouv.ml/conventions-avec-les-soci%C3%A9t%C3%A9s-min%C3%A8res>

		<p>but states that manual record-keeping is currently in place (page 48 of the initial fact-finding report). Such forms of information management could also be a major challenge for project-level reporting.</p> <p>Based on the information presented above, Mali does include project-level disclosures, except for exploration licenses. However, the links between companies and single projects should in the future be explicitly defined and applied in the reports.</p>
Mauritania	2014	<p>PARTIAL: INCLUDES SOME PROJECT-LEVEL REPORTING</p> <p>From section 3.5 disclosures are made by company, government recipient and revenue streams. Section 4.2.1 identifies some major mining operations in Mauritania and lists some important production sites. Six permits for iron production are distributed between five companies, three gold licenses among two companies, and a remainder of four various licenses spread across different companies. More detailed information is found in Annex 9, listing 169 mining licenses. It shows that most companies hold several licenses in the mining sector.</p> <p>For petroleum companies, in Annex 8, a list identifies only three companies operating and reporting on behalf of multiple oil blocks (Tullow Oil, Total EP and Kosmos Energy. Section 4.3.1 shows the location of oil blocks and reveals that some oil blocks seem geographically interrelated. But as the report does not reflect whether the sites are operationally interrelated, nor discloses financial information per field, it cannot be determined if these concessions fall under the EU definition. However, for companies holding a single license there is <i>implicit</i> reporting by project.</p> <p>The <i>Report on initial data collection</i> for Mauritania's Validation procedure explicitly states that the 2014 report did not include disclosures by project. According to an explanation provided by the Treasury, taxes and levies are not made on a project level and would therefore require significant reforms to the Treasury's systems.</p> <p>Based on this we find partial project-level reporting in Mauritania's 2014 EITI Report.</p>
Mongolia	2015	<p>PARTIAL: INCLUDES SOME PROJECT-LEVEL REPORTING</p> <p>In Mongolia's case, the e-Reporting system is becoming an equally important source of information as the EITI Report. From the 2015 EITI Report, the mining sector operates on a license-framework (section 3.2 and Appendix 16) while the petroleum sector is governed by Production Sharing Agreements (section 3.4.2 and Appendix 16.i). The scope of the EITI Report was to include 202 companies in reconciliation, and the detailed payments per company is found in Appendix 10. Also, from the e-Reporting system (http://e-reporting.eitimongolia.mn/), 1,482 companies were found to hold only one license. 14 of these are PSAs for petroleum companies. Matching company register numbers with those covered in the EITI Report revealed 69 single-license-holders, covering all the petroleum companies and an additional 55 mining companies.</p>

		<p>The level of disaggregation in the report is by company, revenue streams and government recipients. The report claims project-level data is not included in the report, “as government entities do not separate receipts from companies per project.” (section 4.2.9). However, the report does include a recommendation that Mongolia EITI should assess how to disaggregate revenues by project (section 7.2.8).</p> <p>According to Mongolia’s Validation procedure, reporting by project level has been considered by the National Council (MSG) (pages 68-69 of <i>Report on initial data collection</i>). The National Council constituted a working group which took the first step by assessing the feasibility of project-level reporting by disaggregation of corporate income tax. Stakeholders have expressed views with slightly less optimistic views. While content with present levels of disaggregation – by companies, revenues and recipients – they indicated that the working group only met a single time and was inactive. A MSG-member also noted that most mining companies in Mongolia only operate a single mine, which means implicit project level disaggregation.</p> <p>We conclude Mongolia includes partial project-level reporting, implicitly by companies holding only one license or affiliated with a single PSA.</p>
Mozambique	2014	<p>NO: DOES NOT INCLUDE PROJECT-LEVEL REPORTING</p> <p>The Mozambique 2013-14 EITI Report (Portuguese version) discloses total payments by companies in Tables 40 and 41. The reports seemingly list companies on a project level. This is due to several parent companies incorporating operating companies per field, with a detailed list in Annex 2. It outlines the shareholding structures related to each field/project for the companies involved, while Annex 4 and 5 include the numbers disaggregated by projects and revenue streams. However, page 108 of the English translation of the report clarifies the use of ‘project’ as a term. It states that individual companies can have more than one tax identification number, and several licenses per number. It goes on to state that “... for the purpose of [this report], licenses were grouped according to the corresponding NUIT [Mozambican tax ID] of each company, which is now called project.”</p> <p>Therefore, although Mozambique does refer to disclosures by projects, they do not necessarily mean single licenses or interrelated operations.</p>
Myanmar	FY13/14	<p>PARTIAL: INCLUDES SOME PROJECT-LEVEL REPORTING</p> <p>The scope of the report covers 14 petroleum companies (of which one is an SOE) and 44 mining companies (section 4.2). The companies are all listed in Appendix 10 alongside their affiliated licenses. Revenue data is disaggregated by company, revenue streams (cash and in kind) and per government entity (chapter 5). Other than disclosing social expenditures by social project, no revenue-flows are explicitly identified as reported per oil/gas or mineral mine, field or agreement.</p> <p>Contractual arrangements govern the oil and gas sector in Myanmar through Production Sharing Contracts (PSCs), Performance Compensation Contracts (PCCs) and Improve Petroleum Recovery Contracts (IPRs) (section 3.2). The state participates through SOEs in all sub-sectors – upstream, midstream and downstream. The Myanmar Oil and Gas Enterprise (MOGE), has stakes in several upstream oil and gas projects, as listed in section</p>

		<p>3.2.4. Mining companies, including those extracting precious metals, are subject to similar governance structures as the petroleum sector as any application for mining permits are subject to signing a production or profit sharing contract with the Ministry of Mines. The state participates in these through six SOEs (section 3.3). However, according to the Government of Myanmar all mines have either become Joint Ventures (JVs) or privatised (page 35).</p> <p>For oil and gas companies, we could not locate any PSC/PCC/IPR which was affiliated with a single company only participating in a single agreement (Appendix 10.a). Even if a company seemingly holds a PSC/PCC/IPR alone, they often participate in others which makes it difficult to assess whether project-level reporting exists among the 13 companies that reported under section 5.1.1. For mineral companies, we matched companies and licenses. We found that out of the 44 mining companies eleven hold a single license, and therefore implicitly reports by project.</p> <p>Therefore, there is some project-level reporting among mining companies, for companies that hold a single license.</p>
Niger	2014	<p>PARTIAL: INCLUDES SOME PROJECT-LEVEL REPORTING</p> <p>Niger's 2014 report identifies disaggregation of data by company, revenue streams and by government recipient (section I.4.7). The scope of the report covers both mining and petroleum sectors, both of which are governed by mining permits/licenses (section I.2.3). Ten oil and gas companies and 28 mining companies were included in the report.</p> <p>Annex 1 lists all mining and petroleum licenses and some companies hold a single license (however this is difficult to verify as no registry-numbers or company identifiers have been used). Six petroleum companies hold licenses for specific blocks. In addition to these six it appears CNPC reports separately for the three oil blocks it holds licenses for. This is done by ringfencing disclosures for the two blocks Ténéré and Bilma. These are both exploration licenses and no other company seems to participate in them.</p> <p>No mining company reports separately for different licenses or areas when affiliated with multiple ones but there are 16 companies that only hold a single license (Annex 1). For these 16 companies, there is implicit project-level reporting.</p> <p>Therefore, the single-license definition implies there is partial project-level reporting in Niger.</p>
Nigeria	2014	<p>PARTIAL: INCLUDES SOME PROJECT-LEVEL REPORTING</p> <p>Nigeria's 2014 Solid Minerals report does not include project-level disclosures, but the oil and gas report does. Royalties are reported on a project-by-project basis, and the NSWG (Nigeria's MSG) defines a project as a license for either production or exploration (page 16).</p>

		<p>For Modified Carry Agreements (MCAs) disclosures are per agreement (Tables 5-8, 5-11 and 5-12). For Production Sharing Contracts (PSCs), disclosures of Petroleum Profits Taxes are ring-fenced by license. Revenues and costs associated with the Natural Gas Liquids joint venture project 1 and 2 (NGL1 & 2), and transactions between the state-owned enterprise NNPC and Mobil Producing Nigeria Unlimited (MPNU) are disaggregated by project (section 5.3).</p> <p>From the <i>Initial data collection</i> report for Validation by the International Secretariat on the 2013 Oil and Gas report for Nigeria (Section 3.4.5.1):</p> <p><i>“PPT was levied on JVs on a company basis (there is no ring fencing), while PPT on PSCs was filed on a <u>license-by-license basis</u> and filed through NNPC-NAPIMS to FIRS. While <u>some of the unilaterally-disclosed information in the 2013 report was disaggregated by project</u>, such as NGL1-2 in Section 4.3.2 (pp.115-116), infrastructure project expenditures in Appendix 3.6.2 (pp.133-144), quasi-fiscal expenditures in Appendix 3.6.3 (pp.145-169) and social expenditures in Appendix 3.6.1 (pp.112-132), none of the reconciled financial data was disaggregated by project.”</i> (page 134, underlined for this paper).</p> <p>In terms of feasibility of project-level reporting, the initial data collection report states <i>“[...] it would be straightforward to implement project-level reporting for PSCs, this would be impossible for JVs [per stakeholders]. They explained that the legal framework required that JVs consider all of their OMLs as one, with budget planning and payments executed on a consolidated basis for all OMLs together. Any project-level reporting for JVs would require legal reform according to these representatives.”</i> (p. 134).</p> <p>Using the single-license definition of a project presents a challenge for project-level reporting in Nigeria, as Joint Ventures (JV) often hold multiple OPLs without any ring-fencing of revenues or payments per OPL. The challenge for reporting by project using the EU definition, is the difficulty in establishing whether i) all OPLs under a JV pertain to one overarching legal agreement, ii) whether they constitute separate legal agreements, but are “geographically and operationally interconnected” and have “substantially similar terms”, or iii) whether they are indeed separate legal agreements. Nonetheless, as indicated above there are some disclosures per project.</p>
Norway	2015	<p>NO: DOES NOT INCLUDE PROJECT-LEVEL REPORTING</p> <p>The rights to explore or exploit oil and gas in Norway are governed by license agreements. The payments that companies must make to the government pursuant to the license agreement are corporate income tax, petroleum tax, area fee, CO2 fee and NOx fee. The taxes are levied on an entity level and are not attributable to individual licenses. Each participant to the license is responsible for paying the taxes. The fees are levied per license and are paid by the operator on behalf of the licensees. As such, project level reporting in Norway would entail disclosure of fees per license and disclosure of taxes per entity.</p> <p>Norway’s 2015 EITI Report presents total reported payments disaggregated by each revenue stream and individual company are disclosed in Appendices 2- 5 (pp. 46-55). Thus, the 2015 EITI Report does not disclose payments at a project level. However, project-level data is available from</p>

		<p>separate payments to governments reports that companies are required to produce in accordance with the Regulation on country-by country reporting, which transposed the Accounting Directive and the Transparency Directive of the European Union into Norwegian law.</p> <p>According to the <i>Initial data collection by the International Secretariat</i>, Publish What You Pay Norway has specifically called for increased transparency within license accounts, i.e. calling for project-by-project reporting including revenues per company involved in each license. However, during MSG discussion this was decided against, due to the non-existence of such forms of accounting in Norway.</p>
Papua New Guinea	2014	<p>PARTIAL: INCLUDES SOME PROJECT-LEVEL REPORTING</p> <p>Page 17 of the report states: <i>“The reporting streams are disaggregated to the company level, which broadly equates to the project level for the mining industry.”</i> It then goes on to list nine mining companies and seven petroleum companies included in reconciliation. For petroleum companies, only operators disclose revenues for their fields. But corporate income taxes are not ring-fenced per Joint Venture (JV) nor per sharing agreements: <i>“Where a taxpayer has multiple resource projects, the tax regime operates to assess the taxpayer on a project basis (‘ring fencing’), effectively taxing each project like a separate taxpayer”</i> (p. 34). Oil Search and ExxonMobil were identified as the only two companies operating fields in production stage. Therefore, even though both Oil Search and ExxonMobil participates in multiple fields (even the same fields according to Table 20), all production and revenues accruing from production are reported by those two companies. This is evident from Table 21 and 22.</p> <p>For mining companies, the report identifies that a single license is common among companies, but does not provide an extensive list of active licenses. When consulting the FlexiCadastre of Papua New Guinea, http://portal.mra.gov.pg/, we found only one of the companies listed in PNG’s 2014 report to hold a single license when performing searches by name: Simberi Gold Company Ltd.</p> <p>Based on the above, Papua New Guinea does include some project-level reporting for some revenue streams of petroleum companies, and for specific companies only holding a single license for mining companies.</p>
Peru	2014	<p>NO: DOES NOT INCLUDE PROJECT-LEVEL REPORTING</p> <p>Peru’s 2014 EITI Report identifies several extractive sector companies holding multiple licenses. As payments are reported per company, there is only project-level disclosures for companies affiliated with a single license or field. Due to several companies being affiliated to multiple licenses to a varying degree, we have had difficulty in assessing project-level disclosures. Therefore, we cannot say that reporting is per project, at least not according to the EU directive’s definition.</p> <p>According to the <i>Initial data collection by the International Secretariat</i>, data for 2013 were disclosed by companies and revenue streams, but not by project (pp. 56). It states that the MSG of Peru has not yet discussed the possibility of project-level reporting in Peru. As the companies’ participation</p>

		is voluntary, disaggregation of revenues by company has required explicit approval from companies. Due to this latter point project-level reporting may be difficult to implement in Peru.
Philippines	2014	<p>PARTIAL: INCLUDES SOME PROJECT-LEVEL REPORTING</p> <p>The Philippines disaggregate payments by company, revenue stream, government recipients, regions, provinces and by municipality. Also, there are certain revenues disclosed on project level. The national secretariat explained that many payments are imposed per project, as well as reported as such. Royalties, occupation fees, field based investigation fees, annual rentals and government share of production are all payment liabilities levied on per project, and reported thusly. In addition, it seems excise taxes and corporate income taxes are also imposed per project; however, these are not reported as such due the format of tax filing forms. For production sharing contracts, or other legal agreements involving multiple parties, the operator is identified as responsible for effectuating the payments on behalf of the consortium.</p> <p>According to Annex AE, the guidelines for company reporting-templates asks for reporting per project: <i>“For companies with several projects, please accomplish one template per project.”</i> Annex AH which presents detailed disclosures per company, the reporting templates were found to financial information per project. These are also published on PH-EITI’s website. Still, financial information disaggregated by projects were not found to be included in the report, at least not in the same manner as the reporting templates.</p> <p>The Department of Energy collects information per Service Contract (SC), in particular for government shares arising from oil and gas operations. These are listed in Table 8: PXP Energy Corporation (SC74, SC75), Nido Petroleum (SC58, SC54), Otto Energy Investments Ltd (SC51, SC55), Philodrill Corp. (SC6A, SC6B, SC14). Although the report does not disaggregate operator’s disclosures between these SCs, it was pointed out during consultation with the national secretariat that these projects were in exploration phase and not part of the scope.</p> <p>For mining, Table 6 lists operating companies of projects, revealing that only a few mining companies operate in several sites. These are Century Peak, CTOP Construction and TVI Resource Development Philippines Inc., but TVI was the only company included in the scope of reconciliation. TVI also reported exclusively for its operational mine, the Canatuan project, as specified in the reporting templates located on PH-EITI’s website. For coal companies, multiple contracts are more common per company, making project-level reporting difficult. However, only one company was included in the scope of the report - Semirara Mining and Power Corporation – which only participated in a single contract.</p> <p>Therefore, based on the information highlighted above, this review concludes that there is project-level reporting in the Philippines. As all companies included in the scope only hold a single contract, project-level reporting is implicit regardless of how the payment liabilities are levied.</p>
São Tomé	2014	NO: DOES NOT INCLUDE PROJECT-LEVEL REPORTING

and Príncipe		<p>The 2014 EITI Report disaggregates payments by individual company and revenue stream, and by government recipient (pp. 62-64). At first it seems that STP reports on a project level for all companies, as they report per operator. Also, no payments seem to be related to participating contractors in specific Production Sharing Contracts (PSCs). The four operators included in the reconciliation of payments from the Exclusive Economic Zone (EEZ), were Equator Exploration Limited, Oranto Petroleum – STP Limited, Sinoangol STP Bloco 2 Limited and São Tomé American Petroleum Corporation (STAPET). Of these four operators, three were operators for a single block (see tables 10.1 and 10.2). This may imply that Sinoangol, Oranto and STAPET report on a project level. Table 20 contains revenues disaggregated by operators, government recipient, and by revenue streams. However, we cannot exclude that other participants in the PSCs have also made payments for the oil blocks in question, and therefore cannot conclude that the reporting is on a project level. Similar levels of disaggregation are not presented for revenues from the Joint Development Zone (JDZ) oil blocks, as the JDZ-agency is located in Nigeria, and performs lump-sum transfers on behalf of all operators participating in the JDZ.</p> <p>The <i>Initial data collection report</i> contains no mention of project-level reporting, and only notes that stakeholders have not expressed any views on level of disaggregation. Therefore, based on the information above, we cannot ascertain project-level disclosures from the EEZ nor the JDZ.</p>
Senegal	2014	<p>PARTIAL: INCLUDES SOME PROJECT-LEVEL REPORTING</p> <p>Senegal’s EITI Report for 2014 highlights that financial information is presented per company, revenue stream and government recipient (section 2.5). Included in the scope of the report is 17 mining companies and eight petroleum companies. All the companies’ payments and government receipts were included in the above identified levels of disaggregation. The report does include some references to specific projects, most notably in Tables 5 and 13. These tables list the major mining production and exploration projects taking place in 2014.</p> <p>From section 4.1, the mining sector is governed by a licensing regime. According to the national secretariat, seven out of 36 payment liabilities are levied on licenses or contractual arrangements in the mining sector. They also highlight that operators of any agreement always have sole responsibility for making payments to government. For payments such as royalties and other revenues levied on production or project performances, project-level reporting therefore requires only one production license for each operating company.</p> <p>Table 10 and 11 indicate that there were 290 active exploration and production licenses for mines and quarries. The following companies hold one license each: Sabodala Gold Operations (SGO), Grande Côte Opérations (GCO), Dangote Industries Sénégal SA (DANGOTE), Compagnie Générale d’Exploitation de Carrière (COGECA) and Gécamines. Curiously enough, Société Minière de la Vallée du Fleuve Sénégal (SOMIVA) was not identified as holding any permits or licenses, but reported high levels of revenues paid to government, and significant production and exports of phosphate. Consulting the national secretariat, this company operates the SERPM-concession (see tables 14 and annex 4), meaning that they may be disclosing by project.</p> <p>The petroleum sector is governed by contracts connected to various licenses or concessions, and table 19 lists blocks and affiliated participants. The operator effectuates payments during exploration and development, while all participants are liable during production phases. Of the 30 payment</p>

		<p>liabilities in EITI Report, 15 of these were identified as levied on contracts. Therefore, companies operating and holding a single exploration contract will implicitly be reporting by project, while companies taking part in production must each identify their share of payments per project. Matching the petroleum companies with the details on oil blocks presented in Annex 13, two companies were identified to only hold rights to a single block. These were A-Z petroleum and Trace/Rex Atlantic. As the contracts are in exploration phases, these companies present information that are per project, since operators are the sole parties effectuating payments on behalf of the consortium.</p> <p>For production contracts this becomes slightly more complicated due to the participation of PETROSEN, the state-owned enterprise of Senegal. PETROSEN has a 30% share in both oil-blocks, and based on the current disclosures, PETROSEN contributes to six payment types levied on projects/contracts. Although the figures are not currently disaggregated by individual contracts, PETROSEN does not seem to operate any oil-block, but participates in two production sharing contracts (ref. Annex 4). As all participants of a contract makes their own payments for in these instances, PETROSEN would therefore have to disaggregate these payments by contracts to comply to a definition commensurate with the EU's Directive.</p> <p>Based on the information above, Senegal's EITI Report does include partial project-level reporting, for specific companies.</p>
Seychelles	2013-2014	<p>NO: DOES NOT INCLUDE PROJECT-LEVEL REPORTING</p> <p>Section 3.2.3 outlines the legal framework governing the petroleum sector of Seychelles. While ordinary tax liabilities such as corporate income taxes are not levied based on contracts or agreements, the section identifies several payment liabilities that are defined by Model Petroleum Agreements. Some examples are area rentals, royalties on petroleum production, as well as specific rules determining the rates of petroleum-specific profit taxes. The agreements will also outline other separate contributions, for which the companies are liable. These agreements are exclusively for production, given to either a company or joint ventures (JVs), while licenses are awarded for exploration purposes.</p> <p>Seychelles' sector includes three state-owned enterprises: SEYPEC, the SOE in charge of managing government investments and participation in upstream and downstream activities; PetroSeychelles, the parastatal entity responsible for regulating the upstream petroleum sector and monitors all exploration activities; and Societe Seychelloise d'Investissement Ltd (SSI), the parent company of both PetroSeychelles and SEYPEC, acting as a parastatal holding company.</p> <p>Seven oil and gas companies were included in the scope of the report for 2014 (six for 2013, see section 4.2). In addition, the report also includes payments made from the three SOEs to central government. According to section 5.1, listing aggregate payments per company to government entities, four private companies made financial payments to the Government of Seychelles (GoS) in 2013, while only three made payments in 2014. Regardless, all seven companies are included in the tables.</p> <p>Although the EITI Report does not include a list linking companies and oil blocks/petroleum agreements, the report highlights that PetroSeychelles has the responsibility of managing these. According to PetroSeychelles' website, http://www.petroseychelles.com/index.php/blocks-licensing/currently-</p>

		<p>active-licenses, there are only two active exploration licenses, one held by AFREN and one by Japan Oil Gas and Metals National Corporation (JOGMEC). These do not constitute a complete list of agreements nor licenses, which is also highlighted in the EITI Report. The report also includes some information on two petroleum agreements, for JOGMEC and GX Technology. These are also identified as exploration licenses, and the report specifies that no commercial discovery has been made to date.</p> <p>Based on the above we cannot identify any project-level disclosures in the EITI Report of Seychelles.</p>
Sierra Leone	2014	<p>NO: DOES NOT INCLUDE PROJECT-LEVEL REPORTING</p> <p>The 2014 EITI Report indicates that the scope of the report is data should be “[...] presented and reconciled by individual company, government entity and revenue stream, <u>but that no definition be assigned for project level.</u>” (page 68). Sierra Leone therefore does not indicate whether disclosures are made per project.</p> <p>Reviewing the report there are several sections that have an impact on determining whether there are project-level disclosures. In Sierra Leone companies seem to hold several mineral and petroleum licenses each, as illustrated in tables 3.6.1 and 3.9.1.1. However, table 3.10.1 presents some major mining companies and their affiliated projects. However, a more detailed list of mineral rights in Appendix 2 reveal that most companies hold/have applied for several licenses, meaning that reporting is not per project after all.</p> <p>Although project-level reporting has not been performed for the 2014 Report, Sierra Leonean legislation does include a clause that enables at least partial reporting per project. Section 6.2 page 92 explains that all large-scale mining licenses should have separate accounts, as stipulated by the Mines and Minerals Act 2009 Section 155(1). The national secretariat has highlighted that Section 155(4) breaks this ring-fencing hedge and gives leeway to companies to transfer costs from one project to the other, with the Minister’s consent, compromising project-level reporting.</p>
Solomon Islands	2014	<p>NO: DOES NOT INCLUDE PROJECT-LEVEL REPORTING</p> <p>The scope of the report included two companies for 2014. However, neither of the two companies disclosed information, resulting in data being one-sidedly provided by government entities. In addition, no comprehensive list of licenses was included in the report, although several companies were identified and listed as active in Solomon Islands. From the report, it is unclear whether the two companies hold a single or multiple license each.</p> <p>Level of disaggregation was also addressed in the validation of Solomon Islands, which indicates that disclosures are per government agency and revenue stream, and lists <u>government reported data</u> by company. No reference was made to project-level reporting, and neither does the section including stakeholder views.</p>

		Therefore we cannot conclude there is project-level reporting in the case of Solomon Islands.
Tajikistan	2014	<p>PARTIAL: INCLUDES SOME PROJECT-LEVEL REPORTING</p> <p>Tajikistan reports payments on a company by company basis. The only relevant information regarding project level information is included in the annexes covered by pages 119-137 in the 2014 EITI Report. The table shows the various licenses held by the extractive companies operating in Tajikistan, enabling the reader to see whether the companies included in the scope of the EITI Report hold one or several licenses. Thus, the reader can identify whether the payments are reported by company, or incidentally, by license.</p> <p>The Validation of Tajikistan mentions that data for 2014 were disclosed by companies and revenue streams, but explicitly identifies that the data is not by project (p. 60 of the Initial data collection report). The report does not include further information regarding stakeholders' views towards implementation of project-level reporting, but it is important to note that previous decisions of the MSG have been that more granular data is preferable.</p>
Tanzania	FY13/14	<p>NO: DOES NOT INCLUDE PROJECT-LEVEL REPORTING</p> <p>The Tanzanian EITI Report covering fiscal year 2013-14 does not provide explicit project-level reporting. Section 6.1 presents government receipts by companies and revenue streams, and by currency. However, the EITI Report for fiscal year 2011-12 did include project-level reporting for a limited amount of companies: Bulyanhulu Gold Mine, Buzwagi and North Mara Gold Mine Ltd. These are still included using the same types of disclosures but are not identified as project-level reporting. Annex 7 includes a list of companies outside the scope of the report, including total government receipts and Tax Identification Numbers. Annex 9 includes some limited information regarding the type of licenses and activities of the various companies, but does not indicate whether any of the information is comprehensive.</p> <p>When consulting the national secretariat, it was indicated that the EITI Report does include project-level reporting. The secretariat provided examples of three mines, Bulyanhulu, North Mara and Pangea – all owned by Acacia Mining. To explore this further, we accessed Tanzania's Mining Cadastre Information Management System (MCIMS)²⁵. For Bulyanhulu, the cadastre has registered four separate and active licenses: ML225/2005, ML224/2005, ML447/2011 and SML44/99. For North Mara, we identified 15 active licenses while Pangea holds some 30+ active licenses. It is still possible to define these operations as single projects, but this would require a justification that the operations are substantially interconnected both geographically and operationally. As indicated previously, this review does not embark on such justification but merely uses the license/agreement</p>

²⁵ <http://portal.mem.go.tz/map/>

		<p>definitions of the EU's Directive.</p> <p>The possibility of project-level reporting in the future is clear, as the Petroleum Act 2015 has specific language on ring fencing: <i>“License holders and contractors with more than one license, are required to ring fence their operations.”</i> (page 38). However, for the fiscal year covered by the EITI Report, the law was not yet in place and therefore consistent reporting by project was not identified. It has been explained that this is also true for mining operations as of 2010 according to the Mining Act (this has also been reaffirmed by subsequent legislation, but none of this information was included in the EITI Report). This means that <i>all</i> expenditures and tax payments effectuated under a single license should be accounted and reported separately. But, based on this review we still cannot conclude that there are any project-level disclosures in Tanzania's EITI Report.</p>
Timor-Leste	2013	<p>PARTIAL: INCLUDES SOME PROJECT-LEVEL REPORTING</p> <p>The rights to explore or exploit oil and gas in Timor-Leste are governed by production sharing agreements (PSAs). The payments that companies should make to the government pursuant to the PSA are corporate income tax, additional profits tax, first tranche petroleum/royalty, profit oil, and fees. All payments are levied per PSA and can be attributed to individual PSAs. Each participant to the PSA is responsible for paying the taxes, whereas the other payments are paid by the operator on behalf of the participants to the PSA. As such, project level reporting in Timor-Leste could entail disclosure of all individual payments per individual PSA and individual company.</p> <p>The 2013 report discloses aggregated payments by revenues and by company. No project-level reporting is identified. However, the 2010 and 2011 EITI Reports disclosed payments by individual revenue stream, by individual PSA, and by each party to the PSAs.</p> <p>The <i>Report on initial data collection and stakeholder consultation</i> states that a major challenge in Timor-Leste is disaggregation of data by revenue streams <i>and</i> companies. It identifies pushback from companies as the main reason (pp. 57-59). If this trend continues project-level disclosures may also prove difficult.</p>
Togo	2014	<p>PARTIAL: INCLUDES SOME PROJECT-LEVEL REPORTING</p> <p>The 2014 EITI Report explicitly identifies what disclosures are made by project. It states that except for Societe Nouvelle des Phosphates du Togo (SNPT), the state-owned enterprise which operates two mines, all company disclosures are made by project. The level of disaggregation is ascertained as all companies only hold one exploitation license as indicated under section 2.6. This means that revenues, production and other data are reported by company and by project. However, as SNPT does not report separately for each mine, project-level reporting is partial.</p>

Trinidad & Tobago	2014-2015	<p>YES: INCLUDES PROJECT-LEVEL REPORTING</p> <p>The report explicitly confirms that they have considered project-level reporting, but are awaiting formal definitions before including it to the scope of reporting:</p> <p><i>“The TTEITI Steering Committee confirmed it had considered project-level reporting and decided not to progress this area until suitable international definitions have been agreed; and that it would continue to monitor progress in this area” (2.3.7.3 Project-level reporting, p. 16)</i></p> <p>Reviewing the actual disclosures, the report does indeed include data by project but only for the oil & gas sector. All the companies listed in reconciliation tables (4.2.1 & 4.2.2) are listed by companies’ affiliation to various groups, blocks and company branches. In Trinidad and Tobago, each oil block is affiliated by an E&P license or PSC. Companies therefore create subsidiary companies that functions as operators for the various fields under each PSC. Operating companies are responsible for paying on behalf of all participants in an affiliated PSC (ref. section 4.7.3), therefore corresponding to the EU definition. The same companies are also listed for production and export volumes of oil and gas. A complete list of companies and groups included in the reconciliation exercise can be found on page 74.</p> <p>Mining and quarrying companies seem to hold several licenses and are not disaggregated in the same way as in the petroleum sector. This was also not expected, as the report indicates this scope was included as a pilot for reporting on mining sector companies. Several of the disclosures are therefore per operating company, rather than per field. The assessment is therefore that the report fulfils project-level reporting commensurate to the EU Directive’s definition.</p>
Ukraine	2014-2015	<p>NO: DOES NOT INCLUDE PROJECT-LEVEL REPORTING</p> <p>The Ukrainian report for 2014-2015 covers multiple subsectors of the extractive industries: Oil, gas, coal, iron, manganese and titanium (section 4.1). Table 5.3-3 contains a list of the largest oil and gas fields in Ukraine, with their affiliated companies. Most companies listed are affiliated with several deposits or oil blocks, but two are only listed as active in a single field. They are Joint Venture Ukrkarpatoil LLC and Naftogazvydobuvannia. The same is found for four iron mining companies (table 5.4-1), one titanium company (section 5.2.2) and three manganese companies (table 5.6-1). Table 5.8-2 identifies the number of licenses to be 1,068. Three of these are Production Sharing Agreements (PSAs) for oil and gas, while production licenses or commercial development licenses amount to 837 for across all sectors.</p> <p>Pages 155-156 lists PSA and identifies the affiliated companies. Some were terminated during the period in question, or participation of companies changed. The section does not mention any ring-fencing of revenues for PSAs, but it has also come to our attention that all PSAs were terminated before activities commenced. Joint Activity Agreements (JAAs) enables companies to share licenses (section 6.5.5). Consulting the national secretariat, they confirmed that all taxes are made on company basis except for JAAs. These agreements lead to the establishment of a separate legal entity which</p>

		<p>is authorised to pay taxes on behalf of participating companies. However, we did not receive sufficient feedback to distinguish between which non-tax payments are relevant for project-level reporting, a point which will be important to clarify for the MSG in Ukraine.</p> <p>Annex 1 contains a list of deposits and annex 3 a list of 670 companies that were part of reconciliation, including their Tax Identification Numbers. However, these two information points are never linked, and even though we have found some information regarding certain licenses, it is not possible to conclude any project-level reporting. The national secretariat agreed with this assessment.</p>
United Kingdom	2014	<p>PARTIAL: INCLUDES SOME PROJECT-LEVEL REPORTING</p> <p>The report includes project-level reporting for some petroleum companies/revenues. On page 9, the report states <i>“The MSG decided that licences should be reported at licence level, which is equivalent to project reporting. All payments were disclosed by the OGA to the IA and are reported in Annex 4.”</i> Also, page 10 highlights <i>“The MSG decided that PRT should be reported at the project level (by field).”</i> Reviewing Annex 3, covering PRT, and Annex 4, covering license fees, it is clear that these payments are in fact paid per license, grouped by petroleum company.</p> <p>These disclosures by project are partial as corporate taxes are ring-fenced per company alongside supplementary charges (see Annex 2). Revenues from mining and quarrying companies are not on project level (Annex 1).</p> <p>Therefore, there is partial project-level reporting in the UK’s EITI Report for specific sectors and revenues.</p>
United States of America	2015	<p>NO: DOES NOT INCLUDE PROJECT-LEVEL REPORTING</p> <p>The majority of information on United States of America’s extractive sector is online. Table 2 of the 2015 EITI Report includes a list of the relevant companies included in the scope of reconciliation, but it was not possible to retrieve corresponding licenses or permits for each of the companies, when accessing the online registries. Therefore, the level of disaggregation is per government entity, revenue stream and per company. Upon consulting the national secretariat, the information is identified as per <i>parent</i> company, meaning that none of the disclosures are on a project level.</p>
Zambia	2015	<p>PARTIAL: INCLUDES SOME PROJECT-LEVEL REPORTING-</p> <p>Data in the 2015 EITI Report are presented per company, government agency and by revenue stream (p.18-21). The scope of the report included 37 mining companies operating in Zambia, but the final reconciliation included 33 companies due to failure of reporting (section 2.3).</p> <p>Section 3.1 describes that the petroleum regime is governed through a royalty tax/concession system. The petroleum sector is still only in exploration</p>

phase and ten licenses have been awarded. Subsequently, oil and gas companies were not included in the scope of reconciliation due to payments falling below the materiality threshold. However, some payments of the petroleum sector may be included, as Zambia's state-owned enterprise, Zambia Consolidated Copper Mines Investment Holdings Plc (ZCCM-IH), is the holder of four exploration licenses for petroleum blocks (section 3.5).

Section 3.2 highlights that the mineral sector is governed by licenses and Table 3.2.a lists three major projects with their affiliated operating companies. One of these is operated by multiple companies. According to the table on page 48 there were 1,916 active licenses of which 703 are production/mining licenses. ZCCM-IH holds several licenses and does not differentiate its reported revenues between them. For the remaining 32 companies, we have consulted the list of licenses found in Annex 5, identifying 10 companies that hold a single license and therefore disclosing data on a project level. An additional four companies were identified as holding one or several exploration licenses but only one production license. These companies could therefore be reporting royalties and other production-/performance-based revenues per project. Two companies were not identified in the list of licenses at all.

Operators are the sole responsible party for making payments on behalf of license holders (this also includes withholding taxes that are deducted at source). However, Zambia EITI indicate that there are companies operating under a lease and royalty agreement, such as Mabiza Resources Limited. This means that the company is operating a mine on behalf of another mining company (in this case on behalf of Albidon Zambia Limited). Such instances create an additional complexity in the Zambian context. In this example, it would seem Mabiza would have to ring-fence their payments made on behalf of Albidon. But the MSG in Zambia should explore such cases further and define this explicitly for the purpose of project-level disclosures.

According to the draft *Report on initial data collection and stakeholder consultation*, the levels of disaggregation are per company, government entity and revenue stream. It does note that while revenue data are not systematically disaggregated by project, it identifies some large-scale companies that are set up specifically for operating individual mines (pp. 43-44). Therefore, there are implicit cases of project-level reporting. The report does not identify further views by stakeholders on project-level reporting.

Consulting with Zambia EITI, we learned that only fees associated with licenses are levied as such, highlighting examples such as area charges. They also indicated that there are on-going discussions on linking or merging tax id numbers and license-information already. Based on the information presented above Zambia does include partial project-level disclosures.