



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



51

member countries



1000+

People daily working on EITI implementation



MEXICO, GUYANA AND SURINAME JOINED THE EITI IN 2017



PROGRESS REPORT 2018

50+ EITI countries published roadmaps for beneficial ownership disclosure



2.4

trillion USD disclosed to date

A PLATFORM FOR PROGRESS

95%

Of EITI data publicly available in open data formats



USD 6.2 BILLION DISCLOSED IN 51 EITI COUNTRIES IN THEIR LATEST REPORTS



Philippines first country to meet the EITI Standard

370+

Fiscal years covered in 300+ EITI reports

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EITI International Secretariat

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All information here-in is from the EITI unless otherwise indicated, and is current as of 12 February 2018.

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MESSAGE FROM THE CHAIR OF THE EITI

“We should not look at EITI as the one-stop-shop for reversing the resource curse. It is a wonderful tool, which must be mainstreamed and combined with other tools to ensure that natural resources are more prudently managed and better deployed towards both economic growth and sustainable human development. While uniform standards are necessary, we should not make a fetish of them. It is important to take adequate account of national realities, to iterate, to be ever vigilant of and adapt to new arenas of work such as ownership transparency, and to focus more on impact than on just activities or box-ticking exercises. This is a powerful initiative. It can be even more potent by the collective commitment that we share.”

I was sat alongside Yemi Osinbajo, Vice President of Nigeria, at the EITI Opening Up Ownership Conference, when he said this and I agree with every word. This report seeks to echo that sentiment. The EITI is both about the Standard and its quality assurance process (Validation) which now over half of the 51 implementing countries have undergone. And it is about how the EITI is having an impact and leading to change in different environments. It is about ensuring that more and more relevant data on the sector is systematically disclosed online – “mainstreaming the EITI process”. And it is also about being vigilant about new areas of relevance like beneficial ownership disclosure, commodity trading transparency and local content.

In 2017, I visited national EITI processes in **Azerbaijan, Colombia, Ghana, Indonesia, Mozambique, Norway, the Philippines, and the United Kingdom**. I met with government leaders and other stakeholders from almost all our 51 member countries. I have been struck by the great strides being made. The implementation of the EITI is improving in many countries. Better information is becoming

51 MEMBER COUNTRIES

I met with government leaders and other stakeholders from almost all our 51 member countries. I have been struck by the great strides being made.



available. I have also been reminded by the increasing realisation amongst all EITI stakeholders of the size of the challenge of ensuring good governance of natural resources. We need to continue the shift from an early focus on how to report towards the use of information. Corruption, transfer pricing, state-owned company secrecy, royalty payments disappearing at local government level – the list goes on where the EITI could reveal, put the spotlight and provide a forum for work on solutions.

The Conference in Jakarta demonstrated what is possible when experts, politicians, donors, industry and civil society come together to fix a problem. The quality of the discussions was uplifting. Beneficial ownership transparency is daunting but we now have unparalleled political commitment to ownership transparency and a pool of experts talking to each other across regions and specialisms.

No sooner had the Conference closed than the Paradise Papers hit the headlines, reminding us that the oil, gas and mining industries are not alone in needing to tackle hidden ownership. The extractive sector is alone, however, in agreeing on a route towards full ownership disclosure. We need a world where leaks are superfluous because information is readily available.

We are also making progress in difficult, opaque areas like commodity trading and artisanal and small-scale mining. The data being revealed by the EITI is exciting but we are so far only scratching the surface of what information could and should be in the public domain.

We welcomed **Mexico, Guyana** and **Suriname** to our family in 2017. We saw three countries withdraw from EITI implementation, **Azerbaijan, Niger** and the **United States**. Fluctuations in the commitment of countries is not new. Whilst some countries withdraw, other countries persist and step up, forging ahead on the road to more transparent and, ultimately, open societies. It is important that progress is celebrated, and that weaknesses are addressed openly.

In 2018, we must not slow down. We must recognise, acknowledge and incentivise the good progress but be honest about the challenges in the road ahead. That means that implementing countries will need to commit to enacting the recommendations coming out of Validation and undertaking reforms and often legislation to build and strengthen systems for automatic collection and publication of reliable data.

Corruption and the lack of trust between the people and their political representatives remain on top of the agenda throughout the world. The tasks of the EITI have not diminished. The EITI's mission is as relevant today as it was when our stakeholders agreed on it. It relies on a network of stakeholders to affect change. To them, I salute progress in 2017 and call on them for more progress in 2018.



The EITI's mission is to strive for a world where leaks are redundant because information is readily available.

A handwritten signature in black ink that reads "Fredrik Reinfeldt".

Fredrik Reinfeldt,
Chair of the EITI Board

MESSAGE FROM THE HEAD OF THE SECRETARIAT

At the EITI headquarters, we have given a strong focus in 2017 to Validations and supporting our countries to deliver on the beneficial ownership commitments.

We have now lived with the revised Validation methodology for just over a year. Much can be said, and in summary:

- the quality of implementation is improving – there are a myriad of tangible and intangible ways that the EITI has made a difference which we seek to summarise in this Progress Report.
- the focus needs to continue to move from data collection to data use.
- the EITI is getting better at holding itself to account.
- Validation is improving our support, in that weaknesses are now better acknowledged and understood.
- it is in some countries leading to more controversy – proper transparency can be uncomfortable.

The EITI Board has ushered in a new era of systematic disclosure by approving **Norway's** application for mainstreamed implementation. Hopefully more countries will follow in Norway's footsteps by making their extractives data readily and routinely available online rather than just in EITI reports.

Integrating EITI reporting into national systems must become the norm. This mainstreamed implementation of the EITI will focus on how to make transparency an integral and routine feature in government and company reporting systems. In the past, EITI countries would produce an annual EITI Report with data on their country's oil, mining, and gas sectors. This was

and still is a game changer in many countries where information is not in the public domain. As we move forward more governments and companies are taking the initiative to publish their own data online. EITI must play to its strengths and adapt its work to be sure it remains relevant in this new reality.

Out there in our 51 countries, there are around 350 people working in EITI secretariats, and there are thousands of you working on EITI in member governments, supporting civil society organisations and companies. Our job is to assist you. The EITI Standard remains a good starting platform. Issuing guidance, bringing people together, analysing data and sharing good practices are some of the ways in which we do this. The website, which had 136,000 unique users in 2017, remains our key interface with many of you.

With this 2018 Progress Report, we aim to give readers insight into the work that is being done at both the national and global levels. The report will provide an overview of EITI activities around the world by highlighting examples from a variety of countries and showcasing the impact of the EITI in a local context. We also seek to be honest about the challenges. I hope you find this Progress Report useful, and that the knowledge and experiences shared inside can be applied throughout the world to hold leaders accountable, inspire public debate, and continue our work of promoting transparency in the extractive industries.



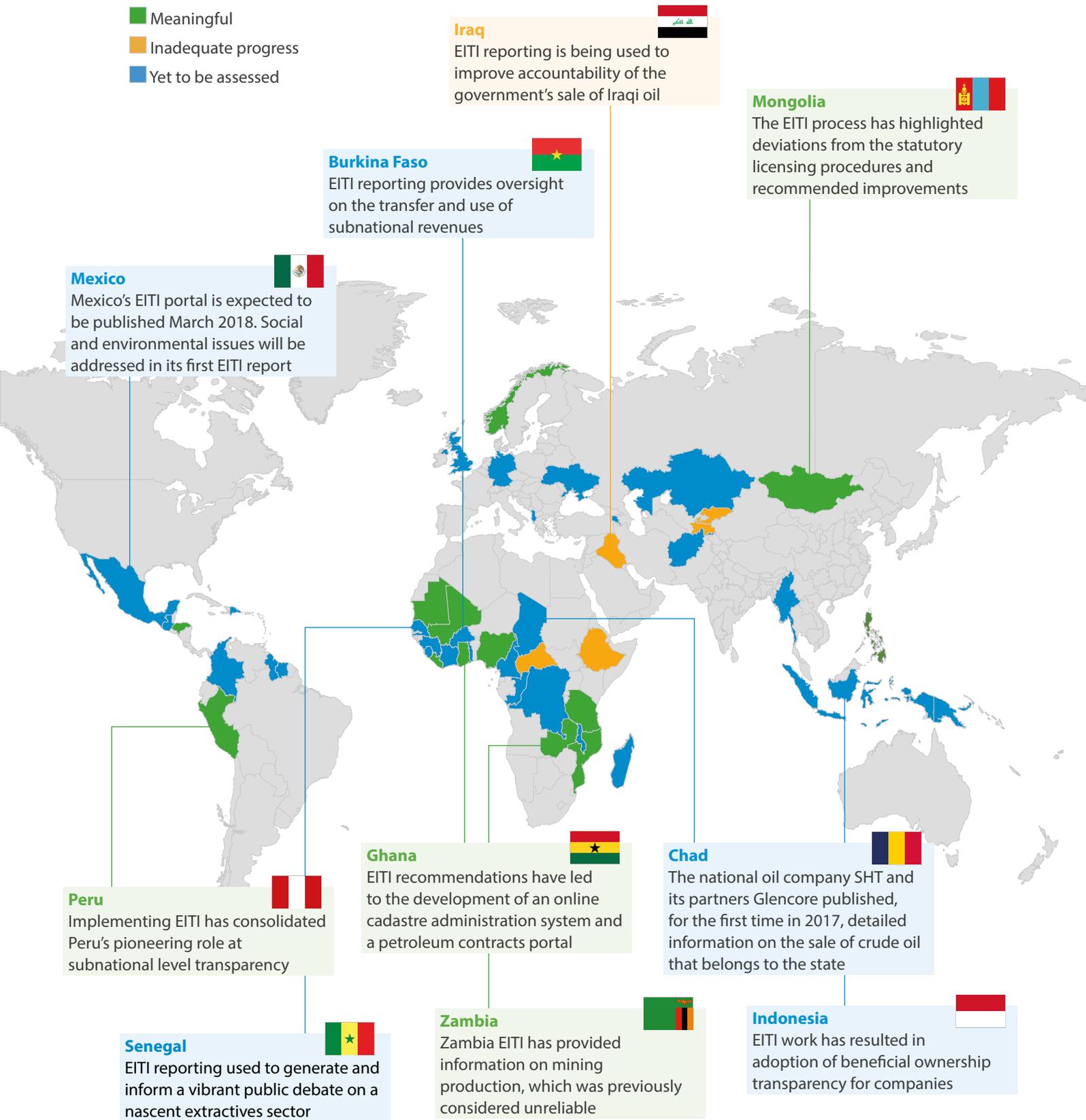
A handwritten signature in black ink, appearing to read 'Jonas Moberg'.

Jonas Moberg
Head of the EITI International Secretariat

WHERE IMPLEMENTATION HAPPENS

Implementation Status

- Satisfactory
- Meaningful
- Inadequate progress
- Yet to be assessed



VALIDATION GLOBAL OVERVIEW CHART

Categories	Requirements	Azerbaijan	Mongolia	Nigeria	Peru	Timor-Leste	Tajikistan	Solomon Islands	Ghana	Kyrgyz Republic	Mauritania	São Tomé & Príncipe	Liberia	Mali	Philippines	Mozambique	Honduras	Tanzania	Zambia	Iraq	Niger	Norway	
MSG oversight	Government engagement (#1.1)	Green	Green	Green	Green	Green	Green	Orange	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Orange	Green	Green
	Industry engagement (#1.2)	Green	Green	Green	Green	Green	Green	Orange	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Orange	Green	Green
	Civil society engagement (#1.3)	Orange	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Orange	Green
	MSG governance (#1.4)	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Orange	Blue	Green	Green	Green	Green	Green	Orange	Orange	Green
	Work plan (#1.5)	Green	Green	Green	Green	Green	Green	Orange	Green	Green	Green	Green	Green	Green	Green	Blue	Green	Orange	Green	Green	Green	Green	Orange
Licenses and contracts	Legal framework (#2.1)	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Blue	Green	Green	Green	Green	Green	Orange	Orange	Green
	License allocations (#2.2)	Dark Grey	Green	Green	Green	Green	Green	Red	Green	Green	Green	Green	Green	Orange	Green	Green	Green	Green	Orange	Green	Orange	Orange	Blue
	License register (#2.3)	Green	Green	Green	Green	Green	Green	Red	Green	Green	Orange	Green	Green	Green	Blue	Green	Green	Green	Green	Green	Orange	Orange	Blue
	Policy on contract disclosure (#2.4)	Green	Green	Orange	Green	Green	Green	Red	Green	Orange	Green	Green	Green	Green	Blue	Green	Green	Green	Green	Green	Orange	Orange	Green
	Beneficial ownership (#2.5)	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey
	State participation (#2.6)	Green	Orange	Green	Green	Dark Grey	Orange	Dark Grey	Green	Orange	Orange	Green	Orange	Green	Green	Green	Orange	Dark Grey	Green	Green	Orange	Orange	Blue
Monitoring production	Exploration data (#3.1)	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Blue
	Production data (#3.2)	Green	Green	Green	Blue	Green	Orange	Green	Green	Green	Green	Dark Grey	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
	Export data (#3.3)	Green	Green	Green	Green	Green	Orange	Orange	Green	Orange	Green	Dark Grey	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
Revenue collection	Comprehensiveness (#4.1)	Green	Green	Green	Green	Green	Orange	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Orange	Orange	Green
	In-kind revenues (#4.2)	Green	Dark Grey	Blue	Dark Grey	Dark Grey	Red	Dark Grey	Green	Dark Grey	Green	Dark Grey	Dark Grey	Dark Grey	Dark Grey	Dark Grey	Green	Dark Grey	Dark Grey	Dark Grey	Blue	Dark Grey	Dark Grey
	Barter agreements (#4.3)	Dark Grey	Dark Grey	Green	Green	Green	Orange	Dark Grey	Dark Grey	Red	Dark Grey	Dark Grey	Red	Dark Grey	Dark Grey	Dark Grey	Green	Dark Grey	Dark Grey	Dark Grey	Dark Grey	Red	Dark Grey
	Transportation revenues (#4.4)	Green	Green	Green	Dark Grey	Dark Grey	Dark Grey	Dark Grey	Red	Dark Grey	Dark Grey	Dark Grey	Dark Grey	Dark Grey	Dark Grey	Dark Grey	Orange	Dark Grey	Red	Dark Grey	Dark Grey	Dark Grey	Green
	SOE transactions (#4.5)	Green	Green	Green	Green	Green	Orange	Dark Grey	Green	Orange	Green	Green	Green	Green	Green	Green	Orange	Dark Grey	Orange	Green	Green	Orange	Green
	Direct subnational payments (#4.6)	Dark Grey	Green	Green	Dark Grey	Dark Grey	Dark Grey	Green	Green	Orange	Dark Grey	Green	Dark Grey	Dark Grey	Dark Grey	Dark Grey	Green	Orange	Green	Green	Red	Orange	Green
	Disaggregation (#4.7)	Green	Green	Green	Green	Green	Orange	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
	Data timeliness (#4.8)	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Blue
	Data quality (#4.9)	Green	Green	Green	Green	Green	Green	Orange	Green	Orange	Green	Green	Green	Orange	Orange	Green	Green	Green	Green	Green	Orange	Orange	Green
Revenue allocation	Distribution of revenues (#5.1)	Green	Green	Green	Blue	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Blue	Green	Green	Orange	Green	Green	Green	Blue
	Subnational transfers (#5.2)	Dark Grey	Green	Green	Blue	Dark Grey	Dark Grey	Orange	Green	Orange	Orange	Dark Grey	Dark Grey	Orange	Green	Green	Green	Dark Grey	Dark Grey	Dark Grey	Orange	Orange	Dark Grey
	Revenue management and expenditures (#5.3)	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey
Socio-economic contribution	Mandatory social expenditures (#6.1)	Dark Grey	Green	Green	Green	Green	Orange	Orange	Dark Grey	Orange	Dark Grey	Green	Green	Green	Blue	Green	Green	Dark Grey	Dark Grey	Orange	Orange	Dark Grey	
	SOE quasi-fiscal expenditures (#6.2)	Green	Orange	Green	Dark Grey	Dark Grey	Red	Dark Grey	Green	Red	Dark Grey	Red	Dark Grey	Dark Grey	Dark Grey	Red	Dark Grey	Red	Dark Grey	Dark Grey	Orange	Orange	Dark Grey
	Economic contribution (#6.3)	Green	Blue	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Blue
Outcomes and impact	Public debate (#7.1)	Green	Green	Blue	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Blue	Green	Orange	Green	Green	Green	Green	Orange
	Data accessibility (#7.2)	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey
	Follow up on recommendations (#7.3)	Green	Green	Green	Green	Green	Green	Green	Green	Orange	Green	Green	Green	Green	Green	Blue	Green						
	Outcomes and impact of implementation (#7.4)	Green	Green	Green	Green	Green	Orange	Green	Green	Green	Green	Green	Green	Green	Green	Blue	Green	Green	Green	Green	Orange	Orange	Green
Overall assessment	*	Green	Green	Green	Green	Orange	Orange	Green	Orange	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Orange	Orange	Green	

- The MSG has demonstrated that this requirement is not applicable in the country.
- This requirement is only encouraged or recommended and should not be taken into account in assessing compliance.
- Beyond. The country has gone beyond the requirements.
- Satisfactory progress. All aspects of the requirement have been implemented and the broader objective of the requirement has been fulfilled.
- Meaningful progress. Significant aspects of the requirement have been implemented and the broader objective of the requirement is being fulfilled.
- Inadequate progress. Significant aspects of the requirement have not been implemented and the broader objective of the requirement is far from fulfilled.
- No progress. All or nearly all aspects of the requirement remain outstanding and the broader objective of the requirement is not fulfilled.

HOW THE EITI WORKS IN THREE STEPS

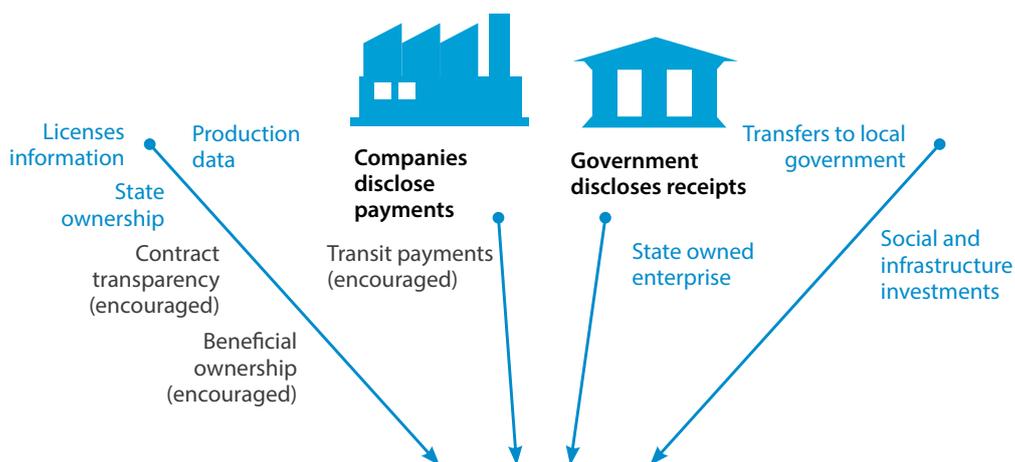
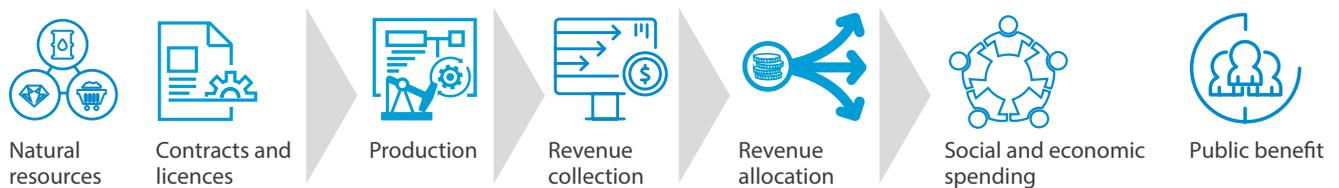
The implementation of the EITI Standard takes place at the country level in each of the 51 EITI member countries. The EITI's international management (the Secretariat and the Board) supports and encourages its meaningful implementation in each EITI member country.

The international EITI Board upholds the EITI Standard. It monitors and assesses the progress of countries in meeting the requirements of the Standard. All implementing countries are held to this same global standard.

Every country that joins the EITI as a member is assessed against the EITI Standard in a process called Validation (see more on Validation on page 24). EITI Validation reviews the country's progress against the EITI Requirements, analyses the impact of EITI compliance in the country, and makes recommendations for strengthening the process and improving the governance of the sector.

The EITI Board, through the EITI Secretariat, oversees the Validation process. The Board then designates the country as having made satisfactory progress, meaningful progress, inadequate progress or no progress.

Depending on the outcome of its Validation, the country will be re-assessed at some point between three months and three years. This encourages continuous improvement and safeguards the integrity of the EITI.



MAINSTREAMING DISCLOSURES IN EXTRACTIVES

In 2017, **Kazakhstan, Kyrgyzstan, Liberia, Mauritania, Nigeria, Norway,** and **Timor-Leste** all undertook studies on how to systematically disclose extractives data beyond EITI reporting.

In the past, data collection in **Mauritania** was a time-consuming process that relied on physical documentation and manual processes. Mauritania EITI carried out a feasibility study on integrating EITI reporting into national Treasury systems. Mauritania EITI has also introduced fiscal identification numbers for companies and applied the IMF-EITI GFS (global financial statistics) classification for extractives revenue flows. This has allowed the government to identify specific companies and revenue flows, and assist with tax collection efforts, while moving closer to more timely disclosure of data about the extractive industry. The Treasury already publishes monthly reports on oil and gas revenues and plans to expand these to the mining sector.

Liberia and **Sierra Leone** are using a centralised register of mining licenses which lists the largest mining companies in the country and links these companies to their licenses and relevant payments.

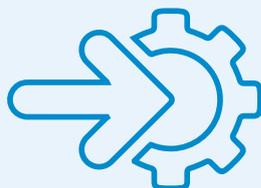
Ghana, Kazakhstan and **Mongolia** have developed publicly accessible systems where extractive companies record their payments and production data alongside their audit statements.

POLICY IN BRIEF



Transparency in oil, gas and mining should not be confined to EITI Reports, but be part and parcel of how governments manage the sector and companies conduct their activities. EITI countries are increasingly making information about their extractive industries publicly available online through a variety of reporting systems, such as databases, websites, portals and other solutions. By creating access points for the continuous release of this information in their own publications and websites in an open data format, government and company systems are becoming transparent at source. This process is often known as *mainstreaming*.

When governments and companies engage in mainstreaming, EITI Reports tend to focus less on providing the data and more on addressing gaps in information and on analysis of the data.



POLICY IN PRACTICE NORWAY



The **Norwegian** government's website norskpetroleum.no provides instant and public access to all relevant information on the Norwegian oil sector. Oil companies operating in Norway are also required by law to publish annual reports showing how much taxes and fees they pay to the Norwegian government. These systems have been assessed to comply with the EITI's requirements.

Mainstreaming is not only an option for long-time implementers of the EITI Standard. The **Dominican Republic**, which joined in 2016, published its first EITI Report as a website. Instead of producing large physical copies of the EITI Report, all the necessary information is available online, with a reconciliation report published as an attachment.



The EITI has identified a wide range of reforms, including on how to modernise the records for production audits and revenue collection.

Victor Hart,
chair of the TTEITI MSG.

FIND OUT MORE:

- eiti.org/document/mainstreaming-action-plan
- norskpetroleum.no/en/





A PLATFORM FOR PROGRESS



BENEFICIAL OWNERSHIP TRANSPARENCY

The fight against malpractice caused by secret company ownership gained further momentum in 2017, spurred in part by the Paradise Papers leaks. The papers exposed how the true owners of a company sometimes hide behind complex ownership structures to disguise corrupt and illegal behaviour. Governments have long known that hidden ownership is the vehicle of choice for corruption, which in many cases can lead to massive losses in state revenues. People who live in resource-rich countries are particularly at risk of losing out, as oil, gas and mining assets are far too often redirected away from public coffers to private accounts. Companies also face challenges when compelled to work with partners whose ownership remains hidden. Sometimes newly established companies with seemingly no prior experience are inexplicably awarded rights to a mine or oil field.

It is now widely acknowledged that beneficial ownership disclosure is essential for addressing issues such as corruption and tax evasion. The publication of beneficial ownership data allows civil society, governments and companies to know exactly who is operating and profiting from oil, gas and mining activities. This helps ensure that citizens stand a better chance of ultimately benefitting from the natural resources that belong to them. Going forward, the key question is *how* to make beneficial ownership transparency a reality.

POLICY IN BRIEF



EITI and beneficial ownership:

- By 2020, every EITI country must ensure that all companies operating in their jurisdiction publicly disclose the identity of their beneficial owners when applying for, or when holding a participating interest in, a domestic oil, gas or mining license or contract.
- Companies should publicly disclose the identity of the beneficial owner, including the name, nationality and country of residence. Companies are also encouraged to publish additional details, such as the beneficial owner's date of birth, national identity number, residential address, etc.
- Public officials – also known as Politically Exposed Persons (PEPs) – are required to be transparent about their ownership in oil, gas and mining companies.



The EITI is assisting countries in how to make beneficial ownership transparency a reality through pilot and feasibility studies, workshops, conferences and other legal and technical assistance efforts. The EITI has also supported several countries to carry out legislative reviews and establish public registers of corporate ownership. EITI stakeholders have been central to discussions surrounding new laws and regulations, and have helped to coordinate and shepherd legislation through. The EITI is one of the few organisations that has delivered tangible disclosures through the annual collection and publication of beneficial ownership information in EITI reporting.



For us in Nigeria, we will remain on board the EITI and the ownership transparency train because they align with our national priorities and will help to advance the electoral mandate of our administration, which is to fight corruption, combat insecurity and grow the economy.

Nigerian Vice President,
Yemi Osinbajo at the EITI
Beneficial Ownership Conference

BENEFICIAL OWNERSHIP TRANSPARENCY MOVING FROM COMMITMENT TO ACTION IN 51 COUNTRIES

Fifty EITI countries have published their plans for how to ensure beneficial ownership transparency by January 2020. These roadmaps lay out the legal and other reforms needed to meet the EITI's transparency requirements. Domestic implementation has already begun in some countries, supported also by reforms at the international level, such as the European Union decision that all Member States should now develop public beneficial ownership registers.

Kyrgyz Republic – Winner of the EITI chair's Award for Beneficial Ownership Transparency



The Kyrgyz Republic has amended their Law on Subsoil, which now requires companies to disclose their beneficial owners when applying for a license. The law includes a clear definition of ownership as well as sanctions for failure or false reporting, and will ensure beneficial ownership data is publicly available. The government has started developing the regulations on beneficial ownership disclosure and is making plans to establish a register.



Kazakhstan has passed legislation mandating beneficial ownership reporting for oil, gas and mining companies. According to the new Code on Subsoil, these companies should disclose their beneficial owners when applying for a license and report any changes in ownership. Kazakhstan also piloted beneficial ownership disclosures in the 2016 EITI Report.

50

countries have published beneficial ownership roadmaps



Ghana recently amended its Companies Act to establish a Beneficial Ownership Register

that covers all sectors. The Registrar General Department is working with the EITI to pilot beneficial ownership disclosure in the oil, gas and mining sectors, to test reporting templates, and to carry out a needs assessment of the necessary IT infrastructure for the register.



Indonesia, shortly after the "Opening Up Ownership" Conference in Jakarta, had the Ministry

of Energy and Natural Resources issue a regulation requiring all mining permit applicants to disclose beneficial owners of their companies as part of the application process. This is expected to complement the Ministry of Law's requirement for beneficial ownership reporting for all companies once the Presidential Regulation on beneficial ownership is approved.



Ukraine established the world's first public beneficial ownership register of legal entities,

as well as an asset register for government officials. In 2014, the government adopted legislation on beneficial ownership disclosures for all companies. Since then, about 70% of companies have reported their beneficial owners, including companies in the extractive industries. The data is publicly accessible through a unified company register hosted by the Ministry of Justice.



The United Kingdom has established the world's largest national public register of beneficial

ownership, or 'persons of significant control'. This open and searchable register covers all sectors and has already been accessed more than 2 billion times. Making this information public has allowed UK civil society organizations to conduct their own assessments and flag mistakes to the authorities, thereby helping to improve data reliability.



Zambia has amended its Companies Act in November 2017 to include a provision on

beneficial ownership disclosure. The legislation provides a strong basis for requiring companies to report on their beneficial owners. Zambia EITI was involved in raising awareness around beneficial ownership transparency during the drafting of the law, and Zambia EITI stakeholders aim to support key government agencies in developing regulations that address the new disclosure requirements.

FIND OUT MORE:
eiti.org/beneficial-ownership



OPENING UP OWNERSHIP – SHARING PRACTICE, BUILDING SYSTEMS



In October 2017, the EITI and the Government of Indonesia convened a global gathering dedicated to beneficial ownership transparency. The Conference, entitled “Opening Up Ownership”, focused on how countries can put beneficial ownership transparency into action. More than 400 representatives from over 45 countries shared their experience, challenges and progress in addressing this issue. The Conference featured 15 practical workshops on beneficial ownership transparency. A variety of topics were covered, ranging from how to investigate the links between anonymous companies and illicit financial flows to case studies on the world’s first beneficial ownership registers in the **United Kingdom** and **Ukraine**.

Different countries, similar problems, different solutions

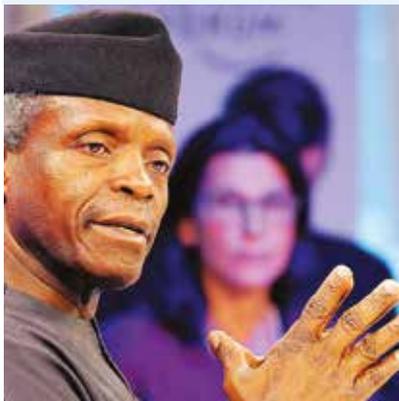
Despite the variety of backgrounds and experiences, the Conference demonstrated that every country implementing beneficial ownership transparency faces similar challenges. The Conference highlighted four elements as being of critical importance for successful beneficial ownership disclosure:

10,000+
messages of support

419
experts gathered

96
speakers

15
workshops



Yemi Osinbajo, Vice President of Nigeria at the EITI Opening Up Ownership Conference in October

- **Political commitment and involvement of all relevant government agencies.** Work on beneficial ownership transparency cannot take place only in the ministry overseeing the oil, gas and mining sectors. Cross-ministerial collaboration is necessary to ensure that company and license registers, tax authorities, justice ministries, and other relevant initiatives and agencies are actively engaged in the process. Several EITI countries, such as **Indonesia** and **Sierra Leone**, have set up inter-agency working groups to ensure national coherency in policy and reform activities. Indonesia, for example, has four different ownership registers, each of which is managed by a different agency and holds data about different aspects of ownership. In this case, cross-agency collaboration is key to beneficial ownership transparency efforts being effective.
- **Legal reforms.** Beneficial ownership transparency should be backed by legislation to ensure a level playing field, consistent disclosures and routine compliance. A sound legislative framework for beneficial ownership transparency should draw on emerging international practise, but must also fit within each country’s unique legal framework to enable enforceability.

Unambiguous and enforceable definitions of beneficial ownership and politically exposed persons are also necessary. Recognising the importance of these issues, 40 EITI countries already have completed or plan to conduct legal reviews which will identify both obstacles and opportunities for reform.

- **Data accessibility.** Using open data formats and open registers ensures that access to the information is available to the public at large. It is harder for corrupt individuals and corporations to game the system or surreptitiously move their funds from one jurisdiction to another when their actions are consistently subjected to public scrutiny. Allowing public access and use of beneficial ownership data enables stakeholders to hold the right people accountable. Broad cooperation among stakeholders is necessary to ensure that beneficial ownership data responds to the demand for information at both national and local levels. In addition to the domestic benefits, open data can also allow for data interoperability at a global level, which will help map out ownership structures across multiple jurisdictions.
- **Data reliability.** Monitoring and verifying the reliability of beneficial ownership information has been identified as a serious challenge by many countries. In some countries, the penalties for non-reporting or misreporting were too trivial to incentivise reliable reporting. Ukraine, for example, has cited data reliability and the establishment of appropriate sanctions for non-compliance as the most problematic aspects of beneficial ownership transparency. To address these issues, a mechanism for verifying data is now being developed. The United Kingdom has also addressed this issue by adopting a risk-based approach to data assurance, with clear penalties for any company or beneficial owner failing to comply.



It is increasingly clear that the battle against corruption in the next few decades will be largely about ownership. The world expects us to act now. I am proud of the significant contribution that the EITI is making to the global movement against anonymous companies.

Fredrik Reinfeldt, EITI chair



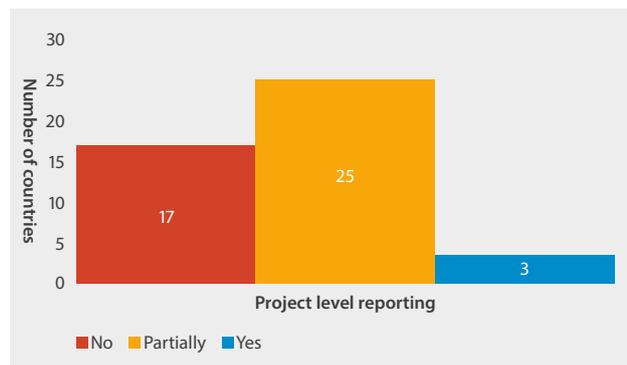
Pablo Valverde @pablovalv: “@EITlorg Clear, concise and ambitious commitments from Olena Sukmanova, DM of Justice Ukraine at #EITI #openup conference.”



FOLLOW THE MONEY

PROJECT LEVEL REPORTING

In 2017, the EITI reaffirmed that project-by-project reporting is required for all EITI countries. More than 60% of the EITI countries that have published EITI data have reported at least partially by project. Further, 70% of EITI's supporting companies that are publicly listed disclose their taxes and payments by project. In countries like Norway, EITI reporting was to some extent a duplication of the annual project-level reports published by the oil, gas and mining companies. In 2017, **Norway** therefore decided that these annual reports should become the default source of information on tax payments from oil companies, rendering EITI reporting superfluous. Similar discussions are underway in the **UK**.



POLICY IN BRIEF

Project level reporting – releasing detailed data

Company taxes and payments related to oil, gas and minerals are often levied on a project level, meaning per single license or contract. Government entities collecting such payments often record the receipts by project in their systems. Project-level disclosures thus provide an additional layer of information which can illuminate how much each individual oil contract or mine generates in government revenue.

Several countries, including the **European Union Member States** and **Canada**, have legislated requirements for oil, gas and mining companies to publish annual reports disclosing the payments made for each project to each government entity in the countries where they operate.

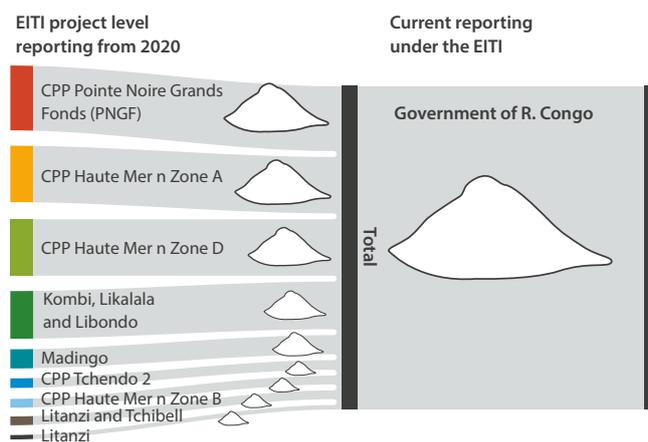


More than **50%** of validated countries have published information on subnational transfers



I am delighted that the Board has set out how EITI countries are to report by project. This is a big step forward in the global effort to ensure contracts are enforced and taxes properly paid and collected in the sector.

EITI chair, **Fredrik Reinfeldt**



FOLLOW THE MONEY

LOCAL TRANSPARENCY

In some countries, revenue-sharing mechanisms stipulate what portion of revenues from oil, gas and mining collected by the central government should be transferred to regional and local governments. In many countries, EITI helps shed light on whether the right amounts are transferred, and whether local governments receive these funds when they should.



Mayors in Madagascar use EITI Reports to demand their share of revenues for local communities

Since 2011, mayors of mining-affected communities in Madagascar have been using EITI reporting to ensure that revenues owed to their local communities are effectively paid. Madagascar's second EITI Report showed that revenues collected on behalf of local communities at the central level were not being transferred to their respective beneficiaries. The Report shed light on the primary factors preventing local communities from receiving their revenues, including outstanding arrears. Mayors of communities affected by mining activities used the data in the EITI Report as the basis of an official protest to the Ministry of Decentralisation. This action sparked a larger debate on local transfers within Madagascar, and a subsequent investigation showed that there remained three to four years of unpaid revenues for local municipalities. The report also showed that, in some cases, money transfers were made to local officials' personal accounts, since many municipalities did not have bank accounts. Subsequent EITI Reporting has gone a step further by now including links to participative budgeting at the local level, along with listing the precise amount of outstanding revenues that need to be transferred to local communities.

The debate over municipal payments in Madagascar has led to important reforms which will improve the system of monitoring transfers to local communities. Two major reforms include the publication of paid-out mining administration fees from 2016 and 2017 on the country's online mining cadaster website, BCMM (Bureau du Cadastre Minier de Madagascar) and the launch of an automated payment system for these fees from companies to local communities through the Public Treasury.



In Papua New Guinea, the recently published 2016 EITI Report shows challenges in the management of trust accounts which were intended to facilitate transfers of a portion

of the oil, gas and mining revenue to landowners. At the subnational level, the EITI Report found that the Treasury does not adequately administer subnational transfers of revenue streams to local governments and landowners. The most recent audit reports indicate serious gaps and inconsistencies with respect to provincial and local-level governments. The determination of proper beneficiaries is problematic, causing the funds do not always end up with those who are intended to benefit. The transfers are also usually delayed. To address this, the EITI Report recommended revising the Treasury's budget and fiscal reports to collect information on subnational payments and transfers. The recommendation triggered amendments to the Public Finance Management Act, and the Ministry of Finance has started reviewing all government trust accounts so that they can be migrated to the Integrated Financial Management System for effective monitoring.

COMMODITY TRADING TRANSPARENCY

In 2017, the EITI issued a guidance note on reporting on first trades in oil, prepared by the EITI working group on commodity trading transparency. Commodity trading data in EITI Reports from **Cameroon, Chad and Mauritania** has become significantly more granular, often providing details at the level of each shipment of oil sold. It includes volumes, revenues and price information, enabling an assessment of whether the country is getting a fair payment for the oil. Countries like **Albania, Indonesia and Iraq** have disclosed information about how the government appoints buyers of their oil. **Chad, Côte d'Ivoire Nigeria and Republic of Congo** continue to shed light on the details of oil-backed loans and swaps of crude oil for petroleum products, electricity and infrastructure.

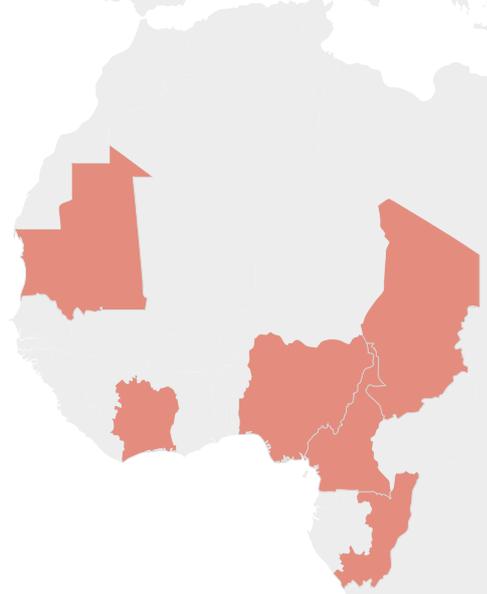
Albania's recent EITI Reports explain the process for selecting buyers of the state's share of oil. In some countries, this is a process that can be prone to corruption. The reports include an overview of how oil auctions are conducted, including the forecasted sales volume of the annual contract, the auction starting price, the winning bid, the name of the company winning the bid, the name of non-winning applicants and links to further information.

USD 2 BN

Chad publicly disclosed the details related to a USD 2 bn oil-backed loan entered into with Glencore.



In December 2017, **Chad** publicly disclosed the details related to the oil-backed loan entered into with Glencore. Data disclosed included the allocation of crude oil to Glencore to repay the loan. The data is broken down by each of the seven instalments in 2015, showing the bill of lading number, the date of payment, the volumes of crude, the reference price and discount, and the monetary value of the crude oil allocation. The data further shows how the monetary value corresponds to what **Chad** owes Glencore in terms of repayment of capital and interests, as well as the government's share of transportation costs and cash-calls.





POLICY IN PRACTICE INDONESIA

Commodity trading practices in **Indonesia** were thrown into crisis in 2015 when cases of fraud were uncovered at Petral, the trading arm of the state-owned petroleum company Pertamina. Commodities were being overpriced by Petral, which caused Pertamina to pay for imports at almost three times their real value. It was also discovered that Petral was deviating from proper bidding processes in an attempt to limit competition and favour a few select commodity traders. Soon after these discoveries, Petral was dissolved and replaced by the Integrated Supply Chain.

In the following years, the Indonesian government undertook a series of reforms in the country's petroleum industry. Indonesia's participation in commodity trading transparency produced a commodity trading report in January 2018 that provided public information on sales proceeds from the country's hydrocarbons resources, along with details for each shipment.

At the moment, online data for oil and gas production costs is aggregated by month and not disaggregated by cargo. The commodity trading report will address this by providing more detailed information on the government's production costs, sales figures, names of contractors and purchasers, origins of commodities, and commodity shipping. Providing this information on a per-cargo basis provides an unprecedented level of disclosure and should improve transparency and accountability within the commodity export sector.

Work on this report has also promoted a wider discussion on the importance of disclosing information related to Indonesia's oil imports as well as exports. Indonesia imports around 400,000 barrels a day of crude oil and another 400–500,000 barrels a day of finished fuel products. Some argue that imports should therefore also be included in the commodity trading report.

While challenges remain, such as further integrating import information into the report and improving the collection of full and complete information from national oil companies, EITI's targeted effort has already created greater demand for additional disclosures in the commodity trading sector, and it is hoped that over time more data will be made available from all relevant stakeholders.



POLICY IN BRIEF

Commodity trading has traditionally been shrouded in secrecy.

In many resource-rich countries, payments by companies to the government for rights to extract resources happen in-kind, meaning through physical transfers of oil, gas and minerals, rather than transfers of money. These transactions are most often conducted between private companies and state-owned enterprises – known as 'first trades' – and need to be transparent in order to provide a full picture of state revenues. EITI countries that collect the sale of the state's share of production or other revenues collected in-kind are required to disclose the volumes sold and revenues received from these sales. This means that a state-owned enterprise or other government agency in charge of marketing the state's oil, gas and minerals must fully disclose the revenues that it collects from sales of such resources. The past few years have seen great improvements in commodity trading disclosures among EITI implementing countries.

CONTRACT TRANSPARENCY

Since the EITI started to encourage contract disclosure in 2013 the prevalence of contract transparency among EITI countries has increased significantly:

- As of 2017, more than one in three EITI countries have legal provisions supporting contract transparency.
- 29 EITI countries disclosed at least some contracts, either at the relevant ministry website or on the national EITI website.

The EITI provides a forum for discussing contract disclosure. In **Mongolia**, an EITI working group on contract disclosure was established in 2015. It ensured that confidentiality clauses were removed from new model production-sharing agreements. A contracts database was launched in 2017.

29

EITI countries disclosed at least some contracts, either at the relevant ministry website or on the national EITI website



EITI is now at the centre of a global community of contract disclosure in the extractive industries. Three-quarters of the countries have disclosed extractives contracts or licences are also part of EITI.

NRGI in Past the Tipping Point?
Contract Disclosure within EITI

65%

of validated countries fully or partially published their government's policy on the disclosure of contracts and licenses

POLICY IN BRIEF



Contracts and licenses provide the legal rights, terms and conditions for exploring and producing oil, gas and minerals. EITI implementing countries are encouraged to publicly disclose any contracts and licenses that provide terms attached to the exploitation of a country's oil, gas or mineral resources. EITI implementing countries are also required to report on their government's policies and resources regarding contract transparency. The EITI encourages such disclosure in order for citizens to better verify that what their country receives from its oil, gas and minerals is what ought to be received, and that other obligations, such as social or environmental commitments, are honoured.



1-IN-3

EITI countries have legal provisions supporting contract transparency

POLICY IN PRACTICE PHILIPPINES



The **Philippines** was part of an EITI pilot project on contract transparency. In October 2016, the country launched its extractive contracts portal, which contains contracts from the mining, oil and gas sectors.

To date more than 52 contracts have been added to the portal, all of which are machine-readable and searchable. The portal also includes supporting documentation, such as mining feasibility studies and reports on social and environmental issues.

Previously these contracts and documents were only available in hard copy, which meant the sole way to see their contents was to physically go and visit the various ministries where the copies were housed. The new online access to the contracts – some of which are even annotated to assist the public in understanding their contents – ensures that all interested stakeholders in the Philippines have equal access to the documents which underpin the commercial extraction of the country's natural resources. Issues such as subnational transfers and environmental impacts can now be more easily investigated thanks to this resource.

In addition to the benefits this portal has brought to the Philippines, it is hoped that the efforts to create this website will also serve as a guide for other countries who are seeking to implement similar access points for contract transparency.

ENVIRONMENTAL REPORTING

More than 28 EITI implementing countries have made transparent information on environmental taxes, levies and other payments. Some have also disclosed environmental policies, management practices and compliance.



By demonstrating the income generated from extractives, at times enormous, but also highly fluctuating, the EITI can help drive policy making towards improved use of these resources."

Jonas Moberg, Head of the EITI International Secretariat



Colombia EITI is exploring a methodology to address environmental aspects through EITI reporting.



Kazakhstan's multi-stakeholder group has expressed concerns with the way environmental fines imposed on oil, gas and mining companies have been spent, and is planning to launch an examination of this issue.



Mongolia EITI continues to monitor the execution of environmental rehabilitation plans.

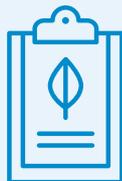


The Philippines EITI Reports monitor flows to environmental protection funds.

POLICY IN BRIEF



There is no expectation that EITI countries should cover environmental information. However, there is a growing interest in environmental transparency related to the oil, gas and mining sectors in different countries. In some cases, the EITI may help to address gaps in the publicly available information on environmental payments.



POLICY IN PRACTICE



TRINIDAD AND TOBAGO

Trinidad and Tobago EITI's most recent EITI report includes a section on onshore oil spills and the impact on human health, marine life and the fishing industry. TTEITI is considering including information on CO2 emissions in their next EITI Report.

Many EITI countries have disclosed descriptions of legislation and licensing requirements related to the environment. These include **Burkina Faso, Chad, Cote d'Ivoire, Colombia, Democratic Republic of Congo, Kyrgyz Republic, Kazakhstan, Liberia, Madagascar, Malawi, Mali, Mauritania, Mongolia, Mozambique, Nigeria, Philippines, Republic of Congo, Seychelles, Senegal, Sierra Leone, Togo, Ukraine and Zambia**. This information includes a description of the roles various government agencies play in implementing environmental policy, along with references to relevant legislation, environment protection requirements related to licensing, and specific provisions or government policies on environmental policies covering oil, gas and mining activities.

Some EITI countries have disclosed environment-related revenue streams and data on revenue management. Some countries, such as **Mongolia, Philippines and Zambia**, have included information on the management of environmental and rehabilitation funds, including the use of proceeds from fees and penalties paid according to environmental regulations.

28

EITI implementing countries have done some form of reporting on environmental issues, in response to local concerns

INCREASING LOCAL CONTENT TRANSPARENCY IN EXTRACTIVES

As of 2017, 25 EITI countries have decided to include information on local content in EITI reporting. This includes information on local content policies and commitments by companies, figures on local content (employment, procurement, and purchase of goods and nationality of company owners), and commentary on how the policies are implemented.

On employment, the **Philippines** discloses the number of indigenous peoples employed in local industries. **Mozambique's** employment data includes details on employment contract terms. **Mongolia's** EITI report examines the government's process for determining annual quotas for foreign workers.

On the value of local content spending, **Kazakhstan** has collected and published extensive data on local content in purchases of goods, works and services in the extractive sector.

Ghana EITI has gone a step further and requested companies to report on local versus foreign employment and procurement to be able to assess whether legal provisions have been complied with. **Liberia** has begun collecting data on beneficial owners of sub-contractors.

POLICY IN PRACTICE GHANA



Ghana is using the EITI to assess whether local content policies are being complied with and highlighting practical challenges. Through EITI reporting, **Ghana** has described local content provisions. **Ghana** has also requested companies to report on local versus foreign employment and procurement. GHEITI has been a forum for gathering stakeholders from government, civil society and industry to discuss benefits and challenges related to local content in their extractive sector.



POLICY IN BRIEF



Local content is the contribution of an oil, gas or mining project to the local, regional or national economy beyond the revenues paid to the government. These contributions can include employment, purchases of goods and services, training and social projects. It is estimated that 90% of resource-rich countries have adopted a form of local content policy.

50%+

of EITI countries have begun to publish data on local content in the extractives

STATE-OWNED ENTERPRISES

In 2017, the EITI launched a new State-Owned Enterprises (SOEs) network, which brings together leading SOEs from EITI countries to discuss existing transparency tools and reporting mechanisms in order to improve overall transparency and governance of SOEs.



Several EITI countries have also taken steps to improve SOE transparency. Following the gaps in SOE reporting identified in the 2017 Validation of **Mongolia**, their recently published EITI Report shows that transparency and governance practices vary considerably across the 19 state-owned mining companies. The report discloses key data on nine of the mining SOEs that make the largest payments to government in 2016. While it was not yet possible to obtain audited financial statements from all nine SOEs, EITI Mongolia published the retained earnings, reinvestments and quasi-fiscal expenditures of all nine companies, alongside details of their boards of directors. The diagnostic also provided a comprehensive snapshot of loans and guarantees granted by the state and the SOEs to companies in the oil, gas and mining industries, completing the picture of SOEs' liabilities in 2016. The EITI disclosures complement ongoing SOE reforms supported by the Asian Development Bank and IMF.

POLICY IN BRIEF



In many countries, State-Owned Enterprises (SOEs) play a major role in the management, regulation and operation of the oil, gas and mining sector. While financial transactions involving SOEs have become more transparent in recent years, there are still significant concerns about opaque corporate structures and overlapping mandates of many SOEs and the corresponding corruption risks.



53%

of all validated countries disclosed full or partial information about state participation in the extractive sector.

But only

30%

of validated countries had disclosed information on social payments (called "quasi-fiscal expenditures") made by state-owned companies.



State-owned enterprises play a critical role in managing **Papua New Guinea's** oil, gas

and mining sector. Aside from participating in some of the major extractive projects in the country, SOEs like the Mineral Resources Development Corporation (MRDC) also hold in trust a percentage of revenues in the sector, which it invests on behalf of local landowners. Some provincial governments also receive dividends from SOEs, such as Ok Tedi, through trust arrangements with MRDC. PNG's level of disclosure on state participation has improved over the years through the efforts of the national EITI multi-stakeholder group (MSG).

Acting on a recommendation from the first EITI Report to engage more with SOEs, the National Executive Council, a cabinet-level body that sets ministerial policies in PNG, directed SOEs to publicly report their equity distribution as well as all other funds they hold in trust and invest on behalf the landowners and future generations. SOEs now regularly participate in MSG meetings. As a result, the 2016 EITI Report contains significant information on the financial relationships between SOEs and the government, including changes in ownership, subsidiaries, and the roles SOEs and the government play in managing trust funds of extractive revenues.

VALIDATION

THE EITI'S QUALITY ASSURANCE MECHANISM

Just under half of all EITI countries have now been Validated. In many cases, the results and findings have been an eye-opener. The Philippines was the first country to achieve 'satisfactory progress', the highest level under the EITI Standard. In 2018, **Albania, Afghanistan, Cameroon, Peru, Senegal, Ukraine** and the **United Kingdom** are some of the countries scheduled for Validation.

Validation spotlights:



Validation in **Ghana** showed that the EITI helped bring attention to gaps in the country's

legal and fiscal regulations regarding the oil, gas and mining sectors. It also helped to identify issues in the government's management of revenues from extractive resources. Local stakeholders highlighted several positive impacts from GHEITI reporting, including the introduction of ring fencing of costs related to the extractives, the fixing of mining royalty rates, new capital gains taxation to cover license transfers, and increased ground rents from mining. EITI reporting also shined a spotlight on delays in mineral royalty disbursement to local governments and gaps in subsequent monitoring of royalty spending at both the national and sub-national levels.

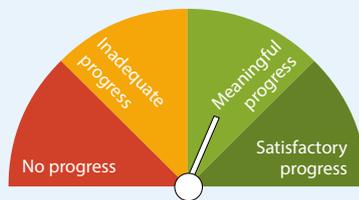


Validation in **Mongolia** helped to map out several online sources of public information which

complement the EITI Mongolia data portal. These include the Finance Ministry's subnational transfers portal and budget site, a government procurement transparency portal, and a portal hosting civil society contracts. In many cases, the corrective actions outlined in Mongolia's Validation Report will need increased collaboration between the key actors in the sector.

79%

of all Validated countries have achieved an overall assessment of "Meaningful Progress" or higher but only one – the Philippines – has so far met all the EITI requirements



Many of the changes and reforms the government is now pushing through are directly attributed to the work of NEITI.

Zainad Ahmed,
Minister of budget and National Planning, Nigeria.



In **Norway**, Validation came just as a decade of conventional implementation

progressed to full systematic disclosure through the government's Norwegian Petroleum website. Norway was therefore able to fulfil the EITI requirements through mainstreaming by using its own government systems to disclose data rather than an EITI Report.



Validation in **Peru** highlighted the significant impact of EITI implementation

on the transparency of subnational transfers and tracking extractives revenues. When combined with efforts to go beyond the minimum requirements for contract disclosure, these advances have led to a tangible empowerment of local officials and communities.



Zambia's Validation process helped make stakeholders aware of the data that was

already being published by mining companies, including companies owned by the government, and ongoing efforts within different government agencies to make data more regularly available. This has helped highlight opportunities for EITI in Zambia to contribute to more regular government and company disclosures.

VALIDATION AND WHAT IT ENTAILS IN FOUR STEPS



During Validation, a country's progress is compared against 33 provisions from the EITI Standard through a review of available data and through interviews with local company managers, government officials, and civil society members. An independent, external party, called a Validator, is brought in to examine and confirm the results of this process. At the end of the Validation process, the EITI Board awards the validated country one of four designations: 'no

progress', 'inadequate progress', 'meaningful progress', or, if all elements of the Standard have been met, the highest level of "satisfactory progress". The Validator also produces a final Validation report, which documents the findings of the Validation process and, if necessary, includes recommendations for corrective actions which can help countries reach higher levels of progress.

FIND OUT MORE:
 See page 7 for overview or go online to eiti.org/validation to find out more



VALIDATION

EITI's Validation process has played a key role in identifying opportunities to accelerate mainstreaming over the past year. In countries such as **Albania, Mauritania, the Philippines, and Senegal**, the Validation process has catalysed some "quick fixes" for addressing gaps by simply publishing existing information on EITI or government websites. Seven countries also followed-up their Validation by initiating formal studies on the potential of mainstreaming EITI reporting.

GOVERNANCE WEAKNESSES UNCOVERED BY VALIDATION

There were five common lessons for all EITI members undergoing or planning to undergo Validation.

1. EITI Reporting is only as good as the information that is available

Validation has shown that many implementing countries have struggled to agree and define "all material payments and revenues". As a result, there have been difficulties preparing EITI Reports which fully cover the extractive sectors. Comprehensive tax and revenue information, along with clear definitions of materiality, are critical if transparency is to lead to accountability.

2. State-owned enterprises must be engaged in the EITI Reporting Process

While state-owned enterprises play a key role in many EITI implementing countries, Validation has shown that disclosures regarding these firms are often inadequate. Where disclosures have taken place, more work is needed to engage state-owned enterprises in the EITI Reporting process.

3. Licensing systems often do not contain all the relevant information

Systematic disclosure of licensing information should be the norm. However, EITI Reporting has shown that many licensing systems are too simplistic, and further reforms are needed to ensure an adequate level of public disclosure.

4. There is more potential for peer-learning between EITI countries on subnational payments and transfers

EITI reporting and Validations have identified inefficiencies in subnational payments and transfers. While countries usually identify discrepancies between what should have been paid to local governments and what was actually paid, this information is rarely provided at the individual local government level. There is sometimes also confusion over whether payments are transfers from the national government to local governments, or are direct payments from companies to the communities in which they operate. Improved record-keeping with clear disaggregation of subnational transfers by local government is a key step for accountability. Countries that have successfully addressed gaps in subnational transfer reporting, like **Albania** and the **Philippines**, can offer peer-learning opportunities for other EITI member countries.

5. More work can be done to systematise the reporting of social contributions in company disclosures

While social contributions are usually not large in comparison to other revenue streams, they often are of great interest to local stakeholders. Validation has shown that these contributions are often not clearly reported in systematic company disclosures.

FIND OUT MORE:

See an overview of all Validated countries on page 6, or on eti.org/countries



FACES OF TRANSPARENCY

COUNTRY PROFILES



Mexico:
Aura Martinez, Director of Budgetary Performance at the Ministry of Finance



Nigeria:
Waziri Adio, Executive Secretary, Nigeria EITI (NEITI)



Ukraine:
Dina Narezheva, National Coordinator of EITI Ukraine



Democratic Republic of the Congo:
Martin Kabwelulu, Minister of Mines



Philippines:
Atty. Maria Karla L. Espinosa, National Coordinator for Philippine EITI



DEMOCRATIC REPUBLIC OF CONGO: MARTIN KABWELULU, MINISTER OF MINES

I have been a member of the EITI Executive Committee from its creation in 2007 until today. Over the last ten years I have participated regularly in our multi-stakeholder dialogue and have witnessed DRC EITI grow from strength to strength as it has dealt with and overcome a number of tough circumstances. The collective awareness of issues facing the extractive sector in the DRC has risen amongst stakeholders and produced results that all parties can live with, despite the diversity of their interests.

Contract transparency has been an issue we have successfully tackled. In 2011 we took the bold step to disclose all contracts in the extractive sector and in 2015 the DRC took part in the EITI's pilot on beneficial-ownership reporting. The data released as part of that exercise was entirely new and, even today, is a rare example of extractive sector ownership data being published in the public domain. The DRC received an award for our outstanding work in this area, which has traditionally been one of the least transparent areas in the sector. Publishing this information has brought clarity to who exactly is operating in the sector.

Our efforts in contract and beneficial ownership transparency have been important. That data, combined with payment information in DRC EITI Reports, has provided stakeholders and citizens with critical information to understand who is operating in the sector, under what terms and for what purpose. It has enabled

our country to reduce, as far as possible, discrepancies in payments and revenues and ensure that the state receives what it is owed. For a resource-rich country like ours, it gives precise data on the large contribution of the extractive sector to the state budget.

As the EITI Standard has evolved, the DRC has adapted its government financial systems to account for the new rules and requirements. The ultimate goal for us is to track and monitor government revenues to address the expectations of the general public. This is important because the prospects for the mining sector in the DRC are promising, particularly in view of improving metal prices on the international market. The DRC is fortunate to have a broad range of minerals, including those that are most valued at present, and we are designing policies to derive the greatest profits from these resources.

My vision of the role that the EITI could play is that of enabling the country to achieve, in an optimal fashion, a transparent, top-to-bottom operational framework so that all payments made by the extractive industries are effectively captured by the public treasury, thereby maximizing the revenues from the mining sector.



“ I believe our efforts are quite evident when we look at how, with the support of the MSG, our partners and other stakeholders, we were able to push our outreach activities, pursue government action on the MSG's recommendations, target reforms, and continue to carry out our day-to-day operations even in trying times.



MEXICO: AURA MARTINEZ, DIRECTOR OF BUDGETARY PERFORMANCE AT THE MINISTRY OF FINANCE

I am currently the Director for Budget Performance at the Ministry of Finance in **Mexico**. I also lead a team of IT developers working on the Mexican Government's Open Data Portal, known formally as the "Portal for the Extractive Industries Transparency", or more commonly as just "The Portal". I have been working with transparency issues for a number of years, including projects that complement the implementation of the EITI platform in **Mexico**.

My first interaction with EITI came through my work in the Ministry of Finance. The Undersecretary of Revenue already knew about the EITI thanks to the Open Government Partnership (OGP). Although the EITI was carried out by another Undersecretary, I attended several joint meetings where we discussed Mexico's letter of intent to be part of the EITI. My section was already involved in budget transparency issues, since **Mexico** was implementing the open budget data standard in tandem with our implementation of the EITI. We saw that each initiative complimented the other in many ways.

The indispensable participation of government, industry, and civil society is different from the OGP,

where the civil society does not necessarily have to be involved. While there is daily interaction with civil society in OGP efforts, it is completely voluntary, and sometimes only the government is involved.

All three sectors will benefit from our new Portal, which focuses on making budgetary procedures and data transparent, friendly and fresh for users. We have developed the Portal following several international standards from the Global Initiative for Fiscal Transparency and the Open Contract Partnership, among others. The Portal features geo-referenced information such as contractual areas, production and projects, and will include data from the Mexican Fund of Hydrocarbons and the Mining Fund. I am thrilled that **Mexico** will be the first country to be able to track revenues throughout federal expenditures in the EITI Portal.

In addition to work on the Portal itself, we are also encouraging the use of the data by citizens. We plan to raise the public's awareness of these issues through the use of focus groups, rally competitions, and use of hashtags. In this way, we can add value to the data that has already been disclosed, and encourage citizen participation in oversight of the extractive sectors in our country.



“All three sectors will benefit from our new Portal... The Portal features geo-referenced information such as contractual areas, production and projects, and will include data from the Mexican Fund of Hydrocarbons and the Mining Fund. I am thrilled that Mexico will be the first country to be able to track revenues throughout federal expenditures in the EITI Portal.”





NIGERIA: WAZIRI ADIO, EXECUTIVE SECRETARY, NIGERIA EITI

Nigeria signed on to the EITI in 2003 as part of a national reform agenda, and full implementation began in 2004. I first became involved with the EITI several years later, in 2007, when I served as the Director of Communication at NEITI for a year.

In February 2016, eight years after my initial tour of duty in NEITI, I was appointed by President Muhammadu Buhari as the Executive Secretary (the National Coordinator) of NEITI and was made a member of the National Stakeholders Working Group (our multi-stakeholder group).

Government Reforms

The EITI's relevance to Nigeria's development process has increased under the current administration, which campaigned on the issues of economic growth, tackling insecurity, and fighting corruption. NEITI fits squarely in two, and arguably all three, of these administrative goals.

The extractive sector still accounts for more than two-thirds of government revenues and export earnings, so any efforts to grow the economy begin with maximising and optimising revenues from this sector. The management of natural resources is also a factor in most of the country's current conflicts, especially in the north-east and in the Niger Delta.

Most of the investigations and prosecutions going on in the country have their roots in revenues from the extractive sector as well. As a result, effective and sustained implementation of the EITI and increased transparency in the extractive sectors is seen by the citizens and the government as central to sustained development and shared prosperity in Nigeria.

NEITI Work

In 2017, NEITI introduced policy products such as the NEITI Quarterly Review, the NEITI Policy Brief and the NEITI Occasional Paper Series. These new publications focused on critical issues such as the need to speed up the process of passing a new law for the petroleum industry, the need for a more robust oil savings fund, how outstanding revenues can help Nigeria's economic recovery, and regular statistical analyses of revenue disbursements. These publications took NEITI beyond the annual audits and were used to engage policy actors on both the demand and supply sides. They are helping to shape ongoing reforms in the country.

Our findings and recommendations enjoyed massive play in the media and drove a national debate about the optimal use of extractive resources. In addition, NEITI scaled-up engagement with both traditional and social media by penning newspaper editorials and appearing on major national and international television stations. Our direct engagement with legislators and communities was increased through parliamentary briefings and inquiries.

NEITI also initiated and published a ranking system which judges entities in the extractive centre on the timeliness and completeness of their reports. This simple act has increased the rate and speed of compliance by companies and government agencies with the EITI audits process, and will help in making future audits timelier. Based on NEITI's evidence-based policy and advocacy interventions, the Nigerian government is undertaking a series of investigations and initiating a process to recover revenues previously withheld. NEITI



is also regularly consulted by the parliament and even the executive branch about regulations and legislation designed to reform the extractive sector in the country.

2018 Focus

In 2018 we plan to release the 2016 and 2017 audit reports, launch our data dashboard, automate the data-gathering process, initiate steps towards mainstreaming EITI, deepen discussion and action on beneficial ownership disclosure, and introduce an annual transparency and accountability ranking of extractive companies and government agencies. Through these efforts we hope to improve our analyses of issues in the extractive sectors, as well as stimulate debate and policy action on critical issues of extractive sector management.



...effective and sustained implementation of the EITI and increased transparency in the extractive sectors is seen by the citizens and the government as central to sustained development and shared prosperity in Nigeria.

PHILIPPINES: ATTY. MARIA KARLA L. ESPINOSA, NATIONAL COORDINATOR FOR PHILIPPINE EITI

I first learned about the EITI back in 2012. I was working as the Chief of Staff for the Undersecretary for Domestic Finance at that time, and my boss was part of the interim multi-stakeholder group (MSG) being established that year. In 2016, I accepted an offer to serve as the EITI's National Coordinator in the Philippines. I felt my background in the private and public sectors fit well with the requirements of the job, and I was intrigued by the opportunity to work for a multi-stakeholder initiative that could make a difference in the governing of our country's natural resources.

The **Philippines** was declared the first country to have achieved satisfactory progress under the 2016 EITI Standard. This was a real affirmation of our persistent efforts to make EITI work for us, to own the process and harmonize it with the context, needs, and plans for the **Philippines**. I believe our efforts are quite evident when we look at how, with the support of the MSG, our partners and other stakeholders, we were able to push our outreach activities, pursue government action on the MSG's recommendations, target reforms, and continue to carry out our day-to-day operations even in trying times.

Beyond simply meeting the EITI requirements, this recognition is a testament to how genuine

openness among stakeholders, including determined disclosures and continuous dialogue despite differences, can produce a unity of purpose and concerted actions. In the words of our MSG chair and EITI Board member Teresa Habitan: "What has been validated for the **Philippines** is the perseverance of all stakeholders to do what is right and what is best, not only for the extractive industries, but more importantly for the country and our people."

The EITI has been incorporated into wider reform agendas in the country. The Philippine Development Plan 2017–2022 calls for the institutionalizing and mainstreaming of the EITI. Improved transparency and increased accountability in the extractive industries through EITI implementation is also part of the country's on-going commitments under the Open Government Partnership initiative.

In 2018, PH EITI will likely focus on measuring the EITI's impact in the country, joining the global movement to mainstream the initiative and expanding the selection of relevant literature on the country's extractive industries. As head of the National Secretariat, I am looking forward to strengthening stakeholder engagement and maintaining our driven and capable team as we work to implement our plans for this year.



“I believe our efforts are quite evident when we look at how, with the support of the MSG, our partners and other stakeholders, we were able to push our outreach activities, pursue government action on the MSG's recommendations, target reforms, and continue to carry out our day-to-day operations even in trying times.”





UKRAINE: DINA NAREZHNEVA, NATIONAL COORDINATOR OF EITI UKRAINE

I became familiar with EITI while I was working as a senior policy officer on energy issues at the American Chamber of Commerce. I also worked with the Ministry of Energy, which is one of the EITI implementing organizations in **Ukraine**. In 2015, I left my old position to join the newly created National EITI Secretariat of **Ukraine**.

“ Since I joined, UAEITI’s biggest impact has been its contribution to the development of legislation that allows the decentralization of production royalties from oil and gas companies. Starting from 1 January 2018, 5% of the rental payments from oil and gas companies will be channelled to the regions where extraction occurs.

UA EITI spearheaded efforts to facilitate dialogue on the new legislation between various stakeholders in the country, including the Ministry of Finance, the State Fiscal Service, the State Treasury, local authorities, local communities, and extractive companies. This discussion covered practical applications of the new legislation with a focus on the benefits for local communities.

Olga Bielkova, Member of Parliament of Ukraine and EITI Board member, authored and sponsored this legislation.

The Ukrainian government is also seeking to develop the country’s gas industry over the coming years. EITI implementation has been incorporated as one of the planned steps in this process, which we hope will ultimately allow **Ukraine** to achieve energy independence and attract foreign investment.

EITI implementation is also in line with government reforms for broader decentralisation. For example, the improved mechanisms for revenue sharing and dialogue between extractive companies and our local and national authorities should lead to a more streamlined process when issuing licenses for hydrocarbon production. This will allow local communities to be more involved in the licensing process.

UA EITI has several goals for 2018. First, we want to encourage further mainstreaming of UA EITI. Second, we’ll continue our practical work in the local regions. This will include further education on revenue sharing as well as monitoring and evaluating the existing revenue sharing arrangements. Our final goal is to engage in additional efforts towards the adoption of a draft law by the Ukrainian parliament on transparency in the extractive industries.



KYRGYZ REPUBLIC: ALTYNAI SYDYKOVA, HEAD OF THE KYRGYZSTAN EITI SECRETARIAT

I first learned about the EITI in 2015 while working for the Kyrgyz State Agency for Geology. It immediately seemed to me that it had great potential for informing citizens about the work our industry does and also to improve coordination between government bodies working in our sector.

Following the release of the 2013–14 Report, I shared these thoughts with my colleagues, who were also supportive. From that time, I have been able to present and discuss EITI and related topics with representatives from various institutions. Since 2016, when I became the head of the secretariat, the opportunities in our country for EITI has increased. EITI implementation has also given me a chance to contribute to the continued strengthening of democratic institutions in the **Kyrgyz Republic**.

On the legislative front, a new draft law entitled “On Subsoil” includes provisions on beneficial ownership, increases the government’s commitment to EITI implementation and mandates that companies submit data for the EITI. This draft law, submitted by parliament minister Kojobek Ryspaev, successfully passed three readings in the Parliament and is now being considered by the President’s Office, after which it will become law. A new, updated government decree on the EITI is being drafted as

well. The government also recently accepted a decree entitled “On Local Development Funds”, which obligates local government bodies benefiting from subnational mining payments to publish reports disclosing the use of these revenues. A web-portal for mainstreamed disclosures of such payments is also in the works.

New open data resources have also been established on the website of the State Committee on Energy, Industry and Subsoil Use. These include coordinates of licensing areas, maps of various energy centres and documents regarding regulatory issues in the energy sector. KEITI has re-established its online presence as well in both Kyrgyz and Russian.

EITI’s current focus on mainstreaming resonates with our country’s current digital innovation initiative, called “Taza Koom”. This initiative seeks to reduce corruption by introducing more services to citizens and providing additional transparency and accountability in public administration.

As 2018 begins, I believe the **Kyrgyz Republic** is well placed to succeed with our upcoming Validation, and with our ongoing efforts to implement greater transparency and mainstreaming into the country’s government and extractive sectors.



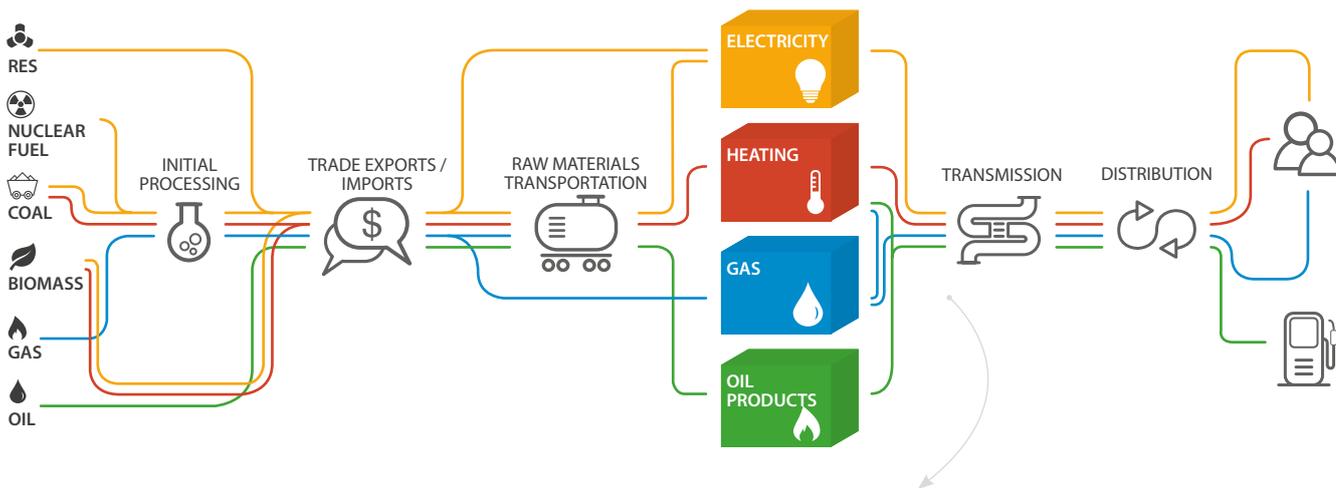
“EITI implementation has also given me a chance to contribute to the continued strengthening of democratic institutions in the **Kyrgyz Republic**.”

Kyrgyz Republic



USING OPEN DATA

Transparency alone is not enough. Disclosures are only effective if the general public can easily access the information. EITI therefore requires that all countries publish EITI data in open data formats.



 In **Indonesia**, CSOs have dedicated programmes for combining data from EITI and other sources. This has even resulted in developing a [portal](#) and an app named [Open Mining](#). These efforts also facilitate financial modelling, in collaboration with [OpenOil](#) – another major user of EITI data.

 In **Ukraine**, civil society has used EITI data to create an [energy map](#). This interactive map illustrates the flow of raw materials in the gas, electricity, heat, and petroleum sectors drawing on data from the last Ukraine EITI Report. The map is used by government ministries, investors and consumers to quickly find out who earns how much on the markets and which rules apply to which participants.

“
The disclosures made at the country level have provided unprecedented access to details about oil, gas and mining licences, contracts and revenues, in turn making governments more accountable to their citizens.

Daniel Kaufmann, president and CEO of NRGi in the Financial Times

93%
of all fiscal years since the beginning of the EITI are now available in open data formats on eiti.org/data



PHEITI organises roadshows and workshops to disseminate information in reports and to discuss issues with stakeholders. Here representatives from local government, companies, civil society, development partners and other stakeholders cooperate to piece together statements and commitments on transparency.

...FOR PUBLIC DEBATE

Publishing in open data formats is not the only way to make sure the information is used. Several EITI countries undertake extensive campaigns and workshops to ensure the information is shared with all interested stakeholders. Countries are encouraged to produce summary reports and infographics. In many countries, national EITI secretariats train interested users to increase awareness of the process, improve understanding of the information from the reports, and encourage use of the information by citizens, the media, and others.



In **Timor Leste**, civil society organisations included a section analysing and commenting on expenditure from the USD multibillion Petroleum Fund disclosed in the report. Civil society noted that expenditures exceeded limits set in law and encouraged further discussion and analysis of how the government manages the fund and decides how to spend the income.



In **Zambia**, outreach and engagement between government officials and journalists on the extractives has been facilitated largely by Zambia EITI (ZEITI). ZEITI has integrated their website with government sites, giving users the opportunity to explore the more easily understood content on the ZEITI site, before digging deeper on government websites. ZEITI is often the first port of call for international and national journalists that want to understand and write about the Zambian sector. ZEITI even went as far as setting up a WhatsApp group for journalists so they could get

quick responses to the questions and the Permanent Secretary at the Ministry of Mines is also a member of the group. The quality of journalistic reporting on the sector has increased as a result of these activities and the fast response rate has encouraged more journalists to write about the sector.



In **Mauritania**, the national secretariat commissioned and worked with three female students at the University of Nouakchott to produce a Mauritania EITI App. The app, available in French and Arabic, provides easy access to key and simplified data on Mauritania's mining and petroleum sectors. In a country where over 30% of the population has a mobile broadband subscription, the app enables Mauritania to disseminate EITI data to a larger public and contributes to the national debate on the management of the extractives sector. The app provides access to data on mining and petroleum activities in value and volume, a list of the main extractive companies operating in the country, and a glossary of key terms related to the governance of the sector. It also allows users to contact the EITI national secretariat.



... norms – like EITI – mean that the countries now have something to aim at and judge things by, and, crucially, so do the companies.

David Cameron
at Transparency International lecture,
December 2017

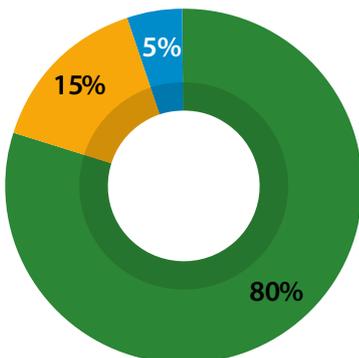
MEASURING EITI'S IMPACT

The EITI has made significant contributions to improved governance of the oil, gas, and mining sectors across the world.

15 years ago it would have been difficult to envisage almost every country publishing a single figure of what it receives from the sector in tax, royalties and signature bonuses. Now it is the norm for this to be broken down company-by-company and project-by-project and reconciled with company payments. Because of the EITI, contract and licence transparency is the sector expectation. Data on production, export and subnational payments are regularly published. State-owned enterprises are throwing open their books for the first time. And, perhaps most excitingly, 15 years ago beneficial ownership was a little-known concept despite its relationship with ensuring a fair playing field. Now company ownership transparency is a requirement of the sector.

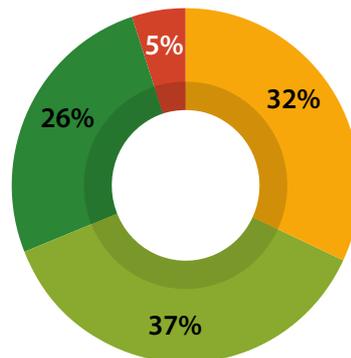
Each of the 51 member countries have live work plans, disclose the data annually and produce yearly progress reports. Through this Progress Report, we can only provide a glimpse on the complex and unique realities, the progress made and challenges encountered. One of the ways EITI seeks to understand its impact at the global level is through the results of Validation. Thus far, 21 countries have been Validated. Early results have shown how each country fares per requirement and which requirements countries perform well in and which require more work. Below is a snapshot of progress by countries on transparency of legal framework and licenses, production and export figures, social payments and economic contribution. The Board is establishing a working group to update the EITI international key performance indicators which will aim to track these and other indicators over time.

2.1 Legal framework



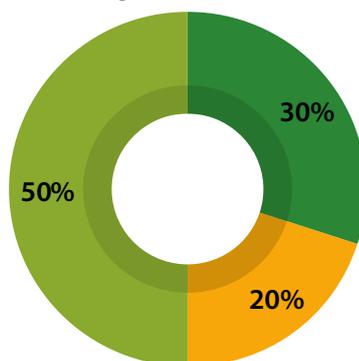
80% of validated countries disclosed a description of their legal framework and fiscal regime governing the extractive industries, as well as reforms underway.

2.2 License allocations



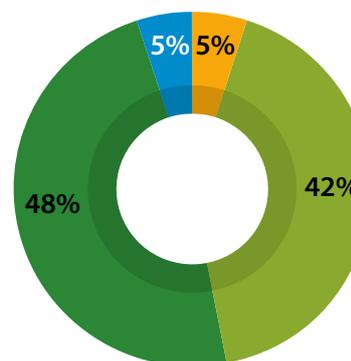
63% of validated countries have disclosed full or partial information related to the award or transfer of licenses. This has either been tackled in an EITI Report, or by a reference to an existing publicly available source.

2.3 License registers

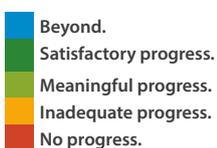


80% of validated countries maintain a full or partial publicly available register or cadastre system.

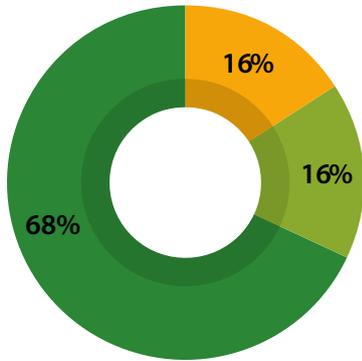
3.2 Production data



95% of all validated countries disclose production data, including total production volumes and the value of production by commodity, and, when relevant, by state/region.



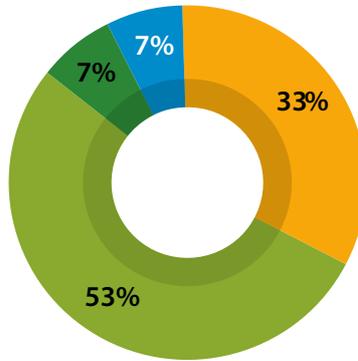
3.3 Export data



84%

of validated countries disclose some export data for the fiscal year covered by EITI reporting.

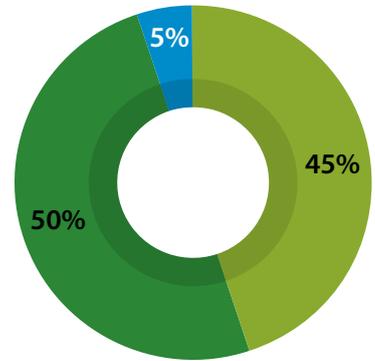
6.1 Mandatory Social Expenditures



67%

of validated countries disclose social expenditures by extractive companies, but only 14% do so fully.

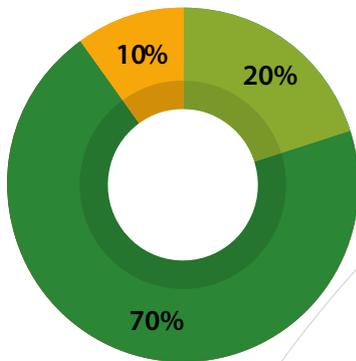
6.3 Economic contribution



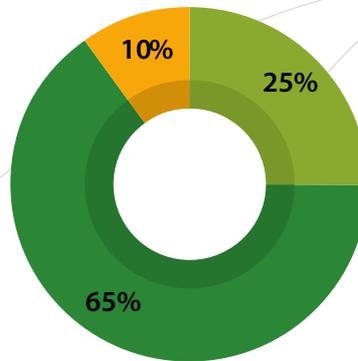
100%

of all validated countries disclose information about the contribution of the extractive sector to the economy, including employment figures and an estimate of informal sector activity.

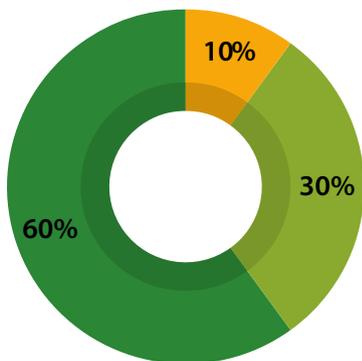
1.1 Government engagement



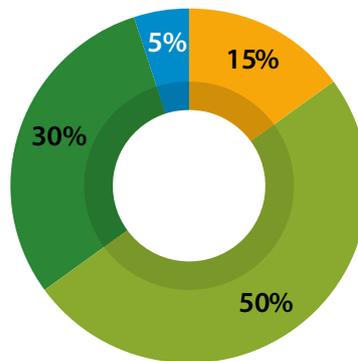
1.2 Industry engagement



1.3 Civil society engagement



1.4 MSG Governance



The EITI Standard requires that there is adequate oversight and engagement from the government, companies, and civil society.

More than USD
110 BN*
of revenues disclosed through the EITI in 2017

*The number is based on revenues disclosed in 2017 and may contain revenues that cover other fiscal years.

EITI AND GENDER EQUALITY

Some EITI implementing countries have begun to include gender equality in the terms of reference for their MSGs or founding decrees, annual work plans and outreach activities. Gender-disaggregated EITI data is already being disclosed in some EITI Reports, particularly with respect to employment statistics. Some implementing countries also capture the socio-environmental impact of extraction, which is often different for women.

In 2017, the EITI started collecting information on gender-related issues on a more systematic basis than before. The EITI will conduct further work on gender equality in 2018, including seeking to identify and address gaps in knowledge and coordination on gender issues related to the EITI implementation and impact.



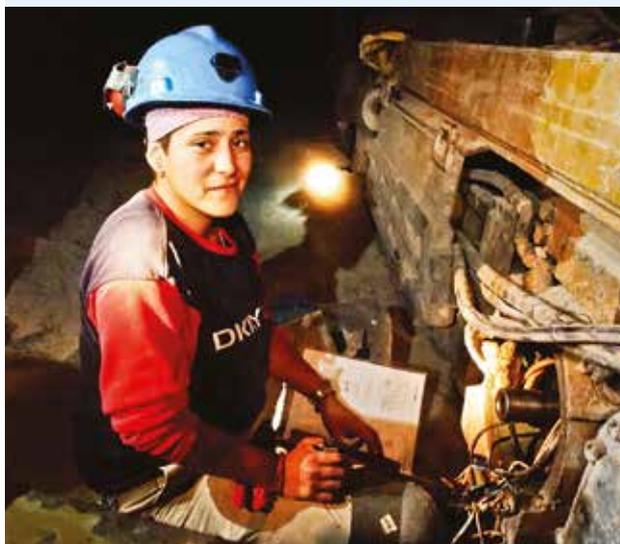
We need to use the EITI and other such efforts to improve the understanding and use of data by both women and men.”

Agnes Solange Ondigui Owona,
EITI Board member



POLICY IN BRIEF

The extractive industries can have significant impacts on host communities. It can change the natural environment, employment opportunities, the cost of living and social dynamics. Men and women often experience these changes differently. The EITI's efforts to gather data on gender impacts and enhance women's participation is part of a wider agenda to ensure that extractive resources are managed fairly and in the best interest of all citizens.



TANZANIA



In **Tanzania**, section 5 of the EITI founding law required that the composition of the MSG was gender balanced.

Source: Tanzania's parliament website

PHILIPPINES



The **Philippines** 2016 EITI Report includes a summary of employment data by participating entities for 2014 and provides information on female permanent and contractual workers.

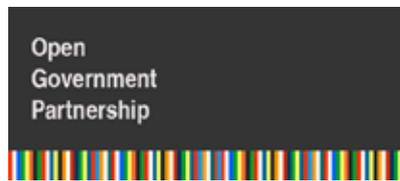
OPEN GOVERNMENT PARTNERSHIP AND EITI

The EITI features over 20 times in different OGP country commitments, from **Tunisia** committing to join the EITI as a way of improving transparency to **Malawi**, as an existing member, committing to use the EITI to implement contract transparency in the oil, gas, and mining sectors.

OGP and EITI also collaborate on specific policy areas, most notably on beneficial ownership transparency. EITI countries' early efforts to disclose hidden ownership were recognised in OGP commitments. A wider dialogue between EITI, OGP and government figures took place to align these EITI and OGP commitments with national priorities.

More recently, at the EITI Opening Up Ownership Conference held in Indonesia, OGP staff collaborated with EITI staff to provide expertise and run workshops for government officials from more than 50 countries.

As EITI countries begin to mainstream EITI requirements by publishing information directly on company and government websites, they will be tapping into and supporting existing OGP e-government commitments.



The Open Government Partnership (OGP) is a multilateral initiative that aims to secure concrete commitments from governments to promote transparency, empower citizens, fight corruption and harness new technologies to strengthen governance. Both organisations maintain a core commitment to transparency, and there are a growing number of areas where EITI and OGP have collaborated.



Not just across countries, but also within them, multi-stakeholder forums can build the trust and understanding between government, civil society and the private sector that is necessary if natural resource governance is to be improved. By leveraging complementary forums – such as the Open Government Partnership (OGP) and the Extractive Industries Transparency Initiative (EITI) – opportunities for policy improvements can increase even further.

Erica Westenberg,
NRGI's EITI policy officer



@opengovpart
Reflections from last month's @EITI #openup conference - @TonuBasu & @MrJackMahoney share 3 takeaways on the opportunity for #EITI & #OGP to join forces for beneficial ownership reform: bit.ly/2ndUiiL

CAPACITY BUILDING

In collaboration with partners, more than 800 participants from multi-stakeholder groups, national secretariats, governments, civil society, industry, parliament, stated-owned enterprises and national audit institutions participated in EITI peer learning and capacity building workshops in 2017. These were supported by the UK Department for International Development (DFID), the Governments of Denmark, Germany and Switzerland, the European Bank for Reconstruction and Development, and the World Bank.

Increased internet access in EITI implementing countries has enabled the EITI to focus on peer-learning exchanges in areas where funding for in-person training was not available. More than a dozen webinars were held in 2017 by the International Secretariat.

Increasing capacity to inform policy choices lies at the core of the EITI. Stakeholders need support to collect information, use it and inform reforms. The International Secretariat provides continuous technical support to national secretariats on a daily basis. It continues to invest resources in capacity building activities, including regional peer-learning workshops, seminars, international conferences (see page 12 on Opening Up Ownership Conference) and online seminars. Many of these capacity building activities aim at preparing, facilitating and deepening stakeholders' understanding of effective natural resource management.



Thirty-six representatives from EITI implementing countries in Southeast Asia and the Pacific met in Manila in October 2017. The peer-learning workshop was organised in partnership with the World Bank for members of the multi-stakeholder groups and national secretariats from Indonesia, Myanmar, Mongolia, Papua New Guinea, Philippines, Solomon Islands and Timor-Leste. It was held in parallel with the 38th Board meeting in Manila, enabling the members of the Board to join some of the discussions throughout the workshop.



The EITI International Secretariat held a two-day workshop on investigating beneficial ownership in the extractive industries for journalists and CSOs in the Kyrgyz Republic. The workshop focused on upcoming changes to the sub-soil law Law on Subsoil that would, for the first time, release new ownership data on the extractive industries in the Kyrgyz Republic.



Local EITI stakeholders in Latin America and the Caribbean came together in November to share their experiences, aiming to restore confidence among key actors and ensure the impact of transparency policies in the extractive sectors.



Delegates of thirteen French-speaking African countries implementing the EITI offered examples of how the EITI has impacted their respective countries during the two-day peer learning event in Cameroon.



On 21–23 November 2017, representatives from 10 EITI implementing countries in Anglophone and Lusophone Africa participated in three days of peer learning on how countries can use the EITI as a tool to improve natural resource governance. The event took place in Lusaka, Zambia.

FUNDING

AT THE INTERNATIONAL LEVEL

Funding for international management of the EITI

The funding of the international management reflects its multi-stakeholder support. Implementing countries and supporting companies are required to make financial contributions to the EITI's international management in order to be considered EITI supporters, whilst supporting countries are yet to agree a minimum level of financial contribution:

- i. Implementing Countries are required to make a financial contribution of at least USD 10,000.
- ii. Supporting Countries are recommended to make a financial contribution of at least USD 250,000.
- iii. An oil and gas company is required to make a minimum contribution (USD 20,000, USD 40,000 or USD 60,000, depending on size). Mining companies are recommended to make contributions at the same level as the oil and gas companies and are required to contribute at least USD 15,000.

In 2017, USD 5.5 million was spent by the EITI international management on Implementation, Board support and Board meetings, Validations, the Beneficial Ownership Transparency Conference (including related travel and translation costs), and the salaries and associated costs for 26 staff.

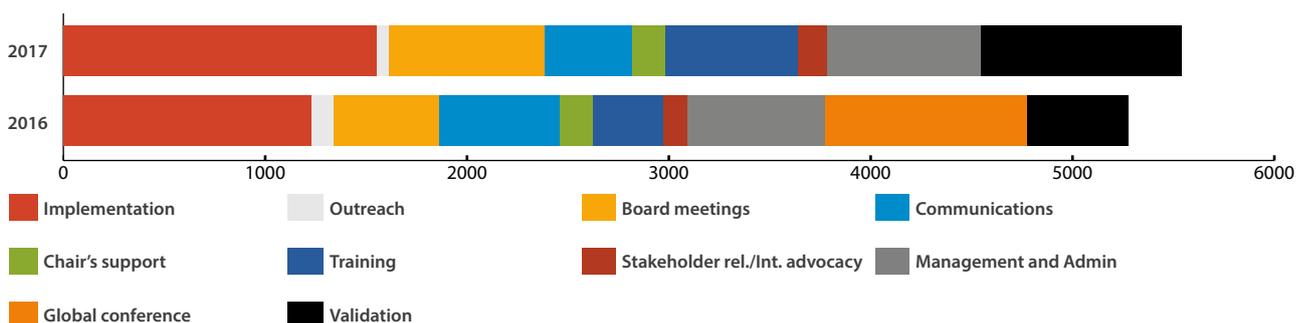
Sources of funding 2017 (2016)

	2017	2016
Implementing countries	2%	0%
Supporting countries and international development agencies	69%	55%
Oil and Gas Companies	17%	27%
Mining and Minerals companies	11%	17%
Other private sector	1%	1%

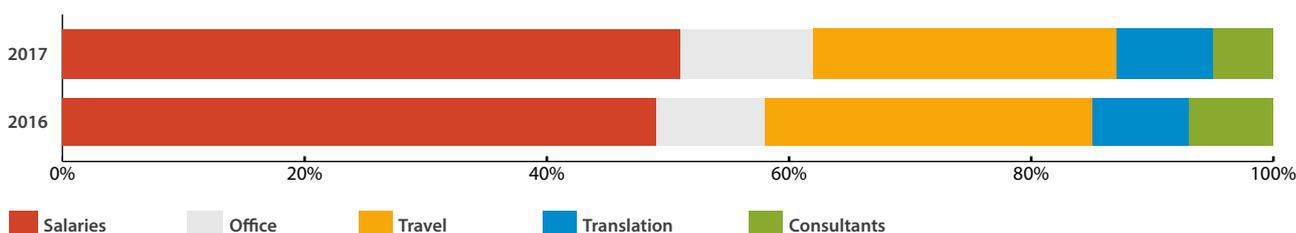
FIND OUT MORE:
eiti.org/funding



Expenditure by function



Costs by type



¹Figures are based on estimates.

EITI BOARD 2016–2019

Chair

Mr Fredrik REINFELDT

Countries

Implementing Countries

Ms Olga BIELKOVA,

Member of Parliament, Ukraine

Alt: **Mr Ruslan BAIMISHEV,** Director of Subsoil Use Department Ministry for Investments and Development, Republic of Kazakhstan

Alt: **Mr Bazarbai Kanaevich NURABAEV,** Chairman, Committee of Geology and Subsoil Use, Ministry of Investment and Development, Kazakhstan (26 Feb 2016–10 Apr 2017)

Mr Montty GIRIANNNA, President, EITI National Committee, Indonesia

Alt: **Ms Maria Teresa S. HABITAN,** Assistant Secretary, Department of Finance, Philippines

Alt: **Mr Enkhbayar NEMEKHBAYAR,** Director-General, Strategic Policy and Planning Department, Ministry of Mining, Mongolia (25 Feb 2016–23 Dec 2017)

Ms Zainab AHMED, Federal Minister of State Ministry of Budget and National Planning, Nigeria

Alt: **Mr José Fernandes ROSA CARDOSO,** National Coordinator, São Tomé e Príncipe

Mr Didier Vincent Kokou

AGBEMADON,

National Coordinator, Togo

Alt: **Mr Mankeur NDIAYE,** President, EITI National Committee, Senegal

Alt: **Mr Ismaila Madior FALL,** Minister, Legal Adviser to the President and Chair of the EITI National Committee, Senegal (25 Feb 2016–30 Sept 2017)

Ms Agnès Solange ONDIGUI OWONA,

National Coordinator, Cameroon

Mr **Jeremy Mack DUMBA,** National Coordinator, Democratic Republic of Congo (25 Feb 2016–20 Oct 2017)

Alt: **Ms Marie-Thérèse HOLENN AGNONG,** National Coordinator, Democratic Republic of Congo

Ms Agnès Solange ONDIGUI OWONA, National Coordinator, Cameroon (26 Feb 2016–20 Oct 2017)

Mr Victor HART, Chair of TTEITI, Trinidad and Tobago

Alt: **Mr Carlos Andres CANTE,** Vice Minister of Mines, Colombia

Alt: **Ms Maria Isabel ULLOA,** Vice Minister of Mines, Colombia (26 Feb 2016–10 Apr 2017)

Supporting Countries

Mr Mark PEARSON, Director General, External Relations, Science and Policy Integration, Natural Resources Canada, Canada

Ms Mary WARLICK, Principal Deputy Assistant Secretary of State, Bureau of Energy Resources, State Department, USA (26 Feb 2016 – 28 Sept 2017)

Alt: **Mr Chris DAVY,** Director of Policy Analysis and Public Diplomacy, Bureau of Energy Resources, U.S. State Department, USA

Alt: **Mr Mark PEARSON,** Director General, External Relations, Science and Policy Integration, Natural Resources Canada, Canada

Mr Bent GRAFF, Senior Policy Advisor, Development Policy & Financing, Ministry of Foreign Affairs, Denmark

Ms Catarina HEDLUND, Deputy Director at the Department for International Trade Policy, Ministry for Foreign Affairs, Sweden (27 May 2016–19 Sept 2017)

Mr Nico VAN DIJCK, Advisor, Office of Economic Interests, Directorate-General for Bilateral Affairs, Ministry of Foreign Affairs, Belgium (25 Feb 2016–27 May 2016)

Rhona BIRCHALL, Extractives Adviser, Governance & Extractives Team, Department for International Development (DFID), UK

Alt: **Ms Catarina HEDLUND,** Deputy Director at the Department for International Trade Policy, Ministry for Foreign Affairs, Sweden (25 Feb 2016–27 May 2016)

Alt: **Ms Mia KJEMS DRAEGERT,** Head of Section, Development Policy and Global Cooperation, Ministry of Foreign Affairs, Denmark (27 May 2016–01 July 2016)

Alt: **Mr Bent GRAFF,** Senior Policy Advisor, Development Policy & Financing, Ministry of Foreign Affairs, Denmark (01 Jul 2016–26 Aug 2017)

Ms Rosmarie SCHLUP, Head Macroeconomic Support, Economic Cooperation and Development State Secretariat for Economic Affairs (SECO), Switzerland

Mr Dirk-Jan KOCH, Special Envoy Natural Resources, Ministry of Foreign Affairs, the Netherlands (24 Jun 2016–29 Jan 2018)

Ms Marine de Carne DE TRÉCESSON, Ambassador, Corporate Social Responsibility, Ministry of Foreign Affairs, France (25 Feb 2016–13 Jun 2016)

As of 15 September 2017,

57%

of the EITI Board members were women. 50% of the International Secretariat's staff members were women.

Alt: Mr Dirk-Jan KOCH, Special Envoy Natural Resources, Ministry of Foreign Affairs, the Netherlands

Alt: Ms Kerstin FAEHRMANN, Head of Division, Energy, Infrastructure, Raw Materials, Federal Ministry for Economic Cooperation and Development (BMZ), Germany (25 Feb 2016–24 Jun 2016)

Alt: Mr Sören DENG, Head of Division “Energy, Infrastructure, Raw Materials”, Federal Ministry for Economic Cooperation and Development (BMZ), Germany (24 Jun 2016–30 April 2017)

Ms Rosmarie SCHLUP, Head Macroeconomic Support, Economic Cooperation and Development State Secretariat for Economic Affairs (SECO), Switzerland

Civil Society Organisations

Mr Daniel KAUFMANN, President, Natural Resource Governance Institute (NRGI)

Alt: Ms Jana MORGAN, Director of Advocacy and Campaigns at ICAR - International Corporate Accountability Roundtable

Alt: Ms Wendy TYRRELL, Transparency International – Australia (26 Jun 2016–25 August 2017)

Mr Gubad IBADOGLU, Senior Researcher, Economic Research Center, Azerbaijan

Alt: Mr Oleksiy ORLOVSKY, International Renaissance Foundation, Ukraine

Ms Faith NWADISHI, Executive Director, Koyenum Immalah Foundation/National Coordinator Publish What You Pay, Nigeria
Alt: Mr Brice MACKOSSO, Commission Justice et Paix, Republic of Congo

Ms Ana Carolina Espinosa GONZALES, Universidad Externado de Colombia, Colombia

Alt: Mr Cesar GAMBOA, Derecho, Ambiente y Recursos Naturales, Peru

Ms Cielo MAGNO, Bantay Kita, Philippines

Alt: Mr Moses KULABA, Governance and Economic Policy Forum, Tanzania

Companies including Investors

Mr Stuart BROOKS, Manager, International Relations, Chevron

Alt: Ms Laura LOGAN, Corporate Issues Advisor, Public and Government Affairs, Exxon Mobil

Alt: John HARRINGTON, Upstream Issues Manager, Exxon Mobil Corporation (25 Feb 2016–13 Dec 2016)

Mr Dominic EMERY, Vice-President, Long-Term Planning, BP

Alt: Mr Alan McLEAN, Executive Vice President, Tax and Corporate Structure, Royal Dutch Shell

Ms Simone NIVEN, External Affairs, Rio Tinto

Ms Laurel GREEN, Group Executive, Legal & External Affairs, Rio Tinto (25 Feb 2016–04 Sep 2017)

Alt: Mr Carlos ARANDA, Manager Technical Services, Southern Peru Copper Corporation

Mr Erik NÜRNBERG, Manager Legal, Statoil ASA, Norway

Ms Carine Smith IHENACHO, Vice President Legal, Statoil (26 Feb 2016–30 May 2017)

Alt: Mr Jean-François LASSALLE, Directeur Affaires Publiques, Total, France

Mr Jim MILLER, Vice President, Environmental Affairs, Freeport-McMoRan, Copper & Gold
Alt: Mr James ENSOR, Executive Director, BHP Billiton Foundation, Australia

Alt: Mr Ian WOOD, VP Sustainable Development, BHP Billiton (Feb 2016–26 Oct 2016)

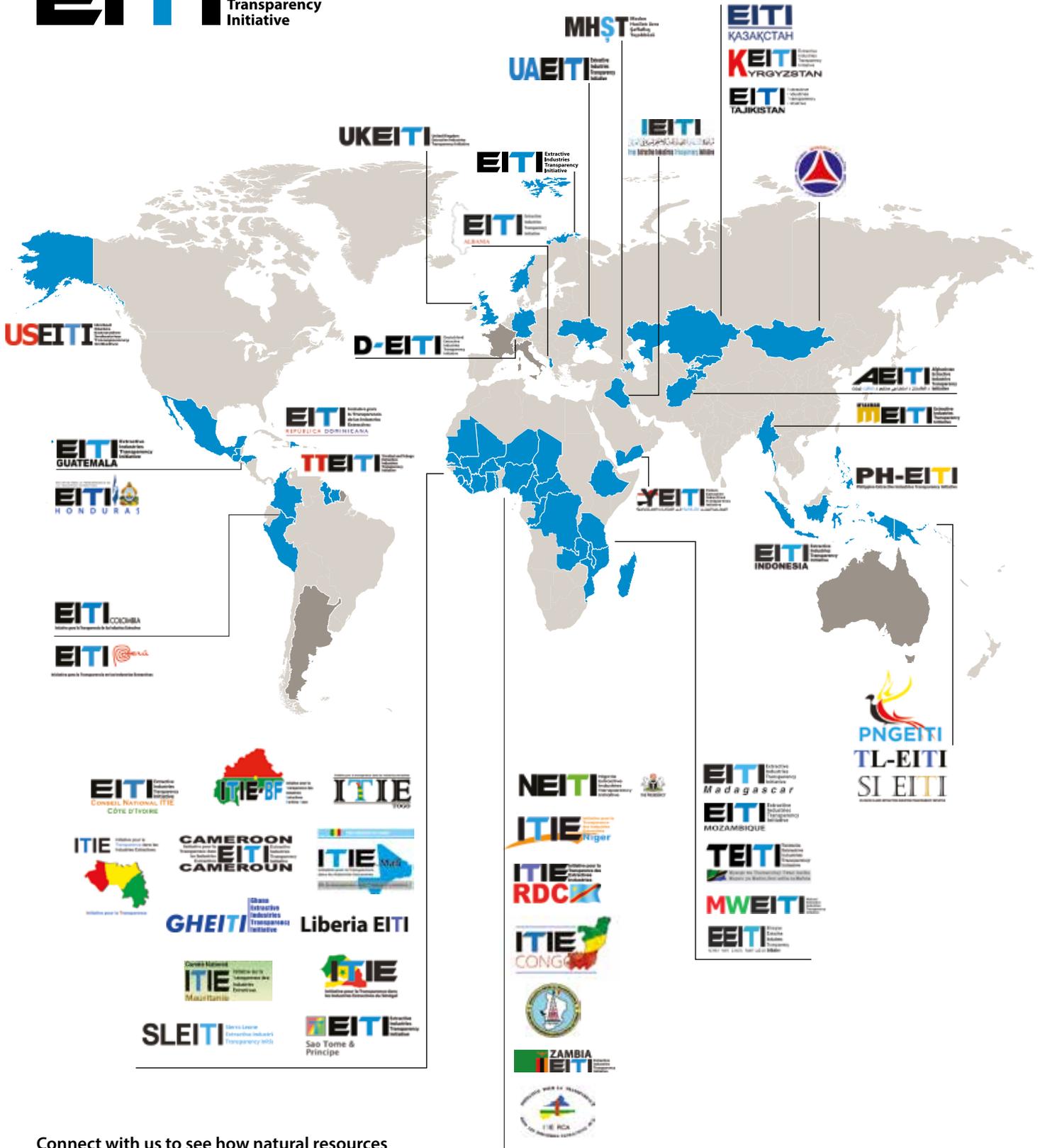
Mr Sasja BESLIK, Head of Responsible Investments at Nordea Asset Management

Board Secretary

Mr Jonas MOBERG, Head of EITI Secretariat, Oslo



The EITI Board at the 2017 Manila Board meeting



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