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## EITI Validation for the Central African Republic final report

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**GoodCorporation**

Burlington House  
184 New King's Road  
London  
SW6 4NF  
United Kingdom

Tel +44 (0)20 7736 7379

Fax +44 (0)20 7731 4875

Email [hemrish.aubeelack@goodcorporation.com](mailto:hemrish.aubeelack@goodcorporation.com)

Email [michael.littlechild@goodcorporation.com](mailto:michael.littlechild@goodcorporation.com)

[www.goodcorporation.com](http://www.goodcorporation.com)



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## Introduction

### Objectives of the Validation

This document is the final report on the Validation of the implementation of the Extractive Industries Transparency Initiative (EITI) in the Central African Republic (CAR).

The CAR is a candidate country under the EITI and this is the first Validation. Candidate countries are those that have signed up to implement the EITI and met all four indicators in the sign up stage of the Validation Grid (see below). This includes: committing to implement the EITI; committing to work with civil society and the private sector; appointing an individual to lead implementation; and producing a Work Plan that has been agreed with stakeholders. For candidate countries, the Validation should measure progress in implementation.

According to the Validation Guide, the first step is the appointment of a Validator by the multi-stakeholder group. The selected Validator will then use three key documents to underpin their work. These are :

- the Country Work Plan;
- the Validation Grid and Indicator Assessment Tools; and
- the Company Forms.

Using these documents, the Validator meets with the multi-stakeholder group, the organisation contracted to reconcile the figures disclosed by companies and the government and other key stakeholders (including companies and civil society not in the multi-stakeholder group).

Using this information, the Validator completes a Report, comprising:

- a short narrative report on progress against the Country Work Plan;
- a short narrative report on progress against the indicators in the Validation Grid;
- the completed Validation Grid;
- a narrative report on company implementation;
- collated Company Forms;
- an overall assessment of the implementation of the EITI: is a country a candidate, compliant or is there no meaningful progress?

### Methodology

The Validator followed the process required in the Validation guide. Specifically the steps followed were as follows:



- The Technical Secretariat sent their initial responses regarding the indicators in the Validation Grid, together with a large number of supporting documents on 23 July 2010
- The Validator reviewed this submission before arriving in the CAR;
- The Validator undertook the first mission from 12 to 23 August 2010 (see Annex A for details), in which they:
  - held a lengthy meeting with the multi-stakeholder group, called in the CAR the Steering Group. This meeting was also attended by the Technical Secretary and members of the National Council, which was set up as part of the EITI programme,
  - held a series of meetings with groups of stakeholders with no government representatives present, namely two with civil society representatives and two with sector representatives; and one with government. For both the civil society and the mining sector meetings, invitations were extended to those not sitting on the Steering Committee,
  - requested and reviewed further documentation from the Technical Secretariat as evidence of implementation,
  - requested and received company forms from the companies operating in the sector,
  - met the independent administrator which was undertaking its mission to collect and analyse data for the second EITI report,
  - met, for information purposes, representatives of two donors which are supporting the EITI in CAR,
  - met His Excellency, the Prime Minister, and the Minister of State for Mines, the former being Chairman of the EITI National Council and the latter being chairman of the Steering Committee,
  - carried out telephone interviews with representatives of four prefectoral EITI committees.
  - held several meetings with the Technical Secretary and various of his colleagues.
- The Validator then conducted its second visit from 2 to 8 September 2010 during which it made a presentation to the Steering Committee and the National Council.

There were no other significant tasks that the Validator was unable to complete. The attendance at the meetings with stakeholders was according to the availability of individuals but the Validator had no evidence to believe that any stakeholder group was not represented adequately.

The Validator would like to express its gratitude to the staff of EITI Technical Secretariat for their contribution to the work undertaken so far. It was fully supportive of the preparation for, and execution of, the Validation mission, including the organisation of the meetings. The Validator would also like to express their gratitude to all those who attended the meetings conducted during their mission.



## Structure of the report

The remainder of the report is as follows:

- Section I is a narrative report on the progress on implementing the country work plan 2008-2010,
- Section II is a narrative report on the progress on implementing the EITI, which summarises the full Validation Grid,
- Section III is the full Validation Grid, indicator by indicator,
- Section IV is a report on the implementation by companies,
- Section V contains the filled-in company forms,
- Section VI is an overall assessment of the implementation of the EITI in CAR
- Section VII contains the Validator's recommendations for future implementation.

## Remarks concerning the scope of the final report

The Validator wishes to make two points relating to the scope of this report:

- The first EITI report was adopted on 19 March 2009 and the second report was in the process of being adopted at the time of the second Validation mission. In relation to the second report the Validator was able to consult with the independent administrator, as well as discuss the preparation for the second report with the Steering Committee, the Technical Secretariat and other interviewees. The Validator had access to the finalised version of the second report.
- The Validation is based on the EITI principles and methodology, which relates to the publication and comparison of payments declared by the extractive industry to governments and revenues received by governments. It does not relate to the problem of fraud involving the non-declaration of mining activities and production and hence the circumvention of payments to government. This is an important distinction to make clear as there are reports within and outside the CAR regarding the existence of material levels of fraud in the country, which is naturally associated by stakeholders with transparency in the industry.



## Main players of the Central African mining sector

### Mine workers

They are the workforce of small-scale mines. They dig and extract minerals, transport it and process it. They also build small-scale mining infrastructure. Upon application, they are registered and given an official mining worker's card by the Brigade de Contrôle Minier, Energétique et Hydraulique (the Hydraulic, Energy and Mine Control Brigade).

### Small-scale miners

They head the production units where the mine workers work. When licenced (the licence fee is fixed by the Loi des Finances (Finance Bill), and paid to the government by Cooperatives) they are allowed to hold, transport and sell rough diamonds and gold. These products are registered in a « Cahier de production » (Production registry), which indicates their origin and quantity, as well as the names of the producer and buyer. It does not record information on product quality.

Each site can employ 3 to 4 workers, including a few women.

Small-scale miners work with collectors, who finance their operation upfront, and have the exclusive right to purchase the rough diamonds and gold.

The small-scale miner is allowed to sell his products to registered Collectors, jewellers, a purchasing agents of Import/Export Buying Offices, a mining company or cutting company. They are not authorised to collect or to export products.

The CAR's policy is to entice small-scale miners to join Cooperatives, which are themselves urged to join the Union Nationale des Coopératives Minières de Centrafrique (National Union of Mining Cooperatives of CAR, UNCMCA).

### Collectors

They are the licenced operators who collect the rough diamonds and gold from small-scale miners and other collectors for sale to Import/Export Buying Offices, mining companies, jewellers and cutting companies. They hold a Collector's Identity Card, and use Purchase Forms (bordereau d'achat).

Some are financed upfront by the BAIE and other Collectors, to whom they are bound to sell all their products.

Collectors pay their licence fees directly to the government.

Collectors are not authorised to mine nor to export. They are grouped in a National Union.

## Coaxers

They must be licenced in order to facilitate business contacts between:

- Small-scale miners and Collectors or purchasing agents of Import/Export Buying Offices
- Collectors themselves, or Collectors and purchasing agents of Import/Export Buying Offices.

## Import/Export Buying Offices

Managers and purchasing agents of Import/Export Buying Offices and Buying Centers (subsidiaries of Buying Offices) are authorised to buy rough diamonds and gold from small-scale miners, Collectors and mining companies to export them.

They are grouped in the COBIADOR, the Gold and Diamond Buying Offices Collective (Collectif des Bureaux d'Achat de Diamant et d'Or).

## Mining companies

In the areas concessioned to them by the Ministry, these companies carry out prospection, exploration and production of deposits.





## Section I : Progress against the Country Work Plan

In 2008, a three-year country work plan was published and this is available for consultation online at <http://tinyurl.com/eiti-car>. This country work plan was written with the assistance of a consultant and was discussed and formally adopted by the multi-stakeholder group, called the Steering Committee. The budget for the three year period 2008, 2009 and 2010 was USD 1,782,273 – with a 20% contribution from a Multi Donor Trust Fund and 80% contribution from the government of the Central African Republic.

The work plan aimed to achieve five main objectives, namely:

- Objective 1 : set up institutional structures in charge of the implementation of EITI in CAR ;
- Objective 2 : identify, develop and make available all necessary tools for the implementation of EITI in CAR ;
- Objective 3 : strengthening of capacity for civil society and State representatives in the area of communication and those linked to the extractives industry ;
- Objective 4 : produce, publish and disseminate EITI-CAR reports ;
- Objective 5 : EITI-CAR Validation.

For each of the above objectives, the country work plan includes actions to indicate how to achieve the goal with measurable targets. In addition, for each of these actions, the following information was provided:

- Expected output
- Indicator (not referring to EITI Indicators but to proof that would confirm that the action is complete)
- Validation resources (i.e. items to be verified by the Validator)
- Entity responsible
- Other stakeholders
- Timetable
- Budget amount
- Budget source (i.e. Multi Donor Trust Fund or CAR Government)

It should be noted that the Validator is required to comment on progress against the stated timetable. It is not required to comment on the budget allocated for the various activities in the country work plan.

### Objective 1 : set up institutional structures in charge of the implementation of EITI in CAR

The implementation of the EITI initiative in CAR is ensured by the:



- National Council – responsible for the political and strategic steering of the process;
- Steering Committee – the multistakeholder group that has decision-making responsibilities
- Technical Secretariat – the administrative unit ensuring a good coordination and proper running of all EITI activities in CAR.

All of the above three structures are operational and the Validator consulted the majority of the members, including the Prime Minister, who chairs the National Council. The Validator is content that the National Council and the Steering Committee had met in sessions every year.

In addition, the Technical Secretariat is based on office premises dedicated solely to the unit and is fully equipped.

The existence of these structures are within public knowledge and regularly cited in local newspapers as well as on dedicated radio programmes.

## Objective 2 : identify, develop and make available all necessary tools for the implementation of EITI in CAR

A Protocole de Don was signed with the World Bank to help finance the country work plan. In addition, the government consulted with the organisations assisting CAR in development, such as the GTZ and the World Bank, to discuss the detailed budget of the country work plan and the provision of resources.

In addition, the country work plan budgeted for the recruitment of a consultant by Q1 of 2009 to design a communications strategy for EITI-CAR to be approved by the Steering Committee. We understand that a tender was issued for the recruitment of such a consultant but that no offers were received. The work was therefore carried out by the Technical Secretariat using the skills and resources available within the team.

## Objective 3 : strengthening of capacity for civil society and State representatives in the area of communication and those linked to the extractives industry

A key action under Objective 3 was to appoint a consultant to analyse capacity constraints and design a training programme for various members of EITI-CAR. The relevant terms of reference were written and approved by the Steering Committee, and released for tender. The Validator understands that the recruitment was publicly advertised and on the procurement pages of the World Bank. However, no offers were received. The Validator understands that the Technical Secretariat intends to include a rerun for this request for proposal in its action plan for 2011. As a consequence, the EITI-CAR stakeholder groups did not produce a written report on the knowledge they acquired following the meetings as originally envisaged in the work plan.

The Technical Secretariat organised activities to help address the problem of capacity constraints. However, these activities were more of an awareness-raising style as opposed to technical training for



stakeholders to support the provision of data. Nevertheless, the EITI-CAR conducted several campaigns in provinces remote from Bangui and set up 16 prefectoral committees to ensure the proper dissemination of information. Nevertheless, as noted in the Validation Grid, both the government and some parts of the sector, still have problems in delivering data in the required form.

In relation to work sessions on internal evaluations of EITI in CAR against the Validation Grid, the Technical Secretariat conducted this exercise in 2009 and complemented this by a work session following a visit from the International EITI Secretariat. The self-assessment against the Validation indicators has been updated several times in writing.

#### Objective 4 : produce, publish and disseminate EITI-CAR reports

A first report was published on schedule on 19 March 2009 and was made widely public. (See Indicators 16 and 18)

At the time of writing, the finalisation of the second EITI report was in progress. There were some delays attached to the timing of the second report, mostly due to the fact that there were not enough offers received following the first publication of the tender and request for proposals and a rerun had to be effected.

Consequently, because of the delays accrued, we understand that the Technical Secretariat EITI-CAR has requested for an extension in relation to the initiation of the work for the third EITI report but that the terms of reference will be formulated in 2010.

#### Objective 5 : EITI-CAR Validation

There were several delays on the timing of the Validation process as laid out against the timetable under the country work plan. We understand that this was mainly because of delays in relation to the financing of the project overall, both from the government and the multi donor trust fund. As a consequence, activities required to be undertaken prior to the Validation phase were subject to a delay and the Validation had to be postponed to a time when the elements to be evaluated were ready or in progress.

However, the Central African Republic is now on schedule to complete the Validation on time.

#### Conclusion

There has been slow progress against the plan regarding capacity building for the National Council, Steering Committee and the Technical Secretariat EITI-CAR. There should be more emphasis on Objective 3, even though the current understanding of the workings of the EITI process by stakeholders is at an acceptable level. In the analysis of Indicator 10 below, we also comment on the need for capacity building in the artisanal sector, which is not provided for in the work plan.



However, whilst capacity building is clearly important for the continued success of the EITI implementation in CAR, overall satisfactory progress has been made in relation to the country work plan.



## Section II : Progress against the indicators in the Validation Grid

The EITI Validation Guide provides a detailed list of requirements to satisfy each indicator, which guide the Validator in making a judgement based on the evidence collected. For some indicators the requirements and 'indicator assessment tools' are clear-cut and the Validation is based on factual analysis. For others there are several possible indicator assessment tools and a more interpretation is needed regarding whether the overall indicator is met. The justification for the judgements made in this report is given under each indicator in the Validation Grid.

In summary the Validation concludes the following, by EITI phase:

### Sign-up

The CAR has clearly issued an **unequivocal public statement of intention** (Indicator 1) to implement EITI, has committed to working with **civil society and companies** (2) and has appointed a **senior individual** (3) to lead the programme. It has produced a **fully-costed work plan** (4) and although there has been some slippage in individual tasks, and the Validation has required an extension by the EITI Board, overall the progress has been satisfactory.

### Preparation

The CAR has set up a **multi-stakeholder group** (5) in the form of the Steering Committee which has enabled active involvement by **civil society** (6) and **companies** (7). It has been fully involved in the key decisions required under the EITI, even though its official functions give it a more limited remit. The committee participated in the decision on the **reporting templates** (9) and was fully involved in the **selection of the independent administrator** (10) for the two EITI reports.

The government has **encouraged all companies to report** (11), though there have been some practical limitations on the completeness of the reporting, particularly in obtaining data for past years from companies which are no longer active in the CAR as well as from the artisanal sector, which is generally not strong in financial management. There has been no push to influence the **auditing by international standards of company** (12) and **government** (13) **data**, though both company and government accounts are certified to local standards which follow regional norms. Smaller actors in the industry are artisanal and are not commonly audited in the CAR and the Steering Committee has not favoured enforcing this requirement. There is progress indicating that more data will be audited from the company side in future reports, though this is not likely in the artisanal sector without capacity-building efforts. Finally, the government has ensured that there are no material **legal or regulatory obstacles** to EITI implementation (8).



## Disclosure

The Steering Committee was fully involved in the selection of **material payments by companies** (14). For the first EITI Report there were difficulties in obtaining cooperation from all government departments in disclosing **revenues received by mining companies** (15) but this problem was overcome by the time of the second report, even though there were some delays in supplying data in the correct form for EITI purposes for technical reasons. The Steering Group was broadly satisfied by the **performance of the independent administrator** (16) for the first report. The second report is more robust and complete. Both reports made **recommendations and identified the discrepancies** (17).

## Dissemination


The first **EITI report was made publicly available** (18) in an accessible form on-line, through summary leaflets in the national language (Sango) and through meetings held to discuss its conclusions. The communication has been strengthened by setting up multi-stakeholder committees at prefectural level.



### Section III : The completed Validation Grid

This section contains the completed Validation Grid, the key element of the validation exercise. Under each indicator we give:

- the statement by the Technical Secretariat of EITI-CAR to the Validator
- the documentary evidence provided by the Technical Secretariat
- the feedback from the stakeholders consulted
- the observations of the Validator and conclusion on whether the indicator has been met.

<b>Indicator 1: Has the government issued an unequivocal public statement of its intention to implement EITI?</b>	
<b>Submission of the EITI-CAR Technical Secretariat</b>	
<ul style="list-style-type: none"> <li>○ The letter of intent of 30 August 2007 to the World Bank and the EITI International Secretariat ;</li> <li>○ The formal declaration of the President of the Republic, Head of State, to commit its government to working with the mining sector and the civil society at the official launch of EITI activities in CAR in April 2008 ;</li> <li>○ The request for candidate country status for the CAR on 23 September 2008 in view of the EITI implementation</li> </ul>	
<b>Supporting evidence submitted by the EITI-CAR Technical Secretariat</b>	
<ul style="list-style-type: none"> <li>○ Copy of the letter of intent</li> <li>○ Copy of the Head of State’s speech</li> <li>○ Copy of the letter requesting candidate country status</li> </ul>	
<b>Stakeholder feedback</b>	
All the stakeholders consulted were satisfied with the level of publicity and awareness involved at the launch of the EITI programme in CAR and welcomed the personal endorsements of the President and Prime Minister of the country.	
<b>Validator’s observations</b>	
There is no doubt that the Government of the Central African Republic has publicly declared its intention to implement the EITI programme in the country. In addition, the importance of the EITI programme has been emphasised during sessions in the National Assembly, the last session was conducted on 10 August 2010 and fully endorsed the programme.	
<b>INDICATOR MET</b>	
	

## Indicator 2: Has the government committed to work with civil society and companies on EITI implementation?

### Submission of the EITI-CAR Technical Secretariat

- The peer nomination for representatives for the civil society (unions, religious groups, human rights organisations, youth organisation, private media and others)
- The peer nomination for mining sector representatives (artisans, cooperatives, diamond and gold collectors, buying offices for gold and diamond, and companies in exploration phase) for the different EITI-CAR working groups

### Supporting evidence submitted by the EITI-CAR Technical Secretariat

- Decree N° 08.260 of 18 July 2008
- Copies of the letter of invitation for nominating a representative
- Letter of nomination

### Stakeholder feedback

All stakeholders consulted agreed that the Government was committed to working with the civil society and companies in implementing the EITI. The evidence cited was the composition of the Steering Committee and the openness of the discussion during the meetings.

There was some feedback from representatives of civil society who were not represented on the Steering Committee that there could be wider representation of civil society groups on the committee.

### Validator's observations

In principle, the EITI initiative has been set up with representation of civil society groups. The National Council has one civil society representative out of 20, namely the Conseil Inter ONG Centrafrique. According to the decree, the Steering Committee has five members from civil society groups, namely human right organisations, religious groups, students, the trade union and the lawyers' association. However, a further member representing Publish What You Pay is participating in meetings.

See Indicator 5 regarding the composition of the Steering Committee and Indicator 6 regarding the initiative's proactive engagement with civil society.

**INDICATOR MET**





### Indicator 3 : Has the government appointed a senior individual to lead on EITI implementation?

#### Submission of the EITI-CAR Technical Secretariat

The nomination of:

- Prime Minister, President of the National Council EITI-CAR ;
- Minister of State for Mines, President of the Steering Committee EITI-CAR ;
- MOÏDOKANA Robert, Magistrate, Technical Secretary and Coordinator EITI-CAR

#### Supporting evidence submitted by the EITI-CAR Technical Secretariat

- Copies of the Order and Decree for nomination

#### Stakeholder feedback

The stakeholders consulted were very satisfied with the appointment of the Technical Secretary and with the involvement of the Prime Minister who chairs the National Council as well as the involvement of the Minister of Mines who chairs the Steering Committee.

#### Validator's observations

The government has clearly appointed senior level persons to lead the initiative. The Technical Secretary is a leading magistrate and formerly the Deputy Director General of the Agency for Financial Investigations and the National Council is chaired by the Prime Minister and has five other ministers. The Steering Committee is chaired by the Minister of State for Mines.

There have been several public addresses in support of the EITI-CAR by the Prime Minister and the Minister of State for Mines.

**INDICATOR MET**





**Indicator 4 : Has a fully costed Work Plan been published and made widely available, containing measurable targets, a timetable for implementation and an assessment of capacity constraints (government, private sector and civil society)?**

**Submission of the EITI-CAR Technical Secretariat**

Adoption of a three-year Action Plan 2008-2010 budgeted on 3 September 2008 by the Steering Committee EITI-CAR. The action plan contains five objectives, namely :

- Objective 1 : set up a viable institutional structure for the EITI implementation
- Objective 2 : set up a process to mobilise stakeholders in favour of the EITI in CAR
- Objective 3 : strengthening of capacity for civil society and State representatives in the area of communication
- Objective 4 : produce, publish and disseminate EITI reports
- Objective 5 : EITI-CAR Validation

Item to verify	Supporting evidence submitted by the EITI-CAR Technical Secretariat
a. measurable targets	<ul style="list-style-type: none"> <li>○ Copy of the costed Action Plan</li> <li>○ Minutes of the sessions</li> <li>○ Minutes of the capacity building work</li> <li>○ Missions reports</li> </ul>
b. a timetable for implementation	September 2008 – November 2010
c. an assessment of potential capacity constraints	
d. how the government will ensure the multi-stakeholder nature of EITI, particularly in terms of the involvement of civil society	<ul style="list-style-type: none"> <li>○ Copy of the Memorandum of Understanding</li> <li>○ Nomination of civil society representatives by their organisation</li> </ul>
e. a timetable for Validation during the stage at which a country is a Candidate. This should reflect country needs, but should take place once every two years	See Action Plan
f. the Work Plan should also elaborate on how the government will pay for Validation	<ul style="list-style-type: none"> <li>○ Copy of the page from the National Budget indicating the allocation to EITI</li> <li>○ Copy of the payment order from the Treasury</li> </ul>

**Stakeholder feedback**

The Steering Committee confirmed that the work plan had been subject to discussion and had been confirmed by the Committee.

Stakeholders consulted outside the Committee were much less familiar with the work plan and some



were unaware that it was available publicly.

**Validator's observations**

The objectives of EITI-CAR are set and clearly listed in the country work plan. A team of nine professional staff was set up and given the responsibility to implement EITI in CAR.

The team of the Technical Secretariat, along with the Steering Committee and the National Council were all allocated specific tasks and were responsible for the implementation of those particular tasks. The country work plan clearly indicates the timing for the implementation of the different actions listed.

Axe Strategique 2 of the country work plan contains a series of initiatives to ensure the multistakeholder involvement in the EITI-CAR programme. In addition, as noted under Indicator 2, a letter of invitation was sent to various sections of the civil society to invite them to nominate a representative for each of the seats available on the Steering Committee. It was then left to the invited organisations to consult with their counterparts, without the intervention of the Technical Secretariat EITI-CAR to decide on who to nominate.

A Protocole d'Entente was agreed and adopted by various stakeholders including Government, civil society and private sector, much later in the process, namely on 9 March 2010.

The timetable for the Validation phase is clearly defined in the country work plan. There have been several delays in relation to that phase of the country work plan (see analysis of work plan progress above). However, the country is now on schedule to complete the Validation on time.

The country work plan clearly indicates the budget source for each of the actions listed, including the Validation. The source for the Validation comes from the CAR Government's budget.

The Technical Secretariat has a unit for addressing capacity constraints and their decree requires the unit to create a strategy for addressing capacity issues. There have been a number of initiatives and training sessions relating to reinforcing capacity. However, a comprehensive strategy is still being developed which makes a comprehensive assessment of capacity constraints.

An evaluation of the capacity constraints was explicitly provided for in the Action Plan. A key action under Objective 3 was to appoint a consultant to analyse capacity constraints and design a training programme for various members of EITI-CAR. The relevant terms of reference were written and approved by the Steering Committee, and released for tender. The Validator understands that the recruitment was publicly advertised and on the procurement pages of the World Bank. However, no offers were received. Given that the position was advertised in an appropriate manner, it is not clear why no suitable candidates came forward. It should be noted that it is not uncommon to find difficulties in attracting external consultants to do missions in CAR.

The Validator understands that the Technical Secretariat intends to include a rerun for this request for proposal in its action plan for 2011. As a consequence, the EITI-CAR stakeholder groups did not produce a written report on the knowledge they acquired following the meetings as originally envisaged in the work plan.

In relation to the issue of addressing any capacity constraints, the progress so far is as follows :

- the emphasis has been primarily on training and awareness-raising on EITI objectives and processes



- there has been a strong emphasis on raising awareness and understanding on EITI in the country as a whole
- there has been dissemination of the EITI priorities to the 16 Prefectoral Committees
- however, there has been less attention paid to capacity constraints in relation to delivering the data required from government entities or companies. The first report identified the problem of data availability from the artisanal sector and the second report underlines the same issue. The training programme for addressing capacity constraints has not addressed this issue sufficiently and there has been limited progress on the part of smaller businesses and artisans.

However, whilst capacity building is clearly important for the continued success of the EITI implementation in CAR, overall satisfactory progress has been made in relation to the country work plan.

**INDICATOR MET**





**Indicator 5 : Has the government established a multi-stakeholder group to oversee EITI implementation?**

**Submission of the EITI-CAR Technical Secretariat**

Creation of the Steering Committee and the EITI National Council by the Decree 08/260 of 18 July 2008, modified and completed by the Decree n° 10.096 confirming the creation and structure of the institutions in charge of preparation and follow up of the implementation of EITI in CAR.

Item to verify	Supporting evidence submitted by the EITI-CAR Technical Secretariat
a. Stakeholder assessments where these have been carried out	Minutes of preparation meetings
b. Was the invitation to participate in the group open and transparent?	Copy of the letters addressed to each entity
c. Are stakeholders adequately represented? (This does not mean stakeholders have to be equally represented.)	Copies of the Decrees n° 08.260 of 18 July 2008 and 10.096 of 22 March 2010
d. Do stakeholders feel that they are adequately represented?	See minutes of preparation meetings
e. Do stakeholders feel they can operate as part of the committee – including by liaising with their constituency groups and other stakeholders – free of undue influence or coercion?	Yes, 3 work sessions per year for the Steering Committee and 2 sessions for the National Council
f. Are civil society members of the group operationally, and in policy terms, independent of government and/or the private sector?	Yes, because they come from workers' unions, NGOs, religious groups and student associations <ul style="list-style-type: none"> <li>○ Copy of the nomination letters</li> <li>○ Nomination orders</li> </ul>
g. Where group members have changed, has there been any suggestion of coercion or an attempt to include members that will not challenge the status quo?	<ul style="list-style-type: none"> <li>○ No, Letter for new nomination by their respective organisation</li> </ul>
h. Do group members have sufficient capacity to carry out duties?	<ul style="list-style-type: none"> <li>○ Minutes of capacity building sessions</li> <li>○ CD ROM</li> </ul>
i. Do the TORs give the committee a say over the implementation of the EITI?	<ul style="list-style-type: none"> <li>○ Yes, via the adoption of all applicable texts</li> <li>○ Meeting minutes for adoption of TORs</li> </ul>
j. Endorsement of the Country Work Plan – following revisions where necessary	Yes, meeting minutes for the adoption of the action plan
k. Choosing an auditor to undertake audits where data submitted for reconciliation by companies or the	No



government are not already based on data audited to international standards	
l. Choosing an organisation to undertake the reconciliation; and, other areas as noted in the Validation Grid	Meeting minutes for the approval of the choice of the Independent Administrator and the Validator
m. Are senior government officials represented on the committee?	Yes, see the abovementioned Decrees
<b>Stakeholder feedback</b>	
<p>The stakeholders consulted were satisfied with the setting up and running of the Steering Committee. Amongst the members of the committee, there was consensus that the composition was appropriate and that the committee was set up in the correct spirit and that the government left it to the various stakeholders to decide who they should appoint as representatives.</p> <p>Members of the committee were also very satisfied that they could express their opinion openly and that the meetings were managed in a way that gave everyone an opportunity to speak. Decisions so far are reached by consensus rather than through formal voting.</p> <p>Stakeholders were also pleased that committees had been set up in the 16 provinces in order to spread awareness and establish communication at the local level. This was appreciated because of problems of communication outside the capital.</p> <p>Amongst non-members of the Steering Committee from civil society groups, some views were expressed that the committee could have wider representation and it was not clear how it was decided which groups to invite and how each group decided its representative. (See Indicator 6 below regarding communication by committee members to wider civil society). In addition, several people noted that the representation of women was low.</p> <p>Stakeholders from the mining sector consulted were all satisfied that the representation on the Steering Committee was appropriate.</p> <p>Similarly, government members were satisfied with the composition and operation of the Steering Committee.</p> <p>The committee members were all satisfied that they participate in the key decisions, such as the approval of the work plan.</p>	
<b>Validator's observations</b>	
<p>The selection of NGOs for the Steering Committee was not made following a formal study carried out by the Technical Secretariat, but after consultation with the Inter NGO Council of Central Africa (Conseil Inter ONG Centrafrique - CIONGCA). According to the Technical Secretariat, the CIONGCA was consulted regarding the selection of NGOs to invite onto the Steering Committee. There was one three-day workshop in April 2008 which had two representatives from the CIONGCA under the civil society heading. The stakeholders were nominated by the decree of July 2008. From the government side there is very senior representation on the Steering Committee.</p> <p>Once it was decided how many representatives there should be in each category, letters were sent to representatives of the entities inviting them to appoint the number of representatives stipulated in the</p>	



Decree. It appears sufficient thought had not been given to contacting some key organisations to join the Steering Committee. These are umbrella organisations that hold regular meetings with their member organisations and therefore would have maximised the cascading of information on EITI work (such as the GEPPIC for the journalists and the Central African Women’s Organisation (Organisation des Femmes Centrafricaines)).

However overall, stakeholders, including civil society representatives, are satisfied that there is fair representation on the committee. Although the process of identifying civil society groups was quite informal, given the size of the country, and number of civil society groups, this was not as significant a constraint as it would be in a larger country.

The selection of the representatives of each group were chosen by the groups concerned. For non-governmental entities it appears that this was done without any influence from government. There is no evidence that the government has tried to interfere in any way with the discussions within each organisation regarding any EITI issues to be raised. There is no evidence that the government or private sector has interfered with the independence of the NGOs. There is no evidence that there has been coercion when members have changed or attempts to exclude participants not favourable to the government.

The TORs of the Steering Committee as defined in the Decree are more narrow than those envisaged in the Validation Grid. There is an emphasis in the TORs on communication and awareness-raising in their circle of influence, as well as verifying the declaration forms for the payments and receipts. There is much less emphasis on the committee’s participation in decision-making. For example, the right of the Steering Committee to approve the work plan is not in its TOR, nor do they not include the tasks of approving the TORs of, and selecting, the independent administrator or Validator. In practice, however, the Committee does carry out the key functions required by the EITI process. For example with regard to the work plan, the first meeting of the Committee was entirely devoted to discussing and approving the plan. The Committee participated in the selection of the independent administrator for the first and second EITI Reports and approved their Terms of Reference

There has been no appointment of auditors as part of the EITI process for data from companies and government which did not already have an audit according by international standards – see Indicators 12 and 13 below. The Steering Committee does not think that this is appropriate or practical in the context of the CAR.

The EITI principles do not call for equality of representation and there is no indication that any group has been excluded or underrepresented. However the balance of the committee might be improved if there were more civil society representatives, which currently number 5, compared to 8 company representatives and 9 government representatives. The Steering Committee could therefore consider the merits of adding a small number of new members. In addition, the Committee should consider increasing the number of women members across stakeholder groups. A seat could be reserved for a women’s organisation.

The government should in any future decree ensure that the official remit of the Steering Committee correspond fully with the EITI requirements.

**INDICATOR MET**





**Indicator 6 : Is civil society engaged in the process?**

**Submission of the EITI-CAR Technical Secretariat**

The civil society is represented by the following organisations :

- Workers' union, one (1) representative
- Bar council, one (1) representative
- Human Rights NGOs of CAR, two (2) representatives
- The pupils and students, one (1) representative
- Private media, one (1) representative
- Religious groups, one (1) representative
- Publish What You Pay, two (2) representatives

Item to verify	Supporting evidence submitted by the EITI-CAR Technical Secretariat
a. Outreach by the multi-stakeholder group to wider civil society groups, including communications (media, website, letters) with civil society groups and/or coalitions (e.g. a local Publish What you Pay coalition), informing them of the government's commitment to implement EITI, and the central role of companies and civil society	<ul style="list-style-type: none"> <li>○ Minutes of the awareness workshop for media and civil society</li> <li>○ Press conference opening statement and attendance register</li> <li>○ CD ROM for radio programme</li> <li>○ Leaflets</li> </ul>
b. Actions to address capacity constraints affecting civil society participation, whether undertaken by government, civil society or companies	<ul style="list-style-type: none"> <li>○ Minutes of the awareness workshop for media and civil society</li> <li>○ List of attendees</li> </ul>
c. Civil society groups involved in EITI should be operationally, and in policy terms, independent of government and/or the private sector	Copies of nomination letter for members
d. Civil society groups involved in EITI are free to express opinions on EITI without undue restraint or coercion	Meeting minutes of the sessions

**Stakeholder feedback**

The civil society organisations consulted were broadly satisfied with their involvement in the EITI process. The civil society representatives on the Steering Committee confirmed that there have been a number of effective initiatives to allow civil society to be engaged in the process and that they had been successful. For example, civil society representatives on the committee participated in media debates on the various EITI-CAR activities such as the discussion of the first report. Civil society groups showed interest in the initiative and welcomed it. In addition, civil society members on the committee confirmed that they were free to express their opinion at meetings.

Feedback from some members from the civil society who were not representatives indicated some gaps of communication between committee members and broader civil society. It seems clear that whilst some civil society committee members had made efforts to cascade information to the wider groups that they represent and to obtain views on EITI issues, others have been less effective in doing so. Some non-member civil society representatives consulted had not received any reports





from members who were supposed to be representing them and some were even unaware that they were represented on the committee.

The Prefectoral Committees consulted were satisfied of the support received from the Technical Secretariat of the ITIE-RCA and from their own civil society. However, they indicated that they had constraints in terms of accessing the mining sites and that they were appealing to the Technical Secretariat to provide them with sufficient resources to address the issue.

**Validator's observations**

There have been a number of useful activities targeted at civil society. For example, the Steering Committee has organised three workshops (« reunions de concertation et de sensibilisation ») in 2009 to promote and raise awareness of the country's commitment to the EITI principles. The initiatives at prefectoral level, though many are fairly recently started, are clearly important given the location of the mining activities and the difficulties of communication. The support of important members of the communities had been enlisted. Amongst those involved in the Prefectoral Committees are the mayor and local religious groups. The Technical Secretariat EITI-CAR also conducted regional press releases and meetings were televised.

All of the five civil society members are independent from Government and independent from the private sector. It should be noted in the context that members from the committee are paid for their participation. Their payment is generally 500,000 FCFA per session (i.e. € 763), which is intended to also cover work which they do before and after the sessions. These amounts are included in the budget which was approved by the participating donors.

The involvement of civil society is adequate for the purpose of EITI. The EITI principles do not call for equality of representation and there is no indication that any group has been excluded or underrepresented. However the balance of the committee might be improved if there were more civil society representatives, which currently number 5, compared to 8 company representatives and 9 government representatives. The Steering Committee could therefore consider the merits of adding a small number of new members. In addition, the Committee should consider increasing the number of women members across stakeholder groups. A seat could be reserved for a women's organisation.

**INDICATOR MET**





## Indicator 7 : Are companies engaged in the process?

### Submission of the EITI-CAR Technical Secretariat

Representation of its members within the institutional structures implementing EITI in CAR, notably :

- representatives of mine workers, 2 (two)
- representatives of mining cooperatives, 4 (four)
- representatives of buying offices for diamond and gold, 3 (three)
- representatives of mining companies, 4 (four)

Item to verify	Supporting evidence submitted by the EITI-CAR Technical Secretariat
a. Outreach by the multi-stakeholder group to oil, gas and mining companies, including communications (media, website, letters) informing them of the government's commitment to implement EITI, and the central role of companies	<ul style="list-style-type: none"> <li>○ Minutes of meeting with the mining sector</li> <li>○ Minutes of capacity building workshops</li> <li>○ CD ROM, programmes</li> <li>○ Leaflets – commitment of Head of State</li> </ul>
b. Actions to address capacity constraints affecting companies, whether undertaken by government, civil society or companies	<ul style="list-style-type: none"> <li>○ Minutes of meeting with the mining sector</li> <li>○ Minutes of capacity building workshops</li> <li>○ CD ROM, programmes</li> </ul>

### Stakeholder feedback

Amongst the activities the organisations from mining sector took part in, they participated in a workshop together with the members of the Steering Committee and the Technical Secretariat following the publication of the first report. The respondents confirmed that the aim of the workshop was to encourage organisations to cooperate with the independent administrator by providing them with the required information.

The organisations consulted explained that the capacity constraints in their stakeholder group were more prevalent in the artisanal sector as the workers had literacy and numeracy challenges. They were also of the view that more thought should have been given to that issue to be included in the country work plan. However, in relation to the dissemination of information on the first report, the organisations consulted commended the efforts of the Technical Secretariat and the Steering Committee for organising debates in villages and provinces outside of Bangui. They also explained that such campaigns helped to raise awareness on the importance of recorded bank payments instead of cash payments.

### Validator's observations

There has been an extensive campaign by EITI-CAR to publicise the initiative and to engage the private sector to participate in it. The campaign has included the invitation of representatives of the private sector onto the National Council and the Steering Committee, where they have significant representation. In the Steering Committee there are seven representatives for the mining sector and



in the National Council there are four. There have also been many other communication events, including meetings held at the province level by committees which have been formed there. The media have been used extensively, including TV, radio and print, to publicise the purpose and importance of the initiative and the contribution of the mining sector.

Effort has been put into the engagement of the private sector into the programme and to educate it on the importance and their contribution. However it is not clear that there has been a systematic identification of the technical capacity constraints. The TORs for a consultant regarding addressing capacity constraints, who has so far not been identified, did not have a focus on the industry stakeholders. The most important constraint from an EITI point of view appears to be the quality of the financial information and the lack of independent verification of the data on payments.

Both EITI reports refer to the problem of capacity in the informal sector in providing data (see Indicator 11).

The categories of payments were identified in advance and discussed and agreed with the Steering Committee. The independent administrators set out the types of payment in the first and second EITI reports and has detailed tables on declared payments and receipts in an annex.

In terms of the participation of companies in reporting data, in the first EITI Report, the independent administrator notes that there were difficulties in obtaining comprehensive data and supporting evidence, in particular:

- several buying offices had discontinued activities in the three years between the first EITI report's completion and the year being examined, which meant that not all data was available;
- some buying offices were reluctant or unable to provide documentary evidence of the data submitted on payments.

It should be noted that the first EITI report for the most part makes a general reference to these problems. There is little detail on specific items which are missing which might indicate how material the deficiencies might be. A recommendation of the report was a 'strengthening of the structure and legal framework of the departments ("régies") to guarantee better transparency and accuracy of the payments coming from the extractive industry'.

For the second report, the independent administrator was able to obtain a more comprehensive picture at least in relation to the year 2009. For this year, figures were obtained for all industrial companies active in the sector, which in fact consisted of one company. It also had data from all of the buying offices that were active in that year.

In relation to the years 2007 and 2008, the independent administrators did not obtain data for several of the buying offices that had ceased activity by the time of the collection of the figures and therefore were not available to provide data.

In the artisanal sector, data in a usable form was not available. Data is collected on production for export by cooperatives because they are required to export through the Union of Cooperatives. Data was submitted by the Union but the independent administrator considered that this data was not in a usable form for the purpose of EITI reconciliation. First, this was because the data was too aggregated and lacked details on dates for each flow. Second, there was no clarity or confirmation regarding the data definitions.



No data at all was available from the collectors. The collectors are located all over the country and do not sell through the Collectors' Union. The Collectors' Union is not currently in a position to collect data from its members.

The independent administrator believes, however, that the omission of the artisanal sector is not likely to be material and this is based on data regarding the number of entities and their assumed level of payment in terms of royalties (for cooperatives) and licences (for collectors). It should be noted that the independent administrator has excluded corresponding receipts on the government side.

**INDICATOR MET**





**Indicator 8 : Did the government remove any obstacles to EITI implementation?**

**Submission of the EITI-CAR Technical Secretariat**

Adoption of a memorandum of understanding (« Protocole d'Entente ») between the Government, the mining sector and the civil society committing to adopt the principles and criteria of the EITI for implementation in the Central African Republic. This was adopted at the National Council EITI-CAR session of 16 September 2009.

Item to verify	Supporting evidence submitted by the EITI-CAR Technical Secretariat
a. A review of the legal framework	Decree relative to the structure and functions of EITI-CAR
b. An assessment of obstacles in the legal and regulatory framework that may affect implementation of the EITI	<ul style="list-style-type: none"> <li>○ Memorandum of Understanding</li> <li>○ Company rules</li> <li>○ Code of Conduct</li> </ul>
c. Proposed or enacted legal or regulatory changes designed to enable transparency	Decree N°10.096 of 22 March 2010 amending Decree N°08.260 of 18 July 2008
d. Waiver of confidentiality clauses in contracts between the government and companies to permit the disclosure of revenues	Memorandum of Understanding and the Decree 08.260 of 18 July 2008
e. Direct communications with, e.g., companies, allowing greater transparency	<ul style="list-style-type: none"> <li>○ Meeting minutes</li> <li>○ Boda mission report</li> </ul>
f. Memoranda of Understanding setting out agreed transparency standards and expectations between government and companies	See Memorandum of Understanding

**Stakeholder feedback**

The stakeholders consulted were satisfied that the government had addressed any legal and regulatory issues which might obstruct the implementation of the EITI programme. They agreed that confidentiality constraints had not impeded progress. They also have expressed the view in the Steering Committee that the imposition of an audit requirement for all sizes of company would be an unwelcome interference with CAR practices.

This was the general opinion of the stakeholders represented on the Steering Committee as a whole. The audit requirement was regarded as an interference because it would impose a burden on small companies with limited resources and capacities and was not a common requirement for such companies in other developing or developed countries. This burden is partly in terms of the fees payable for such an audit but also in terms of the additional financial management capacities and systems required to be audited independently.

In relation to the issue of auditing, the Validation Grid calls for the auditing by international standards of the declared payments of the companies, not of the company accounts as a whole. The one



industrial company present in 2009 did have its payment certified by its international auditor, following the 'International Standards on Related Services'.

Otherwise many companies reporting payments in the EITI-CAR process have had their company accounts audited, rather than the specific payments. In relation to this auditing, the following points should be made, which are relevant to various indicators in this report:

- In CAR, those companies whose accounts are audited are done so by local CAR auditing standards,
- The CAR audit standards do however follow the principles of the Organisation for the Harmonisation of Business Law in Africa (OHADA), of which CAR is a member, which can therefore be described as international standards,
- At a more global level, 'international auditing standards' generally refer to those of the International Auditing and Assurance Standards Board (IAASB), though these are not generally used in CAR, except by international companies.

**Validator's observations**

The main instruments for bringing about a legal basis for the EITI are the Decree of July 2008 and the Memorandum of Understanding of March 2010 between the stakeholders. These commit the government, civil society and the private sector to cooperate fully in the process, to provide the required data and work constructively to the requests of the independent administrator and Validator. This was reinforced by a series of communication initiatives to raise awareness among companies regarding the commitments made and the importance of cooperation.

Regarding confidentiality restrictions, the Decree of July 2008 gives the Technical Secretary full powers to require disclosure of information necessary for the EITI and specifically states that commercial confidentiality may not be a bar to this.

There has been no formal review of the legal and regulatory framework beyond the preparations and discussions related to the Decree and Protocole. There is no evidence to suggest that there are any material obstacles in the way of creating a successful EITI process in the existing regulatory and legal framework.

In relation to the EITI audit requirement, there are no obstacles of a legal or regulatory nature to companies undertaking audits by international standards. The constraint in this connection is that common local practice is for audits to be undertaken only by local standards (conforming to OHADA principles) since there are few international companies whose Head Offices would require them to have an IAASB standard audit. Furthermore, many participants in the mining industry are too small to require an audit by any standards. It should be noted that most countries have thresholds for requiring an audit which are set to exclude small companies and would exclude most of the CAR mining industry, and certainly that part which has not delivered suitable data. In the UK, for example, the threshold is a turnover of €6.5m. These limits have been set deliberately to avoid burdening small companies with undue regulation. Care should clearly therefore be taken before requiring companies in the CAR to undertake audits which would not be considered in Europe.

**INDICATOR MET**





**Indicator 9 : Have reporting templates been agreed?**

**Submission of the EITI-CAR Technical Secretariat**

The adoption by the Steering Committee EITI-CAR of a reporting template defining all significant payments in relation to the enhancement of the Central African mining sector. This was done at the ordinary session on 31 August 2009.

Item to verify	Supporting evidence submitted by the EITI-CAR Technical Secretariat
a. Draft templates provided to the multi-stakeholder group	Copy of the reporting template
b. Multi-stakeholder group minutes of template discussions	Minutes of meeting of Steering Committee adopting the template
c. Communications to wider stakeholders (e.g. companies) regarding the design of the templates	Communication with the mining sector
d. Arrangement to enable stakeholders to understand the issues involved	Minutes of meeting with stakeholders involved
e. A statement by the multi-stakeholder group that they agreed the templates, including all revenue streams to be included	Minutes of meetings of Steering Committee adopting the template

**Stakeholder feedback**

The members of the Steering Committee consulted confirmed that they had a chance to discuss the format of the declaration forms for the reconciliations for both the first and second reports, as well as the type of tax and payments to be included in the process. The organisations from the mining sector that were not on the Steering Committee explained that they were not directly consulted on the format of the declaration forms but that they were well networked and were confident that their representatives on the Steering Committee defended their interests.

**Validator's observations**

The meeting minutes of the Steering Committee make reference to amendments adopted by the Steering Committee in relation to tax definitions rather there being a detailed note on the discussions. The Validator discussed the methodology and approach for the second report with the independent administrator and with the Steering Committee. For the second report, there was extensive explanation of the reporting formats by the independent administrator and the Steering Committee was able to ask questions. Similarly, there was discussion of the revenue types which would be included in the collection process. The independent administrator recommended a shorter list of revenue types that were used in the first report and recommended these were the most relevant for the EITI process. The Steering Committee accepted the recommendations of the independent administrator.

In relation to the first report, the Steering Committee confirmed that they were very involved in process and minutes of the meetings confirmed this.

The definitions of revenues used for the first report were the following :



ACFPE  
AMENDES FISCALES  
AMENDES PENALES  
AMENDES TRANSACTIONNELLES  
AUTRES IMPOTS ET TAXES  
BONUS  
CAUTION D'OUVERTURE DE BUREAU  
CONTRIBUTIONS FONCIERES  
CONTRIBUTIONS AU DEVELOPPEMENT SOCIAL  
DIVERS  
DROITS DE DOUANE ET TRANSIT  
DROITS D'ENREGISTREMENT  
DROITS (TAXES 4,0%) DE SORTIES A L'EXPORTATION  
IMPOTS ET TAXES INDIRECTS  
IRCM/IMF/IS/MF/IR  
PATENTE ET LICENCE  
PDSM (CAS D'OR 1,0%)  
PE/PGR/PRM/PSE/PRE/TAXES SUPERFICAIRES  
REIF  
SPPK (0,50%)  
TAXES DE CIRCULATION EN ZONE MINIERE  
TAXES COMMUNALES  
TAXES SUR LES VEHICULES  
TAXES SUR LES LOYERS PROFESSIONNELS

The definitions used for the second report were the following:

Impot Minimum Forfaitaire  
Impot sur les sociétés  
Amendes et Pénalité fiscaux  
Redevances Superficiaries  
Bonus de signature et amendes transactionnelles  
Contribution de patente et licence  
Redevance minière proportionnelle  
Dividence issue des participations  
Contribution spéciale d'Areva

In relation to materiality, the Steering Committee did not set any criteria on materiality for either EITI report as it was the intention to collect data from all identifiable participants in the industry.

For the first report, data was requested from 17 organisations.

For the second report, there was a more thorough analysis of the sector and presentation to the Steering Committee about which companies data should be collected from. The following were the categories discussed and decided on by the Steering Committee:

**Industrial sector:**

- Companies present in the CAR at the time of the second report: 1
- Companies which had abandoned their activities at the time of the second report: 6





**Artisanal sector:**

- Buying offices still in operation in CAR: 5
- Buying offices which have abandoned their activities: 13
- Cooperatives (under the Union Nationale des Cooperatives Minières Centrafricaine)
- Collectors (under the Union Nationale des Collecteurs)

The omissions from both reports were not on the basis of a decision on materiality but rather that data was not forthcoming from some parts of the industry and in particular the artisanal sector. The Steering Committee was aware of the data omissions from the first report and expressed the wish that future reports would be more complete. It welcomed the intention of the government to account for the discrepancies identified. In relation to the second report, the Validator cannot comment on the view expressed by the Steering Committee on the materiality of the omissions, as at the time of the Validation, the Committee had not met to receive and adopt the report. The absence of data from the artisanal sector is clearly a gap in the completeness of the data, albeit one which is unlikely to be very significant. The inclusion of this data is the main gap which is still to be filled in future reconciliations. As indicated earlier, the programme will therefore need to take into account the capacity constraints in this part of the sector.

**INDICATOR MET**





**Indicator 10 : Is the multi-stakeholder committee content with the organisation appointed to reconcile figures?**

**Submission of the EITI-CAR Technical Secretariat**

Yes.

Item to verify	Supporting evidence submitted by the EITI-CAR Technical Secretariat
a. TORs agreed by the multi-stakeholder group	Minutes of meetings adopting the TORs
b. Transparent liaison with the EITI secretariat and Board to identify potential Validators	<ul style="list-style-type: none"> <li>○ Correspondence from EITI International Secretariat providing the list of companies</li> <li>○ Copy of the letter for launch</li> <li>○ Copy of letter from Mr Tim Bittiger giving his agreement</li> </ul>
c. Agreement by the multi-stakeholder group on the final choice of organisation	Meeting minutes of the selection of the Validator

**Stakeholder feedback**

The Steering Committee confirmed that it had discussed and confirmed the TORs of the independent administrator for the first EITI report and selected the independent administrator. In the case of the second report, both the TORs and the selection were also discussed and confirmed by the Steering Committee, the selection itself being done through a sub-committee of the Steering Committee. It was noted that in the case of the second report, the selection was made from a list of firms with international experience of EITI reconciliation, whereas the first report was done by a local firm.

**Validator's observations**

The process for the two independent administrators did conform to the EITI requirements. The terms of reference were discussed by the Steering Committee and the Steering Committee appointed a six-person sub-committee to discuss and approved the final selection. The Steering Committee took the view that the two independent administrators had the correct, professional and technical competence. The first independent administrator, which was a local consultant, did not have EITI reconciliation experience as it was the first reconciliation exercise that had taken place in the country. On reflection, for the second report, it was decided to engage a foreign company that had considerable experience in EITI reconciliation.

Regarding consultation with the Board on candidates, the Technical Secretariat took advice from the International EITI Secretariat on appropriately qualified companies in relation to the second independent administrator. Companies that responded to the bid had all international experience.

**INDICATOR MET**





**Indicator 11 : Has the government ensured that all companies will report?**

**Submission of the EITI-CAR Technical Secretariat**

The measures under article 26 of Decree n° 08. 260 of 18 July 2008 in relation to the creation, structure and functions of the EITI-CAR structures for the preparation and follow up of the implementation of EITI in CAR : « Upon request, the Technical Secretary can obtain, from any public authority or any person, the data and documents relevant to his work. Professional confidentiality cannot be used as basis for exemption from EITI. »

In addition, these measures have been reinforced by the Memorandum of Understanding of EITI-CAR stakeholders.

Item to verify	Supporting evidence submitted by the EITI-CAR Technical Secretariat
a. introduced/amended relevant legislation/regulations making it mandatory that companies report as per the EITI Criteria and the agreed reporting templates	<ul style="list-style-type: none"> <li>○ Decree containing the creation of EITI-CAR</li> <li>○ Memorandum of Understanding</li> </ul>
b. negotiated agreements (such as Memoranda of Understanding and waiver of confidentiality clauses under production sharing agreements) with all companies to ensure reporting as per the EITI Criteria and the agreed reporting templates	<ul style="list-style-type: none"> <li>○ Decree containing the creation of EITI-CAR</li> <li>○ Memorandum of Understanding</li> </ul>
c. Where companies are not participating, the government is taking generally recognised (by other stakeholders) steps to ensure that these companies report by an agreed (with stakeholders) date	All companies take part in the implementation (see Memorandum of Understanding)

**Stakeholder feedback**

The Steering Committee confirmed it was satisfied that the government had taken steps to ensure that companies report as required. As noted in Indicator 14 below, the Steering Committee is aware that the reporting process was not complete for the first EITI report but believes it would be improved in the second report which it had not seen at the time of Validation.

**Validator's observations**

The Decree of July 2008 gives the Technical Secretary the right to require enterprises in the sector to submit all data needed for the EITI-CAR, though it is not specific about the form of the data. Similarly the Memorandum of Understanding of March 2010 contains a commitment by the mining sector to report all payments to the government, without the form of the payment specified. There has been widespread communication concerning these general obligations as part of the information campaign.

In the first EITI report the independent administrator notes that there were difficulties in obtaining comprehensive data and supporting evidence, in particular:

- several buying offices had discontinued activities in the three years between the first EITI report's completion and the year being examined, which meant that not all data was available;
- some buying offices were reluctant or unable to provide documentary evidence of the data submitted on payments.

The first report made no reference to the inclusion (or otherwise) of data from cooperatives and



collectors, which are not listed in the annex of companies which contributed data. The first independent administrator informed the Validator verbally that this data was included in the calculations, though this cannot be ascertained from the written report.

It should be noted that the first EITI Report for the most part makes a general reference to these problems. There is little detail on specific items which are missing which might indicate how material the deficiencies might be. A recommendation of the report was a 'strengthening of the structure and legal framework of the departments ("régies") to guarantee better transparency and accuracy of the payments coming from the extractive industry'. In the view of the Steering Committee and the Technical Secretariat, the first report had some deficiencies such as in the completeness of the data, which was regrettable. It took the general view that it was a useful experience to identify the problems involved in collecting data and which would be beneficial in producing a better second report.

In relation to the reluctance or inability of some buying offices to provide data, in the Validator's view, this was a reflection of the level of understanding at the time in some part of the industry about the purpose of the EITI and the actions needed on their part to provide the data. Following the publication of the first report, there has been an improvement in this awareness on the part of the buying offices which allowed better data collection for the second report, though this applied much less to the cooperatives and collectors.

For the second report, the independent administrator was able to obtain a more comprehensive picture at least in relation to the year 2009. For this year, figures were obtained for all industrial companies still active in the sector, which in fact consisted of one company. It also had data from all of the buying offices that were active in that year. It also had data from three of the five industrial companies which had ceased activity at the time of the second report.

In relation to the years 2007 and 2008, the independent administrators did not obtain data for several of the buying offices that had ceased activity by the time of the collection of the figures and therefore were not available to provide data. The Validator cannot comment on the view of the Steering Committee on this as the Committee had not reviewed the second report at the time of Validation.

For the second report, data was provided by the artisanal sector to the independent administrator but it was not in an usable form. Data is collected on production for export by cooperatives because they are required to export through the Union of Cooperatives. Data was submitted by the Union but the independent administrator considered this data was not in a usable form for the purpose of EITI reconciliation. This was, first, because the data was too aggregated and lacked details on dates for each flow. Second, there was no clarity or confirmations regarding the data definitions.

No data at all was available from the collectors. The collectors are located all over the country and do not sell through the Collectors' Union. The Collectors' Union is not currently in a position to collect data from its members.

The second independent administrator believes, however, that the omission of the artisanal sector is not likely to be material and this is based on data regarding the number of entities and their assumed level of payment in terms of royalties (for cooperatives) and licences (for collectors). The payments for 2009 reported to the second independent administrator from the industrial companies were CFA 8232 million, that from buying offices were CFA 2937 million. Against this, the second report notes that the revenues collected from the artisanal sector were recorded by the government as follows:

- CFA 23 million from the cooperatives as reported by BECDOR (Bureau d' Evaluation et de



Controle de Diamant et d'Or); and

- CFA 285 million from the collectors, a figure derived from the number of collectors and the annual licence payment.

Although the figures from collectors and cooperatives do not conform to EITI requirements, in the Validator's view, the different order of magnitude of the numbers gives comfort that the omitted data is not material.

In terms of the quantification of those companies which have declared payments relative to those in the agreed scope, the first report only provides details on those companies which declared. The second report provides more complete information and allows an analysis of the declaring companies relative to the agreed scope as indicated in the following table.

Type of enterprise	Total in scope	Total in declaring data
Active industrial companies	1	1
No longer active industrial companies	5	3
Active buying offices	5	5
No longer active buying offices	13	0
Cooperatives	Unknown	0 <sup>a</sup>
Collectors	190	0 <sup>b</sup>

**Note:**

- a. data was provided by cooperatives but not in a form compliant by EITI requirements*
- b. data is estimated for information purposes in the second report for collectors based the licence fee per collector*

The improvement of the second report over the first one reflects the level of awareness and promotion of the EITI which was raised significantly between the two reports. At the time of the first report, there was limited understanding and appreciation of the EITI on the part of companies. After the experience of the first report, more efforts were made on the government's side to improve the overall data collection. The most important step was the signing of a Memorandum of Understanding whereby both the government and the mining sector made firm commitments to fulfilling the requirements of the EITI. This was reflected in a better reporting performance by both the government and the mining companies, even though there was progress still to be made in regards to the artisanal sector.

**INDICATOR MET**





**Indicator 12 : Has the government ensured that company reports are based on audited accounts to international standards?**

**Submission of the EITI-CAR Technical Secretariat**

Item to verify	Supporting evidence submitted by the EITI-CAR Technical Secretariat
a. Government passes legislation requiring figures to be submitted to international standards	Memorandum of Understanding
b. Government amends existing audit standards to ensure that they are to international standards, and requires companies to operate to these	No
c. Government agrees an MoU with all companies whereby companies agree to ensure that submitted figures are to international standards	Yes, see Memorandum of Understanding
d. Companies voluntarily commit to submit figures audited to international standards	Yes, see Memorandum of Understanding
e. Where companies are not submitting figures audited to international standards, the government has agreed a plan with the company (including sOE) to achieve international standards against a fixed time-line	Yes, all companies are involved
f. Where figures submitted for reconciliation are not to audited standards, the group is content with the agreed way of addressing this	The mining sector is artisanal. The only mining company AREVA produces audited data.

**Stakeholder feedback**

In the consultations with stakeholders there was some confusion regarding the issue of auditing of company payments. Among many stakeholders (including the smaller players in the industry, as well as some government representatives), there is not a clear understanding of the difference between audit by international standards, audit by local standards, which conform to OHADA principles, (even if by an internationally affiliated auditor), and certification by a local authority.

There has been discussion of the issue of auditing accounts or payments in the Steering Committee and the consensus view was that the auditing requirement was not a priority because it was not a known common practice in the CAR and that local certification should suffice. This view was confirmed in the Validator’s meetings with stakeholders and there was not identifiable opposing view to this consensus.

**Validator’s observations**

The Memorandum of Understanding refers in a preamble to the EITI criteria regarding the auditing of accounts by international standards and the need for payments to be audited in this way if they are



not already. However in the agreed commitments there is no reference to the need for audit. The EITI-CAR Secretariat believes that the audit requirement is more practical in countries such as those with Anglo-Saxon approaches to company law, and is not practical to impose in the CAR and other countries where there are no such requirements. In the CAR there is certification of company payments to the state by the authorities. There have therefore been hitherto no proposals to introduce any audit requirement. At the Steering Committee, the consensus view was that the CAR should not be required to introduce an audit requirement.

In the first report, there is no clear reference as to whether the payments have been audited. For the second report the picture is much clearer.

The one international company in the sector has indeed provided its data certified by its international auditor. Otherwise many companies reporting payments in the EITI-CAR process have had their company accounts audited, rather than the specific payments. In relation to this auditing, the following points should be made, which are relevant to various indicators in this report:

- In CAR those companies whose accounts are audited are done so by local CAR auditing standards,
- The CAR audit standards do however follow the principles of the Organisation for the Harmonisation of Business Law in Africa (OHADA), of which CAR is a member, which can therefore be described as international standards,
- At a more global level, 'international auditing standards' generally refer to those of the International Auditing and Assurance Standards Board (IAASB), though these are not generally used in CAR, except by international companies.

The data on payments by the buying offices has local standard audits. The cooperatives and collectors, which are all small in size, have no such audits.

As regards local standards, the Act n° 011 of 13 February 2008 (concerning the organisation of the institutional and judicial structures applicable to companies and public offices) provides for a "Délégation Générale des Entreprises et des Sociétés d'Etat". This agency's function is to ensure the reliability, regularity and accuracy of companies' and public offices' accounts. This control is conducted by one or several auditors whose status and functions are defined by the 'OHADA Uniform Act relating to commercial companies and economic interest group' and the OHADA accounting chart. At the end of each control, the companies are obliged to produce documents every year as the Uniform Act requires it.

At the regional level (Central Africa zone), companies' accounts are certified by chartered accountants accredited by the Economic Community of Central African States (CEMAC) of which the CAR is a member. At the local level, there is an association of chartered accountants (Ordre des Experts Comptables agréés (ONECA)). However, some buying offices and mining companies use the services of auditors attached to international firms to audit their accounts. Audits are conducted in compliance with accounting principles laid out by the OHADA accounting chart. This is also carried out in compliance with the Act n°09.005 of 29 April 2009 of the CAR Mining Code which stipulates that in order to obtain a production licence, a company needs to comply with the OHADA Uniform Act relating to commercial companies and any other laws in force in the CAR where it is based. The Mining Code also requires these companies to have their accounting system comply with the



provisions under the OHADA Uniform Act relating to commercial companies and economic interest group.

In conclusion:

- The one major industrial company has its payments audited. For the buying offices the audits performed are on company accounts, not individual payments and they are done according to international (OHADA) standards. The informal artisanal sector (cooperatives and collectors) do not have audited accounts.
- It should be noted that the level of awareness among stakeholders, including among companies and government officials, of auditing by international standards, is quite limited. There are very few international companies operational in CAR and most companies are small and privately owned, which are not normally audited in any country. As a consequence the level of discussion on the issue of international auditing will have been necessarily quite limited;
- Most countries have thresholds for requiring an audit which are set to exclude small companies and would exclude most of the CAR mining industry, and certainly that part which has not delivered suitable data. In the UK, for example, the threshold is a turnover of €6.5m. These limits have been set deliberately to avoid burdening small companies with undue regulation. Care should clearly therefore be taken before requiring companies in the CAR to undertake audits which would not be considered in Europe;
- The International Secretariat has undertaken to supply further clarifications on the audit requirements following the meeting of francophone candidate countries in Douala in 2009, which we understand is still to be provided;
- Within these constraints, it is reasonable to say that the Steering Committee is satisfied with how this matter is being treated. It is true that the Steering Committee did not have a full appreciation of auditing practice. This satisfaction was based nevertheless on an understanding of local practices and what is reasonable to require the type of business in the CAR sector to do.
- However, given the importance of audit within the EITI framework, progress could be made in achieving the EITI's objective in this regard. A study should be undertaken which sets out a process to achieve better the objective of having audited data without imposing unrealistic burdens on the operators in the sector in CAR. This study should take into account the size and capacity of each type of operator, as well as the local availability of audit services. It should produce practical recommendations.

**INDICATOR MET**







<b>Indicator 13 : Has the government ensured that government reports are based on audited accounts to international standards?</b>	
<b>Submission of the EITI-CAR Technical Secretariat</b>	
<b>Item to verify</b>	<b>Supporting evidence submitted by the EITI-CAR Technical Secretariat</b>
a. Government passes legislation requiring figures to be submitted to international standards	Memorandum of Understanding
b. Government amends existing audit standards to ensure they are to international standards, and ensures compliance with these	No – certification system via internal audit
c. Where figures submitted for reconciliation are not to audited standards, the multi-stakeholder group is content with the agreed way of addressing this	Yes, meeting minutes of multi-stakeholder group’s adoption of EITI Report
<b>Stakeholder feedback</b>	
Stakeholders from the government were satisfied with the international-standard audit of government revenues. CAR follows what it considers to be standard practices for inspection of public finances in the region and stakeholders are not aware of alternative systems which are commonly used. There were no views expressed that any other kind of international audit was needed.	
<b>Validator’s observations</b>	
Neither the first nor the second EITI report makes specific reference to the issue of auditing of the government revenues. The second report, however, does state that the government revenues have been collected and analysed in accordance with the requirements of the Source Book.	
The government has not made any changes to the auditing of its revenues as part of the EITI process as it believes it follows the international standards. It already has a number of processes and institutions involved in inspection of government revenues and accounts. In relation to audits for the Ministries, there are three types of organisations that have the responsibility to conduct audits, namely:	
1. “Inspection Générale d’Etat” can conduct spot audits or following instructions from the Head of State, to verify the consistency and proper management of the government accounts. The auditing methodology complies with the standards set by the International Organisation of Supreme Audit Institutions (INTOSA) of which the CAR is a member.	
2. “Inspection Générale des Finances” which is a department within the Ministry for Finance and Budget. The Decree n°07.273 of 27 September 2007 sets out the organisation and function of that Ministry as well as its Minister. The auditing scope of the Inspection Générale des Finances includes the procurement officers and accountants for the State Budget, for any special budget allocation, the administrative bodies, as well any organisations or entities financed by the State.	
The Inspection Générale des Finances has also got the remit to investigate any fiscal or customs	



fraud and to prosecute in compliance with existing laws and regulations. Consequently, it can supplant agencies and investigate them.

In addition, at the end of the financial year, the Inspection Générale des Finances controls the closing of all government accounts for auditing. Periodic and annual reports are then produced for the Ministry of Finance. The 'Cour des Comptes' is commissioned to audit government figures at the end of each financial year, and reports to the Minister of Finance.

### 3. Internal audit

- The 'Inspection des Services du Trésor', attached to the Treasury, has the following functions:
  - Conduct planned or spot inspections of public accountants
  - Supervise the implementation of the government chart of accounts
  - Audit public accountant functions and services

The jurisdiction for this agency concerns the Treasury network, on national territory and abroad.

- The 'Inspection des Services Douaniers', attached to the Department of Customs, has the following functions:
  - Conduct internal audits of its services
  - Identify, log and present to its Director any difficulties and breaches of its services and recommend measures to address such issues
  - Propose any disciplinary sanctions or prosecutions under the Customs Code of the Economic and Monetary Community of Central Africa.
- The 'Inspection des Services Fiscaux', attached to the Department for Tax, has the following functions:
  - Conduct planned or spot inspections of its services and units
  - Ensure compliance with legal provisions
  - Audit all departments of the Department of Taxes and State Properties.

The Validator has not carried out an assessment of the effectiveness of these existing inspection processes. The second independent administrator notes that given the reconciliation methodology used, the lack of audited data from the government does not materially impair the analysis. The independent administrator matched payments declared by companies on an individual basis with each declared government receipt, which itself provides a check on the reliability of the revenue information.

**INDICATOR MET**





**Indicator 14 : Were all material oil, gas and mining payments by companies to government (“payments”) disclosed to the organisation contracted to reconcile figures and produce the EITI Report?**

**Submission of the EITI-CAR Technical Secretariat**

The reporting templates adopted by the Steering Committee have defined all the significant revenues from the mining sector in CAR and integrated them within the scope of the collection and reconciliation process.

Item to verify	Supporting evidence submitted by the EITI-CAR Technical Secretariat
Reporting templates adopted	Minutes of meeting adopting the template and copy of the reporting template

**Stakeholder feedback**

The Steering Committee, including the industry representatives, confirmed that the categories of payments agreed as part of the preparation of the first EITI report were those covered in the report itself.

The stakeholders acknowledged that for the first EITI report, data was not forthcoming from all companies and associations as appropriate. Apart from the problems of reluctance from some parts of the sector, one company noted that it was not requested to supply data to the first independent administrator even though it had made payments in the year in question. The Validator has not been able to clarify why this was the case.

Although the report was generally welcomed, there is an expectation from all stakeholders that the second report will be an improved one, with more complete data. The report was still at draft stage at the times of the Validation, so this expectation was based on the involvement that the Committee had with the selection of the second independent administrator and their interaction with it during its first mission, when a Committee discussion was held on data to be collected.

**Validator’s observations**

The categories of payments were identified in advance and discussed and agreed with the Steering Committee. The independent administrators set out the types of payment in the first and second EITI reports and have detailed tables on declared payments and receipts in an annex.

For the first report, the following were obliged to declare their revenues:

- BADICA
- PRIMO
- SODIAM
- DDC (Diamond Distributor Company)
- ADC
- ORDICA
- BELDIAM
- MEX
- UNCMCA



SOCEMINE  
BEL AFRIQUE  
Taillerie Internationale de Bangui  
VAAL DIAM  
DIMBI DIAMANT  
IAS  
VAALDIAM  
SOPICAD

For the second report, the following were obliged to declare their revenues:

Areva  
Aurafrique  
GEM Diamond  
Mines de Centrafrique  
Goldiam  
Dimbi Diamond  
ADR  
BADICA  
COMIGEM  
INALA  
SODIAM  
ADC  
BELDIAM  
CODIORCA  
CAD  
DDC  
DIAMSTAR  
GEMCA  
IAS International  
KHORDIA  
LIONS INVEST  
MEX  
ORDICA  
PRIMO  
UNCMCA (Cooperatives)  
Syndicat National des Collecteurs

In the first EITI report, the independent administrator notes that there were difficulties in obtaining comprehensive data and supporting evidence, in particular:

- several buying offices had discontinued activities in the three years between the first EITI report's completion and the year being examined, which meant that not all data was available;
- some buying offices were reluctant or unable to provide documentary evidence of the data submitted on payments.

The first report made no reference to the inclusion (or otherwise) of data from cooperatives and collectors, which are not listed in the annex of companies which contributed data. The first independent administrator informed the Validator verbally that this data was included in the



calculations, though this cannot be ascertained from the written report.

It should be noted that the first EITI Report for the most part makes a general reference to these problems. There is little detail on specific items which are missing which might indicate how material the deficiencies might be. A recommendation of the report was a strengthening of the structure and legal framework of the departments (“régies”) to guarantee better transparency and accuracy of the payments coming from the extractive industry. In the view of the Steering Committee and the Technical Secretariat, the first report had some deficiencies such as in the completeness of the data, which was regrettable. It took the general view that it was a useful experience to identify the problems involved in collecting data and which would be beneficial in producing a better second report.

In relation to the reluctance or inability of some buying offices to provide data, in the Validator’s view, this was a reflection of the level of understanding at the time in some part of the industry about the purpose of the EITI and the actions needed on their part to provide the data. Following the publication of the first report, there has been an improvement in this awareness on the part of the buying offices which allowed better data collection for the second report, though this applied much less to the cooperatives and collectors.

For the second report, it was much more evident that the independent administrator followed rigorously the requirements of the EITI in collecting and analysing the data.

For the second report, the independent administrator was able to obtain a more comprehensive picture at least in relation to the year 2009. For this year, figures were obtained for all industrial companies still active in the sector, which in fact consisted of one company. It also had data from all of the buying offices that were active in that year. It also had data from three of the five industrial companies which had ceased activity at the time of the second report.

In relation to the years 2007 and 2008, the independent administrators did not obtain data for several of the buying offices that had ceased activity by the time of the collection of the figures and therefore were not available to provide data. The Validator cannot comment on the view of the Steering Committee on this as the Committee had not reviewed the second report at the time of Validation.

For the second report, data was provided by the artisanal sector to the independent administrator but it was not in an unusable form. Data is collected on production for export by cooperatives because they are required to export through the Union of Cooperatives. Data was submitted by the Union but the independent administrator considered this data was not in a usable form for the purpose of EITI reconciliation. This was, first, because the data was too aggregated and lacked details on dates for each flow. Second, there was no clarity or confirmations regarding the data definitions.

No data at all was available from the collectors. The collectors are located all over the country and do not sell through the Collectors’ Union. The Collectors’ Union is not currently in a position to collect data from its members.

The second independent administrator believes, however, that the omission of the artisanal sector is not likely to be material and this is based on data regarding the number of entities and their assumed level of payment in terms of royalties (for cooperatives) and licences (for collectors). The payments for 2009 reported to the second independent administrator from the industrial companies were CFA 8232 million, that from buying offices were CFA 2937 million. Against this, the second report notes that the revenues collected from the artisanal sector were as follows:



- CFA 23 million from the cooperatives as reported by BECDOR; and
- CFA 285 million from the collectors, a figure derived from the number of collectors and the annual licence payment.

Although the figures from collectors and cooperatives do not conform to EITI requirements, the different order of magnitude of the numbers gives comfort that the omitted data is not material.

It should be noted that in comparing payments and revenues, the independent administrator has excluded receipts on the government side for which data on payments is not available.

In all, the second report was a marked improvement over the first in two respects. First, it is much more precise about which companies and categories of companies reported and which did not. Second, the evidence is that the data collected was more complete because the discrepancy between the payments and revenues was significantly reduced. However, it is not possible to compare the two reports in terms of the proportion of companies which have declared their payments, since the first report does not specify which, or what proportion of, companies made declarations.

In conclusion, the Steering Committee did not set any criteria on materiality for either EITI report as it was the intention to collect data from all identifiable participants in the industry. It was aware of the data omissions from the first report and expressed the wish that future reports would be more complete. It welcomed the intention of the government to account for the discrepancies identified. In relation to the second report, the Validator cannot comment on the view expressed by the Steering Committee on the materiality of the omissions, as at the time of the Validation the Committee had not met to receive and adopt the report. The absence of data from the artisanal sector is clearly a gap in the completeness of the data, albeit one which is unlikely to be very significant as indicated above. The inclusion of this data is the main gap which is still to be filled in future reconciliations. As indicated earlier, the programme will need therefore take into account the capacity constraints in this part of the sector.

**INDICATOR MET**





**Indicator 15 : Were all material oil, gas and mining revenues received by the government (“revenues”) disclosed to the organisation contracted to reconcile figures and produce the EITI Report?**

**Submission of the EITI-CAR Technical Secretariat**

The reporting templates adopted by the Steering Committee have defined all the significant revenues from the mining sector in CAR and integrated them within the scope of the collection and reconciliation process.

**Supporting evidence submitted by the EITI-CAR Technical Secretariat**

- Copies of disclosures from the Government agencies (customs, treasury and tax)

**Stakeholder feedback**

The Steering Committee discussed the difficulties noted by the first report in collecting data from the government side and took note of the willingness expressed by the government to improve the cooperation between government agencies (customs, treasury, tax).

For the second report, to establish the revenues required to be declared by government agencies, the independent administrator made a presentation of its recommendations for revenues consistent with the EITI requirements. The Steering Committee adopted these recommendations and no exclusions were made on the basis of materiality.

At the time of the Validation the second report has not been submitted to the Steering Committee by the independent administrator and hence no comment can be made on the Steering Committee’s view of the second report.

**Validator’s observations**

The independent administrator for the first report undertook to collect data from the following government agencies:

- Direction Générale des Mines (mining);
- Direction Générale des Douanes et Droits Indirects (customs);
- Direction Générale des Impôts et des Domaines (tax);
- Inspection Générale des Finances (finance);
- Direction des Statistiques (statistics).

However, the independent administrator for the first EITI Report encountered difficulties in obtaining information on government receipts. The Ministry of Mines and its related authorities were cooperative but the administrator quoted the following obstacles in other departments:

- **“Fiscal administration:** lack of organisation leading to difficulties in relation to finding proofs of payments as well as statistical and fiscal declarations; lack of trust towards the Consultant. This was mostly experienced at the Customs offices;
- **Customs:** satisfactory level of organisation, some proofs of payments missing. The team was



not able to obtain the 2006 receipts because of difficulties in the transfer of electronic data;

- **Treasury:** this agency did not supply any information; upstream revenues (tax and customs) are not categorised by the Treasury and therefore difficult to process. In spite of the letter of engagement, the team did not receive any assistance from the Treasury in relation to information.”

While these significant obstacles were identified in the report, there was no clear indication as to how far they affected the completeness of the information. The administrator did not express a view on whether there were or were not any material gaps in reported revenues.

For the second report, the agreed list of revenues was shorter than for the first on the basis of the presentation of the second independent administrator (taking account of the requirements of the Source Book) to the Steering Committee and the decision taken on scope. (However, it should be added that the second independent administrator states that it is not its responsibility to verify the completeness of the sources of government revenues defined in the agreed scope.) The second independent administrator refers to revenues received from the “Regies Financières” i.e. the general directorates for customs, tax and mines. For this report, a greater level of cooperation was obtained from the agencies in the compilation of revenue of data. Albeit with some delay, data was received from them to allow the second independent administrator to reconcile the data with that on payments received from the mining sector.

Despite considerable improvement in the quality of information received from government agencies, there were some deficiencies with the data supplied for the second report caused by limitations of the information systems being currently used by the government. The main cause of the residual discrepancies between payments and revenues is attributed by the second independent administrator to the limits of the information systems of the government agencies in question and their difficulty in providing exhaustive data. The second independent administrator notes that the more limited use of manual ledgers and the greater use of automatic data entry and archiving, as well as electronic bank transfer of payments by companies to government, would improve the quality of government declarations for future EITI reports. The Validator understands that there are plans to make significant improvements in the use of automation which should improve the position for future reports.

In conclusion:

- There were considerable deficiencies in the completeness of the data for the first report ;
- For the second report, there was a clearer analysis regarding the revenues on which data should be collected. The definitions followed the EITI Source Book and the Steering Committee made no exclusions on the grounds of materiality ;
- A much greater level of cooperation with the departments was achieved for the second report. As a result, the data collected was more complete, within constraints imposed by the information systems in place.

**INDICATOR MET**







**Indicator 16 : Was the multi-stakeholder group content that the organisation which was contracted to reconcile the company and government figures did so satisfactorily?**

**Submission of the EITI-CAR Technical Secretariat**

The first EITI report of the Central African Republic was subject to an approval process by the stakeholders at the first 2009 ordinary session of the Steering Committee. This first report was dependent on the stakeholders' satisfaction of meeting minutes for that session. This report was published on 23 March 2009

**Supporting evidence submitted by the EITI-CAR Technical Secretariat**

- Minutes of the Steering Committee meeting

**Stakeholder feedback**

The stakeholders represented on the Steering Committee confirmed that they had been presented with the draft first EITI report and had opportunity to discuss it before they formally adopted it. Overall stakeholders were satisfied with the report and believed to have been a useful first step. At the same time, it was recognised that there were some limitations to the report on account of the gaps in data reported.

At the time of the Validation the second report was not yet completed. Many stakeholders on the Committee, as well as companies which had supplied data, had expectations that the second report would provide a clearer and more complete picture than the first.

**Validator's observations**

The first EITI report was the subject of the multistakeholder meeting and was formally adopted with some amendments to the format. The minutes of the meetings do not record any discussion of the content of the report, though it is clear from stakeholder feedback that this occurred.

**INDICATOR MET**





**Indicator 17 : Did the EITI Report identify discrepancies and make recommendations for actions to be taken?**

**Submission of the EITI-CAR Technical Secretariat**

**1. Recommendation of the Independent Administrator :**

- Strengthening of the legal and institutional framework of agencies to guarantee more transparency and to secure the receipts from the extractive industry ;
- Diversification of the information networks for a larger disclosure of data relevant to the extractive industry ;
- Make the data collection mandatory to all relevant players to obtain a reliable and sustainable database ;
- The nomination and involvement of all people resources from each agency to ensure smooth running of such operations in future ;
- Raising awareness within the mining sector on the necessity to facilitate the data gathering process.

**2. Recommendation of the Government :** The Prime Minister, Head of State, President of the National Council EITI-CAR, has instructed the Minister of Finance to shed light on the discrepancies.

**3. Recommendation of the civil society :** The civil society has announced its intention to refer the matter to courts should there be no governmental measures to shed light on the discrepancies concluded.

**Supporting evidence submitted by the EITI-CAR Technical Secretariat**

- Copy of the correspondence from the Minister commissioning an investigation

**Stakeholder feedback**

The stakeholders confirmed that the report identified the discrepancy and made recommendations and there had been discussion of these. The stakeholders were aware of the stated commitment of the government to investigate the discrepancy identified.

**Validator’s observations**

The first EITI report both identified discrepancies and made recommendations.

In relation to discrepancies, as noted above in 14, the independent administrator for the first report encountered data problems and did not express a view on the likely materiality of these problems, and hence the reliability of the discrepancies identified. There are however in the report a number of specific problems of proof of data which help to explain some of the discrepancies.

There are five recommendations made by the first EITI report. They are quite general in nature. For example, the recommendation for a ‘strengthening of the legal and institutional framework of the government departments in order to guarantee greater transparency and effective collection of revenues received from the extractives industry’ is not any more specific about what kind of legal and institutional changes are made.

The second report also identified discrepancies and made recommendations.

**INDICATOR MET**





**Indicator 18 : Was the EITI Report made publicly available in a way that was publicly accessible, comprehensive and comprehensible?**


**Submission of the EITI-CAR Technical Secretariat**

Since publication of the first report, the following activities have been conducted in relation to the dissemination process :

- Meetings with mining companies, buying offices for diamond and gold, diamond collectors, the Board of Directors of the Union of Mining Cooperatives to raise awareness and disseminate the report ;
- Consultation meeting with the Directors of government agencies (customs, treasury, tax) in relation to the recommendations of the independent administrator ;
- A meeting with the civil society groups to present the report ;
- A number of press conferences and weekly programmes in French and Sango on all public, private, community and religious radio stations ;
- Internet ;
- Production of leaflets in local language ;
- Distribution by the Prefectoral Committees of the simplified version of the report in the form of a leaflet in the provinces of the Central African Republic ;
- Copies of the press releases on the discrepancies identified in the first report.

Item to verify	Supporting evidence submitted by the EITI-CAR Technical Secretariat
a. Producing paper copies of the Report, which are distributed to a wide range of key stakeholders, including civil society, companies, the media and others	<ul style="list-style-type: none"> <li>○ First report leaflet</li> <li>○ Copies of correspondences for making the first report available to the national institutions</li> </ul>
b. Making the Report available on-line, and publicising its web location to key stakeholders	<ul style="list-style-type: none"> <li>○ Our website : <a href="http://www.itierca.org">www.itierca.org</a></li> <li>○ Copies of the opening statements at the press conference of 2 July 2009</li> </ul>
c. Ensuring that the Report is comprehensive and includes all information gathered as part of the Validation process and all recommendations for improvement	Electronic copy of the first EITI-CAR report
d. Ensuring that the Report is comprehensible, including by ensuring that it is written in a clear, accessible style and in appropriate languages	Leaflet of the first report in French and in Sango
e. Ensuring that outreach events – whether organised by government, civil society or companies – are undertaken to spread awareness of the Report.	<ul style="list-style-type: none"> <li>○ Minutes of missions ;</li> <li>○ Press conference ;</li> <li>○ Letters to institutions ;</li> <li>○ CD ROM.</li> </ul>



<b>Stakeholder feedback</b>	
<p>All stakeholders consulted, including those who are not part of the EITI-CAR structures, were satisfied that the first report was made widely public and that the society at large had had a chance to understand the results of the reconciliation.</p>	
<b>Validator's observations</b>	
<p>The first report is available on the EITI-CAR website, and copies of the report were disseminated to a wide number of stakeholders. In addition, the first report is easy to read and comprehensible – the gaps identified are indicated.</p> <p>The first report was written in French but a condensed version of the report was produced in Sango, in the form of a leaflet.</p> <p>Several debates and meetings were organised following publication of the first report, in the capital as well as in provinces (see below).</p>	
<b>INDICATOR MET</b>	



**How have oil, gas and mining companies supported EITI implementation?**

**Submission of the EITI-CAR Technical Secretariat**

**Supporting evidence submitted by the EITI-CAR Technical Secretariat**

- o Memorandum of Understanding ;
- o Participation in the awareness raising activities (Minutes of the meetings)

**Stakeholder feedback**

Both Steering Committee members and non-members from the mining sector expressed their full support of the EITI process. The organisations consulted between themselves to nominate representatives on the Steering Committee and National Council. In addition, they actively participate in seminars organised by the Technical Secretariat.

**Validator's observations**

In 2009, following the publication of the first report, the Technical Secretariat organised three workshops (« reunions de concertation et de sensibilisation ») with a target audience of players in the mining sector and the civil society.

On 9 March 2010, a Memorandum of Understanding was signed in relation to the importance, implementation and role of the EITI programme in CAR. This was acknowledged and signed by representatives from government, civil society, collectors, buying offices, cooperatives, mine workers and mining companies.

All companies currently operating in CAR plus the Union of Cooperatives and participating in the reconciliation process submitted company forms. A summary of the responses is as follows :

1. All organisations, except one, have publicly supported the EITI process in the CAR.
2. All organisations, except one, have stated that they have supported and cooperated with the implementation of the work plan.
3. All organisations state that they have disclosed all material payments to the independent administrator.
4. All organisations, apart from the Union of Cooperatives, state that the data submitted was taken from accounts independently audited according to international standards.
5. All organisations state that they have responded to queries by the independent administrator.

The Validator's research shows that most companies currently operating in the CAR do not have a company website. However, for those companies that had a website, only Areva mentioned their commitment to the EITI principles on their company websites. Areva's public commitment can be accessed at :

<http://www.areva.com/news/liblocal/docs/FICHIERS%20PDF%20BR/BR-2005-03-17-01-EN.pdf>

Nevertheless, it was clear that the support of the mining sector was unequivocal.

**INDICATOR MET**





**What steps have been taken to act on lessons learnt, address discrepancies and ensure that EITI implementation is sustainable?**

**Submission of the EITI-CAR Technical Secretariat**

Item to verify	Supporting evidence submitted by the EITI-CAR Technical Secretariat
a. A review mechanism has been established that takes account of the purpose outlined above	<ul style="list-style-type: none"> <li>○ Signed order from the Minister of Finance</li> <li>○ Permanent coordination</li> <li>○ Allocated budget</li> <li>○ EITI-CAR offices</li> <li>○ 5-year renewable mandate for members on the EITI-CAR structures</li> <li>○ Important allocation of financial and logistical resources to EITI-CAR</li> </ul>

**Stakeholder feedback**

The mining sector and civil society representatives consulted acknowledged that they understood better the implication of the process of reconciliation of figures after publication of the first report. Both members and non-members of the Steering Committee actively participated in debates on the first report as well as its recommendations and lessons learnt.

On the mining sector side, companies also acknowledged that they appreciate better the role of the independent administrator and that they were now better prepared to cooperate.

On the civil society side, they confirmed that they freely criticised the government in relation to the gaps identified by the first report and that legal proceedings against the State would have been considered had the government not ordered an investigation.

**Validator's observations**

Amongst the key steps taken to achieve sustainability of the process and a reduction of the discrepancies identified are the following :

- The signing of a Memorandum of Understanding in March 2010 ;
- The confirmation of 5-year renewable mandates for members on the EITI-CAR structures ;
- The allocation of budget as approved by the CAR government ;
- The set up of 16 prefectoral committees as a basis for sustainable process in the country as a whole ;
- The establishment of a full-time, permanent structure in the form of the Technical Secretariat ;
- Important allocation of financial and logistical resources to EITI-CAR in the form of offices and IT equipment.



In addition, following publication of the first report in 2009, seminar meetings were organised with the target audience of organisations from the mining sector, the government and the civil society. The aim of these seminars was to reiterate the importance of providing accurate figures to, and cooperating with, the independent administrator.

The first report presented a number of recommendations which were discussed at these meetings. There was much debate between the civil society and the government, and the government commissioned an investigation of the gaps identified by the first report. It was reported that some public officials were criminally charged as a result of the findings of that investigation.

In relation to organisations from the mining sector, it was clear that they now fully understand the importance of the EITI initiative and fully support the initiative as well as the work of the independent administrator.

The government agencies (customs, treasury, tax) encountered difficulties in producing comprehensive data in the required time. However, with the support of the Technical Secretariat the second administrator was to collect the appropriate figures.

In the view of the Validator, many practical steps have been taken to ensure sustainability of the process. There are two further steps which are important and on which a start has been made. First, the capacity constraints on the part of the companies in the industry need to be addressed (see Indicator 4) and second, the improvements in the financial management and information systems of government need to be carried through (see Indicator 15).

**INDICATOR MET**



## Section IV : Company implementation

There has been identifiable progress over the two-year lifespan of the EITI in CAR regarding the implementation by companies, though there is still clearly some more progress to be made to achieve a complete picture. The progress is seen both in terms of data reporting and overall engagement in the process.

Regarding the reporting of required data, in the draft second EITI report a more complete and consistent reporting of company data has been achieved. In particular:

- the single industrial company present in the CAR has reported its payments under the required headings;
- of the five companies which had ceased their activities since the years covered by the second report, three reported data to the administrator;
- all the buying offices still active in the CAR reported their payments;
- although the individual payments were audited only in respect of the one industrial company, for the buying offices, the company accounts have been audited by CAR (OHADA) standards.

On the negative side:

- none of the 13 buying offices which had ceased activities by the time of the second reconciliation reported their payments;
- the data submitted by the Cooperatives Union on cooperative payments was not in a format suitable for an EITI reconciliation (lacking details on dates for each flow and confirmations of data definitions);
- no payment data was received by the Collectors' Union for collectors.

Compared with the first report, there was progress in the reporting of payments by buying offices. As regards the buying offices which have ceased trading, it is perhaps unrealistic to expect them to report. The lack of data from the artisanal sector is a continuing gap which could be redressed with capacity building effort, as noted in our recommendations. Even so, the data provided on this part of the sector in the second report (for information only, as it does not comply with EITI reporting standards), indicates that this gap is not likely to be very significant relative to the total.

Regarding the auditing of the payments by international standards, no cooperatives or collectors have such audits and there is no pressure from any stakeholder to compel them to change this approach.

Regarding overall engagement in the programme there is a widespread recognition that there is closer involvement and understanding by companies. This partly comes from a further year of general EITI communication and stakeholder involvement and partly from the publication of the first report, which was the first concrete output of the programme and stimulated discussion regarding the discrepancies estimated and a greater awareness of the benefits of transparency.





The categories of payments were identified in advance and discussed and agreed with the Steering Committee. The independent administrators set out the types of payment in the first and second EITI reports and have detailed tables on declared payments and receipts in an annex.

In the first EITI Report the independent administrator notes that there were difficulties in obtaining comprehensive data and supporting evidence, in particular:

- several buying offices had discontinued activities in the three years between the first EITI report's completion and the year being examined, which meant that not all data was available;
- some buying offices were reluctant or unable to provide documentary evidence of the data submitted on payments.

It should be noted that the first EITI Report for the most part makes a general reference to these problems. There is little detail on specific items which are missing which might indicate how material the deficiencies might be. A recommendation of the report was to reinforce the structure and legal framework of the departments ("régies") to guarantee better transparency and accuracy of the payments coming from the extractive industry.

For the second report, the independent administrator was able to obtain a more comprehensive picture at least in relation to the year 2009. For this year, figures were obtained for all industrial companies active in the sector, which in fact consisted of one company. It also had data from all of the buying offices that were active in that year.

In relation to the years 2007 and 2008, the independent administrators did not obtain data for several of the buying offices that had ceased activity by the time of the collection of the figures and therefore were not available to provide data.

In the artisanal sector, data in a usable form was not available. Data is collected on production for export by cooperatives because they are required to export through the Union of Cooperatives. Data was submitted by the Union but the independent administrator considered this data was not in a usable form for the purpose of EITI reconciliation. First, this because the data was too aggregated and lacked details on dates for each flow. Second, there was no clarity or confirmation regarding the data definitions.

No data at all was available from the collectors. The collectors are located all over the country and do not sell through the Collectors' Union. The Collectors' Union is not currently in a position to collect data from its members.

The independent administrator believes, however, that the omission of the artisanal sector is not likely to be material and this is based on data regarding the number of entities and their assumed level of payment in terms of royalties (for cooperatives) and licences (for collectors). It should be noted that the independent administrator has excluded corresponding receipts on the government side.



## Section V : Company forms



ENTREPRISE : **ADR S.A**

PAYS : **CENTRAFRIQUE**

Insérer une coche  pour chaque indicateur ci-dessous

1. L'entreprise a-t-elle publiquement déclaré son soutien au processus EITI dans ce pays ?  
 Oui  Non
2. La société s'est-elle engagée à soutenir et coopérer dans la mise en œuvre du plan de travail national de l'EITI (tel que défini par le groupe de travail multipartite), y compris le respect des directives prises par le gouvernement en rapport avec l'EITI (par exemple, lois et protocoles d'accord) et, le cas échéant, à se réunir avec les parties prenantes.  
 Oui  Non
3. Tous les paiements matériels ont-ils été divulgués à l'organisation chargée de rapprocher les chiffres et de produire le rapport EITI conformément aux formulaires de déclaration de l'EITI et dans les délais convenus ?  
 Oui  Non
4. Les données fournies à l'organisation chargée de rapprocher les chiffres et de préparer le rapport EITI proviennent-elles de comptes ayant fait l'objet d'un audit externe selon des normes internationales ?  
 Oui  Non
5. L'entreprise a-t-elle répondu aux questions de l'organisation chargée de rapprocher les chiffres et de préparer le rapport EITI afin d'aider le rapprochement des paiements de l'entreprise et des recettes du gouvernement, conformément aux formulaires de déclaration de l'EITI ?  
 Oui  Non

### Commentaires

Si « non » a été coché pour certains indicateurs ci-dessus, merci de bien vouloir fournir une explication.

La divulgation des paiements effectués par les entreprises permet à la population profane et à l'état d'estimer la rentabilité de nos ressources naturelles (Mines).

Autres commentaires

Cela poussera également les entreprises à la transparence et à l'honnêteté dans leurs paiements.



## GUIDE DE VALIDATION

### Formulaire ITIE d'auto-évaluation des entreprises au NIVEAU NATIONAL

ENTREPRISE: AREVA

PAYS: République Centrafricaine

Insérer une coche  pour chaque indicateur ci-dessous

1. L'entreprise a-t-elle publiquement déclaré son soutien au processus ITIE dans ce pays ?

Oui  Non

2. La société s'est-elle engagée à soutenir et coopérer dans la mise en oeuvre du plan de travail national de l'ITIE (tel que défini par le groupe de travail multipartite), y compris le respect des directives prises par le gouvernement en rapport avec l'ITIE (par exemple, lois et protocoles d'accord) et, le cas échéant, à se réunir avec les parties prenantes.

Oui  Non

3. Tous les paiements matériels ont-ils été divulgués à l'organisation chargée de rapprocher les chiffres et de produire le rapport ITIE conformément aux formulaires de déclaration de l'ITIE et dans les délais convenus ?

Oui  Non

4. Les données fournies à l'organisation chargée de rapprocher les chiffres et de préparer le rapport ITIE proviennent-elles de comptes ayant fait l'objet d'un audit externe selon des normes internationales ?

Oui  Non

5. L'entreprise a-t-elle répondu aux questions de l'organisation chargée de rapprocher les chiffres et de préparer le rapport ITIE afin d'aider le rapprochement des paiements de l'entreprise et des recettes du gouvernement, conformément aux formulaires de déclaration de l'ITIE ?

Oui  Non



#### Commentaires

Si « non » a été coché pour certains indicateurs ci-dessus, merci de bien vouloir fournir une explication.

#### Autres commentaires

La Société AREVA soutient l'ITIE au niveau International. Autant, AREVA en Centrafrique appuie aussi son soutien à la mise en oeuvre de l'ITIE-ACA par la signature du « Protocole d'entente » ITIE-ACA. AREVA est une société soumise aux normes internationales de gestion. Ses comptes sont audités par un cabinet externe international.



THE VALIDATION GUIDE  
EITI COMPANY SELF-ASSESSMENT FORM COUNTRY-LEVEL

Reset

Submit

COMPANY: AURAFRIQUE AND AXMIN RCA COUNTRY: CENTRAL AFRICAN REPUBLIC

Mark indicators below with a ✓

- 1. Has the company made public statements in support of the EITI process in this country?  
 Yes  No
- 2. Has the company committed to support and cooperate with implementation of the Country EITI Work Plan (as agreed by the multi-stakeholder group), including abiding by government EITI-related directives (e.g. laws and MoUs) and, where appropriate, meeting with stakeholders?  
 Yes  No
- 3. Have all material payments been disclosed to the organisation contracted to reconcile figures and produce the EITI Report as per agreed EITI reporting templates and pursuant to agreed timelines?  
 Yes  No
- 4. Was the data that was submitted to the organisation contracted to reconcile figures and produce the EITI Report taken from accounts independently audited to international standards?  
 Yes  No
- 5. Has the company responded to queries from the organisation contracted to reconcile figures and produce the EITI Report to assist in the reconciliation of country payments with government receipts in accordance with EITI reporting templates?  
 Yes  No

**Narrative opinions**

If any indicators above are marked "No", please provide an explanation:

As a result of the international financial crisis and a delay in receiving an exploitation licence Aurafrique's parent company was seeking an investor from late 2008 to mid 2010. The Board was not willing to take the decision whether or not to adhere to EITI decision prior to finding an investor. The company is fully committed to abide by any law or Government directive.

Any other comments:

This form is not easy to complete precisely since the answers are either yes or no. I have expressed in public the willingness of the company to abide by the principles of EITI but noted that we have not been in a position to sign up for the reasons given above. Despite not signing up to the process someone from the company has been to most of the meetings here.



Formulaire ITIE d'auto-évaluation des entreprises au NIVEAU NATIONAL

ENTREPRISE: **BADICA**

PAYS: **CENTRAFRIQUE**

Insérer une coche  pour chaque indicateur ci-dessous

1. L'entreprise a-t-elle publiquement déclaré son soutien au processus ITIE dans ce pays ?  
 Oui  Non
2. La société s'est-elle engagée à soutenir et coopérer dans la mise en œuvre du plan de travail national de l'ITIE (tel que défini par le groupe de travail multipartite), y compris le respect des directives prises par le gouvernement en rapport avec l'ITIE (par exemple, lois et protocoles d'accord) et, le cas échéant, à se réunir avec les parties prenantes.  
 Oui  Non
3. Tous les paiements matériels ont-ils été divulgués à l'organisation chargée de rapprocher les chiffres et de produire le rapport ITIE conformément aux formulaires de déclaration de l'ITIE et dans les délais convenus ?  
 Oui  Non
4. Les données fournies à l'organisation chargée de rapprocher les chiffres et de préparer le rapport ITIE proviennent-elles de comptes ayant fait l'objet d'un audit externe selon des normes internationales ?  
 Oui  Non
5. L'entreprise a-t-elle répondu aux questions de l'organisation chargée de rapprocher les chiffres et de préparer le rapport ITIE afin d'aider le rapprochement des paiements de l'entreprise et des recettes du gouvernement, conformément aux formulaires de déclaration de l'ITIE ?  
 Oui  Non

**Commentaires**

Si « non » a été coché pour certains indicateurs ci-dessus, merci de bien vouloir fournir une explication.

s/o

Autres commentaires

s/o



## GUIDE DE VALIDATION

Formulaire ITIE d'auto-évaluation des entreprises au **NIVEAU NATIONAL**

ENTREPRISE : *DIMBI DIAMANTS*

PAYS : *REPUBLIQUE CENTRAFRICAINE*

Insérer une coche  pour chaque indicateur ci-dessous

1. L'entreprise a-t-elle publiquement déclaré son soutien au processus ITIE dans ce pays ?  
 Oui  Non
2. La société s'est-elle engagée à soutenir et coopérer dans la mise en œuvre du plan de travail national de l'ITIE (tel que défini par le groupe de travail multipartite), y compris le respect des directives prises par le gouvernement en rapport avec l'ITIE (par exemple, lois et protocoles d'accord) et, le cas échéant, à se réunir avec les parties prenantes.  
 Oui  Non
3. Tous les paiements matériels ont-ils été divulgués à l'organisation chargée de rapprocher les chiffres et de produire le rapport ITIE conformément aux formulaires de déclaration de l'ITIE et dans les délais convenus ?  
 Oui  Non
4. Les données fournies à l'organisation chargée de rapprocher les chiffres et de préparer le rapport ITIE proviennent-elles de comptes ayant fait l'objet d'un audit externe selon des normes internationales ?  
 Oui  Non
5. L'entreprise a-t-elle répondu aux questions de l'organisation chargée de rapprocher les chiffres et de préparer le rapport ITIE afin d'aider le rapprochement des paiements de l'entreprise et des recettes du gouvernement, conformément aux formulaires de déclaration de l'ITIE ?  
 Oui  Non

### Commentaires

Si « non » a été coché pour certains indicateurs ci-dessus, merci de bien vouloir fournir une explication.

### Autres commentaires

*L'ITIE a le plein soutien de la société DIMBI DIAMANTS, une société dirigée par des Centrafricains conscients des enjeux de cette noble initiative.*



# GUIDE DE VALIDATION

## Formulaire ITIE d'auto-évaluation des entreprises au NIVEAU NATIONAL

ENTREPRISE :



PAYS : *RCA*

Insérer une coche  pour chaque indicateur ci-dessous

1. L'entreprise a-t-elle publiquement déclaré son soutien au processus ITIE dans ce pays ?  
 Oui  Non
2. La société s'est-elle engagée à soutenir et coopérer dans la mise en œuvre du plan de travail national de l'ITIE (tel que défini par le groupe de travail multipartite), y compris le respect des directives prises par le gouvernement en rapport avec l'ITIE (par exemple, lois et protocoles d'accord) et, le cas échéant, à se réunir avec les parties prenantes.  
 Oui  Non
3. Tous les paiements matériels ont-ils été divulgués à l'organisation chargée de rapprocher les chiffres et de produire le rapport ITIE conformément aux formulaires de déclaration de l'ITIE et dans les délais convenus ?  
 Oui  Non
4. Les données fournies à l'organisation chargée de rapprocher les chiffres et de préparer le rapport ITIE proviennent-elles de comptes ayant fait l'objet d'un audit externe selon des normes internationales ?  
 Oui  Non
5. L'entreprise a-t-elle répondu aux questions de l'organisation chargée de rapprocher les chiffres et de préparer le rapport ITIE afin d'aider le rapprochement des paiements de l'entreprise et des recettes du gouvernement, conformément aux formulaires de déclaration de l'ITIE ?  
 Oui  Non

### Commentaires

Si « non » a été coché pour certains indicateurs ci-dessus, merci de bien vouloir fournir une explication.

### Autres commentaires

*La Société INALA Centrafricaine adhère aux principes de l'ITIE et le soutien dans ses entreprises.*

28 RÈGLES DE L'ITE

*12/08/2010*



*Mme Koumou / Roch J.  
Tel. 50.13.28 / Directeur National*



## GUIDE DE VALIDATION

### Formulaire ITIE d'auto-évaluation des entreprises au NIVEAU NATIONAL

ENTREPRISE: *SODIAT*

PAYS: *REPUBLIQUE CENTRAFRICAINE*

Insérer une coche  pour chaque indicateur ci-dessous

1. L'entreprise a-t-elle publiquement déclaré son soutien au processus ITIE dans ce pays ?  
 Oui     Non
2. La société s'est-elle engagée à soutenir et coopérer dans la mise en œuvre du plan de travail national de l'ITIE (tel que défini par le groupe de travail multipartite), y compris le respect des directives prises par le gouvernement en rapport avec l'ITIE (par exemple, lois et protocoles d'accord) et, le cas échéant, à se réunir avec les parties prenantes.  
 Oui     Non
3. Tous les paiements matériels ont-ils été divulgués à l'organisation chargée de rapprocher les chiffres et de produire le rapport ITIE conformément aux formulaires de déclaration de l'ITIE et dans les délais convenus ?  
 Oui     Non
4. Les données fournies à l'organisation chargée de rapprocher les chiffres et de préparer le rapport ITIE proviennent-elles de comptes ayant fait l'objet d'un audit externe selon des normes internationales ?  
 Oui     Non
5. L'entreprise a-t-elle répondu aux questions de l'organisation chargée de rapprocher les chiffres et de préparer le rapport ITIE afin d'aider le rapprochement des paiements de l'entreprise et des recettes du gouvernement, conformément aux formulaires de déclaration de l'ITIE ?  
 Oui     Non

#### Commentaires

Si « non » a été coché pour certains indicateurs ci-dessus, merci de bien vouloir fournir une explication.

#### Autres commentaires

*L'entreprise a répondu aux questions de l'organisation chargée de rapprocher les chiffres et de préparer le rapport ITIE conformément aux formulaires de déclaration de l'ITIE par l'entremise de son représentant Mr Landry Bodo-Toussaint et en plus à travers une réunion conjointe avec le bureau d'audit d'ici on installe la présence de M. Kikiro Kozankian, auditeur dans ledit bureau.*





## GUIDE DE VALIDATION

### Formulaire ITIE d'auto-évaluation des entreprises au NIVEAU NATIONAL

ENTREPRISE : UNCMCA

PAYS : R. C. A.

Insérer une coche ✓ pour chaque indicateur ci-dessous

1. L'entreprise a-t-elle publiquement déclaré son soutien au processus ITIE dans ce pays ?  
 Oui  Non
2. La société s'est-elle engagée à soutenir et coopérer dans la mise en œuvre du plan de travail national de l'ITIE (tel que défini par le groupe de travail multipartite), y compris le respect des directives prises par le gouvernement en rapport avec l'ITIE (par exemple, lois et protocoles d'accord) et, le cas échéant, à se réunir avec les parties prenantes.  
 Oui  Non
3. Tous les paiements matériels ont-ils été divulgués à l'organisation chargée de rapprocher les chiffres et de produire le rapport ITIE conformément aux formulaires de déclaration de l'ITIE et dans les délais convenus ?  
 Oui  Non
4. Les données fournies à l'organisation chargée de rapprocher les chiffres et de préparer le rapport ITIE proviennent-elles de comptes ayant fait l'objet d'un audit externe selon des normes internationales ?  
 Oui  Non
5. L'entreprise a-t-elle répondu aux questions de l'organisation chargée de rapprocher les chiffres et de préparer le rapport ITIE afin d'aider le rapprochement des paiements de l'entreprise et des recettes du gouvernement, conformément aux formulaires de déclaration de l'ITIE ?  
 Oui  Non

#### Commentaires

Si « non » a été coché pour certains indicateurs ci-dessus, merci de bien vouloir fournir une explication.

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#### Autres commentaires

L'UNCMCA s'engage à soutenir par toutes les formes, les démarches entreprises par l'ITIE

Lu.S.G.E

YANOCO J. Theodore



## **Section VI : Overall assessment of the implementation of the EITI**

This Validation report has been based on a review of documentary evidence and feedback from the stakeholders in the implementation of EITI in the Central African Republic. The analysis and conclusions are based on a review of the first EITI report and the second EITI report.

The detailed analysis of the indicators undertaken by the Validator has concluded that all 18 indicators in the Validation Grid have been met. This is summarised in Section II and described in detail in Section III. On this basis, the Validator recommends to the EITI Board that the Central African Republic is compliant with the implementation of the EITI.

In addition, the Validator is making a number of recommendations designed to further improve the process.

## Section VII : Recommendations

- There should be a plan for addressing capacity constraints on the implementation of the EITI on a broad basis, including the constraints identified by the independent administrators in relation the ability of the artisanal sector (cooperatives and collectors) to produce appropriate data ;
- The artisanal sector is in need of financial management training, with a view to improving the quality of declared payments. The Technical Secretariat should study the options for achieving this.
- A study should be undertaken which sets out a process to better achieve the objective of having audited data, without imposing unrealistic burdens on the operators in the sector in CAR. This study should take into account the size and capacity of each type of operator, as well as the local availability of audit services. It should produce practical recommendations.
- The official TORs of the Steering Committee should be extended to cover the full requirements ;
- The Steering Committee should consider the case for enlarging the number of civil society representatives ;
- All the stakeholders represented on the committee should consider how there could be women members. One seat could be created to represent a women's group;
- It should be emphasized to all members of the Committee that they should communicate proactively with the groups they represent in the widest sense in order to both get input and to report back ;
- Organisations from the mining sector should be encouraged to declare publicly their commitment to the EITI principles ;
- The Régies Financières should make further progress in its proactive involvement in the reconciliation process and cooperate effectively with the independent administrator to compile relevant information and avoid any unnecessary delays ;
- The minutes of the Steering Committee should record any significant minority views expressed during meetings, without necessarily attributing such views to individuals ;
- The stakeholder groups within the different structures of the EITI-CAR should be encouraged to submit a report on what knowledge they have acquired following their training sessions on capacity constraints, as these reports will be good indicators to track the level of understanding of the EITI process and identify any skills gaps ;
- A self-evaluation of the work of EITI-CAR against the Validation Grid should be conducted twice a year to keep track of a work progress and identify any delays or gaps in the completion of actions under the country work plan.



## Annexe A : Validator's work sessions in CAR

Date	Stakeholder group	No. of participants
12 August 2010	Technical Secretariat	9
17 August 2010	National Council Steering Committee	27
17 August 2010	Independent Administrator (second report)	2
18 August 2010	Civil society representatives	18
18 August 2010	Mining sector representatives	7
18 August 2010	Government representatives	4
19 August 2010	Civil society representatives	4
19 August 2010	Mining sector representatives	5
19 August 2010	Government representatives	3
19 August 2010	World Bank representative	1
20 August 2010	His Excellency, the Prime Minister	1
20 August 2010	Telephone meetings with four Prefetoral Committees	4
23 August 2010	GTZ representative	1
23 August 2010	The Minister of State for Mines	1
3 September 2010	Presentation of preliminary report to all stakeholders	38
2 November 2010	Independent Administrator (first report)	1
<b>TOTAL</b>		<b>126</b>



CELLULE CHARGÉE DE L'ADMINISTRATION  
ET DES FINANCES



SEANCE DE TRAVAIL DES MEMBRES DU SECRETARIAT TECHNIQUE  
AVEC LE VALIDATEUR

FEUILLE DE PRESENCE

BANGUI, LE 12 AOUT 2010

N°	NOMS ET PRENOMS	ORGANE	TELEPHONE ET EMAIL	EMARGEMENT
1	HENRICH AUGEE LACK	GOODCORPORATION	+44207736 7379	
2	MICHAEL LITTLECHILD	"	"	
3	STANISLAS ZIE ROBE	STIERCA	75057602	
4	Paul Sorghon Poumoué	STIERCA	75506970	

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5	SARA Mouzée Tulcheu	STITE	75038192	SH
6	YARISSON Jean-Benoît	C.A.F	7704-80-20	Y
7	FESONAE Thomas	C.A.F	75502185	F
8	OLIBOUNT Odies bened	STITE	4002 4049	OH
9	NGOUALÈSSO Christian Noël	CCRD	77484006	<del>NG</del>
10	Nambéanié Y-lyma	CCRD	75-04-86-62	Nape
11	MOLDOUKANA - Robert	ST ITERCA	75-20 81 16	ML
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SECRETARIAT TECHNIQUE DE L'ITIE-RCA  
 =====  
 CELLULE CHARGÉE DE L'ADMINISTRATION  
 ET DES FINANCES




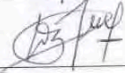


REPUBLIQUE CENTRAFRICAINE  
 Unité – Dignité – Travail

SEANCE DE TRAVAIL DES MEMBRES DU CONSEIL NATIONAL  
 ET DU COMITE DE PILOTAGE DE L'ITIE-RCA  
 AVEC LE VALIDATEUR

FEUILLE DE PRESENCE

BANGUI, LE 17 AOUT 2010

N°	NOMS ET PRENOMS	ORGANE	TELEPHONE ET EMAIL	EMARGEMENT
1	HEURISH AUBEELACK	GoodCorporation	+447949101 738 HEURISH.AUBEELACK@GOODCORPORATION.COM	
2	LITTLECHILD Michael	Good Corporation	+44 7802 617 186 MICHAEL.LITTLECHILD@GOODCORPORATION.COM	
3	NAMBONA-Baybo Marie-Edilide	AREVA	7520 3871-75505300	
4	DOWI Nicolas	C.P.	75.04 99 88	



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5	TONNET Albertine	Syndicat	albertine dangala aka @ yahoo.fr 75 04 33 30	
6	SOUEMBOT GOGO Gervais. Romuald	UNCMCA	77.09.10-62 72.28-28-75	Asme
7	ZAKARIA Patrice	UNCMCA	75 03 40 78 70 90 72 12	
8	NDARATA MASSANGUET CHRISTOPHE	Ministère de l'En- vironnement et de l'Ecologie	77 06 11 36 70 88 26 06	
9	YOUANE Dominique	Ministère des Mines---	75 05 84 99	
10	NGOUZOMBO Adolphe.	PQV.	75 04 13 86	
11	AUGIER William	LCDA	77.09.02.03	
12	RIVA Jean-Félix	CMJC	75 05 47 03 72 16 00 4 9	
13	DOUÉ-KOÏMONA David	Media PC	75 05 53 08	
14	BINDOUMI Joseph	PC qv. nca	75 50 76 74	
15	MATAMAT - Nour	DR BARICA	75 74 51 55	





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16	Roger-Pou Tou Landry	Representant Bureau District	Landry Selepantou hot oil. Co	25.04.61.32
17	NAMKOSSE Raymond Staphane	MFB	75.05.27.42	<del>25.05.27.42</del>
18	EBELINGA Gabriel	Chambre de Commerce	70.90.19.95	gabehinga@yahoo.fr
19	OVARASSIO Serge	MFB	72.12.22.84	ouavarassio@yahoo.fr
20	INGA Armand-claude	UNCMCA	70.01.82.51	
21	IKHIO-A-KONGUEMBA G.	PHI-MATHIAS CN-ITIC	75.05.25.04	
22	TORKANE Sylvain	UNCMCA	75.50.65.89	Sylvain
23	MATHAMALE Jean Jacques	Representant ONG Droits de l'Homme	70.80.81.72	
24	MANGOYA Steve	Representant des Miniers	72240303	
25	Gladys GUIMARE	Radioindikator	75.17.47.85	
26	NAMBENGA Alexis	MMEIT	75.11.78.79	

27	NGAIBONA - DEMOHOROBONA Joseph	Representant du conseil municipal	75 76 17 20	
28				
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Validation ITIE - 18 août 2010 - 9h.

Nom / Prénom	Société / Organisation
① NZINGAZO - Guy Marcelin	Presse (L'Hirondelle) 77.09.56.58
② NZAPALI Genais	Synaes (Université de Bwamba) 75504905
③ NDONGOU Jean Baptiste	Conseil inter ONG en Centrafrique (CIONGCA) S.C.A 75035443
④ PATHE SERGE Hurley	PRESSE (NOUVELLE VISION) 72.23.83.55
⑤ OUAKARA JONICE	RADIO NOTRE DAME (72.26.01.03)
⑥ BANGA Boniface	Radio ESCA voix de la grâce (75038086)
⑦ MOROUISA Auconfort	Les Bâisseurs (75515251/77777194)
⑧ KOUZOUKOA Mervin	Centrafrique Maton (72.03.22.92)



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9 - MISSIBE Evariste	Presse (Temps Nouveaux)	77 89 90 01
10 - NZAPA DANAOIA Dieudonné	Presse (Le Citoyen)	75 03 67 89
11 - NGOUYOMBO Adolphe.	Coalition Déclaré ce que vous payez	75 04 13 86
12 - YALETO Nazaireine	Déléguée aux Affaires culturelles Organisme de femmes (africaine) O FCA	75 58 33 25 72 11 22 23
13 - BANBOU Faustin	les Collines de l'oubangui	75.04.40.78
14 - RIVA Jean-Félix	Représentant des élèves et étudiants	75 05 49 03
15 - MATHAMALE Jean Jacques	Représentants des ONG Des Droits de l'Homme (Comité de Pilotage)	70.80.81.72 mathamale05@yahoo.fr
16 - BINDOUMI Joseph	PCGVP- RCA coordonnateur national	bindoumi05@yahoo.fr 75507674