Validation of Niger
Draft Validation Report
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3 July 2017

1. EXECUTIVE SUMMARY

On 2 June 2016, the EITI Board agreed that the Niger's Validation under the 2016 EITI Standard would begin on 1 January 2017. This draft validation report follows on from a quality assurance review of the International Secretariat's initial assessment. The Validator agrees with the International Secretariat's preliminary assessment that seven EITI Requirements (1.1, 1.3, 3.1, 3.3, 4.7, 4.8 and 7.3) have been fully implemented with satisfactory progress. The Validator also agrees with the Secretariat's identification of 21 Requirements were further work is required.

2. BACKGROUND

Uranium deposits were discovered by the French prior to Niger's independence in 1960. While searching for copper, France's Atomic Energy Commission discovered uranium in the northern area of Azelik in 1957. Niger is now a leading producer of uranium, ranked as the world's fourth largest producer in 2016 behind Kazakhstan, Canada and Australia. The country has produced uranium since the 1970s, coal since 1975, gold since 2004 and crude oil since 2011 (Open Society Initiative for West Africa, 2014). Two of Niger's mines alone accounted for 7.5% of the world's uranium output in 2015 (World Nuclear Association, 2016).

As of 2017, Niger has four main uranium operations. The Mining Company of the Air (SOMAIR) has mined several northern deposits around Arlit since 1968 in a 63.4%/36.6% split between Areva and the Government of Niger, through its state-owned SOPAMIN (Société du Patrimoine des Mines du Niger). The Mining Company of Akouta (COMINAK) has mined uranium deposits in north western areas since its creation in 1974, with ownership split between Areva (34%), SOPAMIN (31%), OURD (Japan's Overseas Uranium Resources Development Company Ltd) (25%) and ENUSA (Spain's Empresa Nacional del Uranio SA) (10%). In efforts to diversify the source of foreign investment in the uranium industry, the government awarded new uranium licenses to groups other than Areva, with the number of mining licenses growing swiftly from six in 2000 to 158 in 2009 (Open Society Initiative for West Africa, 2014). A fourth major uranium venture was launched in 2007, the Mining Company of Azelik (SOMINA). Backed by China National Nuclear Corp. (37.2%), SOPAMIN (33%), China's ZXJOY Invest (24.8%) and Korea Resources Corp. (0.5%), SOMINA ramped up production from an initial 100 tonnes of uranium in 2011 to a plateau of 700 tonnes in 2015 (Energy Charter , 2015). A special-purpose joint-venture was established in 2009 between Areva NC Expansion (66.65%), itself a joint-venture of Areva and KEPCO (Korea Electric Power Co.) in an 86.5%/13.5% split, the Government of Niger (33.3%) and SOPAMIN (23.35%), although the planned 5000 tonnes per year capacity mine was delayed from its original 2012 start date due to the impact of low commodity prices (Areva, 2016). Uranium exports grew 35% in volumes and 400% in value between 2006 and 2012, while budgeted uranium revenues grew six-fold (Partnership for Economic Policy, 2015).

Following tensions between the government and Areva, a landmark deal was struck in 2014 to raise royalty rates on the two main uranium producers, COMINAK and SOMAIR, and to defer development of the Imarouren mine, due to unfavourable market conditions (ITIE Niger, 2016). The deal followed the expiry of Areva's mining licenses in December 2013 and approved the application of the 2006 Mining Law to Areva's two uranium producers (COMINAK and SOMAIR) expected to generate an additional EUR 20 million – EUR 30 million for the Nigerien Treasury, the establishment of a 'Niger price' for uranium concentrate commonly known as "yellowcake" and the appointment of a Nigerien nationals to the management of COMINAK and SOMAIR (Présidence de la République de France , 2014).

Niger's proven thermal coal reserves of over 90 million metric tons are located in the country's north, although current production from the Anou Araren deposit of 18 million metric tons caters exclusively to the thermal power plant in the Agadez region. A project for the development of a 70 million coal deposit in Salkadamna in the Tahoua region and an associated thermal power plant was launched in 2014. Since 2004 the Mining Company of Liptako has operated the country's sole industrial gold mine in Samira, which holds 0.731 metric ton deposits of the ore. Artisanal and small-scale mining (ASM) has been far more prevalent, with total output of 63.91kg in 2014 (ITIE Niger, 2016). A minor oil producer since 2011, when first output from oilfields in the eastern Agadem block operated by China National Petroleum Corp. (CNPC) came online, Niger now boasts over 1 billion barrels of proven oil reserves. A light sweet type of crude, with density higher than 30 API, oil production is transported via a 420km-pipeline to a new USD 800 million refinery in Zinder, operated by SORAZ (Société de raffinage de Zinder) 60%-owned by CNPC in joint-venture with the Government of Niger. Roughly a third of the refinery's daily capacity of 20,000 barrels of diesel and 120 tons of LPG is earmarked for the domestic market, bought by the state-owned SONIDEP (Société Nigérienne des Produits Pétroliers) that holds a monopoly on the supply of oil and gas domestically and regulates tariffs, with the remainder destined for export markets (Energy Charter , 2015). In total, CNPC made a total of 77 discoveries in 99 exploration wells in the Agadem block in the 2009-2013 period, with average costs of less than USD 5 million a well (Platts, 2015).

With plans to expand production well beyond the domestic refining capacity at Zinder, CNPC has proposed plans to link the Agadem oil block to the existing Chad-Cameroon oil pipeline, linking to CNPC's oil project in Chad's Bongor basin and providing access to seaborne export capacity. However, Nigerien authorities have sought to diversify the pool of investors in its oil and gas sector amidst disagreements with CNPC. The Government of Niger awarded licenses to independent oil companies from the United Kingdom (Savannah Petroleum, 2014), Australia (International Petroleum) and Nigeria (Platts, 2015). While Niger also holds natural gas reserves, estimated to total 18.6 billion cubic meters, gas production has not yet been developed (Energy Charter , 2015) (US Geological Service , 2014). Oil production reached around 20,000 bpd in 2013, before falling back to around 16,000 bpd in 2014 (ITIE Niger, 2016). The refinery's output grew more than tenfold between 2011 and 2013, before its 9% drop in volumes in 2014. The lower output affected exports, with a more than 95% drop in refined products exports. The refinery recorded losses of USD 21 million in 2014 and USD 94 million in 2015 (MENAS Associates, 2015) (Niamey.com, 2016). The refinery's margins were affected by a three-month technical shut-down from July 2015 (IMF, 2016). With the refinery accounting for over 20% of the government's extractives revenues in 2014, the impact on public finances has been stark (ITIE Niger, 2016).

Following two years of double-digit growth, the government's extractives revenues slumped by 28% in 2014, to USD 315 million. The share of extractive industries in total government revenues contracted from 36% in 2013 to only 23% in 2014. Since uranium accounts for over half of its exports, the sharp 23% drop in its prices between 2013 and 2014 certainly played a role. Domestic factors compounded the challenges, with the output of the mining and oil and gas sectors contracting by 2% and 4% in volumes respectively during this period (ITIE Niger, 2016).

President Mahamadou Issoufou won re-election in February 2016 following two rounds of voting on a pledge of curbing poverty (Financial Times, 2016). With a population of some 17 million citizens, Niger boasts one of the world's lowest human development index, ranking last of 188 countries in 2014, and per-capita income of USD 359 in 2015 (Financial Times, 2016) (UN Development Program, 2016) (World Bank, 2017). More than 60% of Niger's population subsisted on less than USD 1 a day in 2013 (Reuters, 2014). Ongoing security challenges have undermined Niger's extractive industries development. Seven Areva employees and subcontractors, including five French nationals, were kidnapped from the Arlit mine by Islamist militants in 2010, al-Qaeda in the Islamic Maghreb (AQIM) (Liberation, 2010). Four of the seven hostages were released after three years in captivity in northern Mali. In May 2013, Areva temporarily suspended its operations after a car bomb was detonated at an army base in Agadez and an attack on the Arlit uranium mines killed a total of 20 soldiers and one mine-worker (Financial Times, 2013). Repeated attacks by Boko Haram have also caused widespread displacement, including in areas hosting extractives activities (Al Jazeera, 2016) (BBC, 2016) (RFI, 2017).

While Niger's ranking in Transparency International's Corruption Perception Index has improved markedly following reforms under the Issoufou administration, from 134th in 2011 to 103rd in 2014 and 99th in 2015, it declined slightly to 101st in 2016, although the number of countries ranked rose from 168 to 176 (Transparency International, 2016) (ITIE Niger, 2016). According to the International Budget Partnership's 2015 Open Budget ranking, Niger was ranked only 17 out of 100 for the transparency of its national budget, 4 of 100 for public participation in the budget, 50 of 100 for the Court of Counts' limited oversight and monitoring of budget execution, but 73 of 100 in terms of the Parliament's "adequate" oversight of the budget (International Budget Partnership, 2016). Since 2012 the Government of Niger has achieved improvements in publishing the draft budget ahead of approval, but on the other hand restricted publication of the approved budget and interim budget execution reports for (parliamentary and government) internal purposes only. While the US Department of State's 2014 Fiscal Transparency Report found that Niger still published incomplete national budgets, which excluded revenues from large SOEs as well as the debts associated with its oil and gas production, it highlighted improvements in 2013 including publication of oil and gas receipts and audit of the oil and gas sector for the first time (US Department of State, 2014). In 2014 the government published its annual budget and budget execution reports online for the first time (US Department of State, 2015).

In line with the Validation Guide, the International Secretariat carried out the first phase of validation—initial data collection, stakeholder consultations, and preparation of their initial evaluation of progress against the EITI requirements (the "Initial Assessment"). Adam Smith International (ASI) was appointed as the independent Validator to evaluate whether the Secretariat's work was carried out in accordance with the Validation Guide. ASI's principal responsibilities as Validator are to review and amend the Initial Assessment, as needed, and to summarize its independent review in this Validation Report for submission to the Board through the Validation Committee.

1. Work Performed by the Independent Validator

The Secretariat's Initial Assessment was transmitted to ASI on 8th June, 2017. Our Validation Team undertook this phase of the Validation process through: (1) In-depth review and marking up of the EITI Assessment by each team member; (2) Detailed review and comments by the Multi-Stakeholder Specialist of Requirements 1 and the Civil Society Protocol; (3) Detailed review and comments by the Financial Specialist of Requirements 4, 5 and 6; (4) Consolidation of reviews and the production of this draft Validation Report, send to the International Secretariat on the 30th June.

2. Comments on the Limitations of the Validation

The Validator carefully reviewed the Secretariat's Initial Assessment and at this stage has one comment on the limitation of the validation process.

In **7.3 Discrepancies and recommendations from EITI Reports**, it is clear that Niger has taken steps to act upon lessons learnt and to identify, investigate and address the causes of discrepancies and to consider the recommendations resulting from EITI Reporting. Given that the validation process has identified a significant issue with a lack of clarity around state participation (which is not captured in EITI Reports), the

EITI Standard could, in a future update, include reference to recommendations from the Validation process as an additional aspect of this requirement.

3. Comments on the International Secretariat's Initial Assessment

The initial data collection, stakeholder consultations, and drafting of the Initial Assessment were generally undertaken by the International Secretariat in accordance with the 2016 Validation Guide. The data collection took place across three phases. Firstly, from January – February 2017, a desk review of the available documentation relating to the country's compliance with the EITI Standard, including but not limited to:

- The EITI work plan and other planning documents such as budgets and communication plans;
- The multi-stakeholder group's Terms of Reference, and minutes from multi-stakeholder group meetings;
- EITI Reports, and supplementary information such as summary reports and scoping studies;
- Communication materials;
- Annual progress reports; and
- Any other information of relevance to Validation.

Secondly, a country visit, which took place on 23-28 January 2017. All meetings took place in Niamey. The secretariat met with the multi-stakeholder group and its members, the IA and other key stakeholders, including stakeholder groups that are represented on, but not directly participating in, the multi-stakeholder group.

In addition to meeting with the MSG as a group, the Secretariat met with its constituent parts (government, companies and civil society) either individually or in constituency groups, with appropriate protocols to ensure that stakeholders are able to freely express their views and that requests for confidentially are respected.

2. GENERAL COMMENTS

- ### Progress in EITI Implementation

The Government of Niger announced its commitment to implement the EITI in March 2005 and officially launched EITI implementation in September 2006. Niger was designated an EITI candidate country in September 2007 and compliant with the EITI Rules in March 2011. Since then, Niger has expanded the scope of reporting to its oil refinery starting when oil production began in 2011 and contributed to shaping the development of the EITI Standard through its active presence on the EITI Board. The initial findings of this Validation exercise suggest strong country ownership of the EITI process yet a slow transition from the EITI Rules to the EITI Standard. Despite the multiple challenges facing this landlocked and poor nation of 17 million people, with one of the world lowest income per capita ($ US 359 in 2015), the Government of Niger has allocated significant resources to EITI implementation.

- **Impact of EITI Implementation**

A key strength of EITI implementation in Niger has been the level of involvement of MSG members from all three constituencies in EITI reporting. Driven by the Permanent Secretariat, Advisor to the President of the Republic Abdoul Aziz Askia, the MSG has drafted over 90% of Niger's EITI Reports, including collecting financial information from reporting entities and undertaking an initial reconciliation. This MSG-led reporting, while positive for in-country ownership also presents a challenge in terms of accordance to the EITI Standard and the quality of overall EITI reporting.

While EITI reporting has successfully been expanded to the oil and gas sector, including midstream refining, the EITI's contribution to public debate is limited. The most tangible impacts of implementation appear to have come as a result of crises, rather than through reform of national systems, and do not appear coordinated. The Court of Counts launched audits of government's extractives revenues for the first time as a result of corrective actions required by the EITI Board during its first Validation, under the EITI Rules. The EITI has also helped ensure space for civil society to demand information on extractives governance, with the EITI Board intervening to help secure the release of civil society members of the MSG in 2014 after their arrest. Yet civil society, companies and donors have tended to commission research into hot-topic issues such as subnational transfers, production figures and environmental impacts independently from the EITI.

Despite significant logistical challenges, Niger's active civil society has generated a robust national debate on public management of the country's resources, from uranium to oil. Whilst limited and combined with broader CSO outreach, dissemination and outreach have highlighted significant popular demand for information required under the EITI Standard, such as subnational transfers, production figures and environmental provisioning. The challenge for EITI Niger is to establish robust mechanisms to channel voices not directly represented on the MSG into the national debate, from local communities to parliamentarians and anti-corruption watch-dogs, to ensure EITI implementation meets domestic challenges. The EITI has tended to remain in a silo in Niger as a parallel process more focused on compliance than on addressing locally-important challenges.

The Independent Validator's Assessment of Compliance

Figure 1 – Validator's assessment

EITI Requirements		LEVEL OF PROGRESS				
Categories	**Requirements**	No	Inadequate	Meaningful	Satisfactory	Beyond
MSG oversight	Government engagement (#1.1)					
	Industry engagement (#1.2)					
	Civil society engagement (#1.3)					
	MSG governance (#1.4)					
	Work plan (#1.5)					
Licenses and contracts	Legal framework (#2.1)					
	License allocations (#2.2)					
	License register (#2.3)					
	Policy on contract disclosure (#2.4)					
	Beneficial ownership (#2.5)					
	State participation (#2.6)					
Monitoring production	Exploration data (#3.1)					
	Production data (#3.2)					
	Export data (#3.3)					
Revenue collection	Comprehensiveness (#4.1)					
	In-kind revenues (#4.2)					
	Barter agreements (#4.3)					
	Transportation revenues (#4.4)					
	SOE transactions (#4.5)					
	Direct subnational payments (#4.6)					
	Disaggregation (#4.7)					
	Data timeliness (#4.8)					
	Data quality (#4.9)					
Revenue allocation	Revenue management and expenditures (#5.1)					
	Subnational transfers (#5.2)					
	Distribution of revenues (#5.3)					
Socio-economic contribution	Mandatory social expenditures (#6.1)					
	SOE quasi-fiscal expenditures (#6.2)					
	Economic contribution (#6.3)					
Outcomes and impact	Public debate (#7.1)					
	Data accessibility (#7.2)					
	Follow up on recommendations (#7.3)					
	Outcomes and impact of implementation (#7.4)					

Legend to the assessment card

	The country has made no progress in addressing the requirement. The broader objective of the requirement is in no way fulfilled.
	The country has made inadequate progress in meeting the requirement. Significant elements of the requirement are outstanding and the broader objective of the requirement is far from being fulfilled.
	The country has made progress in meeting the requirement. Significant elements of the requirement are being implemented and the broader objective of the requirement is being fulfilled.
	The country is compliant with the EITI requirement.
	The country has gone beyond the requirement.
	This requirement is only encouraged or recommended and should not be taken into account in assessing compliance.
	The MSG has demonstrated that this requirement is not applicable in the country.

3. DETAILED FINDINGS

This section highlights areas where the Validator disagrees with the findings of the Initial Assessment, requires further clarification, or wishes to further emphasise a specific issue.

The Validator takes note of the NCC's (MSG) responses to the draft Validation Report.

With regard to **Requirement 1.2,** the NCC highlights that since the Validation mission took place, the NCC has begun to integrate oil and gas companies into the NCC and therefore the NCC suggests that progress against this requirement should be deemed as 'satisfactory'.

The Validator is encouraged that the NCC now incorporates oil and gas companies into the process, and that this has begun since the Validation mission. However, the timeframe for the Validation was clearly defined for all parties, including in the Validator's Terms of Reference. As such, any actions taken by the NCC after that agreed timeframe cannot be taken into consideration for the purposes of the Validator's Report, and progress against this requirement is therefore deemed 'meaningful'.

2.6 State-participation

The EITI Report did not provide a comprehensive list of SOEs operating in the extractive sector, omitting CNEM, CNTPS, SML and SONICHAR that were all majority owned by the state in 2014. The EITI Report did not explain the financial relationship between these SOEs and the states, especially the rules and practices governing transfers of funds between the SOEs and the state, retained earnings, reinvestment and third-party financing.

Having discussed with the International Secretariat and the comments from the MSG regarding SOEs, we now agree with the initial assessment that requirement 2.6 shows inadequate progress.

4.1 Multi-stakeholder group

With regard to 1.4, it is worth highlighting that there is clearly commitment among MSG members to implement EITI. However, the lack of a clear, up-to-date, institutional governance structure and MSG Terms of Reference are a major concern, especially given the expanded scope of the 2016 EITI Standard.

The lack of a coherent governance structure and procedures has led to confusion in terms of clear process, representation, roles and responsibilities among the MSG and other key stakeholders, which in turn appears to weaken the overall process. This reflects inadequate progress towards meeting Requirement 1.4 of the 2016 EITI Standard.

4.2 In-kind revenues

Having considered additional information from the International Secretariat and comments from the MSG regarding in-kind revenues, our assessment is that requirement 4.2 is not applicable in Niger.

4.4. Transport revenues

Having considered additional information from the International Secretariat and comments from the MSG regarding transport revenues, our assessment is that requirement 4.2 is not applicable in Niger.

4. RECOMMENDATIONS

The following recommendations are aligned with corrective actions for the implementation of EITI Requirements and may require specific reforms the MSG and the Government may wish to consider implementing. These recommendations could also help Niger make greater use of the EITI as an instrument to support reforms.

- Together with the government, the MSG is strongly encouraged to revisit the institutional arrangements for EITI implementation in Niger and agree its ToR to ensure that all aspects of Requirement 1.4 are addressed. The MSG should task each stakeholder group to clarify their internal nominations and representation procedures to improve the transparency and participation in the process. The MSG should also agree a process to ensure greater accountability of MSG representatives to the constituencies. This should include establishing mechanisms of consultation and reporting between MSG representatives and their wider constituencies. Finally, the MSG and government stakeholders are encouraged to consider strengthening the national secretariat through focused and specific capacity building and/or further recruitments as appropriate.

- The Government of Niger should consider either reviewing the legal framework for registration of NGOs and development associations or establishing a one-stop for CSO registration.

- As a matter of priority, the MSG should agree a work plan that is linked to national priorities and that is the product of wide consultation with stakeholders. The MSG in encouraged to consider how more meaningful discussions through the EITI, linking to national discussions and priorities, could encourage more active participation by all stakeholder groups. The MSG should also ensure that its work plan is updated on an annual basis and includes a realistic set of activities linked to EITI reporting, dissemination and outreach, addressing capacity constraints and detailed follow up on specific EITI recommendations.

- Extractives companies should agree mechanisms for communication and coordination with the entire constituency, including oil and gas as well as mining exploration companies. Industry MSG members should also ensure that their engagement in scoping, dissemination and outreach is on par with their involvement in data collection for EITI reporting.

- In accordance with EITI Requirement 2.1, it is a requirement that the MSG disclose a description of the legal framework and fiscal regime governing the extractive industries. This information must include a summary description of the fiscal regime, including the level of fiscal devolution, an overview of the relevant laws and regulations, and information on the roles and responsibilities of the relevant government agencies, including DGI, DGTCP, MMID and MPE.

- It is recommended that the MSG consider a description of the fiscal regime in practice and explain any deviation from the legal and regulatory framework as it relates to revenues earmarked for local communities.

- The MSG is required to disclose information related to the award or transfer of licenses pertaining to the companies, in accordance with EITI Requirement 2.2.a. In addressing this requirement, the MSG is encouraged to follow the step-by-step approach outlined in EITI Guidance Note N°4[1], issued by the EITI International Secretariat. Transparency in the award and transfer of licences and a review of the efficiency and effectiveness of licensing allocation system could also help improve the business environment and support the government's effort in attracting FDI.

- It is a requirement that implementing countries maintain a publicly available register or cadastre system(s), in accordance with Requirement 2.3. In addressing this requirement, the MSG is encouraged to follow the step-by-step approach outlined in EITI Guidance Note N°3[2], issued by the EITI International Secretariat.

- It is recommended that the MSG agree a definition of what constitutes an SOE in Niger in accordance with the Standard definition in EITI Requirement 2.6.a. It is a requirement that the MSG explain the prevailing rules and practices regarding the financial relationship between the government and these SOEs, including: the rules and practices governing transfers of funds between the SOE(s) and the state, retained earnings, reinvestment and third-party financing. In accordance with EITI Requirement 2.6.b, SOEs must disclose their level of ownership in mining, oil and gas companies operating in Niger, including those held by SOE subsidiaries and joint ventures, and any changes in the level of ownership during the reporting period. It is recommended that the MSG works closely with SOPAMIN, to provide more up-to-date information on exploration activities and help inform the average citizen about opportunities and challenges facing the extractive industry.

- The MSG should ensure that future EITI Reports disclose the value of total production by commodity, alongside production volumes.

- The MSG should ensure that all revenue flows listed under Requirement 4.1.b are included in the scope of reconciliation and that the materiality threshold for selecting companies ensures that all payments that could affect the comprehensiveness of EITI reporting be included in the scope of reconciliation. The list of material companies should also clearly be defined. The MSG is invited to consider whether setting a quantitative materiality threshold for selecting companies would ensure these aims are met. The MSG should ensure that Niger's next EITI Report includes the IA's assessment of the materiality of omissions, its statement on the comprehensiveness of the EITI Report and that full unilateral government disclosure of material revenues from non-material companies is included.

[1] Guidance Note 4, License Allocation, EITI International Secretariat, June 2016, https://eiti.org/document/guidance-note-on-license-allocations

[2] Guidance Note 3, License Register, EITI International Secretariat, June 2016, https://eiti.org/document/guidance-note-on-license-registers.

- The MSG is encouraged to review the involvement of SOEs in the commercialisation of mineral products and improve transparency of the various pricing mechanisms of mineral products in line with EITI Requirement 4.2.

- The MSG is encouraged to conduct a review of existing contracts in future EITI reporting to establish the materiality of barter type agreements. In particular, the MSG is encouraged to review the strategic agreement between the Government of Niger and Areva, signed in May 2014 and consider addressing it in accordance with EITI Requirement 4.3.

- In accordance with EITI Requirement 4.4, the MSG is encouraged to consider a definition of materiality with regards to revenues from transport. In particular, the MSG may wish to consider including CNTPS that transport uranium concentrate from Arlit to Cotonou, Benin, and similar SOEs in EITI reporting.

- It is recommended that the MSG includes all material payments collected by SOEs on behalf of the state and all payments by all SOEs to the state in future EITI reporting, in line with requirement 4.5.

- In accordance with EITI Requirement 4.6, the MSG should assess the materiality of direct subnational payments and include a reconciliation of any material direct subnational payments in future EITI Reports.

- In preparing the next EITI Reports, the MSG should find a workable solution to the provision of quality assurance certification for EITI disclosures from both government and companies to ensure that reconciled payments and revenues are subject to credible, independent audit, applying international auditing standards. The MSG should agree with the IA a robust approach for ensuring credibility of data disclosed in EITI Report in accordance with EITI Requirement 4.9. The MSG may wish to assess the feasibility of mainstreaming EITI reporting in government systems in line with EITI Requirement 4.9.c.

- In accordance with EITI Requirement 5.1, the MSG should indicate which extractive industry revenues are recorded in the national budget and provide an explanation of the allocation of any off-budget extractives revenues.

- In accordance with EITI Requirement 5.2, the MSG is required to ensure that material subnational transfers are disclosed. The MSG should disclose the revenue sharing formula, as well as any discrepancies between the transfer amount calculated in accordance with the relevant revenue sharing formula and the actual amount that was transferred between the central government and each relevant subnational entity. The MSG is encouraged to reconcile these transfers.

- The MSG is required to disclose social expenditures by companies mandated by law or by their contracts with the government. Where possible, the MSG is encouraged to reconcile these transactions. The MSG should establish whether such payments are provided in kind, and consider disclosing the nature of the payment and the deemed value of the in-kind transaction in accordance with EITI Requirement 6.1.

- The MSG is required to develop a reporting process for SOEs to disclose their quasi-fiscal expenditures with a view to achieving a level of transparency commensurate with other payments and revenue streams, and should include SOE subsidiaries and joint ventures in accordance with EITI Requirement 6.2

- The MSG must disclose comprehensive information about the contribution of the extractive industries to the economy for the fiscal year covered by the EITI Report, in accordance with EITI Requirement 6.3, including total sector employment figures and estimates of the informal sector.

- The MSG should consider ways to ensure that other stakeholders are encouraged to participate more actively in the upstream development of communications strategies instead of only downstream dissemination activities. The MSG and civil society should return to reaching out to local communities, especially those where there are extractive activities, in line with EITI Requirement 7.1.e. In light of significant logistical challenges, the MSG may wish to consider developing more formalised consultation mechanisms with mine-affected communities, perhaps by developing regional focal points, to provide them with a meaningful voice on the MSG.

- The MSG should consider discussing the role the EITI could play in achieving national priorities in reforms of the extractive industries as part of its annual review of the work plan, in line with EITI Requirement 7.4.a.iv. The MSG may also wish to consider undertaking an impact assessment, with a view to identifying tangible impacts to local communities and other stakeholders in order to determine the extent to which the EITI has contributed to improving public financial management and governance of the mining, oil and gas sectors.

- The MSG and the government should continue following up on EITI recommendations and ensure that future recommendations and findings from EITI Reports are evaluated and acted upon in a timely manner, in line with EITI Requirement 7.3. As part of its reform of the institutional framework for EITI implementation in Niger, the government is encouraged to consider formalising a structure for following up on EITI recommendations to replace the Inter-Ministerial Committee and link EITI recommendations to ongoing national reforms.

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