

22<sup>ND</sup> EITI BOARD MEETING, OSLO, 26-27 FEBRUARY 2013

# Minutes

**EITI International Secretariat**

Oslo, 12 April 2013

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# MINUTES OF THE 22<sup>ND</sup> EITI BOARD MEETING

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*Oslo, 26-27 February 2013*

*Tuesday 26 February*

## 22-1 Welcome from the Chair and adoption of the agenda

The chair welcomed the Board members, The Board agreed the nomination of Elda Fiorillo to succeed Marcello Dell'Orso as Olivier Bovet's Alternate, representing Italy.

The agenda was adopted.

## 22-2 Report from the Head of the Secretariat including follow-up on action points

Jonas Moberg drew Board members attention to the posters of the latest EITI Reports and highlighted the EITI International Secretariat's involvement in reviewing reports. He also noted that 273 staff were working in EITI secretariats around the world and that 750 people served on MSGs.

Jonas pointed out that the International Secretariat was growing and updated the Board on the activities undertaken by the Secretariat including the provision of continuing support for implementing countries, the revision of the Standard, the organisation of meetings, translation of documents and various communications efforts to raise awareness about the EITI amongst stakeholders.

Communications and providing services and documents in various languages continued to be a major part of the work of the International Secretariat. The EITI website had recorded an increase in traffic of 40 per cent from last year. New publications had been recently published including a draft EITI Business Guide and the EI Handbook by the World Bank.

## 22-3 Discussion of the EITI Workplan and Budget 2013

The EITI Workplan and Budget for 2013 had been approved in Lusaka. However, Board members needed more time for discussions, reflections and comments.

Debra Valentine asked the Secretariat to identify three main priorities. Citing the agreed Workplan, Jonas noted that the main priorities were to support implementing countries, in particular to increase the quality and timeliness of reporting; to promote the EITI, especially in priority outreach countries; and to support the activities of the EITI Board.

Alan McLean brought up the need to revisit and review the Key Performance Indicators (KPIs). The Chair noted that the KPIs would need to be reviewed in light of the decisions on the new Standard. Olivier Bovet suggested that the KPIs could address the findings from implementing countries' EITI reporting, although care should be taken to avoid parallel efforts by other organisations. Anthony Richter sought clarification on how the work of the Secretariat was overseen and suggested that a more systematic process was needed to review staff performance. Jonas responded that, according to the Articles of Association, he was responsible for the management of the Secretariat and that systems were in place to evaluate staff performance and other office procedures. He welcomed suggestions on how to strengthen these systems. In addition, he noted that his performance had recently been reviewed when he was offered an extension of his contract.

Jean Claude Katende stated the need for collaboration at the country level, e.g., training civil society and the media to understand the data. Alfredo Pires highlighted the key role that "nerds" and "geeks" play in processing

the data in the EITI Reports.

Jonas indicated that there were various training activities in progress, with communications training supported by GIZ (German Agency for International Cooperation) scheduled for the second and third quarter of 2013. He agreed that more work with the media and consultation with various partners such as the Revenue Watch Institute were needed. Jonas also reminded the Board of the activities planned around Sydney to encourage further use of EITI data including a “hackathon” (an event focussed on efforts to utilise EITI data).

Jonas cited the forthcoming new communications guide, country pages and the Global Conference. He referred to the extensive range of activities that national secretariats had undertaken with communications.

## 22-4 Report from the Finance Committee

David Diamond provided the Board with a report from the Finance Committee. The financial status of the International Management of the EITI was healthy, with a sizeable carry-over from 2011 to 2012, and an increase in funding. In 2012, funding received exceeded the budgeted amount by 35%. This was partly due to a number of additional companies having become supporters of the EITI in 2012, as well as funding for 2013 which had been made available in 2012.

David stated that early discussions on financial implications of the new EITI Standard have fed into the papers on Financing Validation and the Expert Panel. The Finance Committee would continue to monitor developments regarding the new EITI Standard to assess their financial implications.

Alan McLean referred to the budget overspend of 10% in 2012, and asked that the Board or the relevant Committee could be informed before any of the budgeted items had been exceeded. David explained that the Secretariat had a clear and real-time view of the funding received, but that financial accounting systems in place did not allow for easy, real-time reporting on spending. At the moment, the Finance Committee analysed spending every six months on the basis of half-year and yearly accounts, and reported its findings and recommendations to the Board. On the basis of the Jan-Jun 2012 half year accounts, the Finance Committee flagged and explained a number of budget items which were slightly off-track, but it noted that the Secretariat broadly followed the 2012 budget and recommended to the Board that the budget plans for 2012 remained unchanged. However, the Finance Committee agreed that it would explore possibilities for more frequent reporting.

David added that the Audit and Finance Committees might merge pending a governance review.

### Actions

Finance Committee to explore possibilities for more frequent financial reporting.

## 22-5 Report from the Governance Committee

Baiba Rubesa announced that Alan McLean would be succeeding her as Chair of the Governance Committee until a new Board was elected in Sydney. She reported that the Committee was currently developing guidance for companies considering support to MSGs and would present a proposal by the next Board meeting.

### Code of Conduct

Baiba introduced the paper on the Code of Conduct. By way of background, Clare Short reminded the Board of past practices of disproportionately high per diems being paid to MSG members in some countries.

Jonas reinforced that the overall intention of the Code of Conduct was not intended to be legally binding. He reminded the Board that there were legal consequences if members of the Association were in breach of the

Articles of Association. Clarification was sought as to whether the Code was the only document intended to regulate the Secretariat or whether a more detailed Code applied to full-time staff – in line with more detailed codes that are common in the private sector in some countries. Jonas responded that the Secretariat's internal operating procedures and the staff manual addressed some of the issues dealt with in the Code of Conduct. Suggestions were made that, through the consultation process, MSGs implement their own code of conduct based on this draft proposal.

Baiba proposed to extend the deadline for the consultation to all MSGs to be given ample time to comment and possibly endorse the proposed Code of Conduct. Michel Okoko stated the need for debates in-country of the Code of Conduct.

### **Nominations procedure**

The Governance Committee had been tasked to consider a nominations procedure for the 2013-2015 Board and Chair.

Some members sought clarification on the proposal to extend the length of tenure to three years. Others raised concerns about the need for reinforcing constituencies and the lack of active participation by some members. Anthony Richter noted that some sub-constituencies had informal arrangements with Board members serving only short periods, which undermined continuity. It was agreed that the Governance Committee would consider the matter and make a recommendation to the Board well in advance of the Sydney conference.

Partly to consider these issues, it was decided that the Governance Committee would undertake a quick governance review ahead of Sydney.

In a closed discussion, without the Chair present, the Board discussed the 2013-2015 Board Chair nomination procedures and agreed to nominate Clare Short as candidate for Chair.

### **Actions**

Secretariat to launch a public consultation on the Code of Conduct.

Board members and other stakeholders to provide feedback to the Governance Committee via the International Secretariat on the draft Code of Conduct by 15 April.

Governance Committee to consider extending the tenure of the Board from two to three years.

Each constituency to nominate an individual to lead the nomination process by 15 March.

Secretariat to be informed of the nomination procedure agreed by the constituency by 30 March.

Board members to be informed of nominees for the 2013-2015 Board by 30 April.

Governance Committee to finalise guidance for companies considering support to MSGs.

Governance Committee to undertake a governance review ahead of Sydney, including looking, amongst other things, into possibilities for merging the Finance and Audit Committees.

## **22-6 Report from the Outreach and Candidature Committee**

Anthony Richter provided the Board with an outreach update. Tajikistan had lodged a candidature application on 2 January 2013. Anthony Richter indicated that he had spoken with civil society in and involved with Tajikistan and was persuaded that they have enough space to work. He further noted that the committee welcomed that ICNL and US State Department human rights information was included in the Secretariat's analysis. The Committee was satisfied that Tajikistan had completed the sign-up requirements and recommended that Tajikistan be admitted as an EITI Candidate country. The Board endorsed the Committee's recommendation. The details of the Board's

decision are presented in Annex B below.

Olivier Bovet requested an update about the other outreach countries and the outreach groups. Anthony said that the “friends of” groups had been established and that some of them were active. With regards to Colombia, an announcement for implementation of the EITI had now been drafted for consideration by the President. It was agreed to add Myanmar to the list of priority outreach countries. Clare suggested that language be changed from “priority country” to “target country”.

The Board took note of the formation of the MSG in the United States and the “states model” being developed by the Australian EITI pilot. Clare noted that while the EITI should build on existing systems, there could not be one system for OECD countries and another more onerous system for other countries.

Debra Valentine commented on the potential value in Brazil implementing the EITI. Jonas Moberg reminded the Board that Brazil was an outreach priority, and that there has been several efforts to reach out the government, industry and civil society. Alfredo Pires informed the Board about the activities of the Lusophone group of countries which was following Brazil. He also informed the Board that Timor-Leste was providing financial support to Mozambique and Sao Tome e Principe’s implementation activities.

### **Actions**

The Secretariat to inform the government of Tajikistan of the Board’s decision.

The Secretariat to add Myanmar to the list of priority outreach countries.

## **22-7 Implementation Progress Report and Brief Report from the World Bank MDTF**

### **Implementation Progress Report (IPR)**

Jonas highlighted that the Secretariat considered ten countries to be experiencing significant challenges. Many issues were related to delays in procurement. Michel Okoko noted that using a broader definition, 24 countries were facing challenges.

Anthony Richter informed the Board of the recent arrest of an associate to the Revenue Watch Institute in Azerbaijan. Shahmar Movsumov responded that the case was unrelated to the EITI. Jonas noted that the Secretariat was aware of the situation. Following precedent established in previous cases, no direct links between the arrest and EITI implementation had been identified.

Jonas addressed the concerns about the length of the IPR by reminding the Board of the country pages on the EITI website, which contained more detailed information about the EITI process in implementing countries. The aim of the IPR was to focus on challenges.

Debra Valentine said that financial support from donors to Madagascar would be welcome, as the EITI process was making a significant contribution.

### **MDTF**

Paulo de Sa updated the Board that the World Bank/MDTF had US \$62 million available for EITI implementation and currently US \$31 million had been disbursed. The MDTF had provided 41 grants to 33 countries and would process another 20. He mentioned that they were moving to post-compliance grants. Paulo suggested that Board members to go [online](#) for more detailed information.

### **22-7-B Reporting deadlines**

Jonas Moberg recalled the discussion in Lusaka and Board circular 138, and the need to establish a procedure for countries that do not meet the deadline for regular and timely reporting. The EITI Rules noted the possibility for MSGs to deviate from the requirements for timely reporting, but do not specify any criteria for assessing requests

for such deviations. The EITI Rules were also ambiguous as to whether countries that do not meet the reporting deadlines should be suspended or delisted, and the procedures for enforcing such measures. The Secretariat had identified several options available to the Board including delisting, blanket extensions, temporary suspension, or deferral of the relevant cases until the Board had decided how to deal with this in the revised Standard.

Some Board members noted the need for flexibility and emphasised that a decision to suspend could have significant consequences for political commitment and engagement of stakeholders in-country. Most Board members agreed with the Secretariat's recommendation that temporary suspension would be appropriate.

### Mauritania and Yemen

The Board agreed to suspend Mauritania and Yemen effective 26 February 2013.

As an EITI Compliant country, according to the 2011 EITI Rules, Mauritania was required to publish their 2010 report by 31 December 2012. When the Board agreed to lift Yemen's previous suspension in February 2012, it was required to produce its 2008 and 2009 EITI reports by 31 December 2012. Both of the countries failed to meet these deadlines, and had not published a report by the time of the Board meeting.

The Board found that Mauritania and Yemen had not faced exceptional circumstances to warrant an extension of the deadline. It was therefore agreed to temporarily suspend Mauritania and Yemen effective immediately. The suspensions would be lifted if the Secretariat confirmed that the 2010 EITI Reports had been published by 30 June 2013. If this could not be confirmed, the suspension would remain in force until the International Secretariat confirmed that EITI Reports had been published in accordance with requirement 5(e). If the necessary corrective actions were not completed within one year, the Board would consider delisting.

The Board decided that Nigeria, Ghana and Zambia should remain Complaint, although they had missed the 31 December 2012 deadline but had published EITI reconciliation reports in advance of the Board meeting.

### 22-7-C Validation deadlines

Jonas introduced the paper noting that in considering outcomes of second Validations or Secretariat Reviews there was no flexibility in the current Rules to take into account progress achieved or how close the country is to compliance. If an EITI implementing country does not meet all the EITI requirements in its second validation, the EITI Rules state that it should be delisted. In cases where progress continues to be made and the commitment to the process is strong, delisting could undermine efforts to achieve the EITI Principles.

Several Board members agreed with the need for differentiating between countries that have made meaningful progress and countries where there was no progress. Some expressed concerns about changing rules provisions and preferred a deferral of the relevant cases until a policy for how to deal with this in the revised Standard had been agreed.

The Board agreed that where a country has demonstrated "meaningful progress" but not achieved compliance following a second Validation or secretariat review, the country would be temporarily suspended rather than delisted. The suspension would remain in force for a period of up to 12 months, by the end of which the country would have to undertake a Secretariat Review to demonstrate compliance.

### Actions

The Chair to write to the Governments of Mauritania and Yemen, advising them of the Board's decision and to encourage them to publish their outstanding reports (Mauritania: 2010; Yemen 2008-2010) as soon as possible.

## 22-8 Report from the Validation Committee

The details of the Board's decisions are presented in Annex A below.

### 22-8-A Validation Gabon

The Board agreed to delist Gabon effective 27 February 2013. Gabon was required to submit a second Validation report endorsed by the MSG by 9 December 2012. Neither a report nor an extension request had been received at the deadline. The Board noted that on 15 February 2013 (approximately nine weeks after the deadline), the EITI Chair received a letter from the MSG indicating that EITI Gabon was submitting the final Validation report to the Board subject to the Board taking the MSG's comments into account. The Board's assessment was that the additional information provided by EITI Gabon did not provide reasonable grounds for missing the deadline and that the delays in completing the Validation exercise were largely within the control of EITI Gabon. The Board noted that Gabon may reapply for admission as an EITI Candidate country at any time and that it was important to communicate this message to the government.

### 22-8-B Secretariat Review of Burkina Faso

The EITI Board agreed to designate Burkina Faso as EITI Compliant effective as of 27 February 2013. The Board considered the Secretariat Review for Burkina Faso. It concluded that Burkina Faso had completed all the remedial actions requested by the Board.

### 22-8-C Final Validation Report from Congo

The EITI Board agreed to designate Congo as EITI Compliant effective as of 27 February 2013. Noting the assessment of both the Validator and Secretariat, the Board expressed satisfaction that EITI stakeholders in Congo had improved implementation of the EITI, particularly the quality of reporting, and that the government was now providing the necessary political and financial support. The Board called on stakeholders and the government to continue this level of cooperation and commitment to ensure Congo maintained its status as a Compliant country.

### 22-8-D Final Validation Report from Sierra Leone

Following the submission of Sierra Leone's validation report on 9 December 2012, the Validation Committee concluded that Sierra Leone had not achieved compliance with all requirements. As this was the second Validation, the Rules (Policy Note 3) indicated that the country should be delisted. However, in light of the Board's earlier decision to suspend countries to achieve meaningful progress after a second Validation, the Board agreed that Sierra Leone was to be temporarily suspended. The suspension would be lifted if the Board was content that the remedial actions recommended to achieve compliance had been completed satisfactorily. Compliance would be verified through a Secretariat Review conducted within the next 12 months. If the suspension was in effect for more than one year, i.e. beyond 27 February 2014, the Board would consider delisting Sierra Leone.

### Actions

The Chair to write to the four countries to advising them of the Board's decisions.

## 22-9 Building on Achievements

This section refers to proposals that as set out in Board Paper 22-9-A "[Building on Achievements](#)".

It was agreed that the Board would focus on outstanding policy issues. The Board would agree which issues required more work and drafting by small groups, drawing on external expertise as needed. The Secretariat was tasked with preparing a new draft of the Standard to be distributed and ultimately agreed through by Board Circular. The Secretariat was tasked with suggesting a timetable by Board Circular.

- The Board agreed to retain requirement 4(b), which had been deleted in error, in the current EITI Rules: "EITI implementation requires an inclusive decision-making process throughout implementation, with each constituency being treated as a partner".
- **Proposal 1 on contextual information.** It was agreed to require that EITI Reports include a description of the fiscal regime, information on the extractive industries contribution to the economy, production



data, overview of extractive industry projects and state participation in the extractive industries.

- **Proposal 2 on description of revenue allocation.** It was agreed to: (a) require that EITI Reports explain where revenues that are not recorded in the budget have been distributed, and (b) encourage that EITI Reports include further information on revenue management and expenditures.
- **Proposal 8 on data quality.** It was agreed to require that “payments and revenues are reconciled by a credible, independent administrator, applying international auditing and assurance standards, with publication of the administrator’s opinion regarding that reconciliation including discrepancies, and an informative summary of the work performed to help intended users understand the nature of the assurance conveyed”. The Board considered whether companies should be required to provide a confirmation letter from their external auditor. Some stakeholders (including several independent administrators) had argued that this should be required of all companies. It was noted that in some circumstances such a procedure is unnecessary and implies significant costs, and that the MSG should have the flexibility to consider other options that would safeguard data quality. It was agreed that companies should provide a confirmation letter from their external auditor where the independent administrator and the MSG agree this is necessary..
- **Proposal 9 on disaggregation.** Building on the existing requirements for MSGs to agree the reporting templates and the degree of aggregation or disaggregation of data in the EITI Report (requirement 9(c)), it was agreed to require project level reporting provided that it is consistent with the SEC rules and the forthcoming EU requirements.

The international oil and gas company representatives did not support project level reporting being required or encouraged within the EITI.

- **Proposals 10, 11 & 12 on state-owned enterprises (SOEs).** The proposals were approved. The Board discussed the equivalency of “disclosures by the SOEs on their quasi-fiscal expenditures” and where companies make significant social expenditures in addition to conventional tax payments (as discussed proposal 14). It was noted that the MSG had a key role to ensure that these issues are addressed fully and fairly. The Secretariat was tasked to review the applicability of existing language in the EITI Rules: “develop[ing] a reporting process with a view to achieving a level of transparency commensurate with other payments and revenue streams”.
- **Proposal 13 on sale of in-kind revenues.** It was agreed that “where the sale of in-kind revenues constitutes a material proportion of extractive industry revenues, the government and state owned enterprise/s are required to disclose the volumes sold and revenues received”. In addition, where practically feasible, the MSG is encouraged to task the independent administrator with reconciling the volumes sold and revenues received by including the buying companies in the reporting process. Michel Okoko argued that national companies should not be required to disclose information that would put them at a competitive disadvantage to other producers and exporters. It was agreed that the published data should be disaggregated, commensurate with the reporting of other payments and revenue streams..
- **Proposal 14 on social expenditures.** It was agreed to require “that where social expenditures required by law or the contract with the government that governs the extractive investment are material, the EITI Report must disclose and, where possible, reconcile these transactions”.
- **Proposal 15 on transit fees.** It was agreed that where revenues from the transportation of oil, gas and minerals are material, the government and state owned enterprise/s are strongly encouraged to disclose the revenues received. Where practically feasible, the MSG is encouraged to task the independent administrator with reconciling material payments and revenues.

- **Proposal 16 on Licenses and beneficial ownership.** On licenses, the Board reiterated its position agreed in Lusaka:

“that this should be required, subject to approval of more detailed requirements that would give MSGs some flexibility in the most practical and cost effective approach. Where subnational governments also issue licenses, MSGs agree how this would be phased-in. A minor infraction would not threaten compliance”.

It was agreed to require disclosure of license holders and information about license allocations, subject to further detailed drafting so that the practicalities of implementation of such a requirement are appropriately addressed, including addressing the governance arrangements surrounding the award of licenses.

The Board noted the importance of transparency of beneficial ownership to the effective governance of the extractive industries and as a check against corruption, and agreed the aspiration to make this the norm in all implementing countries. It was noted that there was limited experience in addressing these issues in the context of the EITI, and that additional piloting and experimentation was needed. It would also be important for detailed drafting to take account of approaches in the Financial Action Task Force and proposed EU Anti-money laundering regulations.

Some Board members supported a requirement to disclose beneficial ownership. It was suggested that a practical approach would involve the government requesting information about beneficial ownership from all companies as part of the EITI reporting process. Compliance with this request would not be assessed, and there would be no requirement to verify the information provided. It was agreed to explore other suggestions to make this information available.

The Chair concluded that there was insufficient experience and that implementing countries had not been adequately consulted but that the EITI Standard should encourage disclosure of beneficial ownership.

- **Proposal 18 on contracts.** The Board considered whether contract disclosure should be required, encouraged or left to the discretion of implementing countries. The Board took note of a survey of implementing countries indicating that a significant number supported that this be required. In some cases this support was subject to limiting the requirement to future contracts and/or allowing countries to redact commercially sensitive information. The position of 16 countries was still unknown. Several Board members noted the international trend toward contract transparency, and concluded that contract transparency is desirable.

It was agreed that the new standard should encourage contract transparency. One option mentioned was that MSGs should be required to discuss and document their position on contract transparency. Further refinements to the detailed provisions were needed. In the detailed drafting, other suggestions may be considered, based on the agreement that the EITI Standard should encourage contract disclosure.

The international oil and gas company representatives did not support suggestions to address contract transparency within the EITI. The civil society representatives did not support the suggestion that the new EITI standard should encourage contract transparency, and maintained their position that contract transparency should be a requirement in the new standard.

- **Proposal 25 on expert panel.** It was agreed not to proceed with this proposal at this time, but that the Board may wish to consider whether such a group was needed in the future.
- **Proposals 26-27 on what and how to validate.** It was agreed to maintain the existing practice of assessing each requirement as “met” or “unmet”. Where requirements are considered unmet, the

validator should differentiate between ‘unmet with limited progress’ and ‘unmet with meaningful progress’. As is the case today, the validator would provide a narrative report that addresses the impact of the EITI in the country, the sustainability of the EITI process and any innovations, any actions being undertaken by the MSG that exceed the EITI Requirements. The Secretariat was tasked with exploring other mechanisms for recognising implementation that exceeds the EITI Requirements, including through awards and case studies.

- **Proposal 28 on when to validate.** The Board reiterated its decision in Lusaka that Validation of compliant countries should take place every three years, and agreed that the deadline to “submit a final Validation Report endorsed by the MSG” is replaced with a deadline for when validation will commence (on a “ready or not” basis).
- **Proposal 30 on financing Validation.** The Board agreed, in principle, that the EITI International Management should finance and procure Validation, instead of the current arrangement where Validation is paid for and procured by implementing countries. Further work was needed to confirm the availability of financing through the World Bank MDTF.
- **Proposal 32 on adapted implementation.** The Board agreed that implementing countries may seek Board approval for exemptions from the implementation requirements on constitutional, financial or practical grounds, formalising an established ad hoc practice. The Secretariat was tasked with refining the language regarding the eligibility for such exemptions. It was noted that this should be used with care in case it were to be interpreted as applying rules unfairly. The importance of continued comparability in treatment between countries was emphasised.
- **Proposal 33 on policy notes.** The Board agreed that the current policy notes should be integrated into the revised standard. Anthony Richter noted that the civil society constituency would do some work with respect to language regarding civil society requirements because these are serious issues for EITI. Board members were invited to comment on the Secretariat’s proposal on modifications to Policy Note 3, distributed in advance of the Board meeting.
- **Transition to the revised standard.** The Board took note that a number of implementing countries were experiencing difficulties in meeting the existing requirements (including the rule changes agreed in 2011), and that the proposed amendments implied additional work and modification to established procedures. The Board agreed that it was desirable that the revised EITI Standard comes into effect as soon as possible after it has been agreed, but that implementing countries would need to be given a reasonable period to adjust. The Secretariat was tasked with developing a more detailed proposal on transition arrangements.

Edward Bickham suggested that all changes to the EITI Rules are tracked to ensure that existing provisions are not inadvertently omitted. Jonas noted that the restructuring from 21 to 7 requirements made “tracked changes” impractical, but that the Secretariat had included comment boxes in the draft standard differentiating new proposals from existing language. The Secretariat had sought feedback from Board members on several issues, including the integration of policy note #6 on civil society participation. The Secretariat would provide a marked up version of the EITI Rules, with comments boxes indicating where provisions had be included, revised or removed.

### Actions

The Secretariat to convene groups of interested stakeholders and experts to clarify outstanding issues.

The Secretariat to prepare a new draft of the EITI Standard to be distributed by Board Circular, together with a timeline for agreeing the Standard in advance of the Global Conference.

The Secretariat would provide a marked up version of the EITI Rules, with comments boxes indicating where

provisions had be included, revised or removed.

The Secretariat to explore mechanisms for recognising implementation that exceeds the EITI Requirements.

The Secretariat to develop transitional arrangements.

## 22-10 EITI Global Conference

Sam Bartlett and Chantal Spit updated the Board on the preparations for the Conference and the National Expo. The Secretariat was working closely with the Australian Government, and with a conference working group formed by the Board.

Andrew Schoeffel presented an overview of the Mining for Development Conference taking place just prior to the Global Conference. The conference would focus on the role of communities, challenges for development and women in the mining sector.

## 22-11 2013 Board Meetings

The next Board meeting would take place in Sydney. Shahmar Movsumov, on behalf of the Government of Azerbaijan, extended the invitation to host the autumn Board meeting in Baku. A schedule for the remainder of 2013 would be postponed until the election of the new Board.

## Any other business

Jonas announced that Finland had agreed to provide €500,000 in funding to the EITI. The Board expressed its thanks.

## List of participants

### Chair

**The Rt. Hon. Clare SHORT**

### Countries

#### Implementing Countries

**Mr Abdoul Aziz ASKIA**, Permanent Secretary, EITI Niger

Alt: **Mr Sidi OULD ZEÏNE**, Chairman of National Committee, EITI Mauritania

**Mr Florent Michel OKOKO**, Chairman of the Executive Committee, EITI Congo

Alt: **Mr Robert MOÏDOKANA**, National Coordinator, EITI Central Africa Republic

**Mr Ibrahim DANKWANBO**, Accountant General, Nigeria

Alt: **Mr Roosevelt Gasolin JAYJAY**, former Minister of Lands, Mines & Energy, Liberia

**Mr Alfredo PIRES**, Minister of Petroleum for Minerals Resources, Timor-Leste

**Mr Erry Riyana HARDJAPAMEKAS**, Head of the Interim Secretariat, EITI Indonesia

Alt: **Mr Shahmar MOVSUMOV**, Executive Director, State Oil Fund, Azerbaijan

#### Supporting Countries

**Mr Robert CEKUTA**, Principal Deputy Assistant Secretary, State Department, USA

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

**Mr Donal BROWN**, Head of Africa Regional Policy and Programmes Department for International Development (DFID), United Kingdom

Alt: **Mr Harald TOLLAN**, Senior Advisor, Ministry of Foreign Affairs, Norway

**Mr Olivier BOVET**, Senior Programme Manager Trade Promotion, (SECO)

### Civil Society Organisations

**Mr Dorjdari NAMKHAJANTSAN**, Manager, Open Society Forum, Mongolia

Alt: **Mr Mericio J. DOS REIS "Akara"**, Director, Luta Hamutuk Institute, Timor-Leste

**Ms Hannah OWUSU-KORANTENG**, Associate Executive Director, Wacam, Ghana

Alt: **Mr Sabit BAGIROV**, Director, Centre for Economic and Political Research, Azerbaijan

**Mr Jean Claude KATENDE**, Président National de l'ASADHO, Association Africaine de Défense des Droits de l'Homme, coordinateur PCQVP, Democratic Republic of Congo

Alt: **Mr Ali IDRISSE**, Coordinateur National du ROTAB PCQVP, Niger

**Ms Corinna GILFILLAN**, Head, Global Witness, USA

Alt: **Mr Eelco DE GROOT**, Senior Policy Officer, Cordaid, the Netherlands

**Mr Anthony RICHTER**, Chairman, Revenue Watch Institute (RWI), USA

Alt: **Mr Epifanio BACA TUPAYACHI**, Grupo Propuesta Ciudadana, Peru

### Companies including Investors

**Ms Baiba RUBESA**, Manager of Corporate Social Responsibility, Statoil ASA

**Mr Stuart BROOKS**, Manager, International Relations, Chevron

Alt: **Mr Guillermo Garcia**, Head of Revenue Transparency, ExxonMobil

**Mr Jim MILLER**, Vice President, Environmental Affairs, Freeport-McMoRan, Copper&Gold Inc.

Alt: **Mr Edward BICKHAM**, Advisor, International Council on Mining and Metals (ICMM)

**Ms Debra VALENTINE**, Group Executive, Legal & External Affairs, Rio Tinto, UK

**Mr Alan McLEAN**, Head of Group Tax, Royal Dutch Shell

Alt: **Ms Elodie GRANT GOODEY**, Head of Societal Issues and Relationships, BP

**Mr David DIAMOND**, Head of SRI, Allianz GI Europe

### Board Secretary

**Mr Jonas MOBERG**, Head of EITI Secretariat, Oslo

### Observers

**Mr Manuel ADAMINI**, SNS Investment

**Mr Javier AGUILAR**, Deputy Program Manager, World Bank

**Ms Zainab AHMED**, EITI Nigeria (NEITI) National Coordinator, Nigeria

**Ms Parvona AKHMEDOVA**, Ministry of Justice, Tajikistan

**Mr Tommaso ANDRIA**, Counsellor - Deputy Head of Mission, Embassy of Italy, Norway

**Mr Timurali AVGONOV**, Ministry of Finance, Tajikistan

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**Mr Eddie RICH**, Deputy Head of Secretariat

**Ms Dyveke ROGAN**, Regional Director

**Ms Chantal SPIT**, Conference Manager



# ANNEX A: SUMMARY OF BOARD DECISIONS ON VALIDATION –OSLO, 27 FEBRUARY 2013

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## Board decision on Burkina Faso

The EITI Board designated Burkina Faso as EITI Compliant effective as of 27 February 2013. In accordance with the EITI Rules:

- Burkina Faso must be revalidated within 5 years (i.e. by 27 February 2018.) The MSG is advised that the Board is currently reviewing the validation procedures, including proposals relating to timing for revalidation of compliant countries. Accordingly this deadline may be modified.
- Stakeholders in the process may call for a new validation at any time within that period if they think the process needs reviewing.
- Where valid concerns exist that a country has become EITI Compliant, but its implementation of the EITI has subsequently fallen below the standard required for Compliance, then the Board reserves the right to require the country to undergo a new validation or face delisting from the EITI. and
- In accordance with the 2011 edition of the EITI Rules, Burkina Faso is required to produce EITI reports annually. EITI Reports should cover data no older than the second to last complete accounting period (e.g. an EITI Report published in calendar/financial year 2013 should be based on data no later than calendar/financial year 2011),
- In accordance with requirement 21(c), Burkina Faso is required to publish a public report annually on the previous year's activities, detailing progress in implementing the EITI and any recommendations from the validator.

The Board congratulated the Government of Burkina Faso for its sustained commitment and leadership of the EITI process. The Board also congratulated the Burkina Faso Steering Committee for its efforts and effective leadership in EITI implementation. The Board called on the government and multi-stakeholder working group to ensure that the Board's recommendations are implemented in full, and tasked the EITI International Secretariat with providing regular progress reports to the EITI Board.

## Board decision on Congo

The EITI Board designated Congo as EITI Compliant effective as of 27 February 2013. In accordance with the EITI Rules:

- Congo must be revalidated within 5 years (i.e., by 27 February 2018). The Government of Congo is advised that the Board is currently reviewing the Validation procedures, including proposals relating to timing for revalidation of Compliant countries. Accordingly this deadline may be modified.
- Stakeholders in the process may call for a new Validation at any time within that period if they think the process needs reviewing.
- Where valid concerns exist that a country has become EITI Compliant, but its implementation of the EITI has subsequently fallen below the standard required for Compliance, then the Board reserves the right to require the country to undergo a new validation or face delisting from the EITI.

- In accordance with the 2011 edition of the EITI Rules, Congo is required to produce EITI reports annually. EITI Reports should cover data no older than the second to last complete accounting period. To maintain compliant status the 2012 EITI Report should be published by 31 December 2014.;
- In accordance with requirement 21(c), Congo is required to publish a public report annually on the previous year's activities, detailing progress in implementing the EITI and any recommendations from the Validator. The progress report for 2012 should be published by 30 June 2013.

The Board congratulated the government of Congo and the Congo EITI Executive Committee for their sustained commitment and leadership of the EITI process. Noting the Validator's and secretariat's assessment, the Board expressed satisfaction that EITI stakeholders in Congo have systematically and collegially improved implementation of the EITI, particularly the quality of reporting, and that the government is now providing the necessary political and financial support. The Board called on stakeholders and the government to maintain this level of cooperation and commitment to ensure Congo maintains its status as Compliant country.

## Board decision on Gabon

The Board agreed to delist Gabon effective 27 February 2013.

Gabon was required to submit a second Validation report endorsed by the MSG by 9 December 2012. Neither a report nor an extension request had been received.

In all decisions on Validation the Board places a priority on the need for comparable treatment between countries and the need to protect the integrity of the EITI brand. EITI Policy Note #3 states that *"If the second Validation verifies that the Candidate country has met all of the requirements, the Board will designate the country as EITI Compliant. In all other cases, including the failure to submit the second Validation Report by the deadline, the country will be delisted"*.

The Board notes that Gabon may reapply for admission as an EITI Candidate country at any time. In considering such a request, the Board will apply the agreed procedures with respect to assessing Candidate applications. It will also assess previous experience in EITI implementation, including previous barriers to effective implementation and the corrected measures implemented.

# ANNEX B: SUMMARY OF BOARD DECISIONS ON EITI CANDIDATURE – OSLO, 26 FEBRUARY 2013

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## **Board decision on Tajikistan**

The EITI Board admitted Tajikistan as an EITI Candidate country on 26 February 2013. In accordance with the EITI Rules, Tajikistan was required to publish their first EITI Report within one year and six months of becoming a Candidate (by 26 August 2014) and to submit a final (MSG endorsed) Validation report to the Board within two years and six months of becoming a Candidate (by 26 August 2015). Failure to meet either of these deadlines would result in delisting.