

Minutes

EITI International Secretariat

11 December 2015

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This was a closed door session of the Nominations Committee. Stuart Brooks, the chair of the Nominations Committee, briefed the Board on the Committee’s recent efforts and on suggested next steps.

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MINUTES OF THE 30TH EITI BOARD MEETING

WEDNESDAY 21 OCTOBER 2015

30-1 Welcome and adoption of agenda

The EITI Chair, Clare Short, opened the meeting by agreeing to Shahmar's recommendation to change the order of the agenda. Michel Okoko asked for the circulation of the communiqué from African National Coordinators in Malabo. The agenda was adopted.

30-2 Report from the Secretariat

Jonas Moberg noted the apologies of Fernando Torres Castillo and welcomed the presence of his alternate Minister Alfredo Pires. Catarina Hedlund was welcomed as Nico Van Dijk's alternate. Jonas noted the fact that the EITI is breaking new ground on conversations like those on transparency in commodity trading, on beneficial ownership, on barter agreements, and on license processes among others. He noted that around the world over 400 people were working on the EITI full time at National Secretariats and over 1,000 people were serving on multi-stakeholder groups. He noted that the International Secretariat consisted of a team of barely 20 people managing input to almost 50 implementing countries and another 20 outreach countries.

Jonas provided an update of notable trends since the last Board meeting, noting the following:

- Developments of open data initiatives such as the data portals in Liberia, Kazakhstan and the United States.
- Communications initiatives in Burkina Faso, with their translation of simplified versions of their EITI Report in six languages, in Indonesia, with comic books, and in Mauritania, with new regional focal points for outreach and communications.
- That costs of EITI implementation were growing. In Sierra Leone implementation cost USD 900,000 a year, not including staff costs. In Liberia, implementation cost USD 1.6 million. The total cost of the EITI globally was now just under USD 50 million per year, largely excluding staff costs. He noted that mainstreaming thus made sense also for efficiency's sake.
- Board members were reminded of the busy schedule for the International Secretariat itself. The 300 pages of papers provided by the International Secretariat reflected the hard work conducted on a daily basis and testified to the technical knowledge and expertise in the International Secretariat.
- Regional training seminars took place in Accra, Istanbul and Manila.

30-2-A Discussion of Board paper 30-2-A Implementation Progress Report April-September 2015

Jonas highlighted the challenges faced by certain implementing countries. Board members were reminded of the new highlights section of the IPR, with a focus on Sierra Leone's online data repository, and of the thematic focus, on annual activity reports. Jonas recalled the meeting of EITI implementing country representatives held the previous day.

Alan McLean noted that the recommendation of the Implementation Committee that there should be more focus on the quality of annual activity reports seemed to have been implemented without Board approval through the inclusion of this topic in the thematic focus. The Secretariat clarified that this issue was still under discussion within the Implementation Committee and that no recommendation had yet been submitted to the Board. The thematic focus was mainly an attempt to draw the Board's attention to the work of implementing countries on annual activity reports, and capture some of the useful lessons learnt as well as limitation of these reports. Any future recommendations from the Committee would most likely focus on improved guidance.

There was discussion of whether the green/amber/red colour classification in the IPR was appropriate and whether the criteria used for assessment were consistent and clear. Alan McLean called for more direction on where Board members may take action in countries facing challenges.

The implementing country constituency asked to be sent copies of the IPR, so that they could see how the Secretariat saw the state of their implementation. Concern was raised that this may transform the IPR into a public document. However, as with other constituencies, implementing country Board representatives would of course be welcome to share any issues raised in the IPR with their wider constituency for feedback and input prior to Board meetings.

Marinke Van Riet raised challenges related to implementation in Azerbaijan and the Central African Republic (CAR). On Azerbaijan, she requested a report on the Chair's visit to Azerbaijan including a letter that had been sent by the civil society constituency beforehand. She suggested that a separate session for the Board to discuss progress with corrective actions be scheduled for the Board meeting in Kiev. Shahmar reported on a statement submitted by the Azeri NGO.

Clare Short responded that no decision over Azerbaijan was scheduled for this Board meeting and that full Board deliberation on the progress in undertaking remedial actions would take place in April 2016. Dyveke Rogan and Clare provided an update on their recent trip to Azerbaijan, which included meetings with President Ilham Aliyev, the civil society coalition, the MSG and representatives from the international community.

Dyveke reported that the meeting with President Aliyev included a frank discussion, covering corrective measures and the challenges civil society organisations faced. While Clare had noted that the EITI was not a human rights organisation, the EITI Standard included an absolute requirement that civil society have sufficient freedom to participate. Clare noted to the Board that the test would be whether corrective actions had been undertaken by April 2016. Gubad Ibadoghlu attempted to inform the Board about retaliation he had faced as a result of his engagement at the international Board level but he was not allowed to complete his statement. Clare reminded the Board that any new issues would be considered by the Rapid Response Committee.

Marinke noted civil society concerns over Central African Republic, which had been suspended since April 2013 with no progress being made in EITI implementation, and concerns about the legitimacy and credibility of the civil society on the MSG considering their involvement in the transitional government. Bady Baldé noted the two requests from the CAR for a lifting of the suspension, which had both been refused by the Board. Given Requirement 1.7.b on suspension due to political instability or conflict, Bady noted there was no time limit for the suspension. The Board agreed that the Implementation Committee discuss the suspension in more detail.

Daniel Kaufmann raised concerns about the update in the IPR on the US-EITI process, particularly that companies on the Board were not reporting taxes in the US-EITI. Daniel noted that, although the Board should applaud the USEITI for how much it has accomplished and the useful information that the process is producing, the non-reporting was not only disappointing for stakeholders in the US, but also fuelled misrepresentations of EITI as a Northern-led effort. It was noted that the same challenges were faced in other EITI implementing countries, like Colombia. The Chair requested that Board members representing the company constituency provide assurances that the issue and its implications were being considered and would be discussed within their constituency. Daniel also stated major concerns about MSG governance in Guatemala, especially in the selection of civil society representatives, that had made it untenable for some key CSOs to engage in the EITI process. The EITI International Secretariat stated that they are scheduled to visit Guatemala soon and that they will convey the concerns to the MSG.

Jean-Claude Katende inquired about the progress witnessed in Ethiopia that justified the upgrading of the assessment of Ethiopia from amber to green, given concerns around CSO participation. Eddie Rich noted that production of the EITI Report was on track and that an EITI law under discussion was expected to safeguard space for civil society within the EITI process.

The Board discussed the dissolution of the Nigeria EITI MSG, noting that Cabinet appointments had not yet been made. Faith Nwadishi noted that the lack of an MSG for six months called into question the legitimacy

of EITI implementation in Nigeria. The Board decided that the International Secretariat should write to the President with a copy to the Vice President seeking clarity on when an MSG would be formed.

Actions

- The Implementation Committee to discuss the suspension of CAR in more detail.
- The company constituency to consider the challenge and implications of certain EITI Supporting Companies not reporting in implementing countries like Colombia and the US.
- The International Secretariat to write to the Nigerian President copying the Vice President seeking clarity on when an MSG would be formed.

30-2-B Discussion of Board paper 30-2-B Outreach Progress Report April-September 2015

Alan McLean inquired as the financial and human resource requirements of outreach efforts. Jonas responded that limited resources were devoted to outreach efforts by the International Secretariat. Board members were reminded that the Implementation Committee was tasked with developing a policy on how to deal with small states with limited potential for extractive activities. While this was mainly focused on existing implementing countries, it could also include reviewing the criteria for countries to be admitted as EITI Candidates.

In response to an enquiry about progress in Kenya following their commitment to implement, it was noted that President Uhuru Kenyatta had been invited to the 7th EITI Global Conference but that no answer had yet been received.

Shahmar Movsumov raised the issue of outreach efforts in Armenia, stating that Armenia was not a resource-rich country, that it was involved in conflict, and stated that this posed a threat to the EITI brand. He noted that Armenia's potential admission as an EITI Candidate country would have serious implications for Azerbaijan's commitment to the EITI and would undermine its legitimacy which would in turn lead to Azerbaijan abandoning the initiative. Gubad Ibadoglu added that civil society in Azerbaijan shared this view. Clare proposed that the Implementation Committee consider the issue of EITI reporting for extractive industries in territories affected by conflict, which might have consequences under international law.

Michel Okoko noted the advancement of efforts by Gabon and Equatorial Guinea to join the EITI. Marinke noted the development of a civil society roadmap in Equatorial Guinea to develop space for civil society to participate in the EITI. She called on implementing countries to provide assistance to the Government of Equatorial Guinea.

Actions

- The Implementation Committee to consider the issue of EITI reporting in territories affected by conflict and potential implications under international law.

30-3 Report from the World Bank, including on transitions to EGPS

The Board welcomed Charles Feinstein, Director of the World Bank's Energy and Extractives Global Practice. Charles presented the arrangements for transitioning from the EITI Multi-Donor Trust Fund, closing at the end of 2015, to the Extractive Global Programmatic Support (EGPS) Trust Fund. Board members were reminded that the World Bank had supported over 50 countries to join the EITI and the additional extractive industries related work funded through Extractive Industries Technical Assistance Fund (EI-TAF).

Charles took note of the Governance Review finding that disbursement would need to take place faster, so the EGPS would seek quicker disbursement with grants over longer timelines. A new EGPS steering committee was established and the first meeting was to be held on 22 October.

He noted that support for EITI would continue to be a core part of the World Bank's work, although the focus of EGPS funding would shift from EITI start-up to sustainability, with a view to increasing country ownership and citizen demand for EITI information. This would include support for mainstreaming of EITI reporting, a focus on data quality, comparability and usage. It was noted that EGPS funds would continue to be available for CSO support.

Charles noted that EGPS funding for EITI was still somewhat limited and the steering committee needed to make hard decisions. The World Bank called for Board members' assistance in encouraging donors to contribute to the EGPS, while thanking the first three donors to EGPS: Australia, Norway and Switzerland. It was noted that the EGPS initial fundraising target would be USD 20 million. It was noted that funds would be particularly limited in January 2016 and that the World Bank was in close liaison with the International Secretariat on transition plans.

The World Bank agreed that sharing of EGPS workplans and budgets was necessary after the first EGPS steering committee meeting, the minutes of which would also be circulated.

Michel Okoko asked whether funding to EGPS would be open to all countries, including implementing countries. It was noted that contributions from all countries would be welcomed, as were those from the private sector.

Actions

- The World Bank to circulate the EGPS workplan and budget to the Board, including minutes of the first EGPS meeting on Thursday 22 October.
- Board members to assist the World Bank in encouraging donors to contribute to the EGPS.

30-5 Joint report from the Implementation and Validation Committee - Board paper 30-5 Opportunities for strengthening EITI Validation, including responses to the Validation consultation

The Board noted that there were 48 submissions in response to the consultation on Validation, representing more than 300 stakeholders. The paper prepared by the Secretariat had sought to reflect these submissions.

Board members representing implementing countries argued that there was a need to revise the Validation model, and that the current schedule of Validations should be deferred until these changes were agreed. Michel Okoko summarised a report of a meeting of about 14 countries in Malabo. He then handed out hard copies of the report in French to Board members around the table.

The Board heard from two National Coordinators representatives on the views expressed at the previous day's meeting of National Coordinators. Philippines EITI National Coordinator Gay Ordenes noted that their intention was not to water down the Standard but rather to recognise that for some countries, meeting the requirements took time. At the same time, countries that were going beyond the Standard to address the issues that were important in their context deserved recognition. Albania EITI National Coordinator Dorina Cinari noted the great potential in the EITI process to highlight the starting point of each country and the direction of progress in the governance of the extractive sectors. She shared the vision of a process that gave further recognition and incentivised progress in the governance of the sector.

Board members representing civil society organisations, including in implementing countries, argued that the proposed changes had substantial implications for implementation of the Standard, highlighting several key concerns:

- That some of the proposals represented fundamental changes to the Standard, when the Board had agreed no such changes should take place until a new Board was in place. While a better articulation of validation results was desirable to incentivise and recognise progress, changes to how compliance was measured and movement away from the pass-fail system and the principle of applying consequences to cases of non-compliance would have significant impacts on the Standard.
- The proposals would have significant implications for the accountability function of the EITI. Removing the pass/fail and removing or weakening the consequences for non-compliance by governments and companies would substantially reduce civil society leverage to fulfil their accountability role and weaken incentives for countries to be compliant.

- That the process by which the validation proposals had been developed had been flawed and based on evidence provided.
- It was inappropriate to defer validations pending an agreement as this effectively pre-empted the decision on validation of the Board. Validations should continue as scheduled. Finally they reminded the Board that civil society in all EITI countries are implementing the Standard and working closely with companies and Governments to help their countries pass validation.

Stuart Brooks noted that there seemed to be support for an assessment card along the lines of what was outlined on p.12, but without numerical scores. He noted that the key issue seemed to be timeframes established in the standard for achieving compliance (i.e. 2.5 years after admission; if not compliant, 12 months to address corrective actions or face suspension). Rather than a fixed timeframe of 12 months to undertake corrective actions, he suggested that the timeframe could be decided by the Board depending on the nature and extent of the corrective actions and local circumstances. Safeguards could be put in place for timeframes for addressing corrective actions related to core requirements such as e.g. civil society participation. He also suggested that the data gathering could be undertaken by the Secretariat. The findings could be quality assured by an external validator and, where applicable, the validator could also be tasked with suggesting corrective actions and appropriate timeframes.

Mark Pearson noted that guidelines on timeframes for completing corrective actions and nomenclature would need further consideration.

Inma Montero-Luque suggested that options for establishing an independent Validation unit within the secretariat could be considered alongside other options for who might undertake Validations.

There was an emerging consensus for the following:

1. There would be no changes to what is required to achieve compliance with the current requirements.
2. Validation should assess compliance with requirements as at present.
3. Validation should recognise efforts to go beyond and direction of progress, but not have implications for a country's compliance.
4. A narrative report with Validation findings would be compiled as at present. The results would be expressed in an assessment card along the lines of what is outlined on p.12, but numerical scoring would not be applied.
5. Some changes to the time required to achieve compliance could possibly considered.
6. There was a need to address the cost of Validations.

There was no consensus on:

7. Changing the consequences of not achieving compliance.
8. Who should validate.

The following day, the Board discussed the proposal that was circulated overnight. The proposal had two parts. Part one was a suggested terms of reference (TOR) for a working group to continue refining the Validation model, reporting to the Implementation and Validation Committees. Part two contained a suggestion for how to deal with the countries with Validation deadlines in 2015 and in Q1 2016.

With regards to the working group, civil society representatives noted their general agreement with the first four points of the proposed TOR for the working group, subject to caveats, and also agreed to discuss timeframes for achieving compliance. While civil society representatives raised concerns over the proposed score card, given that proposed system would mean countries could score half the points necessary to be compliant and still remain implementers, conduct remedial actions and only be assessed again 2 and half years later. Some supporting countries and investors supported the numerical scorecard. Implementing countries broadly agreed with the proposed TORs, aside from point two, stressing that they wanted a commitment from the Board to refine Validations.

With regards to part two on how to deal with upcoming Validations, implementing countries noted that until the Board reached an agreement on refining Validations, all Validations should be stopped, a position contested by civil society representatives who argued that Validations needed to go ahead immediately. Jonas emphasised the very tight timeframe of three weeks available before the 31st Board meeting papers needed to be finalised. The Board was reminded of the availability of the funding for these proposed pilot Validations under the pilot procedures. Implementing countries agreed to proceed with a pilot for the five countries with Validation deadlines in 2015, provided that the pilot had no bearing on the status of the countries undergoing pilot Validations. Supporting countries supported the implementing countries' position. Jonas clarified that nothing could be decided on the basis of the pilot Validations until the Board agreed on the procedures for refining Validation. Civil society agreed that the pilot Validations could proceed for the five countries provided that formal Validations for these five countries as well as the six countries scheduled to commence Validation in Q1 2016 would all proceed immediately following Kiev.

Based on the Board's discussion and modifications to the proposals, it was agreed that a working group would be established to continue the work on refining Validation, reporting to the Implementation and Validation Committees. The TORs for the working group would be to further elaborate the following proposal:

1. There would be no changes to what is required to achieve compliance with the current requirements.
2. Validation should assess compliance with requirements as per the current TORs for validators.
3. Validation should recognise efforts to go beyond the requirements and direction of progress, but in the case of the five pilot validations would not have implications for a country's compliance.
4. A narrative report with Validation findings would be compiled as at present. The results would be expressed in an assessment card along the lines of what is outlined on p.12 of the Board paper. Although different models could be tested, there was both support for and objections to applying numerical scoring.
5. Some changes to the time required to achieve compliance could possibly be considered.
6. The need to address the cost of Validations and who should validate.

In parallel, it was also agreed that there would be a testing of Validation procedures. It was agreed that the five Validations scheduled for 2015 (Ghana, Mongolia, Sao Tome & Principe, Solomon Islands, and Timor Leste) would commence immediately as pilots by combining secretariat reviews and quality assurance by an independent validator. Data collection and stakeholder consultations would be undertaken by the Secretariat applying the current Terms of Reference for validators, with the findings to be reviewed by an external third party (validator) reporting to the Board via Validation Committee.

The results would be presented in the format developed by the working group, for consideration by the Board in Kiev. The outcomes would aim to support the Board's conversation about refinements to the Validation system. Where countries are not found compliant in the pilot Validations, different options for timeframes for completing corrective actions as proposed by the working group could be considered with the intention of informing the Board's work on refinements. The results of the pilots would not have implications for the countries' status. Formal Validations for these five countries would commence after Kiev. Mark Pearson noted that the pilot would serve the interests of all Board members by generating the evidence on whether implementing countries would comply with the Standard under the existing validation approach, without penalty; testing the concept of Secretariat-led validations at a significantly reduced cost, in a time of fiscal constraint; and testing new approaches to validation, including the numerical score card.

Finally, for the formal Validations scheduled to commence on 1 January 2016 (Kyrgyzstan, Liberia, Niger, Nigeria, Norway, Tajikistan + the five pilot countries) two possible options were discussed:

1. Apply the procedure as outlined above (a combination of secretariat reviews + verification by external validators). The expected cost would be USD 110,000 for eleven Validations excluding staff time and translation costs.

2. Procure an external third party validator according to World Bank procurement rules and the requirement of the EITI Standard that these be procured through a competitive bidding process. The expected cost would be USD 75,000* 611 validations (USD 425,000), excluding translation costs.

Subject to immediate Board approval, Validations under either approach would commence on 1 January 2016. In the event that the Board agrees a revised Validation methodology in Kiev, this could also be applied to the Validations commencing on 1 January. Due to time constraints however, the Board did not have a chance to discuss those options, hence no agreement was found in Bern on the methodology applied to the Validations scheduled to commence on 1 January 2016.

Actions

- A working group to be established to consider refinements to the Validation system as per the agreed TOR.
- The International Secretariat to launch pilot Validations of five countries (Solomon Islands, Ghana, Mongolia, Sao Tome & Principe and Timor Leste).
- The International Secretariat to contract desktop verification from an external third party (validator) to quality assure the pilot Validation findings and report to the Validation Committee.
- The International Secretariat to start procedures to conduct formal Validations on the 5 pilot validation countries straight after Kiev.

30-6 Report from the Governance Committee

Alan McLean introduced the Governance Review, noting that the work of the Governance Committee had been almost exclusively focused on this review since the 29th Board meeting. He noted that the Governance Committee had no consensus on the findings of the review but saw it as a basis for discussion.

Sefton Darby, the lead consultant, provided an overview of the Governance Review, its findings and key recommendations. While breakout discussions had been planned, the Board agreed to hold discussions in a plenary format. The subsequent questions and answers session focused on views over the two issues that were the most time-sensitive:

- The proposal to increase implementing country representation on the Board.
- The proposal to create a Deputy Chair position.

On the first point, implementing countries argued that there should be two extra seats for implementing countries. This proposal was not supported by other constituencies. Many argued for no extra seats, and some that there should equally be extra seats for civil society, given that they too were implementers. David Diamond said investors were opposed to this noting that a larger board does not represent good governance and is unlikely to improve board efficiency, as a whole, nor even necessarily improve implementing country participation.

However some Board members supported the idea of an extra seat being granted to the implementing country sub-constituency and it was noted that they would proceed on the nominations process on the basis of that hypothesis. They would also establish a working group to look into better procedures for quality of representation. It was noted that this would have implications for the voting procedures set out in the Articles of Association. Other issues such as board induction, improved participation in committee meetings, sanctions for non-participation, and regular board performance reviews, were raised for consideration by the Governance Committee.

The majority of Board members who spoke were not in favour of the creation of a Deputy Chair position. Alan proposed to instruct the Nominations Committee that there be no change in the profile of their search for a new Chair. Marinke proposed that each constituency could nominate a Deputy Chair, who would sit on a proposed new Management and Oversight Committee. Supporting countries also proposed the identification of a point of contact for each constituency, to improve coordination and efficiency.

Alan concluded by noting that the Governance Committee would review all the recommendations put forward in the governance review to formulate proposals for the 31st EITI Board meeting, including on the proposal for an additional seat for implementing countries, but would not bring forward a proposal for the creation of the Deputy Chair position. The Governance Committee would consider how to take forward the remaining recommendations of the Governance Review.

Actions

- The Governance Committee to formulate proposal for the 31st Board meeting on adding one full seat and one alternate seat for implementing countries.
- The Governance Committee to consider how to take forward the remaining recommendations of the Governance Review. The Governance Committee to make formal recommendations to the Board at its 31st meeting.

30-4 Report from the Implementation Committee

30-4-A Board paper 30-4-A Refinements to the EITI Standard

Dyveke Rogan presented the Board paper 30-4-A on refinements to the EITI Standard. The proposed refinements were based on the early lessons from the implementation of the EITI Standard. While the Implementation Committee had discussed the proposals in this paper and agreed to submit them to the EITI Board, there was not consensus support within the Committee for all of the proposals. It was suggested that the EITI Board consider each of the proposals in the paper and agree whether to take them forward or not. The proposed next step would be to elaborate the agreed refinements in a revised Standard for adoption in principle by the Board at its 31st Board meeting. A public consultation with implementing countries and other stakeholders on the suggested proposals would take place.

Sam Bartlett presented the Annex A on mainstreamed disclosures. It was proposed that the provisions in the EITI Standard related to EITI Reporting be revised to enable countries to refer directly to existing public information about the extractive sector where this is available, comprehensive, reliable and consistent with the requirements of the EITI Standard (Requirements 3, 4 and 5). Where information is not disclosed in the EITI Report itself, it would be necessary for MSGs to make sure that the EITI Report provides details on how the information can be accessed.

Implementing country representatives noted their objection to the refinements that they felt would lead to further requirements for implementing countries. Civil society representatives strongly supported many of the proposed refinements, noting that clarifications that help EITI processes move away from siloed, outdated reporting and towards relevant and timely transparency and accountability mechanisms were critical. They also expressed concern regarding certain aspects of some proposals. Michel Okoko added that, following two recent meetings of African National Coordinators, the constituency refused to discuss the issue of per diems under requirement 1.3.g.vi.

Jonas noted that a working group had been established within the Implementation Committee, which would further examine the proposed refinements to the Standard and submit a new version to the Board in Kiev through the Implementation Committee. Noting the tight timeframes, he added that the working group would require rapid input from stakeholders, so that a set of proposals could be presented at the 31st EITI Board meeting in Kiev.

- A working group to elaborate the agreed refinements in a revised Standard for adoption in principle by the Board at its 31st Board meeting.

- A public consultation with implementing countries and other stakeholders on the suggested proposals to take place.

30-4-B Beneficial ownership pilot evaluation

Dyveke Rogan presented Board paper 30-4-B. The first part consisted of the options proposed by the Secretariat for revising the provisions on beneficial ownership. Option 1 would make beneficial ownership disclosure a requirement. Option 2 would make it a requirement that implementing countries request companies to provide beneficial ownership information. Failure to provide the information would be documented, but would not be a cause for non-compliance. Option 3 maintained the current recommendation that countries address beneficial ownership, but required that the MSG documents its decision and would require disclosure of legal ownership. It was suggested by the Secretariat that any revisions to the current requirements on beneficial ownership be adopted at the Global Conference in Lima in February 2016, alongside other refinements to the EITI Standard. The second part consisted of the beneficial ownership pilot evaluation report, outlining challenges, good practices and lessons learnt from the two years of piloting beneficial ownership disclosures.

Representatives from civil society testified to the feasibility of the pilot project, reporting positive outcomes in the DRC, and called for revision to Requirement 3.11 to make beneficial ownership disclosure as a requirement, supporting Option 1. Representatives from implementing countries noted that the results of the beneficial ownership pilot pointed to the difficulties for countries to comply with beneficial ownership disclosure, supporting Option 3. Investors stated their support for Option 2. Supporting countries' representatives noted the potential Validation challenges posed by strengthening beneficial ownership disclosure requirements and the burden placed on implementing countries. Some supported option 2 whilst others preferred option 3 with the potential for a new deadline for making this a requirement.

Actions

- The working group on refinements to the EITI Standard to consider the options for revising requirement 3.11 on beneficial ownership.
- The working group to make recommendations to the Implementation Committee, for discussion by the Board at its 31st meeting.

30-4-C Board paper 30-4-C Update on the mainstreaming pilot

Sam Bartlett reported strong interest from several national EITI secretariats and MSGs in participating in a mainstreaming pilot and several cases where the proposed assessment would complement existing studies and follow-up of recommendations that had emerged from EITI reporting. The Secretariat proposed to commence work on the mainstreaming pilot by undertaking a study in Timor Leste commencing in late October. The work would be carried out by a team from the International Secretariat and the World Bank (with experts from several different departments). This would be a test case for the proposed template terms of reference, and would help to clarify the resources needed to undertake additional pilots. If the project was successful, the World Bank indicated that it would provide financing for additional pilots. A revised timetable was proposed, including a review of progress at the Global Conference in Lima.

Alfredo Pires expressed Timor-Leste's strong interest in moving beyond the EITI requirements, while emphasising the importance of country ownership, costs and realistic timeframes.

Actions:

- The International Secretariat to continue supporting the mainstreaming pilot.

30-7 Report from the Outreach and Candidature Committee

Marinke Van Riet offered to serve as Chair of the OCC until the Global Conference, replacing Pekka Hukka. The Board agreed to the proposal.

The OCC recommended that Malawi be accepted as an EITI Candidate, becoming the 49th EITI Implementing Country. Malawi's extractive sector was currently small, and the country's economy relies on agriculture. Developing the mining sector has become a government priority and the target was that by 2020 the sector would contribute 20% of the GDP.

The Board took the decision that: *"The EITI Board admits Malawi as an EITI candidate country on 22 October 2015. In accordance with the EITI Standard, Malawi is required to publish its first EITI Report within 18 months of becoming a candidate, i.e. by 22 April 2017. Malawi is required to publish an annual activity report for 2015 by 1 July 2016. Validation will commence within 2.5 years of becoming a candidate (by 22 April 2018)."*

Actions

- The EITI Chair to write to the Malawian President, HE Peter Mutharika, to inform him of the Board decision admitting Malawi as an EITI Candidate.

30-10 Report from the Finance Committee

The Board welcomed the presence of Brynjar Wiersholm as the new EITI Finance and Human Resources Manager.

30-10-B Board Paper 30-10-A on financial updates, including preliminary accounts January-June accounts and 2015 forecast

David Diamond presented Board Paper 30-10-A on financial updates, including preliminary accounts January-June accounts and 2015 forecast. Mainly due to the favourable exchange rate movements between the USD and NOK, the expectation was for the Secretariat to break even in 2015 despite revenue shortfalls of around USD 500,000.

Brynjar emphasised that the principle of voluntary funding made budget planning challenging. Eddie highlighted the funding challenges for both companies and supporting countries. He reported promising progress in securing funding for 2016, but noted potential funding challenges for the remainder of 2015.

Alan McLean emphasised the need to improve the sustainability of the funding structure, pointing towards joint efforts of the Implementation and Governance Committees in this direction. Laurel Green noted the challenges of operating with planning on an annual basis and asked for discussions of financial issues to be addressed before the latter parts of Board meetings.

Marinke Van Riet proposed the establishment of a working group to review funding including the consideration of the funding formula and/or membership fees.

Paulo De Sa noted that the MDTF had agreed to fund the first set of Validations, but that the World Bank could not guarantee the future funding of Validations.

Actions

- The Board to consider the establishment of a working group to review EITI funding.

30-10-B Paper 30-10-B on the EITI Financial Reserve

David Diamond presented Board Paper 30-10-B on the EITI Financial Reserve. The Finance Committee recommended to the Board that the level of the current reserve be slightly increased to the NOK equivalent of USD 0.6m (from USD 0.5m) to reflect the increased liabilities related to increased staff and rent. The proposal is a reserve of NOK 4.8m. This new reserve level would not be implemented until March 2016. The reason for the delayed implementation was to allow the implications of the financing uncertainties from the new WB EGPS structure for validation and training costs, and the liquidity challenges related to the Global conference in February to be settled first. Brynjar noted that the financial reserve was denominated in NOK, given that most liabilities are in NOK.

Actions

- The Board approved to increase the EITI Financial Reserve to NOK 4.8 million by March 31 2016.

30-8 Report from the Nominations Committee

This was a closed door session of the Nominations Committee. Stuart Brooks, the chair of the Nominations Committee, briefed the Board on the Committee's recent efforts and on suggested next steps.

30-9 2016 Workplan

The discussion of the draft 2016 Workplan was rescheduled due to time constraints. On a procedural note, David Diamond requested that in future Board meetings, the Workplan be discussed nearer the beginning of meetings.

Comments would be solicited via circular ahead of the 31st Board meeting. The conversation of the draft Workplan, which has already been through the Finance and Governance Committees, was deferred to the 31st Board meeting in Kiev. The final Workplan would then be agreed by circular prior to 1 January 2016.

Actions

- The International Secretariat to include a request for comments on the 2016 Workplan in the next Board circular.
- The 31st Board meeting to include discussion of the 2016 Workplan, with the final Workplan agreed by circular in the second half of December 2015.
- The agenda for the 31st Board meeting to include discussion of the 2016 Workplan near the start to ensure adequate time for discussion.

30-11 2016 Global Conference

Eddie Rich introduced Lyydia Kilpi, the Conference Manager, and introduced other new members of staff, Gisela Granado and Alex Gordy. He then explained the rationale for organising the Global Conference and the National Expo, emphasising its catalytic effect especially on country implementation. He noted that the process was on track but there were big challenges, including in the management of the venue and the political processes in Peru. Eddie highlighted the funding gap despite an active fundraising process, including private sector. He thanked the European Union, the World Bank and the Governments of Canada, Germany, and the UK for funding so far, adding a plea for additional funding.

Supporting countries requested that the results of the EITI be discussed in plenary sessions and not only in side sessions.

Faith Nwadishi asked for there to be a focus on the enabling environment for civil society in light of the recent police killings of anti-mining demonstrators late September at the Las Bambas mine in Peru. Eddie noted this would be covered in the “lessons from multi-stakeholder initiatives” session and that consideration would also be given in other sessions.

Mark Pearson announced plans to organise a side event on mandatory home country disclosures like Canada’s and invited other countries like the US and European countries to participate in planning this event.

Shahmar Movsumov asked the International Secretariat to send a letter to National Secretariats with invitations, so that each National Secretariat may seek to raise private sector funding as well.

Actions

- The International Secretariat to take account of the Board’s comments on the substance of the planned Conference sessions.
- The International Secretariat to keep the Board informed of efforts to secure funding for the Global Conference.

30-12 Any other business

Jonas noted that the 31st Board meeting would take place as planned in Kiev on 9-10 December 2015, preceded by a Ukraine EITI National Conference. Board members would shortly be receiving additional information on this from the host government and the International Secretariat. Jonas provided an overview of the challenges faced by Ukraine and the government’s reforms. He reported that the International Secretariat was following the security situation closely, noting that the security situation was not presently a concern. The World Bank had also proposed to co-host the 31st Board meeting, which would keep costs low.

Shahmar Movsumov raised concerns regarding the selection of Kiev over Baku for the hosting of the 31st Board meeting. Faith Nwadishi voiced her reservations on the choice of location due to security concerns. Jonas noted that the Board was still interested in Azerbaijan hosting a Board meeting in future.

Actions

- The International Secretariat to inform the Board of logistical arrangements of the 31st Board meeting in Kiev via circular.
- The International Secretariat to circulate Board papers two weeks ahead of the 31st Board meeting.

30th EITI Board meeting ends

Annex A Participants list

Chair

The Rt Hon Clare SHORT

Countries

Implementing Countries

Mr Abdoul Aziz ASKIA, Permanent Secretary, Niger

Alt: **Mr Didier Vincent Kokou AGBEMADON**, Togo

Mr Florent Michel OKOKO, Chairman of the Executive Committee, Republic of Congo

Alt: **Mr Jeremy Mack DUMBA**, National Coordinator, Democratic Republic of Congo

Mr Gbehzohngar M FINDLEY, MSG Member, Former President Pro Tempore of the Liberian Senate, Liberia

Mr Alfredo PIRES, Secretary of State for Natural Resources, Timor-Leste

Mr Shahmar MOVSUMOV, Executive Director, State Oil Fund, Azerbaijan

Alt: **Mr Bazarbay NURABAYEV**, Chairman, Committee of Geology and Subsoil Use, Ministry of Industry and New Technologies, Kazakhstan

Supporting Countries

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

Alt: **Ms Mary WARLICK**, Principal Deputy Assistant Secretary of State, Bureau of Energy Resources, State Department, USA

Mr Nico VAN DIJCK, Advisor, Office of Economic Interests, Directorate-General for Bilateral Affairs, Ministry of Foreign Affairs, Belgium

Alt: **Ms Catarina HEDLUND**, Deputy Director at the Department for International Trade Policy

Ms Maria Inmaculada MONTERO-LUQUE, Policy Officer, European Commission, Belgium

Alt: **Ms Marine de Carne DE TRÉCESSON**, Ambassador, Corporate Social Responsibility, Ministry of Foreign Affairs, France

Civil Society Organisations

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

Alt: **Ms Natalia YANTSEN**, Director, PA "Tax Standards Formation", member of the NSG Kazakhstan from dialogue platform of NGOs and NGO Coalition "Oil revenues - under the control of society", Kazakhstan

Ms Faith NWADISHI, Executive Director, Koyenum Immalah Foundation/National Coordinator Publish What You Pay, Nigeria

Alt: **Mr Brendan O'DONNELL**, Oil Campaign Leader, Global Witness

Mr Ali IDRISSE, Coordinateur National du ROTAB PCQVP, Niger

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

Mr Daniel KAUFMANN, President, Natural Resource Governance Institute (NRGI) – participating remotely
Alt: **Mr Fabby TUMIWA**, Executive Director, Institute for Essential Services Reform (IESR), Indonesia

Ms Marinke van RIET, International Director, Publish What You Pay (PWYP)
Alt: **Mr Matthew BLISS**, Director Extractives, Cordaid, Netherlands

Companies including Investors

Mr Jean-François LASSALLE, Directeur Affaires Publiques, Total, France
Alt: **Ms Carine Smith IHENACHO**, Vice President Legal, Statoil

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
Alt: **Mr Ian WOOD**, VP Sustainable Development, BHP Billiton

Ms Laurel GREEN, Chief Adviser Policy, External Affairs, Rio Tinto

Mr Alan McLEAN, Executive Vice President, Tax and Corporate Structure, Royal Dutch Shell
Alt: **Mr Dominic EMERY**, Vice-President, Long-Term Planning, BP

Mr David DIAMOND, Director Global Co-Head of ESG (currently on sabbatical until June 2016), Allianz Global Investors
Alt: **Mr Manuel ADAMINI**, Special Advisor Responsible Investment, ACTIAM, Netherlands

Board Secretary

Mr Jonas MOBERG, Head of EITI Secretariat, Oslo

Observers

Mr Mahmood ANWARI, National Coordinator, Afghanistan

Mr Jonathan ATKINSON, Extractives Adviser, Governance & Extractives Team, Department for International Development (DFID), UK

Mr Luke BALLENY, EITI Co-ordinator, President's Office, International Council on Mining and Metals (ICMM), UK

Mr Thomas BENNINGER, Programme Manager, Federal Department of Economic Affairs, Education and Research EAER, State Secretariat for Economic Affairs SECO Macroeconomic Support Division, Switzerland

Mr Kassongo BIN NASSOR, General Manager, External Relations, Freeport McMoRan/Tenke Fungurume, Democratic Republic of Congo (DRC)

Ms Dorina ÇINARI, National Coordinator, Albania

Ms Diana CORBIN, Senior Operations Officer (Donor Relations), Energy and Extractives Global Practice, World Bank, USA

Mr Paulo DE SA, Practice Manager, Energy and Extractives Global Practice, World Bank, USA

Mr Edi EFFENDI, EITI Indonesia, Indonesia

Mr Alaa MOHIE EL-DEEN, National Coordinator, Iraq

Ms Sonja EISENBERG, Internationale Raw Materials Policy, Federal Ministry for Economic Affairs and Energy, Germany

Ms Kerstin FAHRMANN, Head of Division, Energy, Infrastructure, Raw Materials, Federal Ministry for Economic Cooperation and Development (BMZ), Germany

Ms Siri FARSTAD, Manager Corporate Sustainability, Statoil, Norway

Mr Farid FARZALIYEV, National Coordinator, EITI Azerbaijan

Mr Charles FEINSTEIN, Director, World Bank, USA

Mr Nicholas GARRETT, Director, RCS Global, UK

Ms Laura GAVINELLI, Ministry of Economic Development, Italy

Mr Dylan GÉLARD, Policy officer, Extractive Industries Transparency, Ministry of Foreign Affairs and International Development, France

Mr Joshua GEUZE, Intern, Extractives, Cordaid, Netherlands

Ms Alexandra GILLIES, Natural Resource Governance Institute (NRGI)

Mr Montty GIRIANNNA, Deputy Coordinating Minister for Energy and Mineral Resources of Indonesia and Chair of the Indonesian Multi-Stakeholder Group, Indonesia

Mr Greg GOULD, Director, Office of Natural Resources Revenue, U.S. Department of the Interior, US

Mr Andrew GOWERS, Head of Corporate Affairs, Trafigura PTE, Geneva

Mr Torge HAMKENS, Adviser, Global Development Raw Materials Initiative, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), Germany

Mr John HARRINGTON, Upstream Issues Manager, Exxon Mobil Corporation, UK

Mr Jurriaan J. JONGSMA, Legal Counsel, Shell, Netherlands

Mr Eric JOYCE, Chair, Extractive Industries Civil Society (EICS), an NGO on the UK EITI MSG, UK

Mr Jean Jacques KAYEMBE, Ingénieur Civil & Expert Technique Responsable, EITI, DRC

Mr Konah D KARMO, Head, EITI Liberia

Ms Asmara KLEIN, EITI Programme Coordinator, Publish What You Pay (PWYP), UK

Mr Matti KIISSELI, Programme Officer, Ministry for Foreign Affairs, Finland

Mr Alexandre MAJOR, Senior Tax Analyst, Vale International, Switzerland

Mr Rogier MARCHAND, Program Manager, Extractives, Cordaid, Netherlands

Ms Ekaterina MIKHAYLOVA, Lead Strategy Officer, Energy & Extractives Global Practice, World Bank, USA

Mr Peter MULLINS, Deputy Division Chief, Tax Policy, Fiscal Affairs Department, International Monetary Fund (IMF), USA

Mr Paul MUSSENDEN, Deputy Assistant Secretary, Natural Resources Revenue Management Policy, Management and Budget, Department of the Interior, USA

Mr James NICHOLSON, Deputy Head, Corporate Affairs, Trafigura PTE, Geneva

Mr Andy NOVIANTO, EITI Indonesia

Ms Gay Alessandra ORDENES, National Coordinator, EITI, Philippines

Ms Rachel OWENS, Senior Campaigner, Oil, Gas & Mining Team, Global Witness, UK

Mr Américo d'Oliveira dos RAMOS, Minister of Finance and Public Administration, São Tomé and Príncipe

Mr Omer VAN RENTERGHEM, Theme expert Land, water and ecosystems, Inclusive Green Growth Department, Ministry of Foreign Affairs, Netherlands

Ms Émilie REVIL, Deputy Director, Natural Resources Policy, Ministry of Foreign Affairs, Trade and Development, Canada

Ms Haley RICE, Transparency and Governance Officer, State Department, USA

Ms Monica RUBIOLO, Division Head, Federal Department of Economic Affairs, Education and Research EAER, State Secretariat for Economic Affairs SECO, Macroeconomic Support Division, Switzerland

Mr Andrew SCHLOEFFEL, Senior Mining Specialist, Energy and Extractives, World Bank, USA

Ms Lene SCHUMACHER, Head Of Section, Development Policy and the Finance Act, Ministry of Foreign Affairs, Denmark

Ms Elda Guterres da SILVA, National Coordinator, EITI Timor Leste

Mr Colin TINTO, Campaigner, Oil, Gas & Mining Team, Global Witness, UK

Mr Cheikh Tidiane TOURÉ, Secrétaire Permanent and EITI National Coordinator, Senegal

Mr Azamat UTEGENOV, EITI Kazakhstan

Ms Adriana VERDIER, External Affairs Europe & North America, Vale International SA, Switzerland

Mr Johnny WEST, Open Oil

Ms Erica WESTENBERG, Senior Governance Officer, Natural Resource Governance Institute (NRGI), USA

Mr Pak Bambang Adi WINARSO, Indonesia

Ms Johanna WYSLUCH, Project Manager, EITI, Germany

EITI International Secretariat

Mr Bady BALDÉ, Regional Director

Mr Sam BARTLETT, Technical Director

Mr Alex GORDY, Country Manager

Ms Gisela GRANADO, Country Officer

Ms Lyydia KILPI, Conference Manager

Ms Leah KROGSUND, Administration Manager

Mr Eddie RICH, Deputy Head of Secretariat

Ms Dyveke ROGAN, Regional Director

Mr Brynjar WIERSHOLM, Finance & HR Manager

Annex B Summary of Board decisions

Board decision on Malawi

The EITI Board admits Malawi as an EITI candidate country on 22 October 2015. In accordance with the EITI Standard, Malawi is required to publish its first EITI Report within 18 months of becoming a candidate, i.e. by 22 April 2017. Malawi is required to publish an annual activity report for 2015 by 1 July 2016. Validation will

commence within 2.5 years of becoming a candidate (by 22 April 2018).