



Extractive Industries  
Transparency Initiative

# Empowering communities in EITI implementing countries to participate in the oversight of the extractive sector

Summary of findings from scoping reports in  
Colombia, Ghana and Indonesia

EITI International Secretariat

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Cover: Mural Parque Educativo in Buriticá, Colombia. Artist: Rodrigo Quintero.  
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# **Empowering communities in EITI implementing countries to participate in the oversight of the extractive sector**

Summary of findings from scoping reports in  
Colombia, Ghana and Indonesia

# Summary

With support from the Ford Foundation, the EITI International Secretariat has scoped out opportunities to strengthen communications and dissemination efforts to broaden and deepen local civil society engagement in natural resource governance through the EITI in three pilot countries: **Colombia, Ghana** and **Indonesia**.

Three scoping studies were undertaken by independent consultants in Buriticá in Colombia, Obuasi in Ghana, and Samarinda and Palu in Indonesia, areas hosting and affected by mining activities. The outcomes of this work are expected to inform further communications and dissemination activities by national multi-stakeholder groups (MSGs), as well as capacity building by the EITI and partners for local communities and civil society organisations (CSOs) in EITI implementing countries.

The three studies highlight several features of EITI communications and dissemination efforts to date and opportunities for strengthening these in the pilot countries. EITI work plans in Colombia, Ghana and Indonesia include activities related to disseminating findings from EITI reporting and subnational engagement. The studies highlight the constructive engagement with CSOs working on natural resource governance issues at the national level, often based in capitals. However, challenges related to the structure of these engagements, content and mediums to date, as well as funding gaps, help explain limitations in fostering active engagement from local CSO and community actors on extractives-related issues.

The studies map out the landscape of relevant actors at the local level, and highlighted information needs and expectations of local communities. Based on the studies, actors at the local level can be broadly categorised as follows: local CSOs, community-based organisations (CBOs) and communities, local governments, traditional authorities, companies, media and academia.

Beyond context-specific findings, the studies show that there are opportunities for EITI implementation to more proactively and carefully consider and address barriers to participation in the oversight of extractives encountered by local CSOs, CBOs and communities. In addition, while MSGs draw from networks at the central level, they have not consistently established relations with most actors at the local level, despite opportunities to improve trust between communities, government representatives and companies. Finally, while the EITI Standard provides entry points for data disclosures that partly address local CSOs and communities' data needs, EITI disclosures should be complemented by information disclosed by other actors and analysis to help meet local expectations. The EITI could consider how to better balance top-down and bottom-up approaches to communications and disseminations, seeking to ensure a two-way interactive engagement to improve participation of key local partners.

*“There are opportunities for EITI implementation to more proactively and carefully consider and address barriers to participation in the oversight of extractives encountered by local CSOs, CBOs and communities.”*

Based on these findings, the studies provide recommendations to enhance local communities' participation in the oversight of the extractive sector. These recommendations relate to strengthening MSGs' communications and dissemination strategy, identifying target audiences and information needs, securing funding and resources, building capacity, leveraging on existing resources and networks, establishing local MSGs, engaging in strategic partnerships and supporting local advocacy efforts.

This report compiles key findings and recommendations from the scoping studies. It outlines lessons and next steps that can be relevant across EITI implementing countries and inform broader efforts by the International Secretariat to support MSG's efforts to promote public debate and empower local CSOs and communities.

# 1 Background

## 1.1 OBJECTIVE

While the extractive sector can significantly contribute to government's fiscal revenues and create economic opportunities that benefits citizens, local populations often bear a disproportionate share of the costs linked to extractive activities. Poor management of the extractive sector can exacerbate inequalities and social exclusion, particularly if local communities are not sufficiently represented in dialogue around the sector's management and oversight. Understanding and ensuring adequate mitigation of risks and costs borne by local communities is also key for companies' social license to operate.

This is why the **Extractive Industries Transparency Initiative (EITI)**, the global standard for transparency and good governance of the extractive industries implemented by over 50 countries, has sought to ensure that civil society organisations (CSOs) and representatives of local communities have opportunities to participate in debates on natural resource governance.

In each EITI implementing country, a multi-stakeholder group (MSG) – consisting of representatives from government, industry and civil society – oversees the implementation of the EITI Standard, which aims to make information available in a timely manner to citizens and encourage public debate. However, this information and data is not consistently used by communities and CSOs at the local level when raising concerns over natural resource extraction projects, primarily due to lack of timely data, unavailability of relevant data, inadequate format for its dissemination, capacity restraints or gaps in the strategic use of information.

Information about the social, economic and environmental impact of the extractive industries has long been demanded by stakeholders in EITI implementing countries.<sup>1</sup> As a result, the 2019 EITI Standard requires that countries disclose data about mandatory social expenditures and environmental payments undertaken by companies (Requirement 6.1), as well as information about revenues paid directly to communities (4.6) or transferred to local governments by the central authorities (5.2). The EITI Standard also encourages reporting on local revenue management (5.2) and environmental regulation (6.4), and includes provisions to increase women's participation in the oversight of extractives (1.4, 6.3, 7.1, 7.4). Beyond disclosures, there are several examples of subnational implementation of the EITI's multi-stakeholder

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<sup>1</sup> At the 2019 EITI Global Conference, participants from across EITI implementing countries and partner organisations such as the Ford Foundation, the International Finance Corporation and the Responsible Mining Foundation gathered at a session aimed to address demands in EITI countries for information on the social and environmental impact of the extractive industries. The session examined how local governments and communities have used information and multi-stakeholder dialogue to better understand the benefits and challenges related to extractives projects that affect them and how potentially negative impacts can be mitigated. See: EITI (2019), *Disclosures that matter for citizens: social, environmental and local impacts of extractives*, [eiti.org/conference/2019-paris/programme/executive-4](https://eiti.org/conference/2019-paris/programme/executive-4).

model, such as in Peru and Mongolia.<sup>2</sup> A large number of partners, government agencies, companies, INGOs and international agencies are already producing, collecting and disseminating such information, which the EITI can help complement.<sup>3</sup>

In light of the above, the EITI International Secretariat sought support for scoping out a communications and dissemination plan for broadening and deepening local civil society engagement in natural resource governance through the EITI in three pilot countries: **Colombia, Ghana and Indonesia**. The outcomes of this scoping are expected to inform further dissemination activities by national MSGs, as well as capacity building by the EITI and partners for local communities and CSOs in EITI implementing countries, where there are opportunities and need for support. The **Ford Foundation** provided financial support to carry out the scoping studies.

## 1.2 METHODOLOGY

The International Secretariat contracted consultants to undertake a desk review to gather views from national EITI stakeholders, as well as targeted consultations in local communities affected by extractives activities, in order to:

- Map civil society organisations and other actors active in extractive resources governance at the local level and identify their information needs;
- Identify opportunities and tools to improve the communications and dissemination activities of the national MSG; and
- Provide recommendations for how the EITI and partners can better support local stakeholders in using extractives sector information and the EITI multi-stakeholder platform strategically to participate in policy discussions on natural resource governance.<sup>4</sup>

**Colombia, Ghana and Indonesia** were selected as pilot countries based on particular interest in subnational implementation and issues related to the local impacts of the extractives sector, as expressed by local stakeholders through implementation support and consultations undertaken in the framework of EITI Validation. In all three countries, there is scope to improve local actors' engagement and capacity to hold governments and companies accountable. These three countries are also listed among the target countries of the Ford Foundation's Natural Resources and Climate Change International (NRCCI) programme.<sup>5</sup>

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<sup>2</sup> For example: Peru, country webpage, [eiti.org/peru](http://eiti.org/peru); Mongolia, country webpage, [eiti.org/mongolia](http://eiti.org/mongolia); Philippines, country webpage, [eiti.org/philippines](http://eiti.org/philippines)

<sup>3</sup> For example: International Finance Corporation (IFC), "From Disclosure to Development (D2D)", [eiti.org/files/documents/ifc\\_d2d-presentation.pdf](http://eiti.org/files/documents/ifc_d2d-presentation.pdf); Oxfam America, oil, gas, and mining program, [s3.amazonaws.com/oxfam-us/static/oa3/files/oxfam-america-ei-brochure.pdf](http://s3.amazonaws.com/oxfam-us/static/oa3/files/oxfam-america-ei-brochure.pdf).

<sup>4</sup> See for example: EITI (2019), Request of Expressions of Interest: Consultant to support communications in Indonesia to improve communities' participation in the oversight of extractives, [eiti.org/document/request-for-expression-of-interest-consultant-indonesia-objectivesofassignment](http://eiti.org/document/request-for-expression-of-interest-consultant-indonesia-objectivesofassignment).

<sup>5</sup> See: Ford Foundation, Natural Resources and Climate Change, [fordfoundation.org/work/challenging-inequality/natural-resources-and-climate-change/](http://fordfoundation.org/work/challenging-inequality/natural-resources-and-climate-change/)



The selected consultants demonstrated extensive knowledge of the three pilot countries and issues related to EITI implementation at the subnational level. The views expressed in the three scoping studies are the consultants' own and are not endorsed by the EITI International Secretariat or the national MSGs. The work of the consultants stretched over the period January to April 2020, with regular feedback provided by the EITI International Secretariat. In Colombia and Ghana, MSG members and national secretariats were consulted on the TORs for the project and supported the data collection phase.<sup>6</sup>

To ensure that the studies would reflect the views of local stakeholders, the consultants were tasked with conducting consultations in areas affected by mining activities. They were asked to pay particular attention to the diversity of actors and gender considerations.

## Colombia



In Colombia, consultant Patricia Gamboa focused her consultations in the **Buriticá municipality**, in the Antioquia department in the North-West of the country, which hosts Continental Gold's extraction site ([Annex A](#)).

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<sup>6</sup> The EITI process in Indonesia was stalled between January and May 2020, following the government's decision to transfer the EITI from the Ministry for Economic Affairs to the Ministry for Maritime Affairs. The MSG was not functioning during this period and therefore unavailable for consultations.

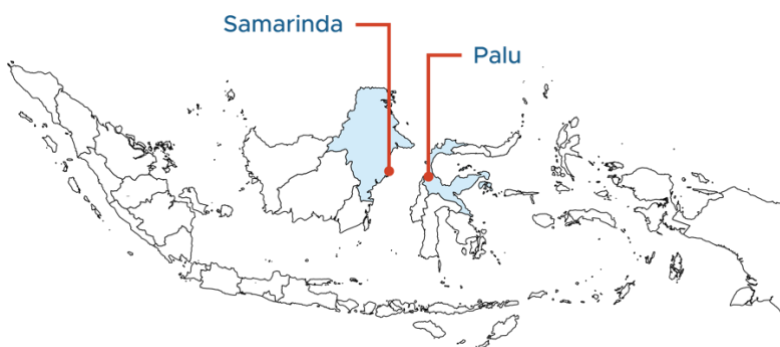


## Ghana



In Ghana, consultants Emmanuel Kuyole and Samuel Bekoe led field work in the **Obuasi municipality**, where AngloGold Ashanti's (AGA) large gold mine is hosted ([Annex B](#)).

## Indonesia



In Indonesia, consultants Emanuel Bria and Fikri Zaki organised consultations with local actors in the **city of Samarinda in East Kalimantan** and the **city of Palu in Central Sulawesi**, regions that are highly dependent on mining activities including coal and nickel extraction ([Annex C](#)).

The rationale for selecting these areas, as well as their key characteristics in relation with the local impacts of the extractives sector, are outlined in the scoping studies.

This report compiles key findings and recommendations from the scoping studies, drawing lessons and next steps that can be relevant across EITI implementing countries and inform broader efforts by the International Secretariat to support MSG's efforts to promote public debate and empower local CSOs and communities. The report also includes additional findings based on the International Secretariat's support to implementation and progress assessed in Validations.

In June and July 2020, the International Secretariat sought views from MSGs and partners on opportunities highlighted in this report to enhance local communities' participation in the oversight of the extractive sector. Based on the feedback received, the International Secretariat finalised an advanced draft of the report.

Conclusions in this report should consider certain limitations. The scoping studies took place within a narrow timeframe of four months. Consultations focused on specific mining areas, providing information that is context-specific and not necessarily relevant across regions and countries. The COVID-19 pandemic delayed scheduled activities in all three cases and curtailed participation in consultations.

## 2 Opportunities to strengthen local EITI communications and dissemination efforts in Colombia, Ghana and Indonesia

The three studies highlighted several features of EITI communications and dissemination efforts to date and opportunities for strengthening these in the pilot countries. EITI work plans in **Colombia, Ghana** and **Indonesia** include activities related to disseminating findings from EITI reporting and subnational engagement. The studies highlight the constructive engagement with CSOs working on natural resource governance issues at the national level, often based in capitals. However, challenges related to the structure of these engagements, content and mediums to date, as well as funding gaps, help explain limitations in fostering active engagement from local CSO and community actors on extractives-related issues.

### 2.1 ENGAGEMENT

In terms of the structure of engagement, successful capacity-building and dissemination activities at the national level were not replicated at the local level. The consultants found local actors in **Ghana** and **Indonesia** had limited knowledge of the EITI process and data. There seemed to be a focus on information-sharing meetings and *ad hoc* engagement, where key findings from EITI Reports were shared without established feedback mechanisms for local stakeholders to provide input to reporting and discuss findings most relevant to them. Annual roadshows do not take place in the same regions from one year to another. Some stakeholders raised that the absence of information prior to such events made it more difficult for them to prepare and highlighted the lack of established multi-stakeholder forums to sustain the conversation.

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Crucially, the studies outlined issues of representation and coordination between civil society actors at the central level, including MSG representatives, and CSOs and/or community-based organisations at the local level (see [Section 3](#)). While the civil society constituency does not bear the responsibility for disseminating EITI reporting in extractive regions alone, the absence of established relations between national networks active on revenue transparency and local counterparts has had a negative impact on dissemination activities across the piloting countries.

### 2.2 INFORMATION AND DATA

With regards to content, stakeholders consulted repeatedly raised the issue of the complexity, density and length of EITI Reports, which are usually not available in the local languages. While the overall quality of EITI Reports and

implementation of EITI Requirements have gradually improved in all three countries, MSGs do not draft specific communications strategies around what content should be shared at the subnational level and how to reflect feedback from local CSOs in EITI implementation. While reports are widely available online, with detailed information published on the national EITI websites and through government systems, there is a limited number of materials that specifically target local stakeholders.

Data on mining revenue sharing mechanisms was recurrently used to illustrate the mismatch between existing disclosure practices and expectations around the timeliness, comprehensiveness and relevance of data. For instance, local government representatives expected more timely data to help inform the upcoming budget cycle accordingly, and local communities expected information on how these revenues are spent and whether their representatives have been consulted in decisions around expenditures. Information on the environmental impact of extractives was also in high demand. While reporting on environmental monitoring was introduced in the 2019 EITI Standard, demands from local CSOs and communities extended to the links between industrial and artisanal-small scale mining and water pollution, deforestation and land degradation (see [Section 3](#)).

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## 2.3 CHANNELS AND MEDIUMS

With regards to mediums, the MSGs have engaged with a variety of platforms, but on an *ad hoc* basis rather than in a sustained matter through established partnerships. Where funding has been available, EITI data has been disseminated with the support of media houses and community radio stations at the local level. However, the dense hard copy format of EITI Reports is not suited to these platforms. In adapting to new technologies and growing connectivity in communities, **Ghana** EITI explored the use of social media to share data through short videos in local languages, and local CSOs in **Indonesia** regularly communicate through popular platforms such as Whatsapp. Nonetheless, as pointed out in the case of **Buriticá**, not all rural communities benefit from appropriate network coverage to support the use of social media.

## 2.4 FUNDING

Funding gaps hamper communications and dissemination activities, particularly outside the capital where EITI implementation takes place. With the focus primarily on reporting, including from the central government and its agencies, less funds are allocated and effectively disbursed for dissemination activities, such as producing communications materials to accompany EITI Reports or raising awareness through local workshops. In **Indonesia**, this led to a predominantly reactive approach to communications, rather than a strategic one. There was also no assessment of such activities and whether the MSG could draw some lessons learned to improve on for subsequent years.

## 3 Landscape of actors, barriers to participation and information needs

Based on the three studies, actors at the local level can be broadly categorised as follows: local CSOs, community-based organisations (CBOs) and communities, local governments, traditional authorities, companies, media, and academia.

Beyond context-specific findings, the studies show that there are opportunities for EITI implementation to more proactively and carefully consider and address barriers to participation in the oversight of extractives encountered by local CSOs, CBOs and communities. In addition, while MSGs draw from networks at the central level, they have not consistently established relations with most actors at the local level, despite opportunities to improve trust between communities, government representatives and companies. Finally, while the EITI Standard provides entry points for data disclosures that partly address local CSOs and communities' data needs, EITI disclosures should be complemented by information disclosed by other actors and analysis to help meet local expectations.

### 3.1 LANDSCAPE OF ACTORS

#### Local CSOs, CBOs and communities

The studies showed the diversity of local CSOs and CBOs that work on extractive-related issues and expressed strong expectations around EITI implementation and reporting (see [Section 3.2](#)). The studies highlighted **three key challenges** with regards to local CSOs', CBOs' and communities' participation in EITI implementation and the oversight of extractives activities more broadly.

Firstly, there is a lack of coordination between CSOs active within national MSGs and CSOs and CBOs at the local level. The studies noted successful examples of cooperation between CSOs that sit on the MSG and their wider constituency including CSOs at the local level, for instance members of the national Publish What You Pay (PWYP) coalitions. However, debates around fiscal transparency tend to dominate EITI implementation at the level of the capital and focus on a select group of CSOs. The studies showed that concerns expressed by local CSOs and CBOs are not always discussed at the MSG level, primarily due to a lack of representation by local CSOs on MSGs or challenges in proactively participating. While they are invited to participate in EITI communications and dissemination activities, the latter remain too irregular to effectively build relationships between the national and the local levels (see [Section 4](#)).

*“Concerns expressed by local CSOs and CBOs are not always discussed at the MSG level, primarily due to a lack of representation by local CSOs on MSGs or challenges in proactively participating.”*

The studies showed that representation could be improved to reflect the diversity of local civil society actors, which have built trust with their communities. This would entail representing concerns of women's groups, youth groups, rural communities, indigenous groups and religious groups. For instance, the study in **Buriticá** highlighted that the inclusion of women community leaders in spaces for local debate had begun as a "symbolic" measure, but that women had gained legitimacy within these spaces as they expressed concerns around community and family welfare. The study in **Obuasi** emphasised the strong influence exercised by "market queens", women who oversee markets, in decisions that affected their communities. The study in **Indonesia** noted that local CSOs were concerned about the gender impact of extractives.

In addition, the studies in **Colombia** and **Indonesia** emphasised that engaging on issues around extractives governance could be challenging where CSOs and communities felt strongly about the preservation of nature and opposed extractive projects, in particular given instances of environmental damage, land degradation and links to human rights violations.

Secondly, local CSOs and CBOs face significant capacity and funding challenges. All studies highlighted that they often struggled with knowledge gaps, including on the use of new technologies and technical issues around extractives, and struggled to access funding to support their advocacy efforts. The study in **Buriticá** noted that some CSOs at the local level showed average literacy levels, saw their basic needs unmet and sometimes faced security issues, hampering their participation in initiatives like the EITI.

Moreover, local CSOs and CBOs expressed some mistrust towards local government and industry actors, as well as a "fatigue" from multiple interventions from government actors and donors in regard to subnational governance. In **Indonesia**, engaging with local government and company representatives remains difficult. Citizens often do not perceive these representatives to be credible sources of data or reliable actors to discuss community grievances. Moreover, stakeholders reported that the multiplicity of projects aimed at improving local communities' engagement in the oversight of extractives raised high expectations, but yielded limited and short-term results, including on matters pertaining to EITI implementation.

## Local government

The studies highlighted challenges in engaging local authorities in debates around extractives with local communities. Consultations in **Buriticá** showed that there was low participation from government representatives in civil society and community spaces. This may be because their participation is perceived as a political risk, or due to the absence of established relationships with CSOs. In **East Kalimantan** and **Central Sulawesi**, local government representatives that participate in these spaces are usually not high-level officials and do not have the ability to disseminate the content of discussions to higher levels of government.

The studies also showed significant knowledge gaps from local representatives on issues related to extractives, amplified by high turnover in nominations. In addition, local authorities do not always set up local multi-stakeholder forums to discuss the management of the sector. In **Ghana**, Local Management Committees, which follow-up on the Mining Community Development Schemes, are a good example of a forum set up by local authorities. In **Indonesia**, however, CSOs who were consulted noted the absence of such forums in their regions.

Overall, local representatives expressed willingness to improve links with the EITI process, reporting practices and their relationship with local communities. In **Obuasi**, for instance, local representatives noted that they would benefit from timelier and more comprehensive EITI reporting on subnational transfers. In **Buriticá**, representatives asked for more clarity on their mandate on management mining activities.

*“Local representatives expressed willingness to improve links with the EITI process, reporting practices and their relationship with local communities.”*

### Traditional authorities

The study carried out in **Ghana** highlighted the key role played by traditional authorities and councils (including stools, chiefdoms, clans and family networks) in the management of extractive revenues. As direct beneficiaries of shares of mining royalties, they represent major stakeholders in the mining sector and yield significant political influence over their communities. Traditional councils that oversee the AngloGold Ashanti Obuasi concession expected timely data on subnational transfers of mining revenues. Communities expect information on the use of such transfers by their local chiefs. The study noted that the MSG had no formal engagement arrangements with traditional authorities, although the latter were invited to *ad hoc* dissemination activities.

### Companies

Companies demonstrate varying levels of engagement with local CSOs and communities depending on the area. Some stakeholders in **Colombia** and **Indonesia** highlighted that there was some mistrust of companies and opposition to the development of extractives projects. Some CSOs reported that companies were sometimes deliberately not invited to community discussions, due to lack of trust and concerns around collusion with local officials and links with politically exposed persons.

In **Colombia**, companies increasingly acknowledge the importance of the need to provide spaces for multi-stakeholder consultation and secure local communities' support to extractive projects. However, stakeholders consulted in Buriticá perceived a decrease in engagement from Continental Gold since its acquisition by Zijin Mining Group. In **Ghana**, AngloGold Ashanti is represented on the MSG by the Chamber of Mines, but reported not feeling ownership of GHEITI's reporting. Therefore, AngloGold Ashanti does not draw from EITI reporting at its many public engagement platforms in Obuasi, including bi-



annual townhall meetings and community consultative committees. In **Indonesia**, companies were mostly absent in consultations undertaken by the consultants.

## Media

All three studies highlighted opportunities to strengthen engagement with media outlets, particularly community radios and local newspapers. While there is evidence of media coverage of extractives activities in the regions consulted, media actors were not asked to actively participate in EITI communications and dissemination activities, but rather to report on these activities themselves. The study raised questions around broader knowledge on extractives, including gaps due to high turnover amongst media representatives. They also stressed the importance of social media platforms in sharing information in a timely manner and drawing attention from local stakeholders to extractives-related issues, while taking into consideration limited access to such networks in some areas.

Local actors in **Colombia** noted that local media had the potential to exercise influence in local debates around extractives, but was not necessarily interested or engaged in EITI implementation and extractive-related issues. The scoping study in **Indonesia** highlighted a closer relationship between CSOs and media in East Kalimantan than in Central Sulawesi, showing that a strong relationship between these actors could not be assumed.

## Academia

Given the strong focus on addressing knowledge gaps at the local, the studies mentioned the important role that local universities and higher education institutes could play in delivering targeted and context-specific capacity building. Their expertise can be drawn on to contextualise and analyse EITI data, as well as inform MSG's efforts to disseminate information at the local level. The study in **Buriticá** noted that universities were seen as neutral agents with a mandate to teach, placing them in an ideal position to reduce information asymmetries and enhance the understanding and use of data.

## 3.2 INFORMATION NEEDS AND EXPECTATIONS FROM LOCAL CSOS AND COMMUNITIES

While data needs and expectations vary from a CSO or community group to another, **four main categories of data sets** were highlighted by those consulted as necessary to help them understand the local impact of extractives and participate in the oversight of the sector.

### Subnational revenue collection and management

The studies outline the complexity of the revenue sharing mechanisms for the transfer of extractive revenues at the local level. Stakeholders expressed the need for local communities to access concrete figures around how much they

can expect to benefit from as part of these schemes, as well as how much was effectively transferred.

In addition, the studies highlight governance weaknesses around the management and use of such revenues, including:

- Whether revenues are spent in accordance with earmarking rules;
- Whether revenues benefit the community and mitigate negative impacts from extractives activities;
- Whether the community was consulted ahead of investment and expenditure decisions.

The case of the **Obuasi** municipality highlights challenges in explaining discrepancies between the regulatory framework applicable to such transfers and its implementation in practice. In **Buriticá**, the disbursement of royalty shares was not necessarily a focus for citizens. However, communities were interested in knowing which government agencies were in charge of the royalty system and how to hold them accountable and communicate grievances, as well as how revenues were invested in infrastructure to improve communities' access to water and sewage, transportation routes and connectivity. In the targeted regions in **Indonesia**, understanding and mitigating corruption risks around the management of extractives revenues were considered key by stakeholders consulted.

### **EITI Standard: Fiscal regimes and subnational extractive revenues**

Requirement 2.1 of the EITI Standard requires implementing countries to disclose a description of the legal framework and fiscal regime governing the extractive industries, including the level of fiscal devolution, an overview of the relevant laws and regulations, and information on the roles and responsibilities of the relevant government agencies.

In addition, Requirement 5.2 of the EITI Standard requires countries to disclose figures of the amounts that should be transferred based on revenue sharing mechanisms and amounts effectively transferred. It also encourages countries to report on how extractive revenues earmarked for specific programmes or investments at the subnational level are managed, and actual disbursements. The studies show that these requirements are helpful entry points for disclosures that support local debate, but that EITI reporting should go further in assessing bottlenecks and inefficiencies in the system, provide recommendations on how to overcome them and detailed data on investment and expenditures by local authorities.

## Companies' profile, contributions and application of the regulatory framework

Stakeholders consulted in target regions expressed the need to have more detailed information about the companies that operate sites directly affecting communities and their activities. In **Buriticá**, large scale production by Continental Gold is expected to start at the end of 2020. Following a recent change in ownership when the company was acquired by Zijin Mining Group, communities were interested in knowing whether the companies' social, economic and environmental commitments would remain the same. They also demanded information around its new owner, including expertise in conducting similar mining activities and general business practices.

In **Ghana**, there were similar expectations from the 59 communities affected by the AngloGold Ashanti gold mine in Obuasi, including employment and local procurement opportunities, contributions under the company's corporate social responsibility commitments and direct payments to the Obuasi Community Trust Fund. In **East Kalimantan** and **Central Sulawesi**, there are data gaps around the profile of companies operating in the regions, the licenses they hold and their production activities. There also exist gaps in assessing whether companies abide by the regulatory framework in terms of social contributions and management of operations.

### EITI Standard: Data on extractive companies

While the EITI Standard requires a list project-level payments data from material companies (Requirement 4.7) and encourages companies' to systematically disclose data through their own systems (4.1), it does not require a detailed profile per company. Such a profile could include not only detailed data on exploration activities, production and exports (3.1, 3.2, 3.3) or payments (4.1), but could also include licenses held (2.2, 2.3), contracts (2.4), legal and beneficial ownership (2.5), financial relations with SOEs where applicable (2.6), social and environmental payments (6.1), employment (6.3) and local procurement opportunities, and community engagement activities.

By providing data on the applicable regulatory and fiscal regime and contracts for extractive companies (Requirement 2.1, 2.4), EITI disclosures can provide tools for local CSOs and communities to monitor companies' activities and help companies manage communities' expectations. EITI reporting can also go further in examining the economics of specific extractives projects by comparing data available from different sources, for example by using financial modelling to forecast expected payments over the lifecycle of a project.

## Environmental impact

According to the stakeholders consulted in the three regions, the environmental impacts of extractives activities are a core issue for local CSOs and communities. Beyond some resistance to extractives projects on the basis of environmental considerations (see [Section 3.1](#)), local CSOs and communities highlighted the need to access data on the links between mining activities with:

- The development of urbanisation in areas considered of particular importance from an environmental point of view;
- Environmental pollution and land degradation, including water contamination and depletion of soil quality; and
- Deforestation.

In addition, information on efforts from companies to mitigate and remedy such impacts was considered necessary to support local advocacy efforts in holding companies' accountable. Commitments arising from licenses and contracts, including environmental impact assessments, are seen as key to share with affected communities. Stakeholders noted that disruptive environmental impact was not only attributed to industrial companies, but to artisanal and small-scale mining as well, in particular where activities remained unregulated.

### **EITI Standard: Environmental reporting**

The 2019 EITI Standard introduced provisions around environmental payments by companies (Requirement 6.1) and environmental management and monitoring efforts by the government (6.4), such as disclosures of environmental impact assessment and oversight of environmental rehabilitation and remediation programmes.

Countries remain flexible to determine what data sets they want to include under reporting on environmental monitoring. There seems to be demand for more company-specific information however, which could be disclosed and compared with the applicable regulations agreed by the government as part of EITI reporting.

## Human rights issues and social and economic inequalities

Stakeholders consulted expressed concerns around human rights issues linked to extractive activities. Local CSOs and communities noted the demand for data on repressive practices by local governments and companies, including instances of violence towards indigenous communities and threats against CSO representatives and community leaders when violations of applicable regulation by companies or local authorities are reported. Some stakeholders

also highlighted displacements of population due to mineral extraction and security challenges related to illegal mining activities and alleged collusion between local authorities and companies.

With regards to social and economic inequalities, local communities demanded quantitative and qualitative evidence of the positive impact of mining activities on their communities, such as whether there had been an increase in local employment, improved access to vital water, road or telecommunications infrastructure and opportunities for more sustainable livelihoods.

Consulted stakeholders also highlighted the need for documentation of the impact of extractives on women and other marginalised groups. The **Obuasi** study outlined that benefits from the extractives sector tended to accrue to men, with women being more vulnerable to social disruption brought by the development of extractives activities. The **Buriticá** study noted socio-economic disparities between urban and rural communities, as well as intergenerational gaps.

*“Local communities demanded quantitative and qualitative evidence of the positive impact of mining activities on their communities.”*

### **EITI Standard: Civil society engagement**

The EITI Standard does not strictly include reporting on human rights violations linked to extractive activities. However, EITI implementing countries are required to implement the Civil Society Protocol, which seek to safeguard CSOs’ freedom of expression, operation, association and access to decision-making when they are actively engaged in EITI implementation and where there are clear links to the EITI process. CSOs might wish to document restrictions to such provisions as part of their advocacy efforts and share their findings with the MSG for discussion.

### **EITI Standard: social and economic impact of extractives**

Stakeholders consulted mentioned the potential for EITI data on employment (Requirement 6.3), artisanal and small-scale mining where applicable (6.3), infrastructure provisions or barter agreements (4.3), and companies’ social contributions (6.1) to complement other data sets on socio-economic indicators. The introduction of provisions related to gender and marginalised groups in the 2019 EITI Standard (1.4, 6.3, 7.1, 7.4) can help partly address considerations around the gendered impact of extractives and how specific groups are affected.

## 4 Recommendations to support local communities' participation in the oversight of the extractive sector

### National EITI communications and dissemination strategy

MSGs could establish a long-term, fully costed communications and dissemination strategy, building on a detailed assessment of social, economic, political and cultural dynamics at the local level, alongside strengthening engagement at the national level. MSGs could consider how to balance top-down and bottom-up approaches to communications and disseminations, seeking to ensure two-way interactive communications to improve participation of key local partners. The MSG could further evaluate to what extent parts of the strategy can be led on by actors that do not sit on the MSG.

The strategy should clearly define the purpose of local level engagement, moving away from the more *ad hoc* approach adopted to date by many MSGs. It should clearly establish the link between furthering transparency and addressing wider accountability and governance challenges both at the national and the local levels, including revenue management, companies' social and economic contributions, environmental impact and human rights issues.

The strategy should spell out the different uses and benefits of extractives data, as appropriate for each audience. MSGs could consider what they want to achieve by engaging with a specific audience and the frequency of dissemination to sustain engagement over the long-term without causing "fatigue".

The three scoping studies showed that detailed analysis of local dynamics, including intersectional gender analysis, was a pre-requisite to understanding information and capacity-gaps at the local level. MSGs should consider whether they are best placed to undertake such analysis, or if communities themselves can lead through a process facilitated by local CSOs and CBOs.

Consultations in **Buriticá** noted that identifying information needs implied understanding populations' needs, for instance in terms of access to water, infrastructure and security, and identifying disparities arising from the uneven distribution of natural resources across a country. The study in **Obuasi** argued that a communications strategy could not be based on assumptions, but rather be built on conversations with local actors, including minority and vulnerable groups. The study in **East Kalimantan** and **Central Sulawesi** also emphasised the importance of power and interest mappings, and assessments of local actors' level of understanding of the EITI.

*"MSGs could consider how to balance top-down and bottom-up approaches to communications and disseminations, seeking to ensure two-way interactive communications to improve participation of key local partners."*

Taking into consideration the above, the International Secretariat and partners might wish to support the formulation of effective communications and dissemination strategies, that seek to strengthen local stakeholder engagement in a sustainable way.

### Engaging target audiences and addressing information needs

MSGs could align the structure of engagement, content and mediums with the target audiences, with support from intermediaries such as local media and academia to amplify key messages and in line with existing efforts by local CSOs and CBOs. The information needs of local CSOs and communities outlined in the previous sections can be partly addressed by EITI reporting, granted that the appropriate data sets are shared with the target audience, using adequate information-sharing channels and tools.

The transition to systematic disclosure<sup>7</sup> provides an opportunity to address concerns around the comprehensiveness and timeliness of disclosures, which were raised across regions. The EITI's Open data policy<sup>8</sup> complements EITI Requirements around access to data, including consideration for different user needs and access challenges based on gender, ethnic and geographic representation. Routine disclosures through government and company systems should be available in open data format, allowing for free access to data and ensuring that data is reusable and interoperable. Accordingly, the International Secretariat and partners might wish to prioritise support to comprehensive, timely, reliable, accessible and in-demand data by government and corporate systems.

Women and young people should be consulted to develop relevant, innovative communications tools and messaging around extractives. While the studies did not explore the role of digital entrepreneurs could play, MSGs might wish to consult and/or collaborate with such actors to develop effective communications activities. In identifying key audiences, MSGs could think of the most effective channels for each audience. According to consulted stakeholders, preferred formats include booklets, short videos and audio recordings, and summary reports with data visualisations.

In terms of channels, community radios and local newspapers can help sustain communications efforts, while Whatsapp and other social media platforms accessible through smartphones allow for more immediate and wide-reaching communications. The COVID-19 context has also encouraged the use of videoconferencing. MSGs should review the availability of the necessary technological and logistical tools to enable online contacts and conversations.

However, considering limited digital literacy and access to new technologies in certain areas, townhall gatherings, use of community billboards and workshops with focus groups were considered necessary means of sharing information.

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<sup>7</sup> EITI, Systematic disclosure, [eiti.org/systematic-disclosure](https://eiti.org/systematic-disclosure)

<sup>8</sup> EITI, Open data policy, March 2019, [eiti.org/document/eiti-open-data-policy](https://eiti.org/document/eiti-open-data-policy)



Going beyond the strict disclosure and dissemination of data, all three studies highlighted the importance of regular and sustained information sharing, to enable a two-way engagement between national and subnational actors. Not only should EITI implementation take into consideration feedback from local actors on data disclosures and dissemination activities, but EITI implementation should also be a consultative process, allowing for subnational actors to significantly contribute to public debate around extractives.

## Funding and resources

MSGs could work towards securing adequate resources to support EITI communications and dissemination activities and to increase local stakeholders' participation. The studies emphasised the importance of adequate funding and resources for stakeholder engagement activities. Qualified communications personnel could be hired within the national secretariat. The study in **Indonesia** recommends that the national secretariat engages with subnational actors in select communities to support the development and implementation of their communications and dissemination strategy. Alternatively, the MSG could consider setting up subnational units to carry out relevant activities.

To enable local CSOs and citizens in communities to participate in dissemination workshops or multi-stakeholder platforms, MSGs could consider a range of incentives, including transportation allowances, food, access to relevant technology or even reasonable *per diems*. Such incentives should seek to address clearly documented barriers to participation.

The International Secretariat and partners could help MSGs in identifying and mobilising the necessary resources, as well as consider directly supporting activities of local actors.

## Capacity-building

MSGs could enhance capacity-building activities for local CSOs and communities on extractives-related issues, with the aim to develop their access to data, strengthen their use of digital tools, reduce the information gap observed in communities affected by extractives and help articulate their demands vis-à-vis the government and corporate actors.

Capacity-building activities should acknowledge that different users of information have different skills and should be tailored to their audiences. The consultations highlighted the need to improve the knowledge of community leaders, media actors, the rural population, women and youth. Regarding the format for training, MSGs might wish to develop targeted and thematic training modules to support regular and sustained efforts, in collaboration with government institutions, academia, and CSOs with expertise in the sector.

The International Secretariat and partners can support the development of effective capacity-building tools to improve access to and use of data at the

local level and encourage peer-learning where relevant. They can also provide training to MSG members and national secretariat staff on specific topics and stakeholder engagement more broadly, enabling MSGs and national secretariats to carry out their own capacity-building activities at the local level.

### Leveraging existing resources

MSGs could build links with existing networks, platforms and forums, whether they are led by local government, companies or civil society organisations. The studies showed that EITI processes often do not have established links with existing networks, platforms or forums at the local level, and could benefit from these to disseminate data and promote local debate.

Building on these platforms could increase coordination with other actors that support similar efforts and mitigate “fatigue” reported by local communities. These platforms also benefit from legitimacy and credibility at the local level and are sustainable channels for local oversight of the extractives sector. It will be key for MSGs to better understand the gaps between national and subnational engagement and how best they can be bridged by connecting with existing networks.

In **Colombia**, the EITI could build links with the Community Assembly of Buriticá, which provides a space for coordination with various existing programmes, such as *Plan Buriticá*, *Fundación Grupo Social* and *Fundación Ideas para la Paz*. In **Obuasi**, the EITI could participate in AngloGold Ashanti’s townhall meetings, draw from the network of community youth groups, women’s associations and community information centres, and support reporting and dialogue as part of the Mining Community Development Schemes.

In identifying such networks and encouraging engagement with MSGs, the International Secretariat and partners can help avoid the duplication of efforts at the local level and promote the complementarity between initiatives. Similarly, the International Secretariat and partners could draw from events at the international and regional levels, to facilitate synergies between existing CSO networks and EITI implementation.

### Establishing local MSGs

MSGs could establish local multi-stakeholder dialogue platforms, modelled after national EITI MSGs. In areas where community monitoring processes do not yet exist, multi-stakeholder dialogue can help build trust between local actors and support local communities in holding authorities and companies accountable in a constructive way. These platforms should be locally driven, inclusive and transparent, so as to avoid conflicts of interests and ensure they are sustainable.

*“MSGs could establish local multi-stakeholder dialogue platforms, modelled after national EITI MSGs.”*

Local MSGs could establish formal discussion forums in priority areas, using the same structure as national MSGs. Such local forums exist in EITI implementing countries like Peru and Mongolia. As a first step, local MSGs

could launch less formal online multi-stakeholder forums, using social media platforms to share information and discuss grievances. As MSGs are led by an EITI Champion (usually a high-level government official), local MSGs could appoint a local government representative as their EITI Champion.

The International Secretariat and partners can support setting up local MSGs, drawing from the experience of other EITI implementing countries and similar multi-stakeholder initiatives. They can advise local stakeholders to adapt the EITI MSG model to better fit needs and expectations at the local level, ensuring adequate representation of local stakeholders, focusing on key issues and creating the conditions for open and evidence-based debate. For such platforms to use dialogue to effectively strengthen government's and companies' accountability, partners can support local MSGs in setting up mechanisms that monitor the implementation of regulation and government and industry commitments.

### Engaging in strategic partnerships

MSGs could engage in strategic partnerships with key local actors. MSGs could consider engaging in formal partnerships, sanctioned by agreements such as memorandums of understanding, to ensure lasting collaboration on issues of strategic importance at the local level. Some actors can bridge data gaps where EITI reporting does not directly address local communities' information needs, e.g. on social and economic inequalities arising from extractives.

The studies in **Colombia** and **Ghana** showed that local communities have high expectations of the companies operating in mining areas, both as providers of services and job opportunities and as sources of data. Companies typically collect and produce detailed data about their operations, which could be routinely shared with affected communities. They are well-placed to provide information on their experience in extractive projects, licenses held, legal and beneficial owners, payments to government at the project level, the project cycle and medium- to long-term plans, mitigation of negative social and environmental impacts of extractives, and local procurement opportunities.

The studies identified that MSGs could work more closely with extractive companies operating close to local communities in structuring and disseminating information. MSGs can draw from their experience in building trust between government, companies and civil society to facilitate constructive dialogue between communities and companies, in contexts where there tends to be opposition and conflict.

Similarly, engagement with academic institutions with a local presence could enrich capacity-building activities for rural and youth leaders. Where they are perceived as more neutral and credible actors, they can help instigate informed dialogue at the local level.

The International Secretariat and partners can facilitate such partnerships, by building on their own networks of companies and academic institutions. EITI

supporting companies,<sup>9</sup> in particular, can encourage their subsidiaries to improve routine disclosures and engage in partnerships with MSGs to strengthen local stakeholder engagement.

### Supporting advocacy efforts

MSGs could carefully consider advocacy efforts by local CSOs and CBOs, with CSO members of the MSG taking a more proactive role in furthering and promoting such efforts. To varying degrees, the studies highlighted representation and coordination issues among CSOs that sit on national and regional MSGs. The studies showed that CBOs tend to better represent wider concerns from communities affected by extractive activities and can therefore contribute to EITI implementation and local debate in a meaningful way. CSO members on MSGs should ensure that they effectively represent their broader constituencies, including local networks (Requirement 1.3). This should also entail engaging with communities that express opposition to extractives activities and might not be inclined to engage in discussions around the oversight of the sector. Where the extractive industry has contributed to gender inequality, support to women's organisations and CSOs that promote women's participation should be prioritised.

MSGs should ensure regular rotation amongst their members and encourage diverse representation. Where changes in MSG composition are not possible in the short term, MSGs could start with establishing a mentoring and training system to engage with local organisations. The Centre for Social Impact Studies (CeSIS) in **Ghana** and the **Indonesian** Forum for the Environment (*Wahana Lingkungan Hidup Indonesia*, WAHLI) are examples of active organisations that seek to increase public understanding and accountability on the use of subnational extractive revenues, company social expenditures and the environmental impact of extractives.

Supporting CSOs' advocacy efforts could entail funding the latter, fostering communications channels between CSOs, the authorities and extractive companies to ensure CSOs' access to data, consulting with local CSOs, CBOs and communities in EITI implementation and MSG discussions, and collaborating closely in organising dissemination activities. The International Secretariat and partners might wish to support the above, with a focus on facilitating links between use of extractives data and advocacy efforts.

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<sup>9</sup> EITI supporting companies, [eiti.org/supporters/companies](https://eiti.org/supporters/companies)

# Annexes

**Annex A:** *Empowering communities in Colombia to participate in the oversight of the extractive sector*

[eiti.org/files/documents/annex\\_a\\_empowering\\_communities\\_in\\_colombia\\_to\\_participate\\_in\\_the\\_oversight\\_of\\_the\\_extractive\\_sector\\_en.pdf](https://eiti.org/files/documents/annex_a_empowering_communities_in_colombia_to_participate_in_the_oversight_of_the_extractive_sector_en.pdf)

**Annex B:** *Empowering communities in Ghana to participate in the oversight of the extractive sector*

[eiti.org/files/documents/annex\\_b\\_empowering\\_communities\\_in\\_ghana\\_to\\_participate\\_in\\_the\\_oversight\\_of\\_the\\_extractive\\_sector.pdf](https://eiti.org/files/documents/annex_b_empowering_communities_in_ghana_to_participate_in_the_oversight_of_the_extractive_sector.pdf)

**Annex C:** *Empowering communities in Indonesia to participate in the oversight of the extractive sector*

[eiti.org/files/documents/annex\\_c\\_empowering\\_communities\\_in\\_indonesia\\_to\\_participate\\_in\\_the\\_oversight\\_of\\_the\\_extractive\\_sector.pdf](https://eiti.org/files/documents/annex_c_empowering_communities_in_indonesia_to_participate_in_the_oversight_of_the_extractive_sector.pdf)