

EITI International Secretariat

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Validation of the Republic of Cote d'Ivoire

Report on initial data collection and stakeholder consultation

Abbreviations

AfDB	African Development Bank
AIRSI	Impôt sur le revenu du secteur informel
BCEAO	Banque Centrale des Etats de l'Afrique de l'Ouest
BO	Beneficial ownership
Bpd	Barrels Per Day
CDLM	Comité de Développement Local Minier
CEPICI	Centre de Promotion des Investissements en Côte d'Ivoire
CIP	Commission Interministérielle Pétrolière
CI Energies	Côte d'Ivoire Energies
DGD	Direction Générale des Douanes
DGE	Direction des Grandes Entreprises
DGH	Direction Générale des Hydrocarbures
DGI	Direction Générale des Impôts
DGMG	Direction Générale des Mines et de la Géologie
DGTCP	Direction Générale du Trésor et de la Comptabilité Publique
DPP	Direction des Participations et de la Privatisation
EITI	Extractive Industries Transparency Initiative
EITI NC	EITI National Council
EU	European Union
GDP	Gross Domestic Product
GFS	Government Finance Statistics
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
FCFA	Franc des Communautés Financières d'Afrique
IFAC	International Federation of Accountants
IMF	International Monetary Fund
INS	Institut National des Statistiques
MMBTU	M British Thermal Unit
MSG	Multi-Stakeholder Group
NA	Not Applicable
NGO	Non-Governmental Organisation
OHADA	Organisation pour l'Harmonisation en Afrique du Droit des Affaires
PEP	Politically Exposed Person
PETROCI	Société Nationale d'Opérations Pétrolières de Côte d'Ivoire
PSC	Production-Sharing Contract
PWYP	Publish What You Pay
SODEMI	Société pour le Développement Minier de la Côte d'Ivoire
STP ITIE	Secrétariat Technique Permanent de l'ITIE
TFP	Technical and Financial Partners
ToR	Terms of Reference
UEMOA	Union Economique et Monétaire Ouest-Africaine
UNDP	United Nations Development Programme
USD	United States Dollar

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Executive Summary

The Government of the Republic of Cote d'Ivoire (RCI) expressed interest in implementing the EITI in May 2006 and was admitted as a Candidate country in May 2008. Despite the 2010-2011 political crisis, EITI Cote d'Ivoire completed a first Validation in 2010 and achieved compliance with the EITI Rules after a second Validation in May 2013.

On 25 October 2016, the Board agreed that the RCI's Validation under the 2016 EITI Standard would commence on 1 April 2017 (EITI Board, 2016). This report presents the findings and initial assessment of the International Secretariat's data gathering and stakeholder consultations. The International Secretariat has followed the Validation Procedures and applied the Validation Guide¹ in assessing the RCI's progress with the EITI Standard. While the assessment has not yet been reviewed by the MSG nor been quality assured, the Secretariat's preliminary assessment is presented in Figure 1, below. The recommendations and suggested corrective actions identified through this process relate to the MSG internal governance, license allocation, government policy on contract transparency, subnational transfers and lack of adequate reporting by both the government and the national oil company PETROCI on its quasi-fiscal expenditures.

Overall conclusions

EITI has provided a useful governance tool to RCI to reform its extractive sector. Almost all EITI Requirements are already applicable in the RCI. As the mining sector continues to grow, more requirements will become applicable in the coming years. The hydrocarbon sector has been in decline since the 1990s due to maturing oil fields, while the mining sector has grown rapidly since the RCI began implementing the EITI in 2008. Gold production has doubled since 2011 and reached 23 tonnes per year in 2015, overtaking oil as the top export from the extractive industry, but well behind agricultural products. The mining sector now employs more than 5,000 full time employees, and large projects at the development phase that are due to start production in 2018 will increase the sector's contribution to the economy. The new mining code adopted in 2014 also provides additional incentives to attract investment and help diversify the economy and reduce the country's dependence on cocoa exports. Exploration activities in the oil sector also picked up in 2015. Natural gas is primarily used to produce electricity, making Cote d'Ivoire a net exporter of electricity to neighbouring countries Burkina Faso and Ghana.

A key strength of EITI implementation in Cote d'Ivoire is the unique space for dialogue it provides to the government, companies and civil society to develop coherent and implementable policies and help resolve conflicts between local communities and companies. Transparency provisions and allocation of revenues to local communities are now embedded in both the 2012 amendments to the hydrocarbon code and the 2014 mining code. EITI Cote d'Ivoire plays a key role in the drafting, adoption and implementation of this legislation. It also monitors and supports ongoing reforms of the cadastre system and the creation of local communities' development funds (CDLMs).

The quality of EITI reporting has improved significantly following the implementation of the EITI Standard.

¹ EITI Validation procedures and EITI Validation Guide, accessible [here](#) and [here](#).

EITI Reports have become more comprehensive and more useful, providing reliable information on production, exports, government revenues, employment, mandatory and voluntary social payments and the extractive sector's overall contribution to the economy. EITI reporting has also played a key role in improving transparency in the financial relationship between the two SOEs, PETROCI and SODEMI, and the state. Government agencies participating in EITI reporting have improved their procedures and practices.

Despite the small and fragmented groups of civil society organisations interested in extractive industries in Cote d'Ivoire, active civil society engagement has generated a robust national debate on revenue management and the impact for local communities. A robust dissemination and outreach effort led by civil society with support from GIZ has highlighted significant popular demand for information, such as subnational transfers, mandatory and voluntary social payments, production figures, local content requirements and artisanal mining. The challenge for EITI Cote d'Ivoire is to establish robust mechanisms to provide timely information on these issues and help ensure that local community development funds are adequately managed to benefit local citizens.

The key challenges faced by EITI Cote d'Ivoire include updating its own statutory documents to improve internal governance. Large per diem payments present an important credibility risk for EITI Cote d'Ivoire, and the cumulative functions of Chair of MSG and Head of the national secretariat can exacerbate those risks. An effective and accountable MSG requires adequate representation of all stakeholders following clear, open and transparent nomination and replacement procedures, a transparent policy on per diem payments, and transparent management of the budget allocated to EITI implementation.

Looking ahead, the EITI Cote d'Ivoire can contribute to improving transparency of license allocation in line with the new mining code; transparency of production sharing agreements in line with the 2012 amendments to the hydrocarbon code; improving transparency of revenue sharing formula and subnational transfers in accordance with the tax code; and improve transparency of quasi-fiscal expenditure by PETROCI, including the swaps of crude oil for natural gas by PETROCI, the transfer of natural gas to Cote d'Ivoire energy for electricity production and the clearing of electricity bills from Cote d'Ivoire energy to the state. Greater transparency in the funding of activities by the PETROCI foundation and the publication of PETROCI's financial statements could also help improve transparency of the quasi-fiscal expenditures. Finally, the MSG's ambition to extend the scope of EITI reporting to include artisanal mining is challenging, but remains a valuable undertaking.

Recommendations

While the following report includes recommendations for specific improvements the MSG may wish to consider implementing, the following is a list of strategic recommendations that could help the RCI make even greater use of the EITI as an instrument to support reforms.

- The MSG may wish to encourage various government agencies at the central and local level and the National Assembly to use EITI data to promote public debate and monitor government revenues and expenditures in the national budget.
- To strengthen implementation, the MSG could consider including the Mining Association, (GPMC-CI), which can play a coordinating role with mining companies at the production and exploration phase, as well as buying houses involved in artisanal mining.







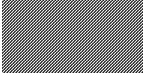
- To strengthen implementation, the MSG may wish to improve the representation of the civil society constituency on the MSG. Given the critical role that civil society plays in Cote d'Ivoire, the MSG may also wish to build capacities of civil society groups and broaden the reach of the EITI in Cote d'Ivoire.
- In accordance with Requirement 1.4, the MSG should update its TOR, renew its membership in line with statutory procedures and the industry and civil society constituencies are encouraged to agree public nominations procedures ahead of MSG member selection. EITI Cote d'Ivoire should formalise its per diem policy to be in line with national practice. The government should ensure that the MSG has adequate financial oversight of the management of funds allocated to EITI implementation.
- To strengthen implementation, the MSG should consider updating the work plan annually and include fully costed and time bound activities. The MSG is also encouraged to publish its budget and its financial accounts.
- In accordance with Requirement 2.2, the MSG is required to ensure that the relevant authorities, DGMG and DGH disclose the technical and financial criteria for all license awards and transfers taking place during the accounting year covered by the EITI Report, including license allocations pertaining to companies that are not included in the EITI Report. The MSG may wish to seek clarity from the relevant authorities on the conditions under which direct negotiations are used instead of competitive bidding for issuing licenses.
- In accordance with the EITI Requirement 2.3, the Government of the RCI is required to maintain a publicly accessible register. Similar to the mining sector, efforts should be made to ensure comprehensive disclosure of the information required under 2.3.a for the hydrocarbon sector.
- The government should consider implementing the relevant legal provisions (Law n° 2012-369) to ensure that the practice in contract transparency is aligned with government's policy."
- In accordance with Requirement 2.6, the RCI must disclose an explanation of the prevailing rules and practices regarding the financial relationship between the government and PETROCI. This could include the publication of PETROCI's audited financial statement, its annual budget and an explanation of allocation of retained earnings for investments.
- To strengthen implementation, EITI Cote d'Ivoire may wish to include purchasing houses of diamond and gold from artisanal mining within the scope of the EITI reporting.
- In accordance with Requirement 3.2, EITI Cote d'Ivoire could ensure that future EITI Reports provide more disaggregated figures of production volumes and values for all minerals produced in the RCI in the year(s) under review. EITI Cote d'Ivoire may also wish to consider the extent to which such information could be regularly disclosed on government websites (DGMG and DGH) more timely information on production and export figures.
- To further strengthen implementation, EITI Cote d'Ivoire may wish to ensure that future EITI Reports provide the method of calculation of export volumes and values for all commodities exported in the year(s) under review, including artisanal-mined commodities like gold.
- In accordance with EITI Requirement 4.2, the government, including PETROCI and its subsidiaries, are required to disclose the volumes of crude oil and natural gas sold and revenues received. The published data must be disaggregated by individual buying company and to levels commensurate with the reporting of other payments and revenue streams. The MSG may wish to publish the volumes of oil and natural gas delivered, volumes sold, unit price by individual buyer that PETROCI is required to submit to DGI, in accordance with article 1066:10 of the tax code.
- In accordance with Requirement 4.3, the MSG and the IA need to gain full understanding of the terms of the swap agreements, the parties involved, the resources which have been pledged by the state in the forms of crude oil, the value of the balancing benefit stream (natural gas, then electricity delivered). The MSG and the IA are required to ensure that the EITI Report addresses these agreements, providing a level of detail and transparency commensurate with the disclosure and reconciliation of other payments and revenues streams.

- In accordance with EITI Requirement 4.5, the MSG should undertake a comprehensive assessment of transactions between PETROCI and its subsidiaries and oil and gas companies, as well as between PETROCI subsidiaries and government entities including Cote d'Ivoire Energy, DGI and the treasury. The MSG may wish to publish the information submitted to DGI by PETROCI and Cote d'Ivoire Energy.
- The MSG is encouraged to explore opportunities to disclose data as soon as practically possible, for example through continuous online disclosures on the open data portal of production and oil sales data, transfers to local communities and statistics compiled by the institute of national statistics.
- In accordance with Requirement 5.1, EITI-Cote d'Ivoire should indicate extractive industry revenues, whether cash or in-kind, that are not recorded in the national budget and provide an explanation of the allocation of these revenues, with links to relevant financial reports, including from DGH, PETROCI and Cote d'Ivoire Energy. The MSG is encouraged to reference national revenue classification systems, and/or international standards such as the IMF Government Finance Statistics Manual.
- In accordance with Requirement 5.2, EITI Cote d'Ivoire is required to assess the materiality of subnational transfers, provide the specific formula for calculating subnational transfers of extractives revenues to individual local governments, disclose any material subnational transfers in the year(s) under review and highlight any discrepancies between the transfer amount calculated in accordance with the relevant revenue-sharing formula and the actual amount that was transferred between the central government and each relevant subnational entity.
- EITI Cote d'Ivoire can play a key role in the implementation of the new mining code, especially as it relates to setting up and monitoring local communities' development funds. To achieve this, EITI Cote d'Ivoire could consider including additional information on extractives revenues earmarked for specific purposes, such as the CDLM, as well as on the budget-making and auditing process for government accounts in future EITI Reports.
- In accordance with Requirement 6.2, EITI Cote d'Ivoire, should undertake a comprehensive review of all expenditures undertaken by extractives SOEs, including PETROCI and its foundation that could be considered quasi-fiscal expenditures. The MSG should develop a reporting process with a view to achieving a level of transparency commensurate with other payments and revenue streams, and should include PETROCI's subsidiaries and joint ventures, PETROCI's Foundations, the DGH and possibly Cote Energy.
- The MSG may wish to work with the INS to ensure that estimates of employment figures are more comprehensive (including for artisanal mining), more accurate, expressed as a percentage of total employments not just as a percentage of the active population, and regularly disclosed as part of routine government disclosures.
- Given high expectation from mining companies, the MSG should consider ways to ensure that key stakeholders, such as the Chamber of Mines are encouraged to participate more actively in the design and development of communications strategies instead of only dissemination activities. The MSG and civil society should redouble its efforts of formalising local communities' fora, especially those that are creating local community funds (CDLM).
- Given that implementation of recommendations in previous EITI reports is still ongoing, the MSG and the Government of the RCI should continue to follow up on these recommendations and ensure that future recommendations and findings from EITI Reports are evaluated and acted upon in a timely manner.
- The MSG should consider discussing the role the EITI could play in achieving national priorities in reforms of the extractive industries, including ASM and local revenue management, as part of its annual review of the work plan. The MSG may also wish to consider undertaking an impact assessment, with a view to identifying tangible impacts to local communities and other stakeholders to determine the extent to which the EITI has contributed to improving public financial management and governance of the mining, oil and gas sectors.

Figure 1– initial assessment card

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

Legend to the assessment card

-  **No progress.** All or nearly all aspects of the requirement remain outstanding and the broader objective of the requirement is not fulfilled.
-  **Inadequate progress.** Significant aspects of the requirement have not been implemented and the broader objective of the requirement is far from fulfilled.
-  **Meaningful progress.** Significant aspects of the requirement have been implemented and the broader objective of the requirement is being fulfilled.
-  **Satisfactory progress.** All aspects of the requirement have been implemented and the broader objective of the requirement has been fulfilled.
-  **Beyond.** The country has gone beyond the requirements.
-  This requirement is only encouraged or recommended and should not be taken into account in assessing compliance.
-  The MSG has demonstrated that this requirement is not applicable in the country.

Introduction

Brief recap of the sign-up phase

The Government of the Republic of Cote d'Ivoire (RCI) expressed interest in implementing the EITI in May 2006 through a letter from the then Prime Minister Charles Konan Banny to Dr Peter Eigen, the then Chair of the EITI Board. Stakeholders consultation for the creation of an MSG took place in 2007 and Presidential Decree No 2008-25 of 21 February 2008 created the EITI national council in February 2008. Côte d'Ivoire was admitted as an EITI Candidate on 12 May 2008. Despite the 2010-2011 political crisis, EITI Cote d'Ivoire completed a first Validation under the rules in 2010 and achieved compliance with the EITI Rules after a second Validation in May 2013.

Objectives for implementation and overall progress in implementing the workplan

The triannual work plan 2015-2017 includes the following objectives:

- Objective 1: Ensure a better framework for stakeholders' dialogue for a dynamic and effective EITI implementation
- Objective 2: Reinforce communication and dissemination activities to stimulate an informed debate on extractive industries governance.
- Objective 3: ensure the durability and sustainability of EITI Cote d'Ivoire
- Objective 4: strengthen the participation of mining and petroleum companies in the EITI process
- Objective 5: capacity Building
- Objective 6: ensure regular and timely publication of EITI reports
- Objective 7: contribute to greater transparency in license allocation procedures and improve the reliability of contractual data
- Objective 8: define the conditions and steps towards extending the scope of the EITI process to include artisanal mining.

This work plan was updated in 2016 and replaced by a 2017-2019 work plan, which retains the same objectives, but also adds two more objectives on the transparency of SOEs and the implementation of the beneficial ownership roadmap. Both the 2015 and 2016 annual activity reports mention that work on contract transparency is a priority, but did not evaluate the level of progress with implementation. Civil society engaged in the EITI process conducted an evaluation of the implementation of the 2015 to 2017 work plan and found that no activities for objective 1 and 8 had been implemented, while less than 50% of planned activities under objective 2, 4, and 7 had been implemented. The study² found that only activities in objective 3 and 6 had completed more than 50% of implementation.

History of EITI Reporting

Cote d'Ivoire has produced seven EITI Reports covering ten fiscal periods. The first EITI Report, covering

² Rapport Evaluation du Processus de l'ITIE en Côte d'Ivoire par les membres de la Société Civile, PWYP-Cote d'Ivoire, June 2017, p.13

oil and gas for the period 2006-2007 was published in January 2010. Three Reports are based on the EITI Rules and were published in 2012 and 2013 (the second and third reports for the period 2008-2010 and 2011 were published in May 2012 and April 2013 respectively). Cote d'Ivoire has published four reports under the EITI Standard (the 2012 EITI Report was published in December 2014, the 2013 EITI Report was published in December 2015 and the 2014 EITI Report was published in December 2016). The last EITI Report covering 2015 was published in March 2017. The number of reporting companies has grown from 24 in the 2013 EITI Report to 33 in the 2015 EITI Report, due to the rapid expansion of the mining sector, mainly gold production. However, total reconciled extractives revenues declined from USD 500 m in 2013 to USD 300 m in 2015, due to the collapse of oil prices and rapid decline in oil production from maturing oil fields.

Summary of engagement by government, civil society and industry

Members of the MSG were first nominated by the inter-ministerial Decree no. 104 of 3 March 2008. Nominations were subsequently modified by the inter-ministerial Decree no. 728/MEF/MME of 12 October 2010 and the inter-ministerial Decree no. 037/MEF/MMPE of 17 February 2012, which appointed 13 high-level government officials, five industry representatives and seven civil society representatives to the MSG. Government representatives include high-level officials from the Prime Minister Office, two representatives from the Ministry of Mining oil and energy, two representatives from the ministry of Economy and Finance and one representative from key ministries and government agencies engaged in the extractive sector. The government has reiterated its commitment to the EITI on multiple occasions and two senior government officials have been appointed to lead EITI implementation, albeit only the chair of the MSG leads the day-to-day implementation. Government officials participate actively in EITI reporting and MSG deliberations, but evidence of use of EITI data by the government to promote public debate or monitor government revenues remains limited. Both the mining code and the hydrocarbon code³ include transparency provisions requiring oil, gas and mining companies to comply with EITI Principles, Criteria and Requirements.

The inter-ministerial Decree no. 037/MEF/MMPE of 17 February 2012 appointed three Director Generals of the main oil, gas and mining companies at the production phase (CNR International and FOXTROT International, for the oil sector and SMI for the mining company sector). In addition to those three, two technical advisors from PETROCI and SODEMI are part of the companies' constituency. The extractive industry has supported the EITI from the outset and played a key role to continue EITI implementation during the 2010-2011 political crisis. However, mining companies' representation does not reflect the sector's rapid growth in the last five years and mining industry association GPM-CI (Groupement Professionnel des Miniers de Côte d'Ivoire), which consists of 22 mining companies, 32 sub-contractors and two cooperatives for the artisanal sector, is not directly represented on the MSG.

Companies at the production phase have consistently disclosed data as part of EITI reporting, with the number of reporting companies growing from 24 in the 2013 EITI Report to 33 in the 2015 EITI Report, due

³ The mining code is accessible on the EITI-Cote d'Ivoire website <http://www.cnitie.ci/doc/42-code-minier.html> and the hydrocarbon code its amendments are also published on the EITI-Cote d'Ivoire website <http://www.cnitie.ci/doc/43-code-ptrolier.html>

to the expansion of the mining sector in recent years. Companies also play a proactive role in EITI reporting and in setting up local development committees to monitor the local development funds mandated by the mining code (CDLM). While two mining companies making material payments (Newcrest Hire Cote d'Ivoire SA and Ampella Mining) were first omitted from the list of reporting companies for the 2015 fiscal period, they proactively disclosed material payments and were subsequently included in the reconciliation process (2015 EITI Report, p.9).

The 2008 Decree creating the MSG sets the number of civil society representatives at seven, composing of three representatives of various labour movements, two representatives of the press, and two representatives of the PWYP-Cote d'Ivoire coalition. Currently, only five civil society representatives attend MSG meetings. Despite the small number of representation relative to the Government, analysis of meeting minutes' shows that CSOs are actively engaged in the design, implementation, monitoring and evaluation of EITI in Cote d'Ivoire. Having successfully campaigned for EITI implementation, civil society representatives work diligently to protect and use the space created by the EITI process to influence government policy. PWYP-Cote d'Ivoire conduct studies, take the lead on outreach to local communities and dissemination campaign of EITI Reports. Civil society practically leads day-to-day implementation of the EITI through the appointment of a civil society representative, Julien Tingain, as technical director of the EITI national secretariat. While the fragmented nature of the civil society constituency may have diminished their effectiveness, there are also ample evidence that civil society can influence government policy through MSG meetings or independent advocacy campaigns.

Key features of the extractive industry

The extractive industry in Cote d'Ivoire is characterise by maturing oil fields, significant exploration activities for oil and gas and rapidly growing mining sector. Commodities produced in Côte d'Ivoire in 2015 included diamond, gold, manganese, natural gas and crude oil.

Mining: Gold production has more than doubled between 2013 to 2015, growing from 11,53 tonnes in 2013 to 23.56 tonnes in 2015 (2015 EITI Report, p.51). Construction work at the Agbaou gold mine was completed in November 2013 and production ramped up quickly thereafter. Agbaou Gold Operations, which is 84.8% owned by Endeavour Mining Corp of Canada, employed 503 employees in 2015 and exported 5,166 kg of gold (2015 EITI Report, pp.83, 114 and 119). Gold production also increased by more than 10% per year at the Bonikro, the Ity and the Tongon Mines. The later was 90% owned by Rangold and was the largest producers and exporter of gold in 2015. The construction of two new gold mines and a new manganese mine in 2015, were likely to increase the production in the coming years. The production license for the gold mine of Sissingué (Tengréla) which will be operated by the Australian company Perseus Mining, was signed in July 2015. The EITI Report notes that construction work started in November 2015 and the first production is expected in 2017. The production license for the gold mine of Aféma (Aboisso) which will be operated by the South African company Taurus Gold was also signed in November 2015. Production is scheduled to begin in July 2018. A third operation license was granted to the Indian company Bethel Mining and Investment in November 2015 for the Lagonkaha manganese mine (Korhogo). The prospects for iron ore production were diminished after TATA Steel withdrew from its licence in 2015. Several Australian and South African companies including Apollo, Perseus Mining, Taruga Gold, and Jofema Minerals Resources carried out exploration and project development activities in 2015 and 2016. After a three-year suspension, diamond production resumed in 2013 under SODEMI's supervision and Cote d'Ivoire exported 14 925 carats of diamond in 2015 (2015 EITI Report, p.51).

Hydrocarbons: Exploration activities picked up in 2015. Vitol, Total, Tullow, Lukoil and mostly Foxtrot International and CNR International drilled 17 exploration wells in 2015. Only five wells were drilled in 2014 (2015 EITI Report, p.36). Oil production recovered somewhat in 2015 after a long period of decline and natural gas production remained relatively stable from 2013 to 2015 (2015 EITI Report, p.37).

Explanation of the Validation process

Validation is an essential feature of the EITI implementation process. It is intended to provide all stakeholders with an impartial assessment of whether EITI implementation in a country is consistent with the provisions of the EITI Standard. It also addresses the impact of the EITI, the implementation of activities encouraged by the EITI Standard, lessons learnt in EITI implementation, as well as any concerns stakeholders have expressed and recommendations for future implementation of the EITI.

The Validation process is outlined in chapter 4 of the EITI Standard⁴. It has four phases:

1. Preparation for Validation by the multi-stakeholder group (MSG)
2. Initial data collection and stakeholder consultation undertaken by the EITI International Secretariat.
3. Independent quality assurance by an independent Validator who reports directly the EITI Board.
4. Board review.

The [Validation Guide](#) provides detailed guidance on assessing EITI Requirements, and more detailed [Validation procedures](#), including a standardised procedure for data collection and stakeholder consultation by the EITI International Secretariat and standardised terms of reference for the Validator.

The Validation Guide includes a provision that: “Where the MSG wishes that validation pays particular attention to assessing certain objectives or activities in accordance with the MSG work plan, these should be outlined upon the request of the MSG”. The MSG in Cote d'Ivoire did not request any issues for particular consideration.

In accordance with the Validation procedures, the International Secretariat's work on the initial data collection and stakeholder consultation was conducted in three phases:

1. Desk Review

Prior to visiting the country, the Secretariat conducted a detailed desk review of the available documentation relating to the country's compliance with the EITI Standard, including but not limited to:

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

⁴ See also <https://eiti.org/validation>.

In accordance with the Validation procedures, the Secretariat has not taken into account actions undertaken after the commencement of Validation.

2. Country visit

A country visit took place on 3-7 July 2017. All meetings took place in Abidjan and by teleconference. The secretariat met with the multi-stakeholder group and its members, the Independent Administrator and other key stakeholders, including stakeholder groups that are represented on, but not directly participating in, the multi-stakeholder group. In addition to meeting with the MSG as a group, the Secretariat met with its constituent parts (government, companies and civil society) either individually or in constituency groups, with appropriate protocols to ensure that stakeholders are able to freely express their views and that requests for confidentiality are respected. The list of stakeholders consulted as outlined in Annex D.

3. Reporting on progress against requirements

This report provides the International Secretariat initial assessment of progress against requirements in accordance with the Validation Guide. It does not include an overall assessment of compliance.

The International Secretariat's team comprised: Bady Baldé, Regional Director Francophone Africa, Gisela Granado, Country Manager, Sam Bartlett, Technical Director and Eddie Rich, Deputy Head of the International Secretariat.

Part I – MSG Oversight

1. Oversight of the EITI process

Overview

This section relates to stakeholder engagement and the environment for implementation of EITI in country, the governance and functioning of the multi-stakeholder group (MSG), and the EITI work plan.

Assessment

Government engagement in the EITI process (#1.1)

Documentation of progress

Public statement:

The Government of the Republic of Cote d'Ivoire (RCI) announced its commitment to adhere to the EITI Principles on 16 May 2006, through letter from former Prime Minister Charles Konan Banny to Dr Peter Eigen, the then chair of the EITI Board (CAC 75, 2010). President Laurent Gbagbo issued Decree No. 2008-25 of 25 February 2008 creating an EITI National Council for the Implementation of the EITI Principles i.e. the multi-stakeholder group (MSG) (Presidence de la Republique de Cote d'Ivoire, 2008).

The Government of the RCI hosted the 25th EITI Board meeting in Abidjan, from 16-17 October 2013. Prime Minister Daniel Kablan Duncan welcomed the Board and reaffirmed the Government's commitment to implementing the EITI. Mr Adama Toungara, Minister of Petroleum and Energy (December, 2010 to January, 2017) and Dr. Jean-Claude BROU, Minister of Industry and Mining, have reaffirmed the government's commitment to the EITI at multiple occasions on national television, and in speeches at national and international conferences (EITI Cote d'Ivoire, Annual Progress Reports, 2013, 2014 and 2015).

In July 2016, Prime Minister Daniel Kablan Duncan, established a Committee of Supervision, Monitoring and Evaluation of the EITI National Council, under his direct supervision⁵. Composed of 26 high-level officials from all government agencies involved in the management of natural resources, the committee has the mandate to assist the MSG in the implementation of the EITI process. However, the committee has not functioned in practice. On 23 August 2016, Prime Minister Duncan met with the chair of the EITI Board, Fredrik Reinfeldt and the Head of EITI International Secretariat, Jonas Moberg⁶. After the meeting, Prime Minister Duncan announced in the national media, his government's commitment to the EITI and instructed high-level government officials, who attended the meeting to take all necessary steps for the

⁵ http://www.industrie.gouv.ci/index.php/article/cooperation-economique-entre-le-maroc-et-la-cote-d-ivoire-un-forum-economique-et-commercial-se-tient-du-14-au-16-decembre-2015-a-abidjan?page=article&id_actu=49

⁶ This meeting took place in Abidjan on the margin of a regional training for francophone countries. <http://www.primaturecotedivoire.net/site/suite-p.php?newsid=3675>

full implementation of the 2016 EITI Standard.

Senior lead:

The president and the vice-president of the MSG were nominated by Decree no. 705/MEF/MME of 16 July 2008, co-signed by Mr Koffi Charles Diby, Minister of Economy and Finance, and Mr Leon-Emmanuel Monnet, Minister of Mining and Energy. Two high level government officials from both ministries were appointed to lead the EITI process. Mr N'Dri Koffi and Mr Gilbert Bandama Kouassi respectively as President and vice President of the EITI national council (Minister of Economy and Finance and Minister of Mining and Energy, 2008). Mr N'Dri Koffi is the chair of the MSG and the EITI National Coordinator, cumulatively the Chief of staff of the Ministry of Hydrocarbon and more recently the acting Director General of Hydrocarbon. Mr Ibrahima DIABY, Director General of PETROCI, is the Vice President of the EITI National Council.

Active engagement:

The Government of the RCI provides funding for EITI implementation and participates actively in EITI implementation through MSG meetings and EITI reporting. The government budget shows that the XOF 663 800 754 (approximately USD 1.2 m) was earmarked for EITI implementation in 2017⁷.

Members of the MSG were first nominated by the inter-ministerial Decree no. 104 of 3 March 2008. Nominations were subsequently modified by the inter-ministerial Decree no. 728/MEF/MME of 12 October 2010 and the inter-ministerial Decree no. 037/MEF/MMPE⁸ of 17 February 2012, which appointed 13 high-level government officials to the MSG, including: a representative from the Prime Minister's Office, two representatives from the ministry of mining, oil and energy, two representatives from the ministry of economy and finance and one representative from key ministries and government agencies engaged in the extractive sector.

MSG meeting minutes show that the government is generally well-represented at a high level at MSG meetings, but some MSG members continue to sit on the MSG even after they retire from their positions or are reassigned to other departments, where EITI implementation is less relevant for their work. Meanwhile, the government has covered core funding for EITI implementation since inception and all government agencies disclose data regularly as part of EITI reporting.

Stakeholder views

Government representatives noted that the EITI was a high priority for the Government of the RCI. They highlighted funding for EITI activities, such as the newly created *Comité Supervision et de Suivi-évaluation* in July 2016, as a demonstration of this commitment at the highest level of the government. They also noted that the current government had contributed to the EITI at the international level and acted as EITI champions in the sub-region, within the framework of training events. They added that new provisions in the mining code, requiring full disclosure of payments in accordance with the EITI requirements, was a demonstration of long-term commitment. Others cited the quick reaction of the *Cour des Comptes* and the *Inspection Générale d'État* in the auditing of government reporting templates as positive

⁷ http://budget.gouv.ci/sites/default/files/Donnees-budgetaires/1-loi_de_finances_2017_du_05_12_2016.pdf

⁸ These decrees are published on the EITI Cote d'Ivoire website <http://www.cnitie.ci/doc/40-dcrets---arrts.html>

developments.

Company representatives indicated that, while the government demonstrated its commitment to the EITI, it could do more to highlight the importance of the extractive sector and lead on governance issues within the EITI. The government could also do more to highlight the utility of the EITI as a means of defending the interests of civil society.

The national secretariat mentioned that, in January 2017, the government had reached out to companies which had not been actively participating in the EITI. The DGMG for example had put pressure on one company that had not provided data in a timely manner, Perseus, and the company subsequently disclosed the requested information.

A PWYP-Cote d'Ivoire survey published in June 2017⁹ found that 75% of civil society organisations considered that the government's commitment was sufficient, but only 50% considered that this commitment was sustainable in the long term (PWYP Cote d'Ivoire, 2017). MSG civil society representatives recognised government's commitment through the creation of the EITI structures. They noted that the EITI was further enshrined through an ordonnance modifying the Petroleum Code. They noted that the Government budget allocated XOF 663 m to the EITI in 2017, but that the MSG was unclear on how these funds had been allocated.

Initial assessment

The International Secretariat's initial assessment is that the RCI has made satisfactory progress in meeting this requirement. The government has reiterated its commitment to the EITI on multiple occasions and two senior government officials have been appointed to lead EITI implementation. Government officials participate actively in EITI reporting and MSG deliberations, although evidence of the use of EITI data by the government to promote public debate or monitor government revenues remains limited. Both the mining code and the hydrocarbon code include transparency provisions requiring oil, gas and mining companies to comply with EITI Principles, Criteria and Requirements.

The MSG may wish to encourage various government agencies at the central and local level to use EITI data to promote public debate, as well as to monitor government revenues and expenditures in the national budget.

Industry engagement in the EITI process (#1.2)

Documentation of progress

Active engagement:

An analysis of MSG minutes indicate that industry representatives actively participate in MSG discussions and that oil, gas and mining companies report regularly during EITI reconciliation. The inter-ministerial Decree no. 037/MEF/MMPE¹⁰ of 17 February 2012 appointed three Director Generals from two oil

⁹ Rapport Evaluation du Processus de l'ITIE en Côte d'Ivoire par les membres de la société civile, PWYP-Cote d'Ivoire, June 2017.

¹⁰ These decrees are published on the EITI Cote d'Ivoire website <http://www.cnitie.ci/doc/40-dcrets---arrts.html>

companies (CNR International and FOXTROT International) and one mining company (SMI). Additionally, two technical advisors from PETROCI and SODEMI form part of the companies' constituency. Representatives from the five companies on the MSG regularly attend MSG meetings, participating in more than three-quarters of the MSG meetings in 2015 and 2016. Participation was done either in person or by delegation to ad-hoc proxies (see MSG meeting attendance in Annex B).

However, there is no evidence of industry participation in EITI dissemination and outreach events in 2013, 2014 and 2016, in the reports from these events. There is no evidence that the three industry MSG representatives from the initial decree have liaised with their wider constituency. It appears that mining companies' representation does not reflect the sector's rapid growth in the last five years and the mining industry association GPM-CI (Groupement Professionnel des Miniers de Cote d'Ivoire) is not represented on the MSG.

Companies in the production phase have consistently participated in EITI reporting, with the number of reporting companies growing from 24 in the 2013 EITI Report to 33 in the 2015 EITI Report, due to the expansion of the mining sector. Although two mining companies making material payments (Newcrest HireCote d'Ivoire SA and Ampella Mining) were initially omitted from the list of reporting companies, they proactively disclosed material payments and were subsequently included in the reconciliation process (2015 EITI Report, p.9). All but three oil and gas companies (Lukoil, CIPEM and PAN Atlantic) that made material payments in 2015, fully reported all payments in accordance with the agreed reporting templates. Payments made by the three non-reporting companies were relatively insignificant, totalling less than 0.2% of total reported revenues from the extractive sector. Mining companies have also proactively cooperated with civil society, UNDP and local communities to set up local community development funds in accordance with the mandatory and voluntary social payments introduced in the 2014 mining code¹¹.

Enabling environment: Both the new Mining Code and law No. 2012-369 of 18 April 2012 amending the 1996 Petroleum Code¹², include provisions requiring all oil, gas and mining companies operating in the country to comply with EITI principles, criteria and requirements (2016 APR Report, p.17). Decree no. 104 of 3 March 2008 establishing EITI Cote d'Ivoire also requires the MSG to ensure that all stakeholders participate in EITI reporting and actively engage in public debate about EITI findings.

Stakeholder views

Company representatives expressed full commitment to the EITI. They noted that they participate in the reporting process and have appointed focal points. However, representatives of mining companies noted that they were not consulted on EITI work beyond reporting. They noted that they also participate in meetings for EITI focal points.

Major companies, such as CNR International and Foxtrot, are often present at meetings. They praised

¹¹ Civil society reports are not available online, but government websites and the media reports on the launch of community development funds http://www.industrie.gouv.ci/index.php/article/Resultats-projet-pacir-onudi-cote-ivoire?page=politique_miniere

¹² Law No. 96-669 of 29 August 1996 as amended in 2012 is the valid Petroleum Code <http://www.cnitie.ci/doc/43-code-ptrolier.html>

PETROCI's efforts to publish financial accounts, albeit analytical and in aggregate figures. They highlighted difficulties experienced by PETROCI in providing data, because of confidentiality clauses in the Production Sharing Contracts, which contradicted the contract transparency law. All stakeholders in the industry confirmed that SODEMI had the best track record in term of participation in MSG meetings and has responded positively to all the request for publication from the EITI. They confirmed that they did not provide funding for the EITI. Only mining companies participate in the dissemination of EITI reports or use EITI data.

Some mining company representatives noted that they meet with other company representatives ahead of MSG meetings. Representatives from the Mining Association, *le Groupement Professionnel des Miniers de Côte d'Ivoire* (GPMC), noted that its membership consisted of 22 mining companies, 32 sub-contractors and two cooperatives for the artisanal sector. They have a mailing list which they use to send messages to their members. While the GPMC gathers producers and distributors, the *Association des Producteurs de Pétrole de Côte d'Ivoire* primarily consisted of distributors of petroleum. Both industry associations confirmed that they are not represented on the MSG.

Civil society representatives further noted that companies regularly collaborate with civil society to resolve conflicts in local communities. For instance, civil society helped resolve tensions in Jacquesville and Hiré. This collaboration was facilitated by the EITI, which provides a space for dialogue.

Government representatives indicated that companies are represented at a high-level within the MSG, with representatives consistently present at the meetings. The latter also contribute directly to local communities through the provision of materials, such as bikes and computers, in Bassam for example.

Government, companies and civil society representatives agreed that there were no barriers to participation in the EITI process. Mining company representatives, however, pointed out that the time for the delivery of permits should be shortened. They explained that obtaining a decree from the State could take between ten months to four years.

All stakeholders in the industry recommended that companies whose production and exploration activities has significantly grown, as well as artisanal mining, should be better represented in the MSG through the Mining Association, *le Groupement Professionnel des Miniers de Côte d'Ivoire* (GPMC).

Initial assessment

The International Secretariat's initial assessment is that the RCI has made satisfactory progress in meeting this requirement. There is an enabling legal and regulatory environment for company participation in the EITI, supported by revisions to the mining and petroleum code. Senior industry representatives actively participate in MSG meetings, although the representation of the mining industry sub-constituency could be improved. In addition to MSG meetings, companies participate in EITI reporting, dissemination activities and in resolving conflicts. Oil company representatives have helped removed bottlenecks by providing their expertise in understanding the production sharing agreements, although the contracts remain confidential. The industry appears fully, actively and effectively engaged in EITI implementation.

To strengthen implementation, the MSG could consider including the Mining Association, GPMC-CI, which can play a coordinating role with mining companies at the production and exploration phase, as well as with the buying houses involved in artisanal mining.

Civil society engagement in the EITI process (#1.3)

Documentation of progress

A review of NGOs undertaken by the EU in 2010¹³ found a rapid increase in the number of NGO after the 2002 crisis that divided the country in two. Since then, an EU funded project "LIANE" maintains a large but not exhaustive database of NGO operating in various sectors¹⁴. The database shows that there are thousands of NGOs operating in Cote d'Ivoire, but only a few NGOs active in the extractive sector. Those that are active in good governance and the extractive industries in particular tend to be well organised and relatively well funded. There is a small but vibrant and active network of civil society organisation (CSO) members of the PWYP Cote d'Ivoire coalition, which specialises on governance issues in the oil, gas, mining sectors. Key NGOs members of the PWYP-Cote d'Ivoire include the following:

- The *Groupe de Recherche et de Plaidoyer sur les Industries Extractives* (GRPIE)¹⁵, a network of NGOs, associations of researchers, coordinate activities of Publish What You Pay coalition;
- The Social Justice¹⁶ network, which works on advocacy for transparency, fight against corruption, good governance of natural resources on the theme of social justice.
- Association des femmes Juristes de Côte d'Ivoire (AFJCI)
- *Ligue Ivoirienne des Droits de l'Homme* (LIDHO) and *Mouvement Ivoirien des Droits Humains* (MIDH) are decentralised networks of NGOs and development associations focused on governance and human rights ;
- Aide, Assistance et Développement Communautaire (ADC-CI) ;
- Centre de Recherche et Formation sur le Développement Intégré (CRFDI) and Centre d'Actions pour le Développement Social (CADES) ;
- Genre Développement et Droits Humains (GDDH) ;
- Réseau des Jeunes Entrepreneurs de Côte d'Ivoire (REJECI) ; and
- Transparency Justice, the local chapter of transparency international¹⁷.

PWYP-Cote d'Ivoire has also local chapters in Bouafle, Bondoukou, and Jacqueville. New local community groups set up to administer the local community fund (CDLM) are also member of the PWYP coalition.

In addition to the PWYP coalition, the three labour movements or unions of workers, not just limited to

¹³ Etude de faisabilité du programme d'appui à la société civile en Côte d'Ivoire, Maurizio Floridi, Stefano Verdecchia , July 2010,

http://www.eeas.europa.eu/archives/delegations/cote_ivoire/documents/more_info/mapping_rapport_final_fr.pdf

¹⁴ The database is searchable by regions, department, sector of activity <http://rcliene.cerap-inades.org/repertoire-des-osc>

¹⁵ Michel YOBOUE is the Executive Director and seats on the MSG since its creation in 2008,

<http://www.accahumanrights.org/fr/actualit%C3%A9s/derni%C3%A8res-%C3%A9volutions/110-le-mot-du-co-pr%C3%A9sident-michel-yoboue>

¹⁶ The Chair of the Social Justice, Julien Tingain is the technical director of the EITI national Secretariat. He no longer seats on the MSG but acts as its secretary http://www.socialjustice-ci.net/crbst_6.html

¹⁷ This group host civil society meetings regularly http://transparencyjustice.org/atradis-sarl.com/test_kanou/index.php/nos-activies.html

the extractive sector, (FESACI, UGTCI and UNJCI) and the press are represented on the MSG.

Expression: The new Ivorian constitution adopted by referendum in November 2016¹⁸ recognises civil society as an independent component of the democratic expression under Article 26 and guarantees freedom of association and expression for all including non-governmental organisations (NGOs) and associations under Article 20 (République de Cote d'Ivoire, 2016).

There are several examples of civil society representatives speaking in public about the EITI process, including statements critical of both government and the national oil company PETROCI¹⁹. There are also numerous examples of civil society representatives speaking in public about broader issues of natural resource governance without explicitly mentioning EITI. There is ample evidence in PWYP Cote d'Ivoire's press releases, reports and studies²⁰ of civil society's critical statements about the government, including about the lack of contract transparency that remains a high priority for civil society groups. Minutes of MSG meetings show that civil society MSG members have been openly critical of government management of the extractive industries on several occasions, including about the lack of publication of production sharing agreements in the oil and gas sector in line with the 2012 law amending the petroleum code.

More broadly, Freedom House categorised the RCI as "partly free" in its rating of civil liberties for 2016 and 2017. Freedom House notes that conditions for the press have improved since the end of the 2010–eleven conflict, and incidents of violence and intimidation against journalists are relatively rare²¹. Reporters Without Borders²² also notes that journalists are no longer subject to outright abuse, but condemned the government national television's monopoly on the airwaves. In September 2016, the government submitted a draft law²³ that would strengthen freedom of the press by eliminating the possibility of pretrial detention and prison sentences for press-related offenses. Some journalists lobbied against the law, arguing that multiple amendments had made it meaningless, while others backed it²⁴. It had not been adopted by parliament when Validation began in April 2017.

Operation: There are no legal or administrative procedures related to the registration of CSOs that have adversely affected their ability to participate in the EITI process. Article 2 of the 1960 law on associations²⁵ states that "associations may be formed freely without prior authorization" (Law no. 60-135 of 21

¹⁸18 The Constitution is Law n° 2016-886 was published on the official journal

<http://www.caidp.ci/uploads/52782e1004ad2bbfd4d17dbf1c33384f.pdf>

¹⁹19 The local press reported widely on allegations of corruption at PETROCI for example in February 2017

<http://www.afrique-sur7.fr/41091/cote-divoire-petroci-dg-m-ibrahima-diaby-gaspille-largent-de-letat/>

²⁰20 Hard copies of these documents are available at the International Secretariat. PWYP-Cote d'Ivoire generally does not publish its report online, it does not maintain a website. It's most recent publication in the EITI is titled « Rapport Evaluation du Processus de l'ITIE en côte d'Ivoire par les membres de la société civile » June 2017. This report report is available only in French.

²¹21 Freedom House Country Report 2017, <https://freedomhouse.org/report/freedom-world/2017/c-te-divoire>

²²22 Reporters without borders 2017 Country Report <https://rsf.org/en/cote-divoire>

²³23 Letter N 1312/SGG/cf/BC of 29 September 2016 from the Government Secretary General transmitting the draft law to parliament <http://www.lintelligentdabidjan.info/news/wp-content/uploads/2017/05/Transmission-de-la-loi.pdf>

²⁴24 <http://www.jeuneafrique.com/436235/societe/cote-divoire-projet-de-loi-presse-debat/>

²⁵25 LAW N° 60-315 of 21 September 1960, an official version of the law is available online <http://greencountries.net/textesetlois?tl=75>

September 1960 on associations, 1960).

The law does not prohibit access to funding at national or international level. To qualify for funding from the government, associations can apply for recognition as a “public utility”, which is approved by decree issued by the Cabinet of the Interior Minister, in accordance with article 14 of the 1960 law on association. Civil society can raise funding from partners such as GIZ, the EU, and US embassy. There are also examples of cooperation's between local and international civil society such as PWYP and Transparency International. There are no legal or administrative barriers preventing CSOs from holding meetings related to the EITI process, legal or administrative barriers to the dissemination of information and public comment on the EITI process. There is no evidence suggesting that the fundamental rights of civil society representatives have been restricted in relation to the implementation of the EITI process, such as restrictions on freedom of expression or freedom of movement. To the contrary, the government has provided support for civil society actors traveling to mediate conflict between local communities and companies.

Association: Civil society groups are engaged in the EITI process and can communicate and cooperate with each other regarding the EITI process. Apart from the PWYP coalition, there is no formal mechanism for coordination between MSG members and their constituency. In the case of the PWYP coalition, civil society use various mechanism to coordinate their activities and their messages, including mailing lists, quarterly meetings after MSG meetings, but they recognised that they do not consult their constituency ahead of MSG meetings. NGOs members of the PWYP coalition tend to be highly specialised and focused on key issues related to their expertise (local community engagement, research on artisanal mining, gender, transparency, anti-corruption, etc). Some CSO representative on the MSG coordinate on EITI implementation and communicate with their broader constituency; there is no evidence of barriers to such coordination. There are no indications that civil society has been restricted from engaging in outreach to broader civil society, including related to discussions about MSG representation and the EITI process. PWYP Cote d'Ivoire has played a key role in outreach to local communities affected by mining activities to help set up CDLM. The CDLM of Bondoukou, Hire and Jacquville include civil society representatives from PWYP.

Engagement: The 2008 Decree creating the MSG sets the number of civil society members at seven, including: three representatives of various labour movements, two representatives of the press, and two representatives of the PWYP-Cote d'Ivoire coalition. Currently, the civil society constituency comprises of five members. One union representative and one representative from PWYP no longer participate in MSG meetings. Despite the small number of representation relative to the Government, analysis of meeting minutes' shows that CSOs are actively engaged in the design, implementation, monitoring and evaluation of EITI in Cote d'Ivoire. Civil society members participate actively in meetings of the MSG and public events organised by EITI Cote d'Ivoire. For instance, CSO members of the MSG proposed a civil society representatives M. Julien Tingain from the Social Justice Network as the Technical Director of the EITI national Secretariat. As such, Julien coordinates closely with his former civil society colleagues in drafting workplans, APR and TORs for various studies and EITI Reports.

Civil society also conduct its own evaluation of the EITI process and make recommendations to the MSG. For example, civil society held a workshop from 29 to 30 April 2016 in Grand Bassam (2016 APR, p.14). The purpose of the workshop was to conduct a self-evaluation exercise of the EITI process and to discuss the recommendations from previous EITI Reports and the Validation Report with a view to proposing a

follow-up action plan (see Requirement 7.3).

There is also evidence of active CSO participation in dissemination and outreach events in 2014, 2015 and 2016, including participating in the MSG's dissemination of the 2013 EITI Report in Bondoukou, Hire, Ity and Jacquerville (see Requirement 7.1). CSOs engagement in dissemination and outreach were primarily supported by GIZ.

Access to public decision-making: Civil society representatives can speak freely on transparency and natural resource governance issues. CSOs successfully lobbied and influenced public decision-making during the revision of the hydrocarbon code in 2012 and the mining code in 2014. In the drafting of both legislations, civil society representatives managed to include language in the legislation that reflect their priorities (more revenues for local communities in the mining code, and publication of the production sharing agreement in the amendments of the petroleum code). Despite these legislative victories, implementation has been slow in some cases (CDLM) or delayed indefinitely, in the case of contract transparency. Participation to EITI MSG meetings also gives civil society access to high-level government officials and allow for serious and sometimes intense debates on draft legislations. There are also cases, where civil society campaigns are unsuccessful. MSG meetings for 2014 and 2015 show an intense debate related to the scope of the EITI reporting. Civil society representatives argued strongly in favour of the expansion of the scope to include artisanal mining and even the cocoa sector. Government officials reluctantly agreed to a feasibility study to include the artisanal mining sector, but resisted vigorously the push to include the cocoa industry arguing that the agriculture industry is not extractive industry. Similarly, civil society argued for more disclosure from PETROCI's operations abroad in 2015, but this proposal that was backed by civil society and some government agencies also failed to gain enough support in the MSG.

Stakeholder views

Freedom of expression:

Civil society representatives stated that they can engage in public debate about the EITI process without restraint, coercion or reprisal. They can express opinions about the EITI process and raise any governance issue freely in public, including during MSG meetings, public EITI events and in the media.

Civil society representatives reaffirmed that they have the willpower to express themselves and encounter no restrictions to access the media. They indicated that the overall situation has improved over the past five years, with the mining sector no longer being a taboo, a strong interest from the public and the regular publication of reports on the sector by the Council of Ministers. They noted that, although they find government representatives' comments during MSG meetings sometimes insulting, they participate in workshops organised by companies and Government without censure.

They indicated that part of civil society's role is to lead on dissemination and communication activities on the EITI. However, these activities are not adequately funded. They often resort to their own means to promote the EITI and raise awareness about the transparency of the extractive sector during other events.

Several civil society representatives stated that they do not hold public protests because they do not see it as the best means of lobbying, particularly since Cote d'Ivoire is currently in a reconciliation phase to

maintain a fragile peace. They noted that most protests can be manipulated at a political level and sometimes misunderstood. They therefore chose not to engage in public rallies. They consider that they have more effective campaigning methods that does not involve public protest. They explained that because of the fragile reconciliation process after the 2010-2011 political crisis, any activity which threatens social cohesion is indeed subject to sanctions. In order to organise a protest, one has to submit a request to the Ministry of Interior or Prefet, which can be refused based on the availability of law enforcement agents. In the past, civil society organisations held public fora 'agoras', which were public meeting places where people would meet and debate freely on any given topics. These 'agoras' were suspended during the 2010-2011 political crisis and have not resumed since. However, civil society actors noted that the suspension of the "agoras" did not affect their ability express their views and hold public debate.

Civil society representatives highlighted that they also regularly go to villages in the regions, where they feel that the Government's influence is less significant.

Operation:

Civil society noted that there were no obstacles to the creation of an NGO. They noted that, on very sensitive issues, civil society organizations can however be asked to restrict their objectives, based on Law no. 60-135 of 21 September 1960 on associations (Law no. 60-135 of 21 September 1960 on associations, 1960).

Organisations need to be classified as an organisation of public utility to receive funding from the state. Civil society representatives stated that several NGOs, which have that status, were created solely to serve the Government's interests. With no restrictions on seeking funding from outside the country, civil society representatives indicated that they receive most of their funding from partners and international partners.

Civil society representatives noted that government representatives are put under pressure if they give information that is considered sensitive and risk losing their positions. They gave the example of the Hiré community, where all Prefets (local authorities) were told not to meet with civil society, ensuring that civil society was unable to meet with local government representatives. Under the condition of anonymity, however, it is possible for civil society organisations to receive information from government representatives and to access areas where they seek to conduct investigations.

Association:

Civil society representatives did not express any difficulty or highlight obstacles to liaising with members of the wider civil society group. They noted that they can easily discuss with organisations from local communities. For example, the latter come to meet them and report on the situation they are observing in their community. However, PWYP Cote d'Ivoire own study found that the majority of respondents expressed concerns that civil society is not adequately represented on the MSG, due to their limited number and the fragmentation of the constituency between "institutional NGOs" i.e. the unions and the press and "grassroots NGOs" in the PWYP coalition (PWYP Cote d'Ivoire, 2017).

Engagement

Civil society representatives noted first and foremost EITI implementation in Cote d'Ivoire was led by civil society. They explained how after a long campaign, they managed to convince the authorities to sign up

to the EITI process. They explained that they nominated a civil society representative with strong technical capacities Julien Tingain and mobilised support from the MSG to get him confirmed as the Technical Director of the national EITI Secretariat. They explained that since his appointment, civil society continues to lead day to day implementation as they work with him in “good intelligence”. They also showcased their latest study evaluating the EITI implementation including civil society participation as a demonstration of their commitment and engagement. They noted that their study highlights that there are very few civil society organisations working on good governance, even fewer on governance of extractive industries. They are therefore constantly conducting outreach and dissemination campaign to breakout of the “elitist” character that they found themselves by default. They also explained that access to funding remains limited, which in turns limits their activities and level of engagement.

Access to public decision-making:

Civil society noted that the EITI was a useful tool for improving governance in the mining sector, but not the only one. Amongst other tools, they cited the OECD guidelines, the Kimberly Process. A PWYP Cote d'Ivoire survey found that for 75% of the respondents, the dialogue instituted by EITI is still timid and its impact strictly limited to some “knowing” (PWYP Cote d'Ivoire, 2017). The majority of those surveyed also considered that the dialogue established by the EITI has created an enabling environment for the participation of civil society (PWYP Cote d'Ivoire, pp.17-18).

Initial assessment

The International Secretariat's initial assessment is that the RCI has made satisfactory progress in meeting this requirement. With regards to expression, civil society representatives are able to engage in public debate related to the EITI process and express opinions about the EITI process without restraint, coercion or reprisal. There are several examples of civil society representatives speaking in public about the EITI process, including statements critical of both government and the national oil company PETROCI. With regards to operation, civil society representatives can operate freely in relation to the EITI process. Associations may be formed freely without prior authorization by the government. With regards to association, there is no evidence of legal barriers for civil society representatives to communicate and cooperate with each other regarding the EITI process.

With regards to engagement and public debate, civil society representatives are fully, actively and effectively engaged in the design, implementation, monitoring and evaluation of the EITI process. This was demonstrated through the appointment of a civil society representative as technical director of the EITI national secretariat. They conduct studies, lead outreach to local communities and support dissemination of EITI Reports. While the fragmented nature of the civil society constituency may have diminished their effectiveness, there is also ample evidence that civil society can influence government policy through MSG meetings or independent advocacy campaigns.

To strengthen implementation, the MSG may wish to improve the representation of the civil society constituency on the MSG. Given the critical role that civil society play in EITI implementation in Cote d'Ivoire, the MSG may also wish to build capacities of civil society groups and broaden the reach of the EITI.

MSG governance and functioning (#1.4)

Documentation of progress

MSG composition and membership: The EITI Cote d'Ivoire MSG was created by Decree no. 2008-25 of 21 February 2008²⁶ on the creation, organisation and functioning of the National Council (*Conseil National*) for the implementation of the principles of the EITI. The MSG also adopted a TOR²⁷ (Règlement Intérieur) in June 2010, but this TOR is not adhered to in practice. Articles 5 and 6 of the Decree, as well as Article 3 of the Internal Rules adopted on 4 June 2010, state that the members are designated by their respective constituencies and nominated by a joint decision from the Ministry of Mines and Energy and the Ministry of Economy and Finance.

The Decree sets the number of MSG members at 26, including fourteen representatives from the public and para-public sector, five representatives from the private extractive sector, and seven representatives from civil society. While the representatives themselves are nominated by their respective constituencies, the Decree does indicate which entity, company or organisation are represented on the MSG. The texts do not mention the duration of the mandate of MSG members, nor do they include provisions for the replacement of members.

The President and the Vice-President of the MSG were nominated by Decree no. 705/MEF/MME of 16 July 2008. Members of the MSG were first nominated by the inter-ministerial Decree no. 104 of 3 March 2008. Nominations were subsequently modified by the inter-ministerial Decree no. 728/MEF/MME of 12 October 2010 and the inter-ministerial Decree no. 037/MEF/MMPE of 17 February 2012.

Based on MSG meetings attendance lists of the 16 meetings under review (from 17 April 2013 to 3 March 2017), the current official composition of the MSG is the following: thirteen representatives from the public and para-public sector, five industry representatives and five civil society representatives.

Civil society representation:

Art. 5 of the 2008 Decree sets the number of civil society members at seven, including: three representatives of various labour movements, two representatives of the press, and two representatives of the PWYP-Cote d'Ivoire coalition. Currently, the civil society constituency comprises of five members. The representative of the syndicate DIGNITÉ does not sit on the MSG and one representative from PWYP is now a consultant for a GIZ project and does not participate regularly in MSG meetings. Compared to the 2010 nominations, the 2012 Decree replaced the representatives of the FESACI syndicate, the UNJCI and the organisation Social Justice.

Industry representation:

Art.5 of the 2008 Decree sets the number of industry representatives at five, including three representatives of the hydrocarbons sector and two of the mining sector. Currently, the industry constituency comprises of five members. Compared to the 2010 nominations, the representatives of

²⁶ The decree is available on the EITI-Cote d'Ivoire website <http://www.cnitie.ci/doc/40-dcrets---arrts.html>

²⁷ The Reglement Interieur clarifies internal procedures in accordance with the decree, creating the MSG <http://www.cnitie.ci/doc/41-rglement-interieur.html>

FOXTROT International Cote d'Ivoire and PETROCI have been replaced.

Government representation:

Art. 5 of the 2008 Decree sets the number of government representatives at fourteen members, including: a representative of the Prime Minister Cabinet, two from the Ministry of Economy and Finance, two from the Ministry of Mines and Energy, one from the Ministry of Plan and Development, one from the Ministry of Trade, one from the Ministry of Territorial Administration, one from the Ministry of Environment, one from the Ministry of Justice, one from the Ministry of Industry, one from the Audit Chamber, one from the National Assembly, one from the Association for Districts and Departments. Currently, the government constituency comprises of thirteen members. The representative of the National Assembly has not attended MSG meetings since the 2010-2011 political crisis. Compared to the 2010 nominations, the 2012 Decree replaced the representative of the Prime Minister Cabinet, both representatives of the Ministry of Mines, Oil and Energy, the representative of the Ministry of Plan and Development, of the Ministry of Interior, the Ministry of Justice, and the Ministry of Trade. The 2016 APR clarifies the nomination process in practice (p.20). The Chair of the MSG sends a letter to each of the organisations represented in the MSG to appoint a representative. Each organisation nominates its representative. The list of representatives is then sent to the Ministries in charge of Economy and Finance and to the Ministries in charge of Petroleum and Mines responsible for issuing a joint decree confirming the MSG membership. This process is not followed in practice.

Terms of reference:

The 2008 Decree and the 2010 Internal Rules both are part of the MSG TOR and are available on the EITI Cote d'Ivoire website²⁸. Art. 4 of the 2008 Decree sets the mandate of the MSG, which is to ensure the implementation of the principles and criteria of the EITI, through a participatory approach. The MSG has the mandate to ensure that the revenues from the extractive sector and the payments by companies to the State are published regularly. The MSG therefore has the mandate to: collect information about the production and revenues in the sector; create the standard declaration forms on production, revenues and payment; provide the Independent Administrator with the unilateral declarations from companies and state entities; follow-up on the gaps between the information communicated by the State and companies; make this information available to the public; supervise the recruitment of the Independent Administrator; approve and disseminate the EITI Report; verify, at least once a year, whether the information provided by the State and by companies can be reconciled; ensure the publication of exhaustive information and the EITI Report on government websites and the media; set the frequency of declarations and reports to be published; draft an annual work plan; identify obstacles and suggest measures to address them to the Government; mobilise international funding and technical assistance; and participate in international EITI events.

This list broadly corresponds to the general objectives of Requirement 1.4.b. However, contrary to its statutory documents, the MSG itself does not carry out data collection for EITI reporting, but rather supervises the work of the Independent Administrator, who collects the data in practice. The ToRs do not mention the annual activity report., but Art. 6 of the Internal Rules adopted on 4 June 2010 do. They state that the MSG is "invested of the most extensive powers" to carry out its mandate, and confers the MSG

²⁸ <http://www.cnitie.ci/doc/41-rglement-intrieur.htm>

the responsibility to draft a work plan, as well as recruit a consultant for the drafting of periodical EITI reports.

Internal governance and procedures:

The Decree contain little information on internal governance and procedures. There are no provisions related to a code of conduct for MSG participants, or in case of allegations of conflict of interest or issues with regards to internal governance. Art. 7 of the Internal Rules state that the MSG meetings are convened by the President at least four times per year. Extraordinary sessions are convened by the President or by 2/3 of the MSG members. Art. 8 requires that invitations to meetings be sent out at least three days in advance, along with the proposed agenda and the necessary documentation. An attendance list must be completed at each meeting, as well as minutes, which are signed by the President and two members of the Technical Secretariat (art.9 of the Internal Rules). While minutes and attendance lists are published on the EITI Cote d'Ivoire website, the meetings themselves are not public (art. 10). The President can invite any person whose presence is deemed important. Based on meetings minutes, there has been five meetings in 2014, and four meetings per year in 2015 and 2016.

Decision-making:

Art. 8 of the Internal Rules describes the decision-making process. The meeting takes place if at least half the members are present and all constituencies are represented by at least one person. Decisions are taken by consensus and in case of voting, simple majority of attendees. The President's voice is preponderant in case of equality. If a participant cannot make it to the meeting, he can give a fellow MSG member a proxy vote, but only once. In practice, decisions are taken by consensus. While meeting minutes from 2015, 2016 and 2017 consistently note that the quorum is reached, the meetings minutes did not show cases of decisions taken by vote.

Record-keeping:

According to Art.11 of the Internal Rules, the Technical Secretariat is in charge of the record-keeping of the MSG. As stated above, the minutes and attendance lists are available on the EITI Cote d'Ivoire website²⁹. The documents are available in French, and there is no evidence that they are translated in local languages. There are no details on how the MSG deals with confidential information or documentation discussed during the meetings.

Capacity of the MSG:

As stated above, the National Council "invested of the most extensive powers" to carry out its mandate, as cited in the Internal Rules but not the 2008 Decree. While the latter identifies the exact government entities, companies and organisations that are to be represented on the MSG, it does not refer to the capacities of their representatives. Companies and government are represented at very senior level, and civil society actors include a diverse group of background and expertise. MSG minutes highlight capacity-building workshops organised for MSG members, two in 2013 and two in 2014 respectively. There is no mention of more recent capacity-building activities targeting MSG members, even though they are mentioned as a key objective of the 2015-2017 and 2017-2019 work plans.

Per diems:

²⁹ <http://www.cnitie.ci/doc/38-runions.html>

Art. 4 of the Internal Rules states that the functions of President, members of the National Council and the Technical Secretariat are free of charge, however session allowances may be granted, including to persons invited to the MSG. The amounts of session allowances must be set by joint order of the Minister for the Economy of Finance and the Ministry of Mines and Energy. In practice, staff from the secretariat receive a salary and Chair of the MSG and its members receive per diems for attending meetings. The decree setting the amount of per diem, if it exists, has not been published. The per diem policy is therefore not public. Art. 5 of the Internal Rules states that the MSG pays for transport and expenses incurred during mission abroad. The modality of payment and daily rates are not disclosed.

National secretariat:

Based on Art.12-13 of the Internal Rules, the National Secretariat comprises of six members: two representatives of the administration, companies and civil society respectively. It is tasked with preparing files for the MSG, carrying out secretariat tasks, follow-up on the implementation of resolutions from the MSG, and preparing work plans and annual activity reports. This list does not clarify whether the secretariat should be involved in dissemination and outreach activities. The secretariat as described by the 2008 founding Decree and the Internal Rules was never established in practice. The Chair of the MSG hires staff and consultants on an ad-hoc basis using funding allocated to EITI implementation by the government. The MSG has no oversight over the hiring of staff at the national secretariat. The chair of the MSG is also the head of the secretariat, in addition to a full-time job as high-level government official at the Ministry of Hydrocarbon. The budget of the national secretariat is also managed by the chair of the MSG and all staff at the secretariat report to the Chair. The budget allocated by the government to EITI implementation is not public and unknown to MSG members. The number of staff working for the Chair remains unclear, numbers varies from four to seven, because there is formal process for hiring staff and no oversight from the MSG.

The 2013 Validation also identified this issue and recommended that the MSG nominate and formalise the existence of a national secretariat and a national coordinator, separate from the function of the Chair of the MSG. Following this recommendation, the civil society representative nominated and the MSG endorsed Julien Tingain, as a full time Technical Director of the national secretariat. However, M. N'Dri Koffi, the Chair of the MSG, remains the *de facto* Head of the national secretariat and National Coordinator. The Technical Director has a consultancy contract, coordinate activities related to EITI reporting and report to the Chair. Ad-hoc hiring of staff at the national secretariat continued after the hiring of the Technical Director with a limited mandate and all staff at the national secretariat still report to the Chair. Management of the budget of the national secretariat still remain at the discretion of the Chair.

Stakeholder views

MSG members identified multiple violations of its statutory documents and expressed frustration that these issues were not new and they should have been addressed prior to Validation. They highlighted the findings of the pre-validation exercise, including lack of clear procedures for nomination and replacement of MSG members in line with the EITI Standard, lack of oversight of the national Secretariat by the MSG, opaque management of the budget allocated by the government for EITI implementation, lack of clear and transparent per diem policy, and outdated statutory documents based on a rigid system that make reforms more difficult.

Nomination:

Government representatives noted that the relevant Ministers designate members, who are then nominated by government decision. The MSG pre-Validation exercise has clearly identified two main issues. First, the nomination and renewal of MSG membership is not respected in practice. The self-assessment noted that adequate representation of all stakeholders is not respected. For instance, five out of 13 government representatives no longer hold the government positions on the basis of which they were nominated to the MSG. This includes representatives from the Cabinet of the Prime Minister, the Ministry of Finance, the Ministry of Mines, and the Ministry of Environment. Moreover, the 2016 APR notes that in 2014, the Ministries in charge of Hydrocarbons and Mines and the Ministries of Economy and Finance which issued joint ministerial decrees appointing MSG members were broken down into four ministries. This situation makes the nomination process in accordance with the statutory documents nearly impossible, given that four Ministers would now need to sign a joint decree confirming members regularly nominated by their respective organisations. Some stakeholders argued for a revision of the statutory texts and a profound reorganization of the structures implementing the EITI to reflect the evolution of the EITI Standard. Other stakeholders argued for delaying these reforms until after the EITI Côte d'Ivoire completes the ongoing Validation which requires the institutional memories of current MSG members.

Civil society representation:

Civil society representatives not on the MSG stated that they were dissatisfied with their representation on the MSG. There were currently 14 government representatives, five company representatives and seven civil society members, but only five out of the seven sit on the MSG, because of cumbersome bureaucratic procedures to replace MSG members. They noted that among the five civil society representatives, only two work directly on revenue management and governance of the oil, gas and mining sector and they expressed doubts on whether other members of civil society were representative of their organisations. They also expressed concerns about their independence, because they did not participate in the debate.

Civil society representatives on the MSG acknowledged that there have been efforts to improve the representation of women, local communities affected by mining activities and the ASM sector, although the absence of an organisation of artisanal miners is a challenge. They also noted that the topics discussed by the MSG were quite technical. They therefore requested that organisations with more technical capacity be represented on the MSG.

Government representation: Civil society pointed out that the decree nominated a representative of the Ministry of Economy and Finance as Chair of the MSG, which no longer exist. The Chair noted that he still represents the Ministry of Finance, even if he is now with the Ministry of Petroleum. The Vice-President is now the DG of PETROCI and has never attended an MSG meeting. He is supposed to be a representative of the Ministry of Finance. However, the EITI moved from the Ministry of Economy and Finance to the Ministry of Petroleum and Energy, because the Head of the MSG changed positions. Civil society representatives highlighted other conflicts of interests, such as the Head of the MSG's participation in national operations, such as Shell's. They also mentioned that MSG members do not all come to meetings, with the Vice-Chair of the EITI never attending meetings. Furthermore, there have been no replacements of MSG members. They noted that the Ministry of Mines and Energy was split into four. 80% of the members of the MSG have changed positions for which they were appointed to the MSG, yet they continue to sit on the MSG. For example, DG Mines, ministry of Environment and the PM office are

not adequately represented as a result of this practice.

Industry representation: Companies represented on the MSG are PETROCI, SODEMI, SMI (mining), CNR and FoxTrot International. Company representatives not on the MSG noted that only one mining company, SMI, had a production license in 2008 at the time of the creation of the MSG. Mining companies noted that mining industry and hydrocarbon industry have evolved in opposing direction since the inception of the EITI. They argued that at a minimum there should be a parity of representation between the two sectors. They argued that the mining association (GPMC) is better placed to represent mining companies, but they currently do not have a seat on the MSG. They remarked that GPMC does not even have an observer role on the MSG. GPMC confirmed that it works with the EITI Secretariat while awaiting the renewal of the MSG. Company representatives also noted that further government involvement is necessary for questions beyond the scope of one ministry.

Alternates and observers:

Only the companies' constituency send alternates, in cases where the MSG member is not available. Civil society representatives noted that other civil society organisations send their comments to the MSG. They are not allowed to MSG meetings as observers. They indicated that observers from the government are allowed to attend meetings, to address discrepancies in reporting.

Partners have requested to participate in MSG meetings, but they have not received a clear response. The Chair of the MSG noted that meetings were not public. Other MSG members argued that partners and key stakeholders should be allowed to observe MSG meetings.

Decision making:

Civil society representatives noted that decisions are usually made by consensus, rather than by voting. MSG members could not recall one instance of voting. They noted that agenda, MSG meetings announcements and minutes are kept regularly in accordance with the internal rules, but they highlighted that the decision making by the Chair is not always inclusive and they often find that their views are not always sufficiently taken into consideration. Civil society noted that they had made proposals to the agenda, which were not systematically taken seriously in meetings.

Per diems and finances:

Several stakeholders on the MSG and outside the MSG noted that the functioning of the MSG lacks transparency, with no adequate and update to date internal rules. For example, there is no information on the amount of per diems paid to MSG members per session. Secondly, the management of the national secretariat remains at the discretion of the Chair of the MSG without oversight from the MSG. Government officials on the MSG stated that inter-ministerial decision no. 756 MEF/MME of 10 August 2009 set per diem amount to XOF 550,000 (about USD 1,000) per quarter for ordinary MSG members, while per diems for members of the technical secretariat amount to XOF 700,000 per quarter. Stakeholders confirmed that the decree is indeed not public and the MSG did not share a copy of the decree setting the per diem policy. However, in practice, ordinary MSG members receive XOF 550,000 (about USD 1,000) per meeting while the Chair of the MSG receives XOF 800,000 (about USD 1,500) per meeting. The MSG holds typically four meetings per year. Staff at the permanent Secretariat are paid a monthly salary at the discretion of the Chair of the MSG who is also the Head of the permanent Secretariat. There is no verifiable written document showing the per diem policy in practice.

Civil society representatives, however, indicated that the amount of per diems paid to members remains unknown since they do not receive financial reports. They noted that there is also a practice of distributing government vouchers for gas for transport. However, it remains unclear who is eligible for receiving these vouchers and on which basis. They further noted that some members of civil society are co-opted and nominated for travels because their views are less controversial. They argued that people tend to stay beyond their term limits since the financial controller only pays those who are nominated by decree. Finally, some government focal points, who contribute directly to the EITI process but are not represented on the MSG, requested compensation for their work.

MSG members said that no one has a clear idea of the budget of the EITI. This affected the revision of the work plan or the hiring of staff. Company representatives noted that the per diem policy should be public. Civil society representatives on the MSG noted that they had discovered a budget line of XOF 663 m allocated to EITI implementation in 2017 while conducting their own budget (Loi de Finance 2017³⁰). They noted that MSG members have no oversight over the management of these funds.

Secretariat:

Civil society representatives noted that the technical secretariat was established to compensate for the non-functioning of a permanent national secretariat. It started out as a working group within the MSG. There is no official documentation establishing this technical secretariat or outlining the role of members of the national secretariat. They confirmed that the MSG did not have an oversight of the secretariat. They did not know how many staff were employed in the national secretariat and what basis.

Overall, stakeholders recommended to renew the members of the MSG, through an open and transparent call for nominations and the clarification of the procedures for the replacement of members, or to renew the decrees establishing the MSG. A committee monitoring the execution of the budget should also be created.

Initial assessment

The International Secretariat's initial assessment is that the RCI had made inadequate progress towards meeting this requirement. The MSG does not seem to be comprised of the appropriate stakeholders and the process by which each stakeholder group nominates their representatives remains unclear. Most government representatives are no longer serving in the government positions for which they were nominated on the MSG, yet continue to serve on the MSG and receive per diems. There was no evidence that civil society and company have appointed their own representatives. The MSG's ToR do not include clear procedures on how MSG members are nominated and replaced.

The MSG's ToR outlines the roles and responsibilities of MSG members and meeting records show that MSG members are generally carrying out their duties and responsibilities. However, outreach activities and coordination within constituency groups remained limited. The ToR gives the MSG a mandate to approve work plans, to appoint the Independent Administrator including approval of the IA's ToR, EITI Reports and annual activity reports. The MSG's Internal Rules are publicly available but do not appear to be followed in practice. There were some concerns by stakeholders that their views were not taken into

³⁰ http://budget.gouv.ci/sites/default/files/Donnees-budgetaires/1-loi_de_finances_2017_du_05_12_2016.pdf

account during decision-making.

Moreover, the MSG's per diem policy remains ad-hoc and opaque, which led to resentment between EITI focal points, who do substantial work in EITI reporting but do not receive per diems. This was emphasized by the payment of per diems to MSG members who are no longer with their respective government organizations. There is no verifiable written document showing the per diem policy in practice.

In accordance with Requirement 1.4, the MSG should update its TOR, renew its membership in line with statutory procedures. The industry and civil society constituencies should agree on public nominations procedures ahead of MSG member selection. EITI Cote d'Ivoire should review and formalise its per diem policy. The government should ensure that the MSG has appropriate oversight of the management of funds allocated to EITI implementation.

Workplan (#1.5)

Documentation of progress

The EITI Cote d'Ivoire National Council has adopted multi-year work plans for two to three-year period. The first work plan for 2008-2012 was adopted in October 2007 and updated in March 2010 (EITI-Cote d'Ivoire, 2010). The second work plan for 2013-2014 was adopted in December 2012 and updated December 2013 (EITI Cote d'Ivoire, 2012). For the period 2015 to 2016, the MSG has adopted a work plan that was later updated to include 2017 (EITI Cote d'Ivoire, 2014). The MSG adopted its 2017-2019 work plan in November 2016. The 2017-2019 work plan is also available on the EITI-CDI website³¹.

The 2017-2019 work plan has a general objective, 10 specific objectives, and 28 related activities. The general objective is to maintain the RCI status as a compliant country. As the introduction states, the MSG is adopting a "post-validation perspective" (p.1) to ensure that the EITI process is institutionalised. Compared to the 2015-2016 work plan, the 2017-2019 work plan highlights the importance of extending the scope of EITI Reporting and build capacities of relevant stakeholders and MSG members.

The work plan provides EITI implementation objectives that are aligned with EITI Principles and national priorities such as artisanal mining, and contract transparency. It includes activities aimed at extending the scope of EITI reporting, as well as measurable activities. However, the work plan does not include:

- Sufficient evidence of consultations with stakeholders
- Overview of the cost for each activity
- Evidence that the MSG has updated the workplan on an annual basis
- Activities linked to following up on EITI recommendations
- Time-bound activities

Most activities are planned over three years, except for reconciliation Reports. The estimated cost is provided for some activities not for others. Therefore, the work plan does not indicate the cost per specific objective or overall cost.

³¹ <http://www.cnitie.ci/doc/37-plan-dactions.html>

The 10 specific objectives included in the 2017-2019 work plan are similar to previous objectives including:

- Ensure a better framework for stakeholders for a dynamic and effective EITI implementation – 5 activities;
- Strengthen communication on MSG activities – 3 activities;
- Entrench the EITI process in Cote d'Ivoire – 3 activities;
- Strengthen the participation and implication of mining and petroleum companies in the EITI process – 2 activities;
- Strengthen the participation of state companies and enable access to information in framework of the EITI process – 2 activities;
- Build capacities – 7 activities;
- Regularly publish EITI Reports – 4 activities;
- Contribute to the implementation of the open data policy and contract allocation transparency – 2 activities;
- Define the conditions and steps to extend the ITIE process to ASM and other sectors – 2 activities;
- Study on beneficial ownership and the implementation of the recommendations from the study – 2 activities

MSG minutes mention discussions about the 2015-2016 work plan, but not on the 2017-2019 work plan. Two workshops were held in Grand Bassam on 29-30 April and 10-11 November 2016 with the MSG and stakeholders, but the reports (in the APR) do not mention whether the work plan was discussed. A third workshop was held in Grand Bassam from 23 to 24 March 2017, to discuss preparation of Validation and the 2017-2019 work plan.

Key activities in the 2017-2019 work plan includes:

- Open data policy and contract transparency: objective 8
 - Activity 8.1. Implement the open data policy, which includes conducting a study on establishing a legal and institutional framework for open data, capacity building, collecting and disseminating data (June-December 2017) and communication and outreach (October 2017-December 2018).
 - Activity 8.2: Strengthen transparency on the allocation of contracts, which includes validation of TOR for a study, workshops to present the results of the study between August 2017 and January 2018 and the dissemination of results in 2018.
- Extension of the scope of EITI reporting to ASM and other sectors: objective 9
 - Includes drafting an action plan to extend the scope to ASM and conducting a study to identify other sectors to integrate.
- Study on BO and implementation: objective 10
 - Includes publishing the BO roadmap, strengthening capacities and outreach/dissemination activities.

For each activity, the work plan indicates expected results, indicators, the source for verification and the responsible entity. For most activities, it does not indicate a year, not a timeline for completing the activities.

Capacity building activities are listed under Objective 6, which includes activities aimed towards stakeholders in the mining and oil sector, MSG members, and broader civil society groups including academia, parliamentarians and others.

The work plan does not indicate the source of funding. However, it mentions workshops to request support from donors and states that the MSG will draft a text for a transparency tax ("prélèvement") on the extractive sector to fund EITI implementation. This was already stated in the 2015-2016 work plan.

MSG governance: to strengthen MSG governance, the work plan cites activities aimed at strengthening the accountability of the MSG or to the revision of the MSG internal rules ("règlement intérieur") and a plan for the MSG to adopt a manual of procedures.

Communication: the work plan showcases the diversity of formats used to increase communication about the EITI, including cartoons (BD), films, a roadshow and activities geared specifically towards local communities and public conferences (Objective 2 in the workplan).

Stakeholder views

Civil society representatives mentioned a workshop took place in Bassam to discuss the draft work plan with civil society organisations not on the MSG. The latter wanted ASM to be treated as a priority. The final version of the work plan does not, however, include follow-up activities on ASM, and ultimately does not reflect wider discussions at the workshop. Civil society representatives also argued that most activities are adequately reflected in the work plan (they cited the example of outreach to local communities, CDLMs etc) and most activities on the work plan are not implemented. The PWYP-Cote d'Ivoire survey analysed the implementation of the 2015 work plan and found that most activities had not been implemented except for activities related to EITI reporting and dissemination campaign. The study³² found that the cost of EITI implementation is unknown to MSG members, because the annual budget allocated by the state to EITI implementation in 2015, 2016, 2017 were unknown to MSG members and the public. However, further investigation in the government budget shows that the Government of the RCI allocated XOF 663 800 754 (about USD 1.2 m) to EITI implementation for 2017³³.

Companies' representatives not on the MSG noted that they were not involved in the elaboration of the EITI work plan and they had never been consulted on this issue. They stated that they are not sufficiently comfortable with the Standard to be able to comment on the draft work plan.

Government officials did not comment on the content and implementation of the work plan.

Initial assessment

The International Secretariat's initial assessment is that the RCI has made inadequate progress towards meeting this requirement. Work plans include objectives that reflect national priorities, such as the

³² Rapport Evaluation du Processus de l'ITIE en Côte d'Ivoire par les membres de la Société Civile, PWYP-Cote d'Ivoire, June 2017, p.14

³³ The detailed budget is published on the government website and accessible at http://budget.gouv.ci/sites/default/files/Donnees-budgetaires/1-loi_de_finances_2017_du_05_12_2016.pdf

extension of the scope of EITI reporting to artisanal mining. Work plan activities are measurable, but not always time-bound, and not fully costed. Crucially, most activities on the work plan have not been implemented.

In accordance with Requirement 1.5, the MSG should update the work plan and include fully-costed and time-bound activities. More importantly, the MSG should ensure that planned activities are implemented.

Table 1 – Summary initial assessment table: MSG oversight

EITI provisions	Summary of main findings	International Secretariat's initial assessment of progress with the EITI provisions (to be completed for 'required' provisions)
Government oversight of the EITI process (#1.1)	The government has reiterated its commitment to the EITI on multiple occasions and two senior government officials have been appointed to lead EITI implementation, albeit only the chair leads day-to-day implementation. Government officials participate actively in EITI reporting and MSG deliberations, but evidence of use of EITI data by the government to promote public debate or monitor government revenues remains limited.	Satisfactory progress
Company engagement (#1.2)	Senior industry representatives, participate actively in MSG meetings, although the representation of the mining industry sub-constituency can be improved. In addition to MSG meetings, companies participate in EITI reporting, in dissemination and outreach activities and in resolving conflicts. Oil companies' representatives have provided their expertise to help explain the functioning of the production sharing agreements, while the contracts remain confidential. Mining companies also proactively disclose material payments as the sector continue to expend rapidly.	Satisfactory progress
Civil society engagement (#1.3)	Civil society representatives are fully, actively and effectively engaged in the design, implementation, monitoring and evaluation of the EITI process. They help lead day-to-day implementation through the appointment of a civil society representative as technical director of the EITI national secretariat. They also conduct studies, take the lead on	Satisfactory progress

	<p>outreach to local communities and dissemination campaign of EITI Reports. Having successfully campaigned for EITI implementation, civil society representatives work diligently to protect and use the space created by the EITI process to influence government policy. While the fragmented nature of the civil society constituency may have diminished their effectiveness, there are also ample evidence that civil society can influence government policy in the drafting of the new mining code.</p>	
MSG governance and functioning (#1.4)	<p>The MSG does not include appropriate representation of each constituency, and the process by which each stakeholder group nominated their representatives remains unclear. Most government representatives are no longer serving in the position for which they were nominated on the MSG, yet they continue to seat on the MSG and to receive perdiems. The MSG's Internal Rules are publicly available but do not appear to be followed in practice. Moreover, the MSG's per diem policy remains ad-hoc and opaque, which led to resentment between EITI focal points, who do all the work of EITI reporting but are not paid perdiems and MSG members who receive per diem even after the leave the organisations that they represented on the MSG.</p>	Inadequate progress
Work plan (#1.5)	<p>EITI Cote d'Ivoire work plans include objectives that reflect national priorities, such as the extension of the scope of EITI reporting to artisanal mining. Work plan activities are measurable, but not always time-bound, and not fully costed. The work plans also include activities aimed at addressing capacity constraints and activities aimed at implementing the new beneficial ownership roadmap and the government open policy.</p>	Inadequate progress
<p>Secretariat's recommendations:</p> <ul style="list-style-type: none"> The MSG may wish to encourage various government agencies at the central and local level and the National Assembly to use EITI data to promote public debate and monitor government revenues and expenditures in the national budget. 		

- To strengthen implementation, the MSG could consider including the Mining Association, (GPMC-CI), which can play a coordinating role with mining companies at the production and exploration phase, as well as buying houses involved in artisanal mining.
- To strengthen implementation, the MSG may wish to improve the representation of the civil society constituency on the MSG. Given the critical role that civil society play in Cote d'Ivoire, the MSG may also wish to build capacities of civil society groups and broaden the reach of the EITI in Cote d'Ivoire.
- In accordance with Requirement 1.4, the MSG should update its TOR, renew its membership in line with statutory procedures and the industry and civil society constituencies are encouraged to agree public nominations procedures ahead of MSG member selection. EITI Cote d'Ivoire should formalise its per diem policy and ensure that it does not affect the governance of EITI implementation by being in line with national practice. The government should ensure that the MSG has adequate financial oversight of the management of funds allocated to EITI implementation.
- To strengthen implementation, the MSG is should consider updating the work plan annually and include fully costed and time bound activities. The MSG is also encouraged to publish its budget and its financial accounts.

Part II – EITI Disclosures

2. Award of contracts and licenses

2.1 Overview

This section provides details on the implementation of the EITI requirements related to the legal framework for the extractive sector, licensing activities, contracts, beneficial ownership and state participation.

2.2 Assessment

Legal framework (#2.1)

Documentation of progress

Legal framework:

Sections 4.1.1 of the 2015 EITI Report provides a list of laws, codes and regulations applicable to the hydrocarbon sector (2015 EITI Report, pp.24-25). Relevant laws and regulations to the hydrocarbon sector include: Law N° 96-669 of 29 August 1996, as amended by Order N° 2012-369 of 18 April, 2012³⁴, which establishes the Petroleum Code; Decree N° 96-733 of 19 September 1996 on the detailed rules for the application of the Petroleum Code, the Decree of Application; and Act N° 92-469 of 30 July 1992 on the prevention of fraud of petroleum products and violations of technical safety requirements. General regulations such as the Investment Code³⁵ and its associated regulatory texts, the Environment Code and its associated regulations, the General Tax Code, and the Customs Code are also highlighted as laws and regulations applicable to the hydrocarbon industry.

Similarly, Sections 4.2.3 of the 2015 EITI Report provides a list of laws and regulations applicable to the mining sector, including artisanal mining (ASM) of diamond (2015 EITI Report, pp.24-25). The Report explained that for mining titles issued prior to 24 March 2014, the 1995 mining codes (Law N° 95-553 of 18 July 1995) and related regulations still apply. For mining titles issued after the new Mining Code came into effect (Law No. 2014-138 of 24 March 2014), the new code and its application decree issued on 25 June 2014 will apply. Similar to the hydrocarbon sector, the General Tax Code, Customs Code also apply to the mining sector. The new Mining Code was not accessible on the EITI Cote d'Ivoire website.³⁶

Government agencies' roles:

Sections 4.1.2 et 4.2.4 of the 2015 EITI Report describe the roles and responsibilities of the relevant government agencies with the mandate to regulate and monitor the extractive sector, including: the Ministerial Council, the Ministry of hydrocarbon and energy, DGH and PETROCI for the hydrocarbon

³⁴ The full text of the Petroleum Code is available on the EITI Cote d'Ivoire website <http://www.cnitie.ci/doc/43-code-ptrolier.html>

³⁵ Law N° 95-620 of 3 August 1995 and Act N° 96-766 of 3 October 1996

³⁶ The full text of the 1995 Mining Code is available on the EITI Cote d'Ivoire website <http://www.cnitie.ci/doc/42-code-minier.html>

sector and the Ministry of Mining, the Inter-ministerial Committee, DGMG and SODEMI for the mining sector (EITI 2015 Report, pp.25, 41).

Fiscal regime:

Sections 4.1.3 provides an overview of the fiscal regime applicable to the hydrocarbon sector. It describes the various taxes and fees applicable to oil, gas and mining companies and gives an overview of the various tax rates and tax exemptions (2015 EITI Report, pp. 26-27). Similarly, section 4.2.5 of the Report describes the fiscal regime applicable to the mining sector (2015 EITI Report, pp. 40-41).

Degree of fiscal devolution:

The 2015 EITI Report notes that practically all taxes are collected by the central government and recorded in the national budget in accordance with the principle of the unity of accounts (2015 EITI Report, p. 53). The Report notes that even local taxes "*la taxe communale, la patente, l'impôt synthétique*" are recovered by the regional offices of the Treasury. They are not directly transferred to the Communes but rather included in an annual lump sum allocated by the Treasury for the functioning of Communes. The report notes that it is virtually impossible to trace those local taxes as they are also included in the national budget (2015 EITI Report, p. 53).

Reforms:

Section 4.2.6 describes ongoing reforms in the mining sector, including progress with the implementation of the new Mining Code. The latter includes provisions on transparency and accountability and requires companies operating in the country to adhere to the EITI principles and disclosure requirements (2015 EITI Report, pp. 42-43). The new Mining Code also seeks to improve the licensing system. It introduces additional criteria for license applications but also sets a maximum of 60 days for issuing or rejecting a license application. It extends the initial validity period of exploration licenses to four years, with the option of a three-year extension, renewable once. It also reduces the maximum square km per permit from 1000 km² to 400 km². It introduces a mandatory mining agreement with 10% free carry participation for the State and requires mining companies to contribute 0.5% of their annual turnover after tax to a local community development fund (Art. 124).

The Report notes that three local community development funds were established in 2015: at the Bondoukou Manganese mine (February 2015); at the SMI mine (June 2015) and at the Agbaou Gold Operations SA (July 2015). These local development funds are essentially mandatory social development projects, jointly managed by the beneficiaries and the contributing company. Other ongoing reforms related to the ASM sector were also described in the Report, including monitoring of diamond production and certification of diamond exports by the Kimberly Process, and a three-year government programme (2014-2016) to organize and oversee the activities of artisanal miners of gold. The Report also highlights the Presidential Decree 2015-185 of 24 March 2015 restructuring the Ministry of Hydrocarbon and Energy to separate petroleum and energy and creating an Inspector General within the Ministry to monitor operations between the two.³⁷

Recommendations:

Section 8 of the 2015 EITI Report outlines the IA's new findings and sets out recommendations to improve

³⁷ The Decree is accessible on the Ministry of Energy website: <http://energie.gouv.ci/images/pdf/DECRET-MPE.pdf>

EITI reporting and management of government revenues (p.97). The Report also documents progress in the implementation of recommendations from previous EITI Reports (pp.98-103).

Stakeholder views

Stakeholders noted that changes of line ministry were accurately described in the Report. Until 2013, Cote d'Ivoire had one line ministry for both mining and hydrocarbon, the Ministry of Mines, Petroleum and Energy. There was a debate in the MSG on whether the information in Decree no. 2015-185 of 24 March 2015, which restructured the line ministry for the oil and gas sector, was adequately described in the EITI Report (Decree no. 2015-185 of 24 March 2015 on the organisation of the Ministry of Oil and Energy, 2015). Government representatives clarified that it was Decree no. 2013-506 of 25 July 2013 which had separated hydrocarbon and mining (Decree no. 2013-506 of 25 July 2013 assigning functions to members of the Government, 2013). While the decision was taken in 2013 with the nomination of two separate Ministers in 2013, this was only formalised by the 2015 decree.

Civil society representatives noted that they were pleased by the new mining code adopted by Law no. 2014-138 on 24 March 2014 and its implementation decree. It relates to strengthening the contribution of the mining sector to local development. Article 11 lists strong transparency provisions.

Companies representatives were pleased by the removal of the additional profit tax (Decree no. 2014-387 of 25 June 2014 on the implementation of Law no. 2014-138 of 24 March 2014 on the Mining Code, 2014). A long-standing request by mining companies, the new Mining Code also specifically refers to international arbitration to settle disputes about the Mining Code.

While the State participation in each exploitation company remains set at ten per cent (10%) as a minimum, the Mining Code limits additional State participation in cash to 15% of the share capital of each mining company.

Partners noted that while the new Mining Code has introduced various reforms, implementation has been slow and old practices still prevail in the process of issuing licenses. They commended successful reform in the artisanal mining sector of diamond. They deemed it now well structured, with production and export well monitored. They stated that this is not the case for the artisanal mining of gold.

Initial assessment

The International Secretariat's initial assessment is that the Republic of Cote d'Ivoire has made satisfactory progress in meeting this requirement. The 2015 EITI Report includes a detailed description of the fiscal regime, including an overview of the relevant laws and regulations applicable to the oil, gas and mining sector. The Report confirms that there was no fiscal devolution applicable to the oil, gas and mining sector. The Report also includes information on the roles and responsibilities of the relevant government agencies and documents progress with ongoing reforms in the mining sector. The International Secretariat concludes that all aspects of this requirement have been implemented and the underlining objectives have been achieved.

License allocations (#2.2)

Documentation of progress

Awards/transfers:

The 2015 EITI Report provides a list of production sharing agreements signed in 2014 and 2015 (p.30). The list shows that the Government signed three PSAs in 2014 with ExxonMobil (licences CI-602 and CI-603 both expiring in December 2021) and with Cybele Energy (license CI-24 expiring in November 2016). The Report shows that the Government signed only one production sharing agreement in 2015. The contract was signed on 02 September 2015 between the Government and ANADARKO for the operation of the CI-527 block of 1,038 km² located in deep waters in the eastern part of the Sedimentary Basin south of Abidjan (2015 EITI Report, p.30). The Report provides a link to a government press release announcing the signature of the contract,³⁸ but it did not include a link or a reference to the decree approving the contract. The report notes that this license was issued without recourse to competitive bidding, which is at the discretion of the Minister of Petroleum and Energy. Annex 9 (p.159) provides a list of active licenses in the hydrocarbon sector in 2015.

For the mining sector, the 2015 EITI Report states that, according to DGMG data, 90 licenses were issued in 2015: one research permit, 45 operating permits and 44 prospecting authorizations (p.47). The details of these new titles are presented in Annex 8 of the 2015 EITI Report (pp.155-158).

Award/transfer process:

Section 4.1.6.2 describes the modalities for issuing licences in the hydrocarbon sector (2015 EITI Report, p. 29) and section 4.2.7.2 describes the modalities for issuing mining titles (2015 EITI Report p. 49).

For the hydrocarbon sector, diagram 6 describes the step-by-step process for issuing licenses (p.30). Decree N° 96-733 of 19 September 1996 sets out two options for issuing licenses: direct negotiations by mutual agreement, or through open tenders. The Report states that the Petroleum Code does not specify under which conditions tendering procedures are used to issue licenses, leaving this choice at the Government's discretion to decide on the most appropriate modalities for the granting of permits and oil contracts (2015 EITI Report, p.31). With regards to license transfers, the Report notes one transaction by TOTAL, which sold 30% of its assets on the CI-100 block to ENI as authorized by the Decree N° 005 / MPE / DGH / DEPH of 03 March 2015. The IA stated that the DGH did not disclose any criteria used for the authorization of the transfer.

For the mining sector, the 2015 EITI Report outlines the process for issuing mining titles in accordance with Decree N°96-634 of 9 August 1996, which has been updated by Decree N°. 2014-397 issued on 25 June 2014 for the application of the new Mining Code. The Report notes that Article 37 of the new Mining Code provides for the possibility of granting mining titles by means of a call for tenders' process and the possibility for competitive bidding (p.47). The Report notes, however, that all 90 licenses issued in 2015 were issued on the basis of "first come, first served". The Report also notes that, according to the DGMG,

³⁸ See: Ministry of Petrol and Energy, "Signature of a new PSA of CI-527" (3 September 2015). Available at http://www.energie.gouv.ci/index.php/informations-generales/actualites/417-signature-du-nouveau-contrat-de-partage-de-production-du-bloc-ci-527.html?lang=fr&el_mcal_month=7&el_mcal_year=2016

no mining title was transferred in 2015 (p.47).

Technical and financial criteria:

Regarding the CI-527 block granted to Anadarko in 2015, the EITI Report states that DGH did not disclose the technical and financial criteria used in the negotiations (p.31). Similarly, for the mining titles issued in 2015, the Report outlines general guidelines for technical and financial requirements introduced by the new mining code for each type of permits (p.46). The 2015 EITI Report states that although license allocation procedures seem to be generally in line with transparency practices, it would be appropriate to:

- specify the conditions under which the Government will use the tender procedure or the reasons for not using the procedure; and
- publish on the website of the Ministry of Petroleum and Energy the minimum technical and financial criteria for accepting permit applications (2015 EITI Report, p.47).

License awardee information:

Annex 8 and 9 provide detailed information on each licence, including the name of the license holder, location of the license, date of application, expiration date, etc.

Non-trivial deviations:

The report did not identify any deviation to the legal procedures for issuing licenses.

Comprehensiveness:

Information disclosed in Annex 8 of the 2015 EITI Report appears comprehensive for the 90 licences issued in the mining sector (pp.146-158). Annex 9 of the 2015 EITI Report includes some information on valid licenses, but the licence to ANDARKO for the CI-527 block signed in September 2015 was not included (p.159).

Bidding process:

The Report states that no bidding took place in 2015 (p.31, p.47). All licenses were issued following a first come, first served process and direct negotiations.

Commentary on efficiency:

The Report did not comment on the efficiency of the process of issuing licenses.

Stakeholder views

Petroleum:

Company representatives noted that, in this sector, there are contracts, not decrees. The contract is the main document and allows for exploration activities. Additionally, there are no allocation decrees, but rather production decrees ("*droit exclusif de production*").

Government representatives indicated that the allocation process usually takes place through direct negotiations because they do not have sufficient data for competitive bidding. Company representatives explained that Cote d'Ivoire uses a mix of direct negotiation and competitive bidding at the discretion of the Government. Oil blocks are initially presented to everyone in the industry by the Government, and companies then present bids based on the model contract. The Government will then negotiate with the company that has made the best offer to take a decision, which is confirmed by a signed PSC. A company

can also begin negotiations with the government at any time. They noted that the inter-ministerial committee which allocates permits meets monthly.

Company representatives noted that technical and financial criteria exist, for example, statements for the past three years and experience. Company representatives noted that the system was efficient and that, in general, the procedures were followed.

Mining: Company representatives indicated that there has never been competitive bidding. As such, the procedures are not developed. Non-MSG company representatives mentioned that license allocation was inefficient in non-written practices with regards to exploitation near protected zones or the creation of multiple companies to have the capital to exploit. It is an extremely long process to access permits, although the process might be further complicated by inaccurate submissions by companies. They noted that the technical and financial criteria were clear.

SODEMI representatives indicated that approximately 200 permits have been issued in the first trimester of 2017. They noted that many applicants submit incomplete information and then complain about the delay. SODEMI noted that it applies for its research permits, whereas it does not have production permits. They look for partners when they find a zone that has significant potential. They then get benefits in royalties or dividends.

SODEMI noted that Tata Steel Cote d'Ivoire is being liquidated because partners withdrew to seek for more profitable projects, due to the collapse of the price of iron ore. SODEMI has to find new partners. SODEMI is considering seeking new partners through competitive bidding since the new Mining Code allows for this.

Civil society representatives pointed out that the separation of the Ministry of Mines, Industry and Petroleum caused problems in the authority for license allocation in the ASM sector.

Partners noted that government officials have too much discretion in the process used for license allocation. The technical and financial criteria remain unclear, although Article 19 of the Mining Code lists it (Law no. 2014-138 of 24 March 2014 on the Mining Code, 2014). There are also extensive delays in issuing licenses. For example, authorisation for the purchase and sale of gold can take more than 2 years.

Initial assessment

The International Secretariat's initial assessment is that the RCI has made inadequate progress towards meeting this requirement. The process for awarding or transferring the licenses has not been comprehensively disclosed for the mining sector. Similarly, the report did not disclose technical and financial criteria used in the license transfer from Total to ENI in 2015. The 2015 Report includes information about the recipients of the licenses but not the members of the consortium. The Report did not identify any legal or practical barriers to these disclosures. There was no evidence of any bidding processes for licenses in 2015. The Report did not highlight significant deviations in the license allocation process and did not comment on the efficiency and effectiveness of the license allocation systems.

In accordance with Requirement 2.2, the MSG is required to ensure that the relevant authorities provide a description of the process for transferring or awarding the license, disclose the technical and financial

criteria for all license awards and transfers taking place during the accounting year covered by the EITI Report, including license allocations pertaining to companies that are not included in the EITI Report.

License registers (#2.3)

Documentation of progress

Licenses held by material companies:

In the mining sector, Annex 8 of the 2015 EITI Report provides a list of 163 exploration licenses, held by 68 companies and 13 production licenses, including all material mining companies (2015 EITI Report, pp.146-152). Annex 8 also provides detailed information on two licenses for semi-industrial gold production, five licenses of semi-industrial diamond production, four licenses for artisanal production of diamond, two licenses for semi-industrial production of coltan (p.154). The Report also provides information 34 authorisations for gravel production (pp.155-156) and 31 authorisations of sand quarrying (pp.157-158).

In oil and gas sector, Annex 9 of the 2015 EITI Report provides a list of 29 production and exploration licenses held by 15 companies (2015 EITI Report, p.159).

License-holder names:

Annex 8 (pp. 146-158) and Annex 9 (p.159) of the 2015 EITI Report include the name of license holders for each license.

License coordinates:

Annex 8 of the 2015 EITI Report includes the geographical coordinates of 13 mining production permits (p.153). The Report includes a map of the oil blocs (p.24), but it does not provide the geographical coordinates of production licenses for the hydrocarbon sector. However, the size and location of licenses were disclosed.

Dates:

Annex 8 (pp. 146-158) of the 2015 EITI Report include dates of application and expiration date for each license. It also provides a reference to the decree granting each license, including the date of signature of the decree. Information provided for the hydrocarbon sector is less exhaustive. Annex 9 only provides the date of signature of the contract and expiration dates for some licenses (p.159). Expiration dates for the following contracts were missing: PETROCI CI-11, CNR International CI-26 and CI-40, Foxtrot CI-27 and AFREN CI One Corp CI-525. The Report did not provide application dates for licenses in the hydrocarbon sector.

Commodity:

Annex 8 (pp. 146-158) and Annex 9 (p.159) of the 2015 EITI Report include information about the commodities being produced for each license.

Licenses held by non-material companies:

Annex 8 (pp. 146-158) of the 2015 EITI Report provides information about active licenses in the mining sector and almost all licenses in the oil and gas sector. Annex 9 omitted one license issued in 2015 to ANADARKO.

Public cadastre/register:

The 2015 EITI Report states that there are no public registers of mining and hydrocarbon cadastres, accessible online (2015 EITI Report p.46).

The Report notes that the information on the license holders, the dates when licenses were granted and the geographical coordinates are indicated in the decree approving each licence, which is published in the Official Journal. Decrees granting permits in the mining are clearly referenced in annex 8 of the 2015 EITI Report. Annex 9 did not provide similar information for the hydrocarbon sector. Decrees are also available on the website of the General Secretariat of the Government³⁹. A print version of the decree is available at the General Secretariat of the Government or at the national printing office, subject to payment of the price of the issue of the relevant Official Journal (2015 EITI Report, p.46). However, according to article 11 of the application decree (2014-397) of the new mining code, the information concerning the mining cadastre is freely accessible. The Decree states that the documents relating to the information contained in the mining cadastre shall be issued by the DGMG and shall be subject to the payment of costs the amount of which shall be determined by decree.

Stakeholder views

Petroleum: Government representatives noted that the petroleum register can be accessed by the public for a fee, although they did not specify the amount. Civil society representatives specified that they officially have the legal right to obtain the information on mining licenses without having to pay a fee, but they do not have the same right for the hydrocarbon sector. Company representatives indicated that there is a map online showing the various blocks which is updated monthly.

Mining: In the mining sector, government representatives noted that they are in the process of recruiting a consultant, FlexiCadastre, to publish an online cadastre. Partners said that this would be financed by the Ministry of Mines, Cote d'Ivoire is one of the few countries to auto-finance this system. They noted that the maintenance of the cadastre will be more problematic. Industry representatives noted that the maps are updated weekly. They did not doubt the quality of information in the cadastre. It was widely reported that potential investors interested in the mining cadastre pay XOF 25,000 for hard copy and XOF 75,000 for the electronic⁴⁰ map.

Initial assessment

The International Secretariat's initial assessment is that the RCI has made meaningful progress towards meeting this requirement. The RCI did not have a publicly available register or cadastre system for its oil, gas and mining industry, but the EITI Report includes comprehensive information on mining licenses in accordance with EITI Requirement 2.3.a, including names of license holders, location, size and coordinates for each mining license. The Report also includes the dates of application award and expiration, allowing the reader to determine the validity period. It should be noted the Report went beyond the minimum requirements and provided this information for all license holders, including artisanal miners of diamond

³⁹ The web page of the General Secretariat of the Government <http://www.sgg.gouv.ci/jo.php> requires a username, which can be obtained from the service of the "Official Journal". Access to the official journal costs XOF 1240 or USD 2, (2015 EITI Report, pp, 31, 46)

⁴⁰ It was unclear what stakeholders meant by "electronic map". Some said a PDF file was electronic, others company representatives said that they had access to Excel files with the coordinates of each license.

and coltan and those involved in the semi-industrial production of gold. This information is included for companies covered in the EITI reporting process as well as entities not covered by the EITI process. However, the Report did not comprehensively disclose this information for the oil and gas sector

In accordance with the EITI Requirement 2.3, the Government of the RCI is required to maintain a publicly accessible register. Similar to the mining sector, efforts should be made to ensure comprehensive disclosure of the information required under 2.3.a for the hydrocarbon sector.

Contract disclosures (#2.4)

Documentation of progress

Government policy:

Sections 4.1.7 of the 2015 EITI Report outlines the government policy on contract transparency for the hydrocarbon sector (p.31). It states that in accordance with law N° 2012-369 of 18 April 2012 amending the Petroleum Code, contracts for the exploration and exploitation of petroleum resources and income paid by oil companies to the State must be published in the Official Journal of the Republic of Côte d'Ivoire. The Report notes however that the law remained silent on the retrospective application of these provisions.

Section 4.2.8.4 of the 2015 EITI Report states that the 2014 mining code allows for mining conventions between the state and mining companies but the law does not provide for the obligation to publish the conventions. There were no legal provisions that prohibit the publication of mining agreements (2015 EITI Report, p.48).

Actual practice:

The 2015 EITI Report notes that the contracts for both sectors were not public. Even contracts signed after the 2012 amendments to the hydrocarbon code were not public (2015 EITI Reports, pp.31, 48).

Accessibility:

The 2015 EITI Report notes that only decrees granting permits are published in the Official Journal and are accessible online⁴¹ (p.31).

Stakeholder views

Petroleum: The IA noted that an ad hoc committee chaired by the DGH was created with a view to draft government regulations defining the scope of the disclosure of contracts. The commission will address government officials concerns for full disclosure of the contracts.

Petroleum: Civil society representatives argued that the 2012 amendments to the Oil Code call for the publication of the full terms of contracts and revisions. They argued that the Code also refers to the EITI principles and requirements. Therefore, all contracts should be published, not just those signed after

⁴¹ The decrees are accessible on a password protected website <http://abidjan.net/jo/> accessible for a fee of 1,240 FCFA (2 USD).

2012 (Order no. 2012-369 of 18 April 2012 modifying Law no. 96-669 of 29 August 1996 on the Oil Code, 2012).

Company representatives stated that all laws are in principle not retroactive and that contracts signed before 2012 are not liable for publication. For contracts signed after 2012, both government officials and company representatives considered that the full terms of the contracts cannot be published. They are seeking a compromise, which includes the publication of the model contract, as well as information about social projects and training. They fear that the public will be unable to understand the companies' contribution to the Government. Company representatives further argued that the law cannot be implemented in its current form, because of confidentiality clauses.

Given the sensitive nature of the issue, government officials and company representatives indicated that the Government had convened a committee to consider different forms of publication, in the interest of transparency, while preserving confidentiality clauses. Government representatives noted that progress has been made and the ad hoc committee would announce its recommendation on how to handle this issue.

A government official argued that contracts should not be published because civil society does not have sufficient capacities to understand the terms of the contracts. Some civil society activists took offense with this characterisation and requested urgent training to build their capacities. Civil society representatives also said that company representatives in Bassam noted that they had no problems with the publication of contracts.

Partners realized that even government representatives sometimes did not have access to the contracts. Auditors from The IGE also mentioned that they did not have access to the contracts and decided to investigate potential violations of the legislation on contract transparency during their next certification.

Overall, stakeholders recommended that the Government and company representatives maintain their dialogue on publishing non-controversial aspects of the contract, while efforts to publish contracts signed before 2012 are pursued. Civil society representatives recommended that they also participate in the discussions and requested that they are trained on understanding terms of contracts. They noted that exchange of experiences with countries which currently publish contracts could be helpful. Finally, they highlighted the need for the Government to clarify its overall policy on contracts transparency.

Mining: Civil society representatives noted that the Mining Code adheres to the principles of the EITI, and therefore encourages contract publication. Even though the law is not clear, the publication of contracts is encouraged by the Government's adherence to the EITI.

Referring to the law on the access of information, government representatives noted that the documents were not confidential and were available upon request (Law no. 2013-867 of 23 December 2013 on access to information of public interest, 2013). A high-level government official at the Ministry of Mines stated that the government policy is to publish all contracts. They noted that lack of publication is mainly due to technical difficulties. Similarly, non-MSG company representatives said that they have no objections to the publication of contracts, which they see as working documents.

Initial assessment

The International Secretariat's initial assessment is that the RCI has made satisfactory progress towards meeting this requirement. Government's policy on contract transparency has been disclosed for the oil, gas and mining sectors. Despite a clear legal mandate to publish production sharing agreements in the hydrocarbon sector since 2012, the law has not been implemented in practice. EITI Reports highlight those gaps and stakeholders are exploring various options on how to ensure the government policy is implemented in practice.

Beneficial ownership disclosure (#2.5)

Documentation of progress

With support from GIZ, the MSG published a study on the publication of beneficial ownership in the RCI in December 2016⁴². The study includes a thorough review of the legal and regulatory framework relevant to beneficial disclosure in the RCI (Étude sur la Propriété Réelle, pp.12-14). The study outlines existing sources of information and obstacles to beneficial ownership disclosure. The study also includes a detailed assessment of various options for beneficial ownership definitions and a step-by-step planning for the adoption of beneficial ownership definition in accordance with the EITI Standard and applicable international laws (ITIE Cote d'Ivoire, 2016).

The MSG also published a roadmap⁴³ for the publication of a beneficial ownership register by January 2020. The roadmap states the objectives of beneficial ownership transparency in the RCI including: (i) complementing existing systems of anti-money laundering and risk of conflicts of interest; (ii) fighting against tax evasion and transfer pricings; and (iii) to better assess the credibility and trustworthiness of companies bidding for the award of mineral or petroleum rights. The roadmap also identified the DGMG for the mining sector and DGH for the hydrocarbon sector as potential hosts of the beneficial ownership registers in the mining and hydrocarbon sectors. The roadmap also includes two feasibility studies for the integration of beneficial ownership data in the mining cadastre (DGMG), and the petroleum cadastre (DGH). Finally, the roadmap includes plans for the development of a beneficial ownership database and online publication as part of an open government portal by the end of 2019. The roadmap is estimated to cost XOF 194,500,000 or USD 312k.

Government policy:

The 2015 EITI Report states that the current legal framework does not require a public registry of the actual owners of companies bidding, operating or investing in extractive assets in Cote d'Ivoire (p.59). The Report did not mention a specific government policy for beneficial ownership disclosure.

Actual practice:

The 2015 EITI Report states that pending the effective implementation of the beneficial ownership roadmap, the MSG decided to collect and publish beneficial ownership information as part of EITI

⁴² The Study was conducted by Moor Stephens between November to December 2016 and is accessible on the EITI website https://eiti.org/sites/default/files/documents/rapport_ms_sur_la_pr_-_itie_ci_version_projet.pdf.

⁴³ The beneficial ownership roadmap was published in December 2016 and is accessible on the EITI-Cote d'Ivoire website <http://www.cnitie.ci/doc/39-publications.html>

Reporting (p.59). The MSG adopted a definition of beneficial ownership in line with the EU's Fourth Anti-Money Laundering Directive (AMLD 4).

Legal owners of material companies:

Annex 4 of the 2015 EITI Report disclosed the legal shareholders of material companies in both the mining and hydrocarbon sector (pp.116-117). For the mining sector, 14 out of 17 mining companies that made material payments in 2015 published their legal ownership. The Report shows that Caderac, Colas and Ampella mining did not disclose their legal owners. For the hydrocarbon sector, only seven out of 16 oil and gas companies that made material payments in 2015 disclosed their legal owners. The following oil and gas companies did not disclose their legal ownership: African Petroleum, CIPEM, Foxtrot International, Lukoil, Pan Atlantic (ex Vanco), Saur Energie Cote d'Ivoire (SECI), Tullow oil, Vitol Cote, d'Ivoire and Vioco Petroleum (also known as Rialto petroleum). The Report includes the name of one physical person holding 49% of the shares of Cybele Energy, but it did not specify whether she was the legal or the beneficiary owner or both (p.117).

Stakeholder views

Several MSG members recognised that information disclosed in the EITI Report do not adhere to the current EITI guidelines. MSG members and the national secretariat noted that they are in the process of updating the reporting templates to align with the latest guidance note issued by the International Secretariat. They added that PETROCI has a database that they are seeking to expand, to include information on beneficial owners. PETROCI noted that they had information about the legal ownership of their partners, but not the beneficial owners.

Civil society representatives noted that Cote d'Ivoire has made progress on beneficial ownership especially since the publication of the Moore Stephens' study in December 2016. They noted that before beneficial ownership disclosure was introduced in the 2016 EITI Standard, Cote d'Ivoire had already started working on the issue. They expressed reservations about the quality of declarations made by companies outside the country as part of EITI reporting.

Company representatives did not provide comments on the issue of beneficial ownership.

Initial assessment

The International Secretariat did not assess compliance with beneficial ownership disclosure as progress with this requirement does not yet have any implications for a country's EITI status. EITI RCI published a study on beneficial ownership in December 2016⁴⁴, which includes a thorough review of the legal and regulatory framework relevant to beneficial ownership disclosure in the RCI. The 2015 EITI Report states that pending the effective implementation of the beneficial ownership roadmap, adopted in December 2016 the MSG decided to collect and publish beneficial ownership information as part of EITI Reporting (p.59). The MSG adopted a definition of beneficial ownership in line with the EU's Fourth Anti-Money Laundering Directive (AMLD 4), however, only legal ownership was disclosed.

⁴⁴ The Study was conducted by Moor Stephens between November to December 2016 and is accessible on the EITI website https://eiti.org/sites/default/files/documents/rapport_ms_sur_la_pr_-_itie_ci_version_projet.pdf.

To further strengthen implementation and prepare for full disclosure of beneficial ownership by 2020, it is recommended that the MSG considers swift implementation of the beneficial ownership roadmap and reporting in the forthcoming EITI Report in order to increase awareness of beneficial ownership transparency.

State participation (#2.6)

Documentation of progress

Materiality:

The scoping study identified two SOEs, PETROCI in the hydrocarbon sector and SODEMI in the mining sector that were required to report on the state participation in the extractive sector (Etude de Cadrage, Exercice 2015, p.9).

Mining: Section 4.2.8.5 of the 2015 EITI Report provides a detailed description of state participation in the mining sector (p.48). The 2015 EITI Report states that SODEMI, which is wholly-owned by the State, pursues both a public service mission through high risk prospecting activities to identify potential areas for exploration and attract foreign investors and a commercial mission by carrying out projects likely to lead in the short term on the exploitation of the discovered commodities (p.49). In addition to SODEMI, the Reports lists seven mining companies in which the state directly holds a 10% free-carry (p.48). The Report also shows indirect state participation through SODEMI in nine mining companies: CML (51% owned by SODEMI), SMI (30%), FOREMI (49%), EPC CI (25%), Agbaou Gold Operation or Endeavour Mining (5%), CMMK (25%) SAMA Nickel (30%) and TATA Steel (15%). SODEMI also held participation in TAURUS Gold an unspecified number of shares, but the report notes that this company did not pay dividend, but rather paid royalties to the state (p.48).

Hydrocarbon: Section 4.1.8 of the 2015 EITI Report provides a detailed description of state participation in the hydrocarbon sector (p.33). PETROCI is the national oil company, 100% owned by the state. It is governed by Act N° 97-519 of 4 September 1997, which defines and organises state-owned enterprises. Decree N° 2001-580 of 12 September 2001 extended PETROCI's mission and transformed it into a public limited liability company. The 2015 EITI Report states that PETROCI has dual mandate to represent the state and carry out commercial activity to make a profit (p.33).

The 2015 EITI Report notes that state participation in the hydrocarbon through the national oil company, PETROCI is generally set around 15%, subject to the terms and conditions agreed in the production sharing contract (p.33). The 2015 EITI Report notes that with the exception of PETROCI Holding (wholly-owned by the State) and PETROCI CI-11 (wholly-owned by PETROCI Holding), the State does not hold direct or indirect participation in companies operating the oil sector (upstream). The Reports lists PETROCI Holding's participations in Cote d'Ivoire and abroad (2015 EITI Report, p.33).

Financial relationship with government:

Mining: the 2015 EITI Report states that there are no statutory rules specifying the financial relationship between SODEMI and the State, but SODEMI is supposed to have financial autonomy from the State in the sense that it is supposed to balance its budget and pay dividends depending on its results (p.49).

Among its non-commercial activities SODEMI was tasked by the government to monitor artisanal mining activities and organise artisanal miners into cooperatives "Groupement à Vocation Coopérative (GVC)".

The 2015 EITI Report highlights that this system had reduced conflicts and allowed SODEMI to protect primary deposits of diamonds for industrial production (p.38). The Report notes that in practice assets held by SODEMI are effectively owned by the state (p.49). The 2015 EITI Report also notes that SODEMI's accounts for the fiscal year 2015 show an outstanding debt of XOF 841 m FCFA (about USD 1.5 m)⁴⁵.

The 2015 EITI Report notes that the government did not provide any guarantees or loans to SODEMI during 2015 (2015 EITI Report p.49). SODEMI's financial statement⁴⁶ also confirms that SODEMI has not granted any guarantees or loan to companies operating in the mining sector in Côte d'Ivoire (p.49).

Hydrocarbon: The 2015 EITI Report notes that PETROCI's accounts are audited annually by an external auditor, but the audit reports are not published (p,35). The national oil company only publishes the a summary of its financial statement on its website⁴⁷. The Report also notes that PETROCI's profits from its commercial activities, including downstream are either distributed to the State in the form of dividends or allocated to reserves according to the government's budgetary requirements and investment policy. The Report notes that PETROCI distributed XOF 18.75 b (about USD 32.6 m) in dividends in 2015.

PETROCI has the mandate to sell in-kind revenues of crude oil accruing to the State as part of the production sharing agreements. The 2015 Report explained that PETROCI negotiates the price of each cargo of crude oil on the international market (p.34). The proceeds of oil sales on behalf of the state net of PETROCI's sale commission are transferred to the DGI. Section 7.1.2 provides detailed information on the volumes marketed by PETROCI and the amounts recovered by the company (see requirement 4.2). The Report also notes that the marketing of natural gas on behalf of the state is made exclusively to another SOE, Côte d'Ivoire Energie, which buys the natural gas and distribute it to various gas fired powerplants for electricity production.

The 2015 EITI Report explains that as part of the state support of the national oil refinery, oil producers are required to sell to PETROCI 10% of their share of production at a 25% discount (p.34). In practice, the value of this discount is paid to PETROCI. The Report shoes that PETROCI received only XOF 4.508 m (about USD 7 850) in 2015 for this 25% discount (p.34).

The 2015 Report notes that the government did not provide any guarantee or loan to PETROCI and its subsidiaries (p.35). The Report also notes that according to PETROCI's statement, the SOE did not provide any guarantee or loan to companies operating in the hydrocarbon sector (p.35).

Ownership changes:

⁴⁵ the official annual average exchange rate 1USD =574.197 as disclosed by the [BCEAO in its annual report](#) was used to convert XOF to USD throughout the report.

⁴⁶ SODEMI's financial statement is regularly audited and published on the company's website.

⁴⁷ The Report provides a link to a one page overview of PETROCI's annual accounts published on its website from 2007 to 2014, the last year for which data was available <http://www.petroci.ci/index.php?numlien=722>.

The 2015 EITI Report highlights that the proceeds from the sale of SODEMI's participation in the SMI mine in 2014 (amounting to XOF 7.216 b) were collected directly by the Treasury instead of SODEMI (p.49). The Report did not address any other cases of change in ownership in the mining sector in 2015. The 2015 EITI Report also refers to a letter from the Participations and Privatization Department, which stated that no change in direct and indirect state participation in the oil sector took place between 2014 and 2015 (p.33).

Stakeholder views

Hydrocarbon: Companies and government representatives explained that PETROCI has several roles in Cote d'Ivoire. PETROCI is involved in the commercialisation of profit oil which the State receives from PSCs. PETROCI is the operator of the Lion and Panther oil field, (CI-11) and owns shares in producing oil fields and receives its own profit oil from these oil fields. PETROCI is involved in the sale or swap of crude oil received on behalf of the state. In cases where an oil field produces both oil and natural gas, the share of crude oil belonging to the state is swapped with natural gas, because the state of Cote d'Ivoire gives priority to natural gas for its domestic production of electricity. In these cases, PETROCI receives natural gas produced by private companies on behalf of the state, which it transfers to Cote d'Ivoire Energy for electricity production. The transfer of natural gas from PETROCI to Cote d'Ivoire Energy is not paid in cash, but rather Cote d'Ivoire Energy delivers the natural gas to thermal power plants, which supply electricity to the state. Government officials confirmed that PETROCI, Cote d'Ivoire Energy and the DGI meet regularly to clear invoices to and from the state. Government officials involved in these operations confirmed that no money was exchanged between these three parties for the transfer of natural gas and supply of electricity. Civil society representatives noted that these complex operations were not adequately described in the EITI Reports published so far.

Companies' representatives also confirmed that private companies sell 10% of their own share of crude oil to PETROCI at 75% of the market price. PETROCI's representatives confirmed that PETROCI buys 10% of the oil produced at a 25% discount and sells the crude oil in the international markets at full market price. Company' representatives noted that in theory PETROCI compensates the state for the oil it receives at a reduced price from private companies. PETROCI's representatives confirmed that the realised profit from these sales are indeed recorded separately and transferred to the state. Government officials explained that the idea behind this transaction is that the state needed to build strategic stock of oil reserves in case of an oil embargo or any disruption in the supply of oil for domestic consumption. The production sharing contract therefore allows for 10% of oil produced in Cote d'Ivoire to be allocated to domestic consumption in case of emergency. Barring a case of emergency, the state still collects 25% discount price on 10% of the oil produced. A company's representative pointed out the irony that the state does not have the technical capacities to refine crude oil produced in Cote d'Ivoire. Existing refineries import crude oil from Nigeria and the light crude oil produced in Cote d'Ivoire is exported to European refineries. PETROCI is not involved directly in the refining of crude oil, but it holds shares in the refining company SIR.

PETROCI representatives noted that the state's participation was facilitated through PETROCI Holding in the name of the State. In each PSC, the 10% free carry is allocated to the State through PETROCI Holding. The State's share of profit oil is delivered to PETROCI, if there are no operations of swaps between oil and natural gas. Companies' representatives noted that there are cases where the state waves its right to a free carry (CI-11 operated by PETROCI, which was negotiated in 1992, when oil prices were very low). During production, PETROCI can negotiate and purchase additional shares. PETROCI can also increase its share in an oil field through valorisation of work done in exchange for shares.

PETROCI's representatives and government officials provided additional information on the scope of work conducted by various subsidiaries listed in the 2015 EITI Report.

They noted that PETROCI USA is operating an oil field in the Mississippi⁴⁸. They noted that PETROCI Internationale is specialised in oil trading and is based in Switzerland, but did not pay dividends in 2015. Lion GPL supplies gas for local consumption and does not pay dividends. Enerci was acquired from GDF Suez in 2015 and holds shares in a producing oil field (C1-27 operated by Foxtrot). A company's representative noted that Enerci did not pay dividends in 2015 as per the company's decision to reinvest. Payments due to PETROCI from this license covered the cash calls to cover capex. PETROCI's representatives noted that the following companies in which PETROCI hold shares, the national refinery SIR, the storage company (GESTOCI), SIFAL and TOTAL did not pay dividend in 2015: They explained that these subsidiaries run a deficit for the past five to six years.

PETROCI's representatives also confirmed that SIAP, which supply fuel to airplanes and PETROCI Soutes, which supply fuel to ships at the seaport have paid dividends in the last two years. Shell Cote d'Ivoire in the distribution of refined oil products also paid dividends in the last two years, according to PETROCI's representatives. They explained that Sitrade, which specializes in waste treatment and ETP are no longer on PETROCI's accounts.

Partners expressed doubt that the government may not have a full overview of PETROCI's activities and its financial relationship with government agencies.

A government official noted that in 2016, the state took the decision to remove PETROCI from transport between Abidjan and Yamoussoukro, the distribution of petroleum products inside the national territory and commercialisation of butane gas. PETROCI will continue to import and stock this butane gas, but will no longer engage in the distribution. The official noted that the Government's long term vision is that PETROCI will go back to its core mandate of exportation and production of oil and gas.

Government representatives noted that PETROCI acts as a private company and therefore its Board of directors decide to pay dividends, reinvest or keep the profit in reserves. They also explained that the State is on the Board of PETROCI but the Board has the mandate to act in the interest of PETROCI. The Board includes government officials from the President's office, the Prime Minister's Office, the Ministry of Finance, the Ministry of Hydrocarbon and the Ministry of Commerce. The CEO of PETROCI is appointed by the Board and typically comes from the ministry of hydrocarbon.

Civil society representatives expressed concerns about the multiple roles of PETROCI, which potentially creates opportunities for corruption.

Mining: Government representatives, as well as SODEMI representatives, confirmed that there were no loans or guarantees to SOEs. The State can support SODEMI's activities which can be beneficial to the larger community, such as the exploitation of phosphates for agriculture. SODEMI noted that they can

⁴⁸ Public records available online show that PETROCI USA was operating 20 wells in the Jasper County <http://www.drillingedge.com/mississippi/operators/petroci-usa-inc/p3758997>

apply for subsidies through a budget submitted to the State.

Companies' representatives noted that SODEMI's shareholding in mining companies carries significant risks. When the share price of mining companies falls, so does the value of SODEMI. They noted that the State could finance SODEMI to conduct research on a strategic commodity such as phosphate. They mentioned that the State paid XOF 2 b in subsidies to SODEMI for this research in 2016. SODEMI's representatives noted that SODEMI does not manage the state's 10% free carry in mining companies and these companies pay dividends directly to the treasury.

Civil society expressed concerns about the sale of SODEMI's assets which went to the public Treasury and not the company. SODEMI noted that it is legal for revenues from the sale of parts of SODEMI to go to the Treasury. Indeed, the law states that when a government entity is privatised, the money must go to the State, even though those are assets of the company itself. The State is now updating the regulatory framework to allow SOEs to sale state's assets. Company's representatives confirmed that SODEMI did not sell any of its assets in 2015.

Overall, stakeholders recommended that PETROCI publish its financial accounts and that further efforts be made to map out and simplify the description of PETROCI's various roles in the oil and gas sector.

Initial assessment

The International Secretariat's initial assessment is that the RCI has made inadequate progress in meeting this requirement. The 2015 EITI Report describes the role of the two SOEs operating in the extractive sector (SODEMI (pp. 49-50) and PETROCI (pp. 25, 32)). The Report includes detailed information on the state's direct participation and indirect participation through SODEMI in the mining sector. The Report also provides detailed information on the state's level of ownership in oil and gas companies through PETROCI, including PETROCI subsidiaries and joint ventures. While the report describes the prevailing rules and practices regarding the financial relationship between the government and SODEMI, the descriptions of the financial relationship between state and PETROCI remains unclear and not fully comprehensive. The rules and practices governing transfers of funds between PETROCI and the state, retained earnings, reinvestment and third-party financing cannot be fully assessed without PETROCI's financial statement.

In accordance with Requirement 2.6, the RCI must disclose an explanation of the prevailing rules and practices regarding the financial relationship between the government and PETROCI. This could include the publication of PETROCI's audited financial statement.

Table 2- Summary initial assessment table: Award of contracts and licenses

EITI provisions	Summary of main findings	International Secretariat's initial assessment of progress with the EITI provisions (to be completed for 'required' provisions)
Legal framework (#2.1)	The 2015 EITI Report includes a detailed description of the fiscal regime, including an overview of the relevant laws and regulations applicable to the oil, gas and mining sector. The report confirms that there is no fiscal devolution in Cote d'Ivoire for the oil, gas and mining sector. The Report also includes information on the roles and responsibilities of the relevant government agencies, including the ministerial council, the Ministry of mining, the Ministry of hydrocarbon and energy, DGMG, DGH and PETROCI and SODEMI, and documents progress with ongoing reforms in the mining sector.	Satisfactory progress
License allocations (#2.2)	The 2015 EITI Report did not comprehensively disclose the license allocation process for 90 licenses awarded in the mining sector in 2015. The technical and financial criteria used in the production sharing agreement, signed with ANADARKO in September 2015, was not published. Similarly, the report did not disclose technical and financial criteria used in the license transfer that occurred in the oil and gas sector in 2015.	Inadequate progress
License registers (#2.3)	The RCI did not have a publicly available register or cadastre system for its oil, gas and mining industry, but the 2015 EITI Report includes comprehensive information on mining licenses in accordance with EITI Requirement 2.3.a, including names of license holders, location, size and coordinate for each mining license, dates of application award and expiration, allowing the reader to determine the validity period. It should be noted that the Report provided also detailed information on licenses held by artisanal miners of diamond and coltan and semi-industrial production of gold. However, the Report did not disclose	Meaningful progress

	comprehensive information of all licenses in the oil and gas sector.	
Contract disclosures (#2.4)	The EITI Report provides a clear description of the government policy, which is not applied in practice. Despite a clear legal mandate to publish production sharing agreements in the hydrocarbon sector since 2012, the law has not been implemented in practice. Government officials at the Ministry of Hydrocarbon and Energy have argued against the publication of the production sharing agreements in a clear violation of article 12 of law N° 2012-369 of 18 April 2012.	Satisfactory progress
Beneficial ownership disclosure (#2.5)	The international Secretariat took note of the study published by the MSG in December 2016, which reviews the legal and regulatory framework and sets out a methodology for agreeing a definition of beneficial ownership, the mechanism of collecting and publishing beneficial ownership data as well as the level of details to be disclosed. However, the International Secretariat notes that many stakeholders were not aware of this study and implementation of the beneficial ownership roadmap has been delayed. Moreover, very few oil and gas companies disclosed their legal owners as part of the 2015 EITI Report.	
State-participation (#2.6)	While the 2015 EITI Report clearly describes the prevailing rules and practices regarding the financial relationship between the government and SODEMI, the descriptions of the financial relationship between the state and the national oil company (PETROCI) remains unclear and not fully comprehensive. The rules and practices governing transfers of funds between PETROCI and the state retained earnings, reinvestment and third-party financing cannot be fully assessed without PETROCI's financial statement, which is not published.	Inadequate progress
<p>Secretariat's recommendations:</p> <ul style="list-style-type: none"> In accordance with Requirement 2.2, the MSG is required to ensure that the relevant authorities, DGMG and DGH disclose the technical and financial criteria for all license awards and transfers taking place during the accounting year covered by the EITI Report, including license allocations pertaining to companies that are not included in the EITI Report. The MSG may wish to seek clarity from the relevant authorities on the conditions under which direct negotiations are used instead of competitive bidding for issuing licenses. 		

- In accordance with the EITI Requirement 2.3, the Government of the RCI is required to maintain a publicly accessible register. Similar to the mining sector, efforts should be made to ensure comprehensive disclosure of the information required under 2.3.a for the hydrocarbon sector.
- In accordance with Requirement 2.4, the MSG must ensure that the EITI Report documents the government's policy on disclosure of contracts and licenses that govern the exploration and exploitation of oil, gas and minerals. The government should consider implementing the law (N° 2012-369) and clarify its policy for contract transparency in the mining sector.
- The International Secretariat recommends speedy implementation of the beneficial ownership roadmap published by EITI-RCI in December 2016.
- In accordance with Requirement 2.6, the RCI must disclose an explanation of the prevailing rules and practices regarding the financial relationship between the government and PETROCI. This could include the publication of PETROCI's audited financial statement.

Monitoring and production

3.1 Overview

This section provides details on the implementation of the EITI requirements related to exploration, production and exports.

3.2 Assessment

Overview of the extractive sector, including exploration activities (#3.1)

Documentation of progress

Mining: the 2015 EITI Report provides a detailed overview of the mining sector, including the artisanal mining of diamond and gold (pp.38-51). The Report shows that estimated reserves of diamond are in the order of 11 m carats and production is mainly from the two mining regions of Séguéla and Tortiya. Production capacities range from 38,000 carats to 375,000 carats at Séguéla and from 13,000 carats to 20,000 carats at Tortiya (p.38). The Report also provides a description of projects at an advanced development phase (p.50).

Hydrocarbon: The 2015 EITI Report provides an overview of the oil and gas sector including the main exploration and production blocks. The report also shows the location of exploration and production activities along the coast from the border with Ghana to the board with Liberia (p.24). The report notes that all production and exploration activities take place offshore.

Exploration:

Mining: the 2015 EITI Report describes five exploration projects at an advanced phase in the mining sector, including:

- project to develop the gold deposit of Angovia (Bouaflé) by the British company Amara Mining. The feasibility study has been carried out and was under review by the Mining Administration;
- a project to modernize the processing facilities (construction of a plant) by the company, Société des Mines d'Ity (SMI), which will improve the rate of gold recovery and increase the production of this mine. The estimated investment of this project is XOF 51 b;
- project to finalize the development work carried out by the company La Mancha Cote D'Ivoire which will allow the exploitation of the gold deposits of Dahapleu-Gbétou (zone of Ity);
- ongoing exploration project by the South African company Jofema Minerals Resources for the exploitation of the Debo (Soubré) gold deposit;
- project to finalize the studies for the exploitation of the Biankouma-Touba lateritic nickel deposits by the Nickel company of the West Cote d'Ivoire (NOCI), in partnership with SODEMI. This deposit was initially held by Glencore (formerly Falconbridge); and
- project to carry out the feasibility study for the exploitation of the bauxite deposit of Benene (Bongouanou) by the company Lagune Exploration Africa (p.50).

Hydrocarbon: the 2015 EITI Report shows that following oil and gas companies conducted exploration activities in 2015: Vitol, Total, Tullow, Lukoil, Foxtrot International and CNR International all conducted exploration activities. The Report notes that 17 oil drilling operations were carried out, compared with

five in 2014 (p.36). These drillings were carried out during exploration, evaluation and development.

Stakeholder views

Mining: several stakeholders confirmed that there are only two diamond production sites in Cote d'Ivoire. Partners indicated that local communities take 12% of the taxes on diamonds at the source, which acts as an incentive to have them pass through official channels. Companies can now give villages authorisations to exploit on parts of their plots, which draws persons to work in one area of the plot. They hoped to extend this system to the gold sector, but there is less willpower to regularise the gold sector. They noted, that following the conflict, many warlords were involved in the sector, which may explain the government's reluctance to advance quickly on the question. Additionally, gold is more spread out throughout the territory, and thus more difficult to manage. Several stakeholders recommended that purchasing houses be included within the scope of the EITI reporting for artisanal mining of diamond and gold.

Initial assessment

The International Secretariat's initial assessment is that Cote d'Ivoire has made satisfactory progress towards meeting this requirement. The 2015 EITI Report provides an overview of extractive industries, including significant exploration and project development activities. The International Secretariat takes note that the Report also includes an overview of the artisanal mining diamond and gold sectors. The International Secretariat welcomes the MSG effort to cover local content requirements in the Report.

Production data (#3.2)

Documentation of progress

Mining: The 2015 EITI Report shows that gold production reached 23.5 tons in 2015, valued at XOF 522 b (about USD 1 b) (p.96). The Report also notes that manganese production reached 263,179 tonnes in 2015 valued at XOF 12.9 b (about USD 22.5 m) (p.96). As for diamond production, the Report refers to the Kimberly Process official website which states that diamond production, reached 14,924.75 carats in 2015 valued at XOF 294 m (about USD 500 000) (p.97).

Hydrocarbon Sector: The 2015 EITI Report shows that Cote d'Ivoire produced 10 735 143 barrels of crude oil in 2015 valued at XOF 338 b or USD 588 m. This production comes mainly from the exploitation of blocks CI-26 and CI-40, which respectively provide 48% and 46% of domestic production (2015 EITI Report, p.96). According to data disclosed by PETROCI, production of natural gas reached 79m MMBTU in 2015 valued at XOF 266 b or USD 449 m.

Production volumes:

Mining: Section 7.8.2 of the 2015 Report shows the volume of production for each mineral (pp.96-97). The 2015 Report also shows the evolution of production and export of main minerals (p.51). Gold production has more than doubled between 2012 to 2015. Total output increased from 10.05 tonnes of gold in 2012 to 23.56 tonnes in 2015. However, manganese production has been volatile (2015 EITI Report, p.51). Production increased rapidly in 2014 (91%), but fell sharply in 2015 (44%).

Hydrocarbon: Section 6.3.3 shows the results of the reconciliations of the volume production in the hydrocarbons sector (p.87). Section 7.8.1 of the 2015 EITI Report shows the volume of oil and gas

production in Cote d'Ivoire in 2015 (p.96).

Production values:

Sections 7.8.1 and 7.8.2 of the 2015 Report show the value of production for each mineral produced in 2015 (pp.96-97).

Location:

The 2015 EITI Report provides production data by mineral not by location, except for artisanal mining of diamond, which is disaggregated by region.

Stakeholder views

Stakeholders comments focused mainly on the ASM sector. Government representatives explained that a government official from the Ministry of Mines had to be present for the weighing of gold production before export. The local agent of the DGMG collects information on the mass and weight of minerals produced, which is then transmitted to the central DGMG office. SOE representatives noted that in 2016, the Minister of Mines instituted authorisations for purchasing houses to export gold, which will allow for closer monitoring of the sector.

Civil society noted that it still does not have a figure for artisanal gold production in Cote d'Ivoire. Industry representatives noted they have issues with the informal sector since they are not formalised and do not pay taxes. Some officials in the mining industry see artisanal mining as an unfair competition, but this view was not widely shared in the Chamber of Mine which seeks to include artisanal miners. They noted that the EITI can be an additional tool to increase pressure to formalise the sector. Production figures are also disclosed in an official Communiqué on a quarterly basis.

SODEMI noted that it plays a role in training local government units and miners in the ASM sector. Their role is to support artisanal miners with valid licenses, by providing best practice and technical assistance. Ahead of each training, a contract is signed with the Ministry of Mines and paid for by the State ("*prestation d'assistance*"). SODEMI noted that they are creating training facilities for the gold sector.

Initial assessment

The International Secretariat's initial assessment is that Cote d'Ivoire has made satisfactory progress towards meeting this requirement. The 2015 EITI Report includes total production volume and value by commodity. The information is disaggregated by producers for the hydrocarbon sector, and by region for the artisanal mining of diamond. Information on production was reconciled with the producers in the case oil and gas and clearly sourced to the DGMG for the mining sector, which monitors production. The Report does not include information on how production data has been calculated, as encouraged by the EITI Standard.

Export data (#3.3)

Documentation of progress

Export volumes:

Mining: Section 6.3.1 B of the 2015 Report shows the reconciliation of volume of manganese export

(p.85), which is entirely exported to China (p.96). Section 7.7.2 of the 2015 Report also shows the volume of gold export (p.96), the information is disaggregated by destination (South Africa 58% and Switzerland (42%).

Hydrocarbon: Section 7.7.1 shows the volume of crude oil exported in 2015 for each producing license (p.95). The 2015 EITI Report notes that they could not reconcile the volume of crude oil for export between the DGD and the oil and gas companies because DGD did not disclose disaggregated data by company (p.85). The Report notes that all gas produced is used for the domestic production of electricity.

Export values:

Sections 7.7.1 and 7.7.2 of the 2015 EITI Report provide the value of diamond, gold, manganese and crude oil exported in 2016 (2015 EITI Report, pp.95-96). The 2015 EITI Report notes that they could not reconcile the value of crude oil for export between the DGD and the oil and gas companies because DGD did not disclose disaggregated data by company (p.86).

Stakeholder views

Petroleum: An industry representative noted that Cote d'Ivoire imports heavy oil from other countries in the region, such as Nigeria, for refining. This is based on the needs of the region in terms of diesel consumption. However, it produces and exports light oil.

Mining: Government representatives noted that they use their production figures to verify exports. However, they noted that what is produced is not always exported, primarily because of stocking, while local consumption is relatively low.

Partners noted the resumption of ASM diamond exports, following the lifting of the embargo in April 2014. Production has reached 14 924 carats in 2015, while exports amounted to 16 783 carats for the same period. This may be due to the stock of diamond accumulated during the long period of suspension of export. Partners believed that at least two-thirds of the ASM diamond production was exported officially. They added that there were historical ties with smuggled gold from Cote d'Ivoire to Mali. They stated that the amount of smuggled gold rivals that of industrial production.

Stakeholders recommended that partners working on ASM participate in MSG meetings.

Initial assessment

The International Secretariat's initial assessment is that the RCI has made satisfactory progress in meeting this requirement. The 2015 EITI Report discloses total export volumes and the value of exports by commodity. In some cases, this information has been reconciled and disaggregated by exporter. Export data is clearly sourced, but the Report does not include information on how export data has been calculated, as encouraged by the EITI Standard.

Table 3- Summary initial assessment table: Monitoring and production

EITI provisions	Summary of main findings	International Secretariat's initial assessment of progress with the EITI provisions (to be completed for 'required' provisions)
Overview of the extractive sector, including exploration activities (#3.1)	The 2015 EITI Report provides an overview of extractive industries, including significant exploration activities and ongoing project developments. The International Secretariat takes note that the Report also includes an overview of the artisanal mining sector of diamond and gold, including ongoing reforms to formalise the ASM sector.	Satisfactory progress
Production data (#3.2)	The 2015 EITI Report includes volume and value of production by commodity. The information is disaggregated by producers for the hydrocarbon sector, and by region for the artisanal mining of diamond. Information on production and export was reconciled with the producers in the case of oil and gas and clearly sourced to the DGMG, which monitor production in the mining sector.	Satisfactory progress
Export data (#3.3)	The 2015 EITI Report discloses total export volumes and the value of exports by commodity, and in some cases this information has been reconciled and disaggregated by exporter. Export data is clearly sourced, but the Report does not include information on how export data has been calculated.	Satisfactory progress
<p>Secretariat's recommendations:</p> <ul style="list-style-type: none"> • To strengthen implementation, EITI Cote d'Ivoire may wish to include purchasing houses of diamond and gold from artisanal mining within the scope of the EITI reporting. • To strengthen implementation, EITI Cote d'Ivoire could ensure that future EITI Reports provide more disaggregated figures of production volumes and values for all minerals produced in the RCI in the year(s) under review. EITI Cote d'Ivoire may also wish to consider the extent to which such information could be regularly disclosed on government websites (DGMG and DGH) more timely information on production and export figures. 		

- To further strengthen implementation, EITI Cote d'Ivoire may wish to ensure that future EITI Reports provide the method of calculation of export volumes and values for all commodities exported in the year(s) under review, including artisanal-mined commodities like gold.

4. Revenue collection

4.1 Overview

This section provides details on the implementation of the EITI requirements related to revenue transparency, including the comprehensiveness, quality and level of detail disclosed. It also considers compliance with the EITI Requirements related to procedures for producing EITI Reports.

4.2 Assessment

Materiality (#4.1)

Documentation of progress

Materiality threshold for revenue streams:

The IA conducted a scoping study, which recommended a scope of the 2015 EITI Report, including material revenue streams (Moore Stephens LLP, 2016). The scoping study was submitted to the MSG on 8 September 2016. The MSG approved the recommended scope by the IA on 15 December 2016. Based on the review of the fiscal regime, the IA suggested to the MSG to include:

- all revenues streams that have been included in previous EITI Reports (materiality threshold set at zero);
- any other payments that exceed the materiality threshold of XOF 65 m (about USD 120 000)
- all barter transactions, subnational payments, and subnational transfers (materiality threshold set at zero) (Etude de Cadrage pour l'exercice 2015, p.7)

Based on this approach, the scoping report identified 60 revenues streams that are applicable to the hydrocarbon sector, the mining sector or both, with all mining, oil and gas revenue streams in the Mining Code, Petroleum Code and Common Law included in the scope of reconciliation (Etude de Cadrage pour l'exercice 2015, pp.8-10).

Descriptions of material revenue streams

The 2015 EITI Report lists the 60 material revenue streams in the hydrocarbon and mining sector (pp.61-62). The description of the fiscal regimes applicable to both sectors also includes an over view of revenue streams and exonerations introduced by the hydrocarbon code (p.25) and the mining code (p.40). Annex 13 provides a detailed description of material revenue streams with the relevant government agencies (pp. 196-199).

Materiality threshold for companies:

Based on the review of unilateral disclosures by the government, the IA suggested to the MSG to include all oil and gas companies (materiality threshold set at zero) and all companies with a contribution in excess of XOF 65 m (about USD 120,000) in the reconciliation process (Etude de Cadrage pour l'exercice 2015, p.49).

Material companies:

Based on the agreed approach for materiality threshold, the MSG agreed to include all 16 oil and gas companies operating in the country in 2015, including those that did not make any payments (Cybele Energy) in the reconciliation (Etude de Cadrage pour l'exercice 2015, pp.47-53). It should also be noted that four oil and gas companies alone (Foxtrot International, Total E&P CI, PETROCI, and ExxonMobil) contributed 98.79% of revenues from the hydrocarbon sector, but the MSG adopted a materiality threshold set at zero for 100% of coverage of the hydrocarbon sector (Etude de Cadrage pour l'exercice 2015, pp.47).

For the mining sector, the scoping report identified 16 companies that exceeded the materiality threshold and collectively paid 98.7% of total revenues from the mining sector (p.53). The MSG decided to specifically exclude Tata Steel from the reconciliation process, subject to confirmation that the company had ended its partnership with the state owned SODEMI. 15 mining companies were therefore required to report.

Material company reporting:

The 2015 EITI provides the list of 16 oil and gas companies and 15 mining companies required to report (p.63). The Report notes that two additional mining companies were found during the reconciliation process having made payments exceeding the materiality threshold of XOF 65 m (about USD 120,000). These two mining companies Newcrest Hire Cote d'Ivoire SA and Ampella Mining were subsequently included in the reconciliation process, bringing the total number of mining companies that were required to report to 17.

The IA stated that all extractive companies included in the reconciliation process submitted a declaration except three oil and companies (Lukoil, CIPEM and Pan Atlantic, also known as Vanco) (2015 EITI Report, p.13). The Report shows revenues declared by the state for these three non-reporting companies amounted to XOF 545 m or 0.19% of total reported revenues from the extractive sector. The Report also noted that LUKOIL, which paid XOF 366 m (about USD 671 000) withdrew from its partnership in the oil bloc CI-401 and its share were reclaimed by the Government of Cote d'Ivoire in December 2016. The other two non-reporting companies, CIPEM and Pan Atlantic payments amounted to XOF 113 m or 0.04% and XOF 67 m or 0.02% of total revenues respectively. The IA concluded that these companies' failure to report had a negligible impact on the agreed reconciliation coverage.

Material government entities:

The following government agencies were required to report DGI, DGMG, DGD, DGTCP, DPP, DGH and the two SOEs PETROCI for the hydrocarbon sector and SODEMI for the mining sector (p.13).

Government reporting:

The 2015 EITI Report clearly states that all government entities collecting oil, gas and mining revenues declared revenues received from each of the extractive companies selected in the reconciliation process as well as for mining companies included for unilateral disclosure (2015 EITI Report, pp. 14, 69-82).

Discrepancies:

The 2015 EITI Report states that reconciliation was carried out based on the receipt for each payment (p.16). The Report identified and explained discrepancies (2015 EITI Report, pp. 14, 66-84). The Report shows XOF 267 m (0.11% of the total revenue declared by the State) in outstanding discrepancies after

reconciliation and adjustments made by the IA. Overall discrepancies are significantly below the 1.5% acceptable discrepancies agreed by the MSG (2015 EITI Report, p.17).

Full government disclosure:

in addition to the 15 mining companies required to report, the scoping study identified 142 small and medium mining companies for unilateral disclosure by the state (Etude de Cadrage pour l'exercice 2015, pp.96-97). Two mining companies (Newcrest HireCote d'Ivoire SA and Ampella Mining) were subsequently added to the reconciliation process. The 2015 EITI Report shows clearly payments made by all 140 small and medium mining companies as declared by the state (2015 EITI Report, pp.118-120). The information is disaggregated by mining company and by receiving government entity.

Stakeholder views

Civil society representatives confirmed that the MSG has agreed on a materiality definition and the exclusion of Tata steel, which had left the country and did not make payments in 2015. They were satisfied with reconciliation coverage but expressed concerns that new mining companies may not be able to comply with EITI reporting when their payments become material. A government representative confirmed that all the government agencies were included within the scope of reporting.

A company's representative noted that ASM should be included in the scope of the EITI since the sector is increasingly formalized. They noted that the deadline for completion of reporting templates was very short. They also noted that Newcrest Hire, which was not included in the original scope of reporting had to scramble quickly to provide reporting template within two days' notice and certification was submitted after the deadline. Civil society representatives also expressed frustration with the time allocated for the review of the draft 2015 Report before approval. They noted multiple small mistakes in the Report that could have been corrected if stakeholders had sufficient time to review the report.

Initial assessment

The International Secretariat's assessment is that the RCI has made satisfactory progress towards meeting this requirement. The MSG has agreed on a materiality definition and reporting companies during scoping (zero for oil and gas companies XOF 65 m (about USD 120,000) for mining companies). The scoping Report describes the approach to materiality thresholds including the rationale in more details. The 2015 EITI Report lists and describes the material revenue streams in accordance with Requirement 4.1.a, including commonly recognised revenue streams by provision 4.1.b. While two mining companies making material payments (Newcrest Hire Cote d'Ivoire SA and Ampella Mining) were initially omitted from the list of reporting companies, they were subsequently included in the reconciliation process. All but three oil and gas companies (Lukoil, CIPEM and PAN Atlantic) that made material payments in 2015, fully reported all payments in accordance with the agreed reporting templates. Payments made by the three non-reporting companies were relatively insignificant, less than 0.2% of total reported revenues from the extractive sector, therefore did not affect the comprehensiveness of the Report. The MSG has also identified the government entities receiving material revenues and ensured that they fully report on all receipts in accordance with the reporting templates, including revenues below the materiality thresholds. The IA noted that the 2015 Report reconciled 99.5% of the total extractive sector revenues and concluded that the Report was comprehensive.

In-kind revenues (#4.2)

Documentation of progress

Materiality:

The 2015 scoping report clearly identified two types of in-kind revenues that are both collected by Petroci either on behalf of the State or for its own commercial activities (Etude de Cadrage pour l'exercice 2015, pp.92). In accordance with Article 15 of the Petroleum Code, profit oil is collected in-kind (crude oil and natural gas) after cost recovery by the operator and partners (Cost-Oil). The remaining production of hydrocarbons (Profit-Oil or profit gas) is shared between the State and the private companies according to the sharing arrangements set out in the contract.

The 2015 EITI Report states that production sharing agreements (PSAs) are commonly used by investors in Côte d'Ivoire (p.28). The PSA is the contract through which oil companies carry out research activities on behalf of the State and, in the event of a discovery of a commercially exploitable deposit, the PSA also regulates the production activities. Subsequent production is shared between the State and the holder of the PSA to remunerate the latter for the services and the costs incurred.

The PSA define the portion of "Cost Oil", that is, the portion of the total production that can be allocated to reimbursement of the costs incurred, as well as the portion of the "Profit Oil", i.e. the balance of the total production after deduction of Cost Oil, respectively allocated to the State and the partners. This share may vary depending on whether crude oil or natural gas is produced, or the depth of water in the deep marine areas (e.g. additional credit for investment in deepwater). The PSAs also specify whether the tax on industrial and commercial profits (BIC) is deducted before or after Profit Oil is shared (2015 EITI Report, p.38, p.63).

Volumes collected:

The 2015 EITI Report provides volumes of the state's in-kind revenues (oil and gas) in 2015 (2015 EITI Report, pp.67-69). This information is reconciled between PETROCI and the three oil and gas companies producing oil and gas in 2015 (CNR International, Foxtrot International and AFREN (PETROCI CI 11)). The Report shows that the state received 1 486 919 barrels of oil and 41m MMBTU of natural gas (p.68).

Volumes sold:

The 2015 EITI Report describes swap operations, a process by which, the state through PETROCI agrees with oil and gas producers to exchange the state's share of crude oil from each oil field with the associated gas owned by the operator. Thus, the state's share of oil production is exchanged for natural gas, which the date use to generate electricity (2015 EITI Report, p. 53). The Report shows in-kind revenues before and after the swap (p.88). The Report also shows state revenues from the commercialisation of in-kind revenues by PETROCI (p.89). The Report shows that 796,700 barrels, valued at USD 38 634 933 were sold by PETROCI in 2015. PETROCI also recovered USD 32m from sales made in 2014, with deferred payment, but the report did not specify the volume of oil sold. PETROCI also delivered an unspecified amount of natural gas to Cote d'Ivoire Energy, valued at USD 62m. This amount was not paid in cash but rather compensated with electricity bills from Cote Energy to the State (2015 EITI Report, p.89).

Sales proceeds:

The 2015 EITI Report states that the proceeds from the sales of the state's in-kind revenues were transferred to the Treasury after deduction of a trading fee of XOF 250 per barrel (p.53). The Report shows that PETROCI received USD 336,934 in commission on the sale of crude oil for the state in 2015 (p.89). In the case of natural gas collected on behalf of the state, no cash is exchanged between PETROCI and the states. After the swap of crude oil for natural gas, the gas is delivered to Cote d'Ivoire Energy for electricity production. The Report describes operations of "compensation" offsetting of invoices between Cote d'Ivoire Energy, DGI and PETROCI, through which the value of natural gas delivered by PETROCI to Cote d'Ivoire Energy is recorded by DGI as government revenue, and the electricity bill from Cote Energy to the state is recorded as a state expenditure. with electricity bills from Cote Energy (2015 EITI Report, p.73). Diagram 9 in Section 4.3.6 (p.56) illustrates the revenues flows between companies and the state through PETROCI.

In the follow up of recommendations from previous EITI Reports, the IA highlights that the 2013 EITI Report had found these offsetting operations between PETROCI, DGI, DGTCP and Cote d'Ivoire Energy to be irregular and not well monitored (2015 EITI Report (p.100). The recommendation to set up a procedure for monitoring offsetting operations and clearing invoices in connection to the marketing of the State's share of gas production and supply of electricity remains outstanding.

Discrepancies:

The 2015 EITI Report clearly identified and explained discrepancies identified during reconciliation between PETROCI and oil field operators. PETROCI Holding reported that it had received 8.0m MMBTUs from CNR International, whereas CNR International reported only 3.3m MMBTUs of gas delivery to PETROCI (2015 EITI Report, p.18).

Disaggregation:

The volumes of oil and gas received by PETROCI on behalf of the states were disaggregated by oil bloc, but the quantities of oil sold and revenues received were disaggregated by buyer only in the case of the domestic national refinery (SIR) and the Cote d'Ivoire Energy (2015 EITI Report, p.89). Oil sold to traders for export was not disaggregated by buyer, only a lump sum is provided in the Report.

Additional information:

The Report provides a detailed explanation of swaps agreements of crude oil for natural gas, but not sufficient information on the offsetting and clearing of invoices between PETROCI, Cote d'Ivoire Energy, DGTCP and DGI.

Stakeholder views

Stakeholders agreed that the report was not sufficiently clear on the sales of in-kind revenues by PETROCI, especially as it relates to SWAPS of crude oil for natural gas, which requires the valorisation of both products at market price to make the swap. Similarly, stakeholders agreed that more information is needed for a good understanding by the average citizen of the complex operation of offsetting and clearing invoices between PETROCI, which delivers state owned natural gas to Cote d'Ivoire Energy and independent power producers, who supply electricity to the state in exchange for the natural gas.

A government official noted that MSG's definition of materiality with regards to in-kind revenues was adequate and an accurate description of the reality. An oil company's executive explained the process of

swaps and compensation in accordance with the production sharing agreements between PETROCI and the oil producers and long term purchasing agreements of natural gas between electricity producers, PETROCI and gas producers. Civil society representatives noted that they had specifically requested the publication of production sharing agreements to shed light on these kinds of operations that seemed mysterious to them.

A government official noted that the DGI receives cash for the in-kind payments of oil to the State, not for natural gas. They noted that Article 1066:10 of the tax code requires PETROCI to make available to the DGI, the state's share – quantity delivered, quantity sold, unit price and individual buyer, on a monthly basis. Officials from PETROCI confirmed that they had disclosed much more detailed information on their oil sales in their reporting templates, than what was included in the final report. They noted that they had no objection to this information to be unilaterally published by EITI Cote d'Ivoire.

Initial assessment

The International Secretariat's initial assessment is that the RCI has made meaningful progress in meeting this requirement. The MSG agreed that all in-kind revenues were material and the EITI Report fully disclosed the volumes and values of in-kind revenues of crude oil and natural gas received by PETROCI on behalf of the state. The volumes of oil and gas received by PETROCI were disaggregated by oil bloc. However, the quantities of oil sold and revenues received were not disaggregated by buyer, except in the case of the domestic national refinery (SIR) and Cote d'Ivoire Energy. PETROCI disclosed more granular data of its oil sales by shipment and the corresponding revenues to the state, but the IA did not include this data in the Report.

The International Secretariat concludes that the report was not sufficiently clear on the sales of in-kind revenues by PETROCI, especially as it relates to SWAPs of crude oil for natural gas. This exchange requires the valorisation of both products at market prices in order for the swap to take place. Similarly, stakeholders agreed that more information is needed for a good understanding by the average citizen of the complex operations of offsetting costs and clearing of invoices between PETROCI, Cote d'Ivoire Energy, DGI and DGTCP.

In accordance with EITI Requirement 4.2, the government, including PETROCI and its subsidiaries, are required to disclose the volumes of crude oil and natural gas sold and revenues received. The published data must be disaggregated by individual buying company and to levels commensurate with the reporting of other payments and revenue streams. The MSG may wish to publish the volumes of oil and natural gas delivered, volumes sold, unit price by individual buyer that PETROCI is required to submit to DGI, in accordance with article 1066:10 of the tax code.

Barter and infrastructure transactions (#4.3)

Documentation of progress

Barters:

The scoping study approved by the MSG on 15 December 2016 concluded that barter agreements were not material (2015 Scoping Report, p. 40). However, the 2015 EITI Report described swap operations, a process by which, the state through PETROCI agrees with oil and gas producers to exchange the state's share of crude oil from each oil field with the associated gas owned by the operator. Thus, the state's

share of oil production is exchanged for natural gas, at market value on the date of the transaction. The State through Cote d'Ivoire Energy uses the natural gas to generate electricity (2015 EITI Report, p. 53). Section 7.1.1 provides the details of quantities of oil and gas that belong to the state, before and after the swaps (p.88). The disclosed figures are detailed by oil bloc. The amount of oil and gas exchanged in each oil field can be calculated based on these figures. Thus, in 2015 the state through PETROCI exchanged 816,478 barrels of oil for 5.8m MMBTU of natural gas. This gas is then delivered to Cote d'Ivoire Energy for electricity production and supply to the state. Cote d'Ivoire Energy then bills the state for the electricity delivered to government entities and compensate this with the amount of natural gas received from PETROCI. Cote d'Ivoire energy did not participate in EITI reporting.

Infrastructure:

The scoping Report approved by the MSG stated that infrastructure projects were not material in Cote d'Ivoire (2015 Scoping Report, P.40). The 2015 EITI Report confirms that based on government agencies and companies reporting, no payments were made for infrastructure projects (2015 EITI Report, pp.55, 94).

Stakeholder views

Stakeholders confirmed that the MSG did not consider the Swap of oil and gas as barter agreements. Civil society representatives noted that they "blindly followed" the recommendation by the IA in the scoping study. They admitted that they did not have sufficient capacities to monitor the oil and gas sector, especially because PSA underpinning all the complex transactions were not public.

Government representatives explained that the Government of Cote d'Ivoire has made a strategic decision to use natural gas for electricity production as a national priority. Swaps operation occur when the government exchanges its petroleum for natural gas. If the operator only produces petroleum or only gas, there are no swaps. Companies and civil society representatives noted that the EITI Reports did not include sufficient details to allow a good understanding of swaps operations.

PETROCI's representatives explained that swaps operations are part of long term sale agreements to guaranty to supply of natural gas to local gas fired power plants. Oil field operator generally prefer to have oil as opposed to natural gas, which requires significant infrastructures developments for transport. PETROCI noted that the valorisation of monthly swap operations was disclosed in the reporting templates submitted to the IA, but this information was not included in the final EITI Report. PETROCI noted that the value of oil and gas exchanged was based on the monthly price of gas given from the previous shipment of oil from the oil field. They noted further that swaps are highly regulated by the hydrocarbon code (article 11).

Initial assessment

The International Secretariat's initial assessment is that the RCI has made inadequate progress in meeting this requirement. The IA, together with the MSG, had concluded that barter agreements were not material despite the existence of significant swap operations of oil and gas between the government and private operators. While the EITI Reports provide the quantity of oil and natural gas exchanged between the state and the private operator, it did not provide sufficient information on the terms of relevant swap agreements, and value of the balancing benefit (electricity) for the MSG to gain a full understanding of these barter agreements. The International Secretariat concludes that barter arrangements exist in Cote d'Ivoire, but the associated revenue flows have not been fully disclosed in accordance with provision 4.3.

In accordance with Requirement 4.3, the MSG and the IA need to gain full understanding of: the terms of the swap agreements, the parties involved, the resources which have been pledged by the state in the forms of crude oil, the value of the balancing benefit stream (natural gas, then electricity delivered), and the materiality of these agreements relative to conventional contracts. The MSG and the IA are required to ensure that the EITI Report addresses these agreements, providing a level of detail and transparency commensurate with the disclosure and reconciliation of other payments and revenues streams.

Transport revenues (#4.4)

Documentation of progress

The scoping study approved by the MSG on 15 December 2016 concluded that revenues from transport were not material (2015 Scoping Report, p. 40). The 2015 EITI Report also confirms that based on data provided by government agencies and companies, transport revenues did not exist in Cote d'Ivoire (2015 EITI Report, p.55). The IA explained further that transport fees associated by the network of pipelines used to transport crude oil and refined petroleum products are part of production cost that is tax deductible (2015 EITI Report, p.42).

For the mining sector, manganese ore and gold are transported by trucks and train from the mining site to the port for export. These activities are managed by private operators for their own accounts and included in operating costs (cost-oil for hydrocarbons). The fiscal framework does not provide for the collection of a specific revenues stream for transport activities (2015 EITI Report, p.55).

Stakeholder views

Government representatives noted that PETROCI was involved in the distribution of butane gas for domestic consumption, but this activity did not generate transport revenues for the government. The Government has recently decided to discontinue this activity by PETROCI. Companies representatives noted that they do not pay transport revenues to the State.

Initial assessment

The International Secretariat's initial assessment is that this Requirement was not applicable in Cote d'Ivoire for the period covered in the Report. The fiscal framework in Cote d'Ivoire does not provide for the collection of a specific revenues stream for transport activities. To this end, the MSG decided that these payments were not relevant or material during its scoping. There was no evidence of material transport revenues during data collection or reconciliation.

Transactions between SOEs and government (#4.5)

Documentation of progress

SODEMI: the 2015 EITI Report shows that SODEMI did not collect revenues on behalf the state in 2015. State participation in the mining sector is directly paid to the treasury, not through SODEMI (p.47). The 2015 EITI Report describes the following payments from mining companies to SODEMI and from SODEMI to the state:

- SODEMI is 100% owned by the state, but the SOE did not pay dividends in 2015, because the company was running a deficit (2015 EITI Report, p.49)⁴⁹.
- SODEMI holds shares in mining companies and receives dividends. In 2015 SODEMI held shares in 9 mining companies (participation varies from 5% in the Agbaou Gold Operations to 51% in the manganese producer CML, 2015 EITI Report, p.48). Only one company, Ste des Mines d'Ity paid XOF 1 b in dividends to SODEMI in 2015 (2015 EITI Report, p.94). This payment is reconciled with the SODEMI's receipt (p.75).
- SODEMI provides services to the cooperative of diamond traders (SCOOPS) and receives payment of up to 8% of the sales price to SODEMI (p.39). SODEMI did not receive material payments from the SCOOPS in 2015 (2015 EITI Report, p.177).
- SODEMI sales the results of its exploration activities to potential investors and collects the proceeds of this for its own account (pp. 64; 204). The 2015 EITI Report confirms that SODEMI did not sale results of its exploration activities (p.9).
- SODEMI receives subsidies from the state to conduct exploration activities for strategic minerals such phosphate. The 2015 EITI Report confirms that SODEMI did not receive subsidies from the government in 2015 (p.95)

As part of its commercial activities, SODEMI paid XOF 123m in taxes to the DGI, and XOF 18m in royalties to DGMM (2015 EITI Report, p.177).

PETROCI: In terms of transactions between PETROCI, the state and other companies in the oil and gas sector, the 2015 EITI Report describes four types of operations in which PETROCI plays a key role.

PETROCI collects in-kind revenues of oil and gas: The 2015 Report shows that PETROCI received 1 486 919 barrels of oil and 41m MMBTU of natural gas (p.68) from companies producing oil and gas in 2015 (CNR International, Foxtrot International and AFREN (PETROCI CI 11)).

PETROCI swaps of crude oil for natural gas on behalf of the state: the 2015 EITI Report describes the process of swap of crude oil for natural gas (p.53). The Report shows that in 2015 PETROCI exchanged 816,478 barrels of oil for 5.8m MMBTU of natural gas. This gas is then delivered to Cote d'Ivoire Energy for electricity production and supply to the state (2015 EITI Report, p.88).

PETROCI sale of crude oil and natural gas and transfer of the proceeds to the treasury: The 2015 EITI Report shows that PETROCI sold 796,700 barrels of crude oil, valued at USD 38.6 million in 2015 (p.89). The report also shows that PETROCI received a commission of USD 336, 934 on the sale of this oil. The proceeds of this sale were transferred to the treasury. The Report shows that PETROCI sold or delivered 21m BTU of natural gas valued at USD 93m to Cote d'Ivoire Energy, which has the right to buy all natural gas produced in cote d'Ivoire for electricity production, however the proceeds from this "sale" were not transferred to treasury, but rather compensated with electricity bills (p.89). The report did not detail the transaction between PETROCI and Cote d'Ivoire Energy.

Payments of taxes, royalties and dividends by PETROCI: the 2015 EITI Report provides a detailed reconciliation of all payments made by PETROCI to the State (p.186). The report shows that PETROCI paid: XOF 15.8 b in customs fees to the DGD; XOF 84.4 b of taxes and royalties including the sale of in-kind

⁴⁹ The 2015 EITI Report includes a link to the SODEMI's financial statement (p.49), <http://www.sodemi.ci/archive/syfina3.pdf>

revenues to the DGI; XOF 11.5 b to DGH for the training of staff and supply of equipment. PETROCI being 100% state owned, the national oil company paid XOF 18.7 b in dividends in 2015 (p.186).

Stakeholder views

MSG members all stated that they were satisfied with the level of disclosure provided by SODEMI. Civil society representatives commented on SODEMI's asset sale in 2014 that was directly recovered by the state. They raised concerns that such transactions do not allow for a clear distinction between SODEMI's accounts and the government accounts. SODEMI noted that they give the cooperative technical assistance and receive in return 8% of the value of the sale of diamond produced. This covered less than 12% of their training costs. They noted that the Government also provides direct subsidies to SODEMI to conduct research in a particular commodity such as phosphates

Stakeholders did not agree whether PETROCI had provided sufficient information. Civil society representatives argued that the disclosed information by PETROCI was not sufficient to understand all the transactions between PETROCI and the state, especially as it relates to swaps of crude oil and transfer of natural gas to Cote d'Ivoire Energy. A government official explained that PETROCI receives crude oil on behalf of the State, commercialises the oil, and transfers the proceeds to the state's treasury, after deduction of the trading fees (XOF 250 per barrel). A company's representative explained that in cases where a well produces both oil and natural gas, PETROCI swaps the oil for natural gas in accordance with SWAPs agreements with gas producers. PETROCI explained that the gas is then delivered to Cote d'Ivoire Energy for electricity production. Cote d'Ivoire Energy did not provide an explanation how it pays for the oil receive and uses the natural gas to produce electricity. A government official on the MSG explained that in this case, instead of receiving cash for its crude oil, the state receives electricity. The official noted that net payments of commissions and possible compensation of crude swaps are made for each sale to the DGI. Several CSOs called for greater clarity on payments between PETROCI, Cote d'Ivoire Energy, the DGI and the treasury. All stakeholders consulted confirmed that Cote d'Ivoire Energy does not pay for natural gas in cash.

Government representatives noted that PETROCI acts as a private company which decides the share of dividends that it will disburse to the state or keep as reserves. They noted that government is on the Board of PETROCI but act in the interest of PETROCI. The Chair of the Board is full time, others are government representatives from the Presidency, Prime Minister's Office, Ministry of Finance and Ministry of Commerce.

Initial assessment

The International Secretariat's initial assessment is that the RCI has made meaningful progress in meeting this requirement. The 2015 EITI Report discloses SODEMI's transactions with the government and shows that SODEMI did not collect revenues from mining companies. However, despite significant disclosures by PETROCI of its transactions with the state, several transactions involving PETROCI and Cote d'Ivoire Energy remains unreported and unclear to many MSG members.

To strengthen implementation, the MSG should undertake a comprehensive assessment of transactions between PETROCI and its subsidiaries and oil and gas companies, as well as between PETROCI subsidiaries and government entities including Cote d'Ivoire Energy, DGI and the treasury. The MSG may wish to publish the information submitted to DGI by PETROCI and Cote d'Ivoire Energy.

Subnational direct payments (#4.6)

Documentation of progress

The MSG sets the materiality threshold for subnational payments at zero, meaning that any payments made at the subnational level would be material (2015 EITI Report, p.62). The 2015 EITI Report states that due to the principle of unity of account, budgetary revenues are collected almost entirely in a single account of the Public Treasury through the relevant government agency, such as DGI and DGD (2015 EITI Report, P.54). The Report states further that subnational payments are limited to municipal taxes, including fees on land, patents and synthetic taxes, which are also collected by the regional offices of central government agencies (DGI) and thus recorded into a single treasury account. The Report explains that the transfer of these taxes to municipalities is not done directly to the municipality, but rather lumped together in the annual budget allocation from the central government to local municipalities. The IA concluded that the sector specific payments intended for municipalities are not applicable and therefore cannot be reconciled with transfers made by the treasury (2015 EITI Report p. 54). The Report also confirms according to the declaration by the companies included in the scope of the reconciliation that they did not pay municipal taxes in 2015 (2015 EITI Report, p. 95).

Stakeholder views

A government official explained the government policy to centralise the tax collection process to reduce the administrative burden on the companies operating in the oil, gas and mining sector. They noted that mining companies are generally exempted from these local taxes and municipal taxes from the oil sector because offshore activities are rarely material. There was also some confusion in the MSG as to whether the new contribution to community development mandated by the new mining code (0.5% of mining companies' annual turnover) was material and whether it should be treated as a subnational payment to local communities.

A government official confirmed that municipal taxes exist in the book but are rarely enforced in practice and in cases where companies make payments, taxes are collected at the central level then transferred to the local communities.

Initial assessment

The International Secretariat's initial assessment is that this requirement was not applicable in Cote d'Ivoire for the year under review. Together with the IA, the MSG has considered the definition of materiality with regards to direct subnational payments and concluded that such payments were not applicable due to the principle of unity of accounts, which mandates that all budgetary revenues are collected by the central government, registered in the Public Treasury account. Municipal taxes collected at the central level and then transferred to local communities are covered under Requirement 5.2, subnational transfers, below. New mandatory social payments of 0.5% of mining companies' turnover to a local development committees fund (CDLM) were not applicable in 2015 and should be covered under Requirement 6.1 (mandatory social expenditure).

Level of disaggregation (#4.7)

Documentation of progress

At its meeting on 15 December 2016, the MSG agreed on the scope of the 2015 Report and the level of disaggregation for the data to be disclosed by government agencies and companies (ITIE Cote d'Ivoire, 2016). Each reporting entity was required to disclose disaggregated data by revenue stream, including supporting documents for each payment (2015 EITI Report, p.23). The 2015 EITI Report shows detailed reconciled data of in-kind revenues by company (2015 EITI Report, pp. 68-69). The report also shows reconciled revenues received in cash by company (2015 EITI Report, pp.71-72), by government entity and by revenue stream (2015 EITI Report, pp. 73-75).

Reconciled data is partially disaggregated by project, for production and in-kind revenues. Some of the big operators, Total and Tullow oil also publish their payments by project as part of EU reporting requirements. However, the IA had considered project by project reporting for the 2014 Report and found that neither the State nor the companies maintain accounting by project (2014 EITI Report, p.83).

Companies pay taxes on all the combined activities of the company not by project. The IA concluded that Cote d'Ivoire will have difficulties to comply with project by project reporting and recommended a feasibility study to identify opportunities and constraints for disclosure of EITI data by project as well as the actions and resources needed to implement such disclosure. Under follow up on previous recommendations, the 2015 EITI Report confirms that the MSG had considered the issue and agreed to include a feasibility study of project level reporting in its 2017 workplan. Annexes 8 and 9 lists all mining licenses and reveal that most, if not all, mining companies hold several licences. The same indication is found in Annex 10 for petroleum companies when listing the various oil blocks.

Stakeholder views

Stakeholders from all three constituencies noted that they were satisfied with the level of disaggregation in the EITI Reports. Government representatives raised concerns that the ways in which taxes are collected from companies may not allow for project level reporting. Oil companies' representatives confirmed that only in-kind payments of oil and gas are recorded by producing license. Mining companies' representatives noted that for companies holding production license in different regions would be required to maintain separate accounting for each mine, but taxes are generally levied on all activities carried out by the company. Civil society representatives recommended speedy implementation of the 2017 work plan including the feasibility study on project level reporting.

Initial assessment

The International Secretariat's initial assessment is that the RCI has made satisfactory progress in meeting this requirement. The financial data disclosed in the 2015 EITI Report is disaggregated by individual company, government entity and revenue stream. In-kind revenues, which represent the largest revenue stream to the government via PETROCI are also disaggregated by producing license. Following recommendations from the IA, the MSG has included a feasibility study of project level reporting in its 2017 work plan. The International Secretariat concludes that all aspects of this requirements have been implemented and the underlining objectives are being achieved.

Data timeliness (#4.8)

Documentation of progress

The MSG published data for the 2015 fiscal period in March 2017, 15 months after the closure of the fiscal period covered, which is a significant improvement of timeliness compared to the previous reporting cycles. Data for the previous fiscal periods 2013 and 2014 were published just before the deadline of 31 December 2015 and 31 December 2016 respectively. In addition to the EITI Reports, the national Secretariat also publishes in its quarterly newsletter, more up-to-date and timely information on production data and licenses held by oil, gas and mining companies, but the most recent newsletter was published in March 2016 (ITIE Cote d'Ivoire, 2016).

Stakeholder views

MSG members highlighted that they had hoped to publish both the 2014 and 2015 EITI Report by 31 December 2016, but due to delays in reporting they decided to postpone the publication of the 2015 EITI Report to the first quarter of 2017 and ensure sufficient time for the MSG to review the draft report and provide comments to the IA.

A government official noted that the national institute of statistics (INS) publishes data on the sector's contribution to the economy in its statistical yearbook, which is communicated to the World Bank and the IMF. They noted that the most recent yearbook covers 2015 data, however, this publication was not available on the Institute's website. The mandate of the institute includes the dissemination of all the statistical, economic and demographic data collected by various government agencies, including government agencies required to report under the scope of EITI reporting. To achieve its mission, an open data portal⁵⁰ was under construction by the institute.

Many government representatives noted that the data exists in different formats offline, but there are delays in transmitting and confirming the accuracy of the data from various agencies. Some government agencies such as the Customs Office confirmed that they already have the 2016 data ready for publication, and are waiting for reporting templates from the IA.

Partners and civil society representatives noted that, despite their regular publication, the data in EITI reports is often too old at the time of dissemination. They recommended more timely and unilateral disclosure from government agencies and companies making subnational payments, or payments that are earmarked for subnational transfers.

MSG members were generally satisfied that Cote d'Ivoire had always published EITI data within the deadline even during the 2010-2011 political crisis.

Initial assessment

The International Secretariat's initial assessment is that the RCI has made satisfactory progress towards meeting this requirement. The MSG has made significant improvements in the timeliness of EITI reporting

⁵⁰ The website is operational but did not include statistics from the extractive sector, <http://cotedivoire.opendataforafrica.org/>

and has regularly published timely EITI Reports in accordance with the EITI Requirement.

The MSG is encouraged to explore opportunities to disclose data as soon as practically possible, for example through continuous online disclosures on the open data portal of production and oil sales data, transfers to local communities and statistics compiled by the institute of national statistics.

Data quality (#4.9)

Documentation of progress

Terms of Reference for the Independent Administrator:

The MSG initially discussed and approved the draft ToR for the IA to produce the 2013 and 2014 EITI Report's IA at its meeting on 11 March 2015. The ToR was revised in line with standard ToR published by the International Secretariat in February 2016 and approved by the MSG at its meeting on 17 August 2016 (Minutes of MSG meeting of 17 August 2016, p.2).

Appointment of the Independent Administrator (IA):

The MSG first issued a call for proposals for the IA to produce 2013 and 2014 EITI reports in May 2015. The tender notice was open until 30 June 2015 and published on the national and international EITI websites⁵¹. Both Reports were funded by the government and therefore followed government procurement procedures. At its meeting on 29 July 2015, the MSG approved the technical committee's recommendation to hire Moore Stephens based on the evaluation of technical and financial bids⁵². The Minutes of the MSG meeting noted that only Fairlinks and Moore Stephens submitted tenders. Thus, after the analysis of the technical and financial offers by a technical committee (COJO), and following non-objection by the direction of public procurement (DMP), Moore Stephens was selected to produce the 2013 and 2014 EITI Reports.

At its meeting on 17 August 2016, the MSG took note of the new Validation deadline for Cote d'Ivoire as part of the implementation of the 2016 EITI Standard. The MSG reviewed the draft 2014 EITI Report and unanimously approved the extension of Moore Stephens' contract for the publication of the 2015 EITI Report (Minutes of MSG meeting of 17 August 2016, p.2). The MSG mandated the Chair of the MSG and the national Secretariat to negotiate and sign the Contract with Moore Stephens following non-objection by the relevant government agencies.

Agreement on the reporting templates:

The Scope of EITI Reports evolved through multiple iterations of reporting. MSG meeting minutes' show recommendations to update reporting templates for future EITI reports based on the findings of the 2013, and 2014 EITI Reports⁵³. The MSG approved the scope of the 2015 EITI Report, including the reporting templates at its meeting on 15 December 2016. As the mining sector continues to grow, new material

⁵¹ The tender notice was also published on the EITI International Secretariat website <https://eiti.org/node/4416>.

⁵² The Minutes of the MSG meeting are available on the website of the national council of EITI Cote d'Ivoire <http://www.cnitie.ci/doc/38-runions.html>.

⁵³ The Minutes of the MSG meeting of 17 August 2016, show that the MSG decided to include in the reconciliation of future EITI Reports, mandatory social payments made to the local socio-economic development fund introduced by the new mining code.

companies are discovered through the reconciliation process and integrated for future EITI Reporting. SISAG and Occidental Gold were discovered during the 2014 reporting cycle and subsequently included in the 2015 EITI Report (2015 EITI Report, p.99). Similarly, new material revenues streams were discovered during EITI reporting and subsequently included in the reporting templates for the following reporting cycle (2015 EITI Report, pp.98-101).

Overview of the IA's work: The 2015 EITI Report states that the IA completed the assignment in accordance with the agreed TOR (p.21). The IA's work included:

- conducting a scoping study for the collection of contextual data, the definition of materiality thresholds and updating reporting templates;
- collecting and reconciling data on payments by extractive companies and government revenues;
- identification and investigation of discrepancies; and
- submission of a draft and final EITI Report for approval by the MSG.

Review of audit practices:

Section 4.6 of the 2015 EITI Report clearly describes the auditing practices applicable in Cote d'Ivoire both for the private sector and the government (pp.60-61). Accounting procedures and audit of financial statements are defined by the West African Accounting System (SYSCOA) and OHADA. Both standards require that annual financial statements must be prepared within four months of the end of the financial year (31 December).

The IA refers to a 2009 Compliance and Auditing report by the World Bank (RRNC/ROSC)⁵⁴ on auditing practices in Cote d'Ivoire, which found that the auditing standards applied depend on the structure and size of the firm carrying out the audit:

- major audit firms, members of global networks, carry out their work in accordance with international standards ISA (International Standard Auditing); and
- other professionals, by virtue of their French training, use the standards of the French National Audit Commission (CNCC) for audits.

The Report also found multiple violations by auditors of the International Standard of Auditor. In order to address these shortcomings, the association of Accountant of Cote d'Ivoire (Order of Chartered Accountants) organised training seminars for its members on the ISA standards adopted in March 2015. The IA concluded that international standards were applied by auditors for the 2015 accounts.

Assurance methodology:

The MSG adopted a three-prong approach to the quality assurance of data as suggested by the IA in the scoping Report and adopted by the MSG on 15 December 2016 (Rapport de Cadre pour l'exercice 2015, p.11).

- Oil and gas companies were required to submit declaration form signed by a person authorized by the company to attest reliability of the data. In addition to this, oil and gas companies that

⁵⁴ World Bank. 2009. *Cote d'Ivoire - Rapport sur le respect des normes et codes (RRNC/ROSC) : comptabilite et audit*. Washington, DC: World Bank. <http://documents.worldbank.org/curated/en/574211468025496771/Cote-d'Ivoire-Rapport-sur-le-respect-des-normes-et-codes-RRNC-ROSC-comptabilite-et-audit>

paid more than XOF 500 m or USD 900 thousand (Foxtrot International, TOTAL E&P CI, PETROCI, Anadarko, ExxonMobil, and CNR International), were required submit certified declarations by an external auditor. The auditor may be the statutory auditor of the company (auditor) or another auditor appointed for the occasion. Oil companies were also required to attach certified financial statements or a letter to the IA stating that the financial statements have been audited.

- Mining companies were required to submit declaration forms signed by a person authorised by the company to attest reliability of the data. Mining companies that paid more than XOF 200 m, or USD 360 thousand (Societe des Mines d'Ity, Ste des Mines de Tongon, Agbaou Gold Operations, LGL Mines CI SA, Compagnie Miniere au Littoral, Perseus Mining CI) were required to submit declaration forms certified by an external auditor. The auditor may be the statutory auditor of the company (auditor) or another auditor appointed for the occasion. Mining companies were also required to attach certified financial statements or a letter to the IA stating that the financial statements have been audited. For mining companies, the declaration form must be accompanied by the transfer vouchers for the contribution of the financing of the local socio-economic development actions.
- Each declaration form submitted by government agencies must be signed by a government official authorised to attest the figures for the agency. The Inspector General of the State (IGE) was selected by the MSG to certify the figures disclosed by government agencies. A letter of affirmation will also be produced by the Inspector General of the State certifying the conformity of the declared revenues with the revenues recovered and recorded in the accounts of the State.

Confidentiality:

The 2015 EITI Report did not mention any confidential treatment of information disclosed as part of the EITI process.

Reconciliation coverage:

The 2015 Report shows that 99.5% of the total extractive sector revenues were reconciled with companies' payments (P.16). The results of the reconciliation process show that oil and gas companies collectively paid XOF 252.3 b (about USD 462 m) in taxes and fees; 99.8% of these revenues were reconciled. Similarly, mining companies' contribution in fiscal revenues amounted to XOF 37.7 b (about USD 70 m) and 97.4% of revenues from the mining sector were reconciled (2015 EITI Report, pp.13-20, 67-84). EITI reports show a growing but still smaller mining sector's contribution to the national budget relative to the hydrocarbon sector.

Assurance omissions:

In terms of adherence to the agreed quality assurance procedures, the 2015 EITI Report confirms that of the 30 companies that submitted declaration forms, two companies did not provide declaration forms signed by their authorized representatives. The Report shows that these mining companies (NEWCREST HIRE, SADEM (SOLIBRA)) collectively paid XOF 571 m or USD 1 m, which is about 0.21% of reported revenues (2015 EITI Report, p.15). The Report states that of the 16 companies that were required to submit certified declaration forms by an external auditor, three companies did not submit certified data by their external auditors (NEWCREST HIRE, PERSEUS MINING CI, AND AMARA MINING CI). These three companies collectively paid XOF 1.253 billion or USD 2 m, which represents 0.43% of total reported revenues. Annex 12 shows the details of the level of certification for each company (p.200).

The Report shows that all government entities provided the required quality assurance for their reporting

templates⁵⁵ (2015 EITI Report, p.16). The MSG requested that the Inspector General of the State (IGIE) certify the declarations of government agencies. The IGE conducted its own reconciliation, identified discrepancies and certified without reserve the declarations made by the DGI, DGD, DGMG, which collectively declared 94 % of revenue reported by government entities. The IGE stated that it could not certify the declaration made DGH, due to the lack of evidence of revenues received for training and equipment to DGH under the petroleum contracts (2015 EITI Report, p.16).

Data reliability assessment

The IA provided a detailed assessment of all incidences of discrepancies and deviations from the agreed quality assurance. The IA stated that the payments made by companies that did not certify their data were relatively insignificant (0.43%) (2015 EITI Report, P.15). The IA also stated that despite the lack of certification of DGH's declaration by IGE, identified discrepancies between DGH and companies were relatively insignificant. The IA stated that the data presented in the 2015 EITI Report reflect reasonably the extractive sector's contribution to the state budget (2015 EITI Report, p.16).

Sourcing of information:

Information provided in the report was clearly sourced. Production and export data was provided by PETROCI and DGH for the hydrocarbon sector and by DGMG for the mining sector. Other licensing information was provided by the relevant government agencies and laws and decrees were clearly referenced and linked to the government official journal.

Past recommendations:

The 2015 EITI Report includes recommendations from previous EITI Reports (2013 and 2014). The Report provides an assessment of whether the recommendation has been implemented and documents the response provided by the MSG (2015 EITI Report, pp.99-104).

Current recommendations:

The Report also identifies new recommendations related to improving revenue traceability (2015 EITI Report, p.98).

Stakeholder views

MSG members confirmed that they approved the hiring of Moore Stephens to conduct two scoping studies, one on beneficial ownership disclosure and the other on the scope of the 2015 EITI Report in accordance with the 2016 Standard. They noted that they were generally satisfied with the work conducted by the IA, but some stakeholders expressed frustration with the tight deadline for reporting and review of draft reports. Mining companies' representatives noted that they were involved in reporting, but did not approve the reporting schedule, which was too short. They noted that Newcrest Hire, for example, was requested to submit certified reporting templates with a two-days deadline. The company scrambled to submit the declaration form on time for reconciliation but the certified reporting template was submitted after the deadline. The national secretariat noted that only one company, Perseus was not responsive to the initial IA's request for disclosure. The ministry of mining intervened,

⁵⁵ The IGE conducted an audit and certified the data from government agencies. The results of its audit was submitted to the IA and the MSG through letter N°007/PR/IGE/N of March 2017.

but the certified templates were received after the deadline. Similarly, Amara's external auditor did not have sufficient time to certify the reporting templates. Companies representatives also noted that only companies quoted on the Stock Exchange publish their financial accounts on their websites. All mining companies submit their financial statements to the DGI annually.

Civil society representatives noted that they were overall satisfied with the quality of the data and they would not have approved the report if they did not receive assurance that the data was reliable.

Government representatives noted that they were required to submit reporting templates between 6-18 January 2017 (they considered this deadline to be too short). The Treasury noted that they have implemented reforms to remove obstacles in data traceability and reconciliation identified in previous EITI Reports. They can now deliver supporting documents for each payment on a sort notice. They noted that changes in the reporting templates year after year posed difficulties for reporting entities. They suggested that this is in part due to the changes to the EITI Standard that is "always asking for more information to be disclosed".

With respect to the DGH, all discrepancies were explained with the IA but they were unable to give IGE the contracts. There was confusion on whether IGE can have access to contracts from the DGH. IGE requested the contracts to confirm the information submitted to the IA. The DGH noted that the relevant information that auditors were looking for could not be the contracts, but rather in letters between DGH and oil and gas companies, which were included in the reporting templates.

Auditors from IGE explained the mandate of the Inspector General of the State and their working methods in details. IGE is responsible for punctual administrative and financial audits of public and para/public organizations. At the end of an audit mission, they submit their main findings to the President of the Republic. They noted that they denounce cases of frauds and corruption and make recommendations to the President of the Republic. They highlighted a previous audit in the past (they did not recall specific dates) that led to the dismissal of the Director of PETROCI and DGH due to lack of submission of documents to IGE.

In the case of IGE's audit as part of EITI reporting, the results of the audit is submitted to the IA and the MSG. The auditors noted that they refused to certify the data submitted by DGH because the directorate of hydrocarbon did not provide the requested evidence on payments for training and equipment's (vehicles and office furniture) provided by oil and gas companies to the Ministry of Energy and Hydrocarbon. They also mentioned that they were not granted access to the PSAs at first request, and they decided to investigate violations of the legislation on contract transparency during their next certification. They noted that this issue is been resolved with new leadership at the ministry. They noted that they have already received the data for 2016, including access to PSAs, which remain confidential.

As for the methodology used by the IGE, the auditors noted that their work is based on the relevant legal documents, regional and international standard (OHADA and INTOSAI). They use risk based assessment model to identify priority sectors for the audits. Their normal work is not based on cash based accounting, rather on financial statements and accrual based accounting. The 2015 Reporting was their first certification of EITI data. They had to adjust their procedures and work audit objectives, but generally the due diligence process was the same for all financial audit. They noted that they did not conduct a process audit, but they found good reasons to conduct one in the future, with or without EITI request, because it

is within their mandate. Certification by the Court des Comptes is more complex and is based on the rendition of all government accounts and therefore, there is no targeted audit of specific agencies as requested by the EITI. Auditors from the Court des Comptes, which is the supreme audit institution in the country requested training on the EITI Standard and expressed interest in getting involved in this line of work in the future.

Initial assessment

The International Secretariat's initial assessment is that the RCI has made satisfactory progress towards meeting this requirement. The MSG has approved TORs for the IA in accordance with the standard TOR approved the Board. The MSG has also approved the hiring of Moore Stephens as the Independent Administrator in July 2016 and agreed reporting templates in December 2016. The IA undertook a review of the audit and assurance procedures in Cote d'Ivoire and recommended quality assurance procedures that were largely followed by reporting entities. Reporting entities had their financial statements audited for data covered by the 2015 EITI report, and largely adhered to the agreed quality assurance procedures, with the exceptions of Newcrest Hire, Perseus Mining ci, and Amara Mining CI. These companies collectively paid 0.43% of total revenues. Newcrest Hire and Perseus Mining CI submitted certified data after the deadline for reconciliation.

On the government side, IGE conducted an audit of all companies submitting data and certified all the state declarations except for DGH, which declared 6% of total revenues. The IA assessed the impact of these gaps on the quality of the report and concluded that despite these omissions data presented in the 2015 EITI Report reflect reasonably the extractive sector's contribution to the state budget (2015 EITI Report, p.16). Information provided in the report was clearly sourced.

The MSG has also published electronic data files together with the EITI Report and summary data from the EITI Report has been submitted electronically to the International Secretariat, in accordance with the standardised reporting format provided by the International Secretariat. The International Secretariat concludes that significant aspects of this requirement have been implemented and the underlining objectives are being achieved.

To strengthen, EITI reporting, the MSG should ensure that reporting entities have sufficient time for EITI reporting to avoid submissions of uncertified declarations forms or after the deadline. The MSG should ensure that government agencies, particularly DGH provides all the supporting evidence requested by the auditors, who have the mandate to certify reporting templates.

Table 4- Summary initial assessment table: Revenue collection

EITI provisions	Summary of main findings	International Secretariat's initial assessment of progress with the EITI provisions (to be completed for 'required' provisions)
Comprehensiveness (#4.1)	<p>The 2015 EITI Report lists and describes all material companies and revenue streams. The materiality of revenues from non-reporting companies is assessed. While two mining companies making material payments (NEWCREST HIRECote d'Ivoire SA and Ampella Mining) were first omitted from the list of reporting companies, they were subsequently included in the reconciliation process and all but three oil, gas companies (Lukoil, CIPEM and PAN Atlantic) that made material payments in 2015 fully reported all payments in accordance with the agreed reporting templates. Payments made by the three non-reporting companies were relatively insignificant, less than 0.2% of total reported revenues from the extractive sector, therefore did not affect the comprehensiveness of the Report. Full government disclosure is provided for companies below the materiality threshold.</p>	Satisfactory progress
In-kind revenues (#4.2)	<p>The 2015 EITI Report reconciles the volumes collected by PETROCI on behalf of the government with company payments of in-kind revenues and discloses volumes of the state's in-kind revenues sold by PETROCI as well as the transfer of sales proceeds to the Treasury. The volumes of oil and gas received by PETROCI were disaggregated by oil bloc, but the quantities of oil sold and revenues received were not disaggregated by buyer, except in the case of the domestic national refinery (SIR) and delivery of natural gas to Cote d'Ivoire Energy.</p>	Meaningful progress
Barter and infrastructure transactions (#4.3)	<p>Despite the IA and MSG conclusion that barter arrangements were not material in 2015, the 2015 EITI Report appears to describe two barter arrangements (Swaps of crude oil for natural gas and swap of natural gas for electricity) but does not provide sufficient detail on the terms of the contracts and parties involved.</p> <p>The 2015 EITI report was not sufficiently clear on</p>	Meaningful progress

	the terms of the SWAPS agreements of crude oil for natural gas, which requires the valorisation of both products at market price to make the swap and the parties involved in the long terms of the long-term natural gas purchasing agreements for electricity supply.	
Transport revenues (#4.4)	The IA and MSG concluded assessed the materiality of transport revenues and concluded that these payments were not material. The 2015 EITI Report and stakeholders' consultation confirms that transport revenues were immaterial in the oil, gas and mining sector for the year covered by the Report.	N/A
Transactions between SOEs and government (#4.5)	The 2015 EITI Report discloses SODEMI's transactions with the government and shows that SODEMI did not collect revenues from oil and gas companies. However, despite significant disclosures by PETROCI of its transactions with the state, several transactions involving PETROCI and Cote d'Ivoire Energy remains unreported and unclear to many MSG members.	Meaningful progress
Subnational direct payments (#4.6)	Together with the IA, the MSG has considered definition of materiality with regards to direct subnational payments and concluded that such payments are not material due to the principle of unity of account, which mandate that all budgetary revenues are collected by the central government, registered in the Public Treasury account. Municipal taxes collected at the central level and then transferred to local communities are covered under Requirement 5.2, subnational transfers, below.	N/A
Level of disaggregation (#4.7)	The financial data disclosed in the 2015 EITI Report is disaggregated by individual company, government entity and revenue stream. In-kind revenues, which represent the largest revenue stream to the government via PETROCI are also disaggregated by producing license. Following recommendations from the IA, the MSG has included a feasibility study of project level reporting in its 2017 work plan.	Satisfactory progress
Data timeliness (#4.8)	The MSG has made significant improvements in the timeliness of EITI reporting and regularly published timely EITI Reports in accordance with the EITI Requirement.	Satisfactory progress
Data quality (#4.9)	The IA undertook a review of the audit and assurance procedures in Cote d'Ivoire and recommended quality assurance procedures that were largely followed by reporting entities. Oil, gas and mining companies had their financial statements audited for data covered by the	Satisfactory progress

	<p>2015 EITI report, and largely adhered to the agreed quality assurance procedures, except Newcrest Hire, Perseus Mining CI, and Amara Mining CI, which collectively paid 0.43% of total revenues. Newcrest Hire and Perseus Mining CI submitted certified data after the deadline for reconciliation. On the government side, IGE conducted an audit of all companies submitting data and certified all the state declarations except for DGH, which declared 6% of total revenues. The IA assessed the impact of these gaps on the quality of the report and concluded that despite these omissions data presented in the 2015 EITI Report reflect reasonably the extractive sector's contribution to the state budget (2015 EITI Report, p.16).</p>	
<p>Secretariat's recommendations:</p> <ul style="list-style-type: none"> • In accordance with EITI Requirement 4.2, the government, including PETROCI and its subsidiaries, are required to disclose the volumes of crude oil and natural gas sold and revenues received. The published data must be disaggregated by individual buying company and to levels commensurate with the reporting of other payments and revenue streams. The MSG may wish to publish the volumes of oil and natural gas delivered, volumes sold, unit price by individual buyer that PETROCI is required to submit to DGI, in accordance with article 1066:10 of the tax code. • In accordance with Requirement 4.3, the MSG and the IA need to gain full understanding of the terms of the swap agreements, the parties involved, the resources which have been pledged by the state in the forms of crude oil, the value of the balancing benefit stream (natural gas, then electricity delivered), and the materiality of these agreements relative to conventional contracts. The MSG and the IA are required to ensure that the EITI Report addresses these agreements, providing a level of detail and transparency commensurate with the disclosure and reconciliation of other payments and revenues streams. • To strengthen implementation, the MSG should undertake a comprehensive assessment of transactions between PETROCI and its subsidiaries and oil and gas companies, as well as between PETROCI subsidiaries and government entities including Cote d'Ivoire Energy, DGI and the treasury. The MSG may wish to publish the information submitted to DGI by PETROCI and Cote d'Ivoire Energy. • The MSG is encouraged to explore opportunities to disclose data as soon as practically possible, for example through continuous online disclosures on the open data portal of production and oil sales data, transfers to local communities and statistics compiled by the institute of national statistics. • To strengthen, EITI reporting, the MSG should ensure that reporting entities have sufficient time for EITI reporting to avoid submissions of uncertified declarations forms or after the deadline. The MSG should ensure that government agencies, particularly DGH provides all the supporting evidences requested by the auditors, who have the mandate to certify reporting templates. 		

1. Revenue management and distribution

5.1 Overview

This section provides details on the implementation of the EITI requirements related to revenue management and distribution.

5.2 Assessment

Distribution of revenues (#5.1)

Documentation of progress

The 2015 EITI Report provides a diagram showing which revenues are directly received by the state and recorded in the national budget and which revenues go through the SOEs and therefore may or may not be recorded in the national budget (p.7). The Report shows that 64.46% of total reported revenues from extractive sector are directly received by the state from extractive companies. 33.72% of the revenues go through PETROCI and may or may not be recorded in the national budget. 1.4% of revenues are social payments directly paid by companies to the beneficiaries. 0.35% of revenues are collected by SODEMI as dividends from the SOE's participation in the mining sector for its own account (2015 EITI Report, p.7). As for revenues collected by PETROCI, the report does not explain how much of the revenues paid by PETROCI or going through PETROCI are recorded in the national budget. The 2015 EITI Report only notes that profits from PETROCI's own-account and interests from its activities beyond the scope of the EITI report (downstream sector) are either transferred to the State in the form of dividends or allocated to reserves according to the government's budgetary requirements and the company's investment policy (p.35). PETROCI paid XOF 18.750 b to the state in 2015 (2015 EITI Report, p.35).

The 2015 EITI Report also states that extractive revenues are collected and allocated in accordance with the principle of the unicity of accounts, which means that revenue collection is centralised at the national level by the government (p.52). However, diagram 9 on revenue flows from companies to the government entities collecting revenues shows that two revenue streams are not recorded in the national budget (p.56). Revenues received in-kind by DGH for training or for the purchase of equipment (6% of reported revenues) are not recorded in the national budget (2015 EITI Report, p.6). In-kind revenues of natural gas used to offset electricity bills are not recorded on the national budget the same year, in which the payments took place (p.88). The Report did not explain the allocation of these revenues that were not recorded in the national budget. The Report only provides a link to financial reports in the case of SODEMI, not for PETROCI and DGH that received revenues not recorded in the national budget. The Report did not include reference to national revenue classification systems, and/or international standards such as the IMF Government Finance Statistics Manual.

Stakeholder views

Government representatives noted that all revenues go into government accounts, except for the provision of equipment and contributions to training that is collected by DGH. Government representatives explained that it is up to the administration to ask companies to pay for training, following a training plan presented by the Government. Civil society representatives confirmed that these training plans were not public. Companies representatives explained that they don't receive these

training plans every year and that these activities are cumulative year on year and if not done in one year, it carries out to the following year. Several civil society representatives expressed concerns that these payments are made based on ad-hoc requests from DGH. They mentioned the IGE's auditors' refusal to certify DGH accounts and the government refusal to publish the production sharing agreements, which sets the parameters for these payments as serious source of concerns.

Initial assessment

The International Secretariat's initial assessment is that the RCI has made meaningful progress in meeting this requirement. The report provides a diagram of revenues recorded in the national budget, and revenues that are not systematically recorded in the national budget. However, it is unclear whether significant revenues, 33.72% through PETROCI and 6% by DGH, are recorded in the national budget. In addition, the Report did not explain the allocation of revenues received in-kind by DGH for training or for the purchase of equipment and in-kind revenues of natural gas used to offset electricity bills from Cote d'Ivoire Energy, which were not systematically recorded in the national budget in the same year in which the payments took place. The Report only provides link to the financial reports in the case of SODEMI, not for PETROCI and DGH that received revenues not recorded in the national budget. The Report did not include reference to national revenue classification systems, and/or international standards such as the IMF Government Finance Statistics Manual as encouraged by the EITI Standard. The International Secretariat concludes that significant aspects of this requirement have been implemented but the underlining objectives have not been achieved.

In accordance with Requirement 5.1, EITI-Cote d'Ivoire should indicate extractive industry revenues, whether cash or in kind, that are not recorded in the national budget and provide an explanation of the allocation of these revenues, with links to relevant financial reports, including from DGH, PETROCI and Cote d'Ivoire Energy. The MSG is encouraged to reference national revenue classification systems, and/or international standards such as the IMF Government Finance Statistics Manual.

Sub-national transfers (#5.2)

Documentation of progress

The MSG sets the materiality threshold for subnational transfer at zero (2015 EITI Report, p.62). The Report states that subnational transfers of revenues are mandated by law but not applied in practice (p.54).

Law N° 76-299 of 20 April 1976 created the "Petroleum Equity Fund" and allowed for a share of profit oil as determined by the oil contract to be paid to this fund. The IA stated, however, that that no transfers were made in 2015 to this account according to the Treasury (2015 EITI Report, p.54)

The 2015 EITI Report also states that 15% of mining duties, taxes and royalties are transferred to the Ministry of Mines and the Special Fund for Mineral Development (p.54). The Report did not show any material payments to this special fund.

The 2015 EITI Report also notes that that the law requires that 10% of the fixed fees are transferred to the Ministry in charge of Mines and Energy (p.54). The Report shows a transfer of XOF 2.2 b from the treasury to the Ministry of Mining (p.95). The IA concluded therefore, that the only transfers made are a

reallocation of revenues to the central government level and do not constitute subnational transfers within the meaning of the EITI Standard (2015 EITI Report, p.54).

The 2015 EITI Report also explains that statutory subnational payments, such as municipal taxes, including the contribution on both built and non-built land, patents and synthetic taxes are also recovered by the financial authorities through their regional offices and thus recorded on the treasury account and subsequently transferred to the municipalities (p.54). However, the transfer of these taxes to municipalities is not done directly, but rather within the framework of the annual allocation of the overall budget to the municipality. The IA state that, the reconciliation of extractive sector payments with transfers made is “technically impossible” (2015 EITI Report, p.54).

Stakeholder views

Several MSG members pointed out that despite the agreed materiality threshold the terminology was not clear on what constitute sub-national transfer. A government representative on the MSG provided the revenue sharing formula according to the *Fiscalité des Collectivités Territoriales in the tax code for the following revenue streams*:

- *Patentes*: 60% of license fees are transferred to the municipality, 25% to the railways and 15% to the State. This revenue stream was included in the EITI report but the revenue sharing formula was not disclosed.
- *Import sur le Patrimoine Foncier*: 65% go to local authorities, 10% to the authorities in charge of sanitation and drainage (*Office national d'assainissement*), 25% to the management of waste (*Agence Nationale de la Salubrité Urbaine*).
- *Acompte d'impôt sur le revenu du secteur informel*: this is a synthetic tax, which is an aggregate of tax on benefits, VAT and general tax on revenues (IGR). 50% of this revenues streams is supposed to go to municipality, while 50% goes to the State. This revenues stream was included in the EITI Report, but the formula for transfer was not disclosed in the Report.
- *Impôt sur le revenu foncier* : 100% goes to the management of waste. They noted that this is not applied in practice.

Stakeholders agreed that the EITI Report omitted the revenue sharing formula of the above revenues streams, which includes significant revenues earmarked to local communities and therefore should generate subnational transfers.

They noted the difficulty in identifying and reporting on these transfers, because of the ways in which taxes are collected in Cote d'Ivoire. They noted that after 2002 political crisis when the country was divided in half, many local administrations were not functional.

Civil society representatives explained that local communities have a keen interest in these payments and recommend that companies disclose these payments and the treasury state how much is redistributed to communities. Companies representatives confirmed that they have already disclosed all the payments, the issue of traceability lies within the state.

Initial assessment

The International Secretariat's initial assessment is that the RCI has made inadequate progress towards meeting this requirement. The 2015 EITI Report describes statutory subnational transfers of revenues to municipalities but does not provide the amount paid in practice. The International Secretariat concludes

that the statutory subnational transfers were material in 2015, but not reported by the treasury.

To strengthen implementation, EITI Cote d'Ivoire is encouraged to assess the materiality of subnational transfers, provide the specific formula for calculating subnational transfers of extractives revenues to individual local governments, disclose any material subnational transfers in the year(s) under review and highlight any discrepancies between the transfer amount calculated in accordance with the relevant revenue-sharing formula and the actual amount that was transferred between the central government and each relevant subnational entity.

Additional information on revenue management and expenditures (#5.3)

Documentation of progress

Earmarks: The 2015 EITI Report does not refer to any extractives revenues earmarked for specific regions, but it describes the new local mining development funds (CDLM) mandated by the 2014 Mining Code, which require setting up of a community development fund, and sets the rate of mining companies' contribution at 0.5% of turnover (p.44). The management of this fund is ensured by a Local Mining Development Committee chaired by the *Prefect* of the region concerned and comprising of the representatives from all stakeholders.

The report notes that three CDLMs were set up in 2015: (i) CDLM of the Bondoukou Manganese SA mine, in February 2015; (ii) CDLM of the SMI mine, in June 2015; (iii) CDLM of the Agbaou Gold Operations SA mine in July 2015 (2015 EITI Report, p.44). These funds are financed by the mining companies operating in the region, which are required to pay 0.5% of their turnover (Art. 7 of Ordinance No. 2014-148 of 26 March 2014).

For the Société des Mines de Tongon (SMT) and Agbaou Gold Operation, the mining conventions were signed before the 2014 mining code; the 0.5% of annual turnover, therefore, does not apply. The Report incorrectly stated that these CDLMs do not exist (2015 EITI Report, p.52). For the mining company SMT, a community development budget is provided at the company's discretion as voluntary social payment. For Agbaou Gold Operation: a fixed amount of contribution to the CDLM (voluntary social payment) has been set per ounce of gold produced (2015 EITI Report, p.52). The Report shows that Agbaou Gold Operation paid XOF 356 445 076 on 25 August 2015 to the CDLM of DIVO.

Budgeting and auditing: The 2015 EITI Report describes five steps in the budgeting process, prediction, budgetary discussions, adoption, execution and control (p.52). While the report includes a link to an audit report for 2015 from the *Chambre des Comptes*, it does not include budget forecast.

Additional information: The 5EITI Report does not provide additional information on budget forecasts or projections.

Stakeholder views

Stakeholders explained that they had not realised that the CDLM could be covered as part of revenues earmarked to specific projects. Civil society representatives and partners explained that they had provided extensive training to local communities, but the process for setting up this CDLMs has been

slow, especially because the law requires the appointment of these local committees by the Ministry of Mine before the payments can be made to local communities. Government officials stated that all the paperwork is now in order and that five CDLMs were expected to be operational by the end of 2017. Partners explained that launch ceremonies have been postponed multiple times and they were not confident in that these new committees have all the appropriate rules and procedures to avoid mismanagement of funds.

Initial assessment

Reporting on revenue management and expenditures is encouraged but not required by the EITI Standard and progress with this requirement will not have any implications for RCI's EITI status. In the International Secretariat's view, EITI Cote d'Ivoire has made some effort to include information on the government's budget-making process in the EITI Report. However, the MSG did not make efforts to include additional information on extractives revenues that are off-budget and earmarked to specific regions (CDLM) and specific government agencies (DGH) (see requirement 5.1).

EITI Cote d'Ivoire can play a key role in the implementation of the new mining code, especially as it relates to setting up and monitoring local communities' development funds. In order to achieve this, EITI Cote d'Ivoire could consider including additional information on extractives revenues earmarked for specific purposes, such as the CDLM, as well as on the budget-making and auditing process for government accounts in future EITI Reports.

Table 5 - Summary initial assessment table: Revenue management and distribution

EITI provisions	Summary of main findings	International Secretariat's initial assessment of progress with the EITI provisions (to be completed for 'required' provisions)
Distribution of revenues (#5.1)	While the report provides a diagram mapping out revenues flows between companies and government entities, and lists revenues that are not systematically recorded in the national budget, significant revenues (33.72% of the revenues that go through PETROCI and 6% of revenues collected by DGH) are not systematically recorded in the national budget. The Report did not explain the allocation of these revenues that were not recorded in the national budget. The Report only provides a link to the financial reports in the case of SODEMI, not for PETROCI and DGH that received revenues not recorded in the national budget.	Meaningful progress
Sub-national transfers (#5.2)	The 2015 EITI Report describes statutory subnational transfers of revenues to municipalities but does not provide the amount paid in practice. The International Secretariat concludes that the statutory subnational transfers were material in 2015, but not reported by the treasury.	Inadequate progress
Information on revenue management and expenditures (#5.3)	EITI Cote d'Ivoire has made some effort to include information on the government's budget-making process in the EITI Report. However, the MSG did not make efforts to include additional information on extractives revenues that are off-budget and earmarked to specific regions (CDLM) and specific government agencies (DGH).	
<p>Initial conclusions and recommendations:</p> <ul style="list-style-type: none"> • In accordance with Requirement 5.1, EITI-Cote d'Ivoire should indicate extractive industry revenues, whether cash or in kind, that are not recorded in the national budget and provide an explanation of the allocation of these revenues, with links to relevant financial reports, including from DGH, PETROCI and Cote d'Ivoire Energy. The MSG is encouraged to reference national revenue classification systems, and/or international standards such as the IMF Government Finance Statistics Manual. • In accordance with Requirement 5.2, EITI Cote d'Ivoire is required to assess the materiality of subnational transfers, provide the specific formula for calculating subnational transfers of extractives revenues to individual local governments, disclose any material subnational transfers in the year(s) under review and highlight any discrepancies between the transfer 		

amount calculated in accordance with the relevant revenue-sharing formula and the actual amount that was transferred between the central government and each relevant subnational entity.

- EITI Cote d'Ivoire can play a key role in the implementation of the new mining code, especially as it relates to setting up and monitoring local communities' development funds. In order to achieve this, EITI Cote d'Ivoire could consider including additional information on extractives revenues earmarked for specific purposes, such as the CDLM, as well as on the budget-making and auditing process for government accounts in future EITI Reports.

2. Social and economic spending

6.1 Overview

This section provides details on the implementation of the EITI requirements related to social and economic spending (SOE quasi-fiscal expenditures, social expenditures and contribution of the extractive sector to the economy).

6.2 Assessment

Social expenditures (#6.1)

Documentation of progress

The scoping report identified mandatory and voluntary social payments and set the materiality threshold for these types of payments at zero (2015 EITI Report, pp.62-64). Mandatory social payments are defined as compulsory contributions made by extractive companies in the context of local development under contractual agreements or commitments made to local communities (2015 EITI Report, p.93). Voluntary social payments are defined as voluntary contributions made by extractive companies in the context of local development. The Report shows an aggregate figure of XOF 4.2 b or USD 7.7 m in mandatory and voluntary social payments from both hydrocarbon and mining sectors (2015 EITI Report, p.7).

Section 7.3 and Annex 3 of the 2015 EITI Report shows detailed information on mandatory and voluntary social payments made by each company (pp .93, 109). The Report shows that five oil and gas companies (ExxonMobil, Anadarko, CNR International, Vitol CI and VIOCO petroleum) paid XOF 3.082 b or USD 5.6 m in mandatory social payments. Whereas only two mining companies (LGL Mines CI SA and Bondoukou Manganese) made mandatory social payments XOF 237.5 m or USD 400 000 (2015 EITI Report p.93). Voluntary social payments were primarily made by mining companies. The Report shows that six mining companies (Ste des mines de Tongon, Agbaou Gold operations, Ste des Minies d'Ity, LGL Mines CI SA, Amara Mining CI and LGL Resource CI) paid XOF 923 m or USD 1.6 m, whereas only two oil gas companies (CNR International and AFREN (PETROCI CI 11)) made voluntary contribution of XOF 23 m or USD 41 000 (2015 EITI Report, p.94).

Annex 3 of the 2015 EITI Report shows the detailed payment of mandatory and voluntary social payments by company and by beneficiary (pp.109-110). In some cases, the report provides the date of payment, the amount paid and legal basis underpinning the payment. The report also shows a description of some projects funded by social payments (2015 EITI Report, p.109-110).

Stakeholder views

Government representatives noted that all companies are required to make mandatory social payments during the life of their project, but not every company makes mandatory social payments every year. They noted that the MSG's definition of mandatory social payments excluded training of staff and supply of equipment to the DGH, which was reported separately, but oil companies often confused the two and the IA had to make some adjustments during reconciliation. Companies representatives explained that oil and gas companies must submit plans to the DGH of their mandatory social payments and in some cases, the DGH also receives payments to conduct social works. In the respective PSCs, LGL Mines CI, Exxon Mobil

and Anadarko were required to make social payments. Beyond these three companies, the Government did not ask for the 2015 payments from oil and gas companies. Several companies and government representatives noted that the budget is cumulative and if payments are not made this year, they will be made the following year. Civil society representatives noted that there was very little visibility of social payments by oil and gas companies.

As for the mining sector, government representatives noted that contracts are signed based on the mining code. As such, mandatory social payments are only applicable to contracts signed based on the 2014 mining code. SODEMI noted that they make social payments from times to time, but they did not make any payments in 2015. There was also a debate as to whether the new mandatory contribution to the local development fund by mining companies (0.5% of the annual turnover) should be classified as a social payment or a direct subnational payment.

Initial assessment

The International Secretariat's initial assessment is that the RCI has made satisfactory progress towards meeting this requirement. The MSG agreed on a definition of what constitutes mandatory and voluntary social payments and set a materiality threshold at zero for these types of payments. The 2015 EITI Report shows detailed information on mandatory and voluntary social payments made by each company (p.93). The Report also provides detailed payment of mandatory and voluntary social payments by company and by beneficiary (pp.109-110). The International Secretariat concludes that all aspect of this requirement have been implemented and the underlining objectives are being achieved.

SOE quasi fiscal expenditures (#6.2)

Documentation of progress

The MSG approved special reporting templates requesting PETROCI and SODEMI to disclose their quasi-fiscal expenditures (2015 EITI Report, p.130). PETROCI stated that it did not make any quasi-fiscal expenditures (2015 EITI Report, p.35). SODEMI also stated that it did not make any quasi-fiscal expenditure (2015 EITI Report, p.49). However, the Report went on to show that compensations between PETROCI and Cote d'Ivoire energy of natural gas for electricity, are not always recorded in the national budget (pp. 56 and 88). Revenues received in-kind by DGH and allocated to training activities or for the purchase of equipment (6% of reported revenues) could also be quasi-fiscal expenditure, in cases where these payments are not recorded in the national budget (2015 EITI Report, p.6). In-kind revenues of natural gas used to offset electricity bills are not recorded on the national budget the same year, in which the payments took place (p.88). These payments are therefore loans or quasi-fiscal expenditures and should have been reported as such. The budget of the PETROCI foundation, which also makes quasi-fiscal expenditures was not published.

Stakeholder views

Government representatives confirmed that the PETROCI Foundation makes quasi-fiscal payments on behalf of the State, but that they were not included in the scope of EITI Reporting. PETROCI's representatives explained that the foundation was created to conduct social activities, following multiple ad-hoc requests of funds by the government during the 2002-2006 political crisis. The foundation allows PETROCI to separate its social activities from its core business. The budget of the foundation is part of PETROCI's consolidated budget and financial accounts approved by PETROCI's Board. PETROCI's representatives confirmed that PETROCI foundation has the status of an NGO, with its own Board. On its

website⁵⁶ the PETROCI Foundation lists its main activities, including building and rehabilitating adapted health centres; building and rehabilitating schools; building school canteens and libraries; providing material and/or financial support to women's cooperatives; and facilitate access to drinking water in rural areas. The foundation does not publish annual activities reports on its website, nor its budget or financial accounts. Government representatives also noted that PETROCI may intervene in cases where there is a shortage of electricity or at gas stations, but they did not clarify whether this was done by Foundation PETROCI. SODEMI's representatives confirmed that the company did not make quasi-fiscal expenditure, given that they have been running a deficit in the last three years. They noted that quasi-fiscal expenditures cannot be ruled out once the company starts making a profit again, but those payments would be clearly reported in the SODEMI's budget, annual accounts and annual activity reports, which are all public documents on SODEMI's website.

Civil society representatives explained that they did not have any visibility in PETROCI's social activities. They noted that Foundation PETROCI is not transparent and its budget is unknown. They recommended that the PETROCI Foundation declares its quasi-fiscal expenditures within the framework of EITI reporting. Similarly, PETROCI should publish its financial accounts, with information about the its Foundation.

Initial assessment

The International Secretariat's initial assessment is that the RCI has made inadequate progress towards meeting this requirement. Revenues received in-kind by DGH and allocated to training activities or for the purchase of equipment and not recorded in the national budget should have been reported as quasi-fiscal expenditures. In-kind revenues of natural gas used to offset electricity bills and not recorded on the national budget the same year should have been reported as quasi-fiscal expenditures. The budget of the PETROCI foundation, which also makes quasi-fiscal expenditures was not published. The International Secretariat concludes that significant aspects of this requirement have not been implemented and the underlining objectives have not been achieved.

In accordance with Requirement 6.2, EITI Cote d'Ivoire should undertake a comprehensive review of all expenditures undertaken by extractives SOEs, including PETROCI and its foundation that could be considered quasi-fiscal expenditures. The MSG should develop a reporting process with a view to achieving a level of transparency commensurate with other payments and revenue streams and should include PETROCI's subsidiaries and joint ventures, PETROCI's Foundations, the DGH and possibly Cote Energy.

Contribution of the extractive sector to the economy (#6.3)

Documentation of progress

Share of GDP: The 2015 EITI Report provides an overview of the sector's contribution to the economy, including size of the extractive industries in absolute terms and as a percentage of GDP (pp. 10, 58) as well as a description of the artisanal and small-scale mining (pp.38-44). The Report shows that according to INS data, the extractive industries contributed 5.15% of GDP in 2015 (2015 EITI Report p 10, 58).

⁵⁶ <http://www.fondationpetroci.ci/presentation/2/Missions>

Government revenues: The 2015 EITI Report provides total government revenues generated by the extractive industries (including taxes, royalties, bonuses, fees, and other payments) in absolute terms and as a percentage of total government revenues (p.58). The Report shows that extractive industries contributed 5.14% in government revenues in 2015 (p.10).

Exports: The 2015 EITI Report provides the volume and value of exports from the extractive industries in absolute terms and as a percentage of total exports (pp.10, 19, 37, 58 and 85-86). The report shows that the extractive sector accounted for 10.81% of total exports from the country in 2015. Gold accounted for 6.16% of total export, while crude oil accounted for 4.44% of total exports. Export of other mineral products (diamond and manganese) accounted for less than 1% of total export (2015 EITI Report, p.58).

Employment: The 2015 EITI Report provides information on employment in the extractive industries in absolute terms and as a percentage of the active population (pp .10, 58). Annex 6 provides detailed information of number of employees per company and makes a distinction between local and foreign staff (2015 EITI Report, p.121). The report shows that mining companies employed 5,291 in 2015, whereas, oil and gas companies employed only 934. The majority of the staff in the extractive industries, (94%) are nationals. The Report refers to INS (National Institute of Statistics) data, which shows in 2013 the extractive sector employed 16,076 out of a total of 7,516,327 active population (a contribution of 0.21%). This discrepancy between employment in the EITI report and INS may be due to the artisanal mining, which is included in INS estimate.

Location: The 2014 EITI Report provides an overview of the major areas of oil and gas production (2014 EITI Report, p.35) and of the main mineral deposits (2014 EITI Report, pp.47-48).

Stakeholder views

MSG members did not provide comments on this requirement, except that they were satisfied with the disclosed information.

Government representatives outside the MSG indicated that the INS had launched a project to improve estimates of their employment figures. Companies' representatives in the Chamber of mine expressed satisfaction that the mining sector is contributing more to export than hydrocarbon sector for the first time in 2015. They noted that this is significant developments and would like to see these findings highlighted in future EITI Reports.

Initial assessment

The International Secretariat's initial assessment is that the RCI has made satisfactory progress towards meeting this requirement. The 2015 EITI Report provides an overview of the sector's contribution to the economy including the size of the extractive industries in absolute terms and as a percentage of GDP; total extractives revenues in absolute terms and as a percentage of total government revenues; volume and value of exports in absolute terms and as a percentage of total exports; and information on employment in absolute terms and as a percentage of the active population. The Report also describes the artisanal and small-scale mining and provides estimates of production and export, when available. The International Secretariat concludes that all aspects of this requirement have been implemented and that the underlining objectives have been achieved.

The MSG may wish to work with the INS to ensure that estimates of employment figures are more

comprehensive (including for artisanal mining), more accurate, expressed as a percentage of total employments not just as a percentage of the active population. The MSG may wish to ensure that employment statistics are regularly disclosed as part of routine government disclosures.

Table 6- Summary initial assessment table: Social and economic spending

EITI provisions	Summary of main findings	International Secretariat's initial assessment of progress with the EITI provisions (to be completed for 'required' provisions)
Social expenditures (#6.1)	The MSG agreed a definition of what constitutes mandatory and voluntary social payments and set a materiality threshold at zero for these types of payments. The 2015 EITI Report shows detailed information on mandatory and voluntary social payments made by each company (p.93). The Report also provides detailed payment of mandatory and voluntary social payments by company and by beneficiary (pp.109-110).	Satisfactory progress
SOE quasi fiscal expenditures (#6.2)	Revenues received in-kind by DGH and allocated to training activities or for the purchase of equipments and not recorded in the national budget should have been reported as quasi-fiscal expenditures. Similarly, in-kind revenues of natural gas used to offset electricity bills and not recorded on the national budget the same year, should have been reported as quasi-fiscal expenditures. The budget of the PETROCI foundation, which also makes quasi-fiscal expenditures was not published.	Inadequate progress
Contribution of the extractive sector to the economy (#6.3)	The 2015 EITI Report shows that according to INS data, the extractive industries contributed 5.15% of GDP, 5.14% in government revenues and accounted for 10.81% of total exports from the country in 2015. Gold accounted for 6.16% of total export, while crude oil accounted for 4.44% of total exports. Mining companies employed 5,291 in 2015, whereas, oil and gas companies employed only 934.	Satisfactory progress
<p>Initial conclusions and recommendations:</p> <ul style="list-style-type: none"> • In accordance with Requirement 6.2, EITI Cote d'Ivoire, should undertake a comprehensive review of all expenditures undertaken by extractives SOEs, including PETROCI and its foundation that could be considered quasi-fiscal expenditures. The MSG should develop a reporting process with a view to achieving a level of transparency commensurate with other payments and revenue streams, and should include PETROCI's subsidiaries and joint ventures, PETROCI's Foundations, the DGH and possibly Cote Energy. • The MSG may wish to work with the INS to ensure that estimates of employment figures are more comprehensive (including for artisanal mining), more accurate, expressed as a percentage of total employments not just as a percentage of the active population, and regularly disclosed as part of routine government disclosures. 		

Part III – Outcomes and Impact

3. Outcomes and Impact

7.1 Overview

This section assesses implementation of the EITI Requirements related to the outcomes and impact of the EITI process.

7.2 Assessment

Public debate (#7.1)

Documentation of progress

Communications:

EITI Cote d'Ivoire has published four EITI Reports covering 2012, 2013, 2014 and 2015 under the EITI Standard. The 2012 and 2013 EITI Reports have been widely disseminated as documented in the 2015 Annual Progress Report (APR), published in March 2017. The 2014 EITI Report was published in December 2016 and the 2015 EITI Report was published in March 2017, just before the Validation deadline of 1 April 2017. Dissemination of the last two EITI Report remains limited.

The 2016 APR states that EITI Reports have provided reliable information on the extractive sector to “as many people as possible” (2016 APR, p.17). The APR notes that the information provided through the EITI reporting is rich, varied and would not have been accessible to the public without the EITI (2016 APR, p.17).

Analysis of MSG meeting minutes, reports of dissemination campaigns and press coverage of the EITI process by national and local media show a wide variety of communication techniques, such as capacity building workshops, open house events of companies and government entities, dissemination of the summary 2013 and 2014 EITI reports, publication of posters, a quarterly newsletter⁵⁷, cartoons (comic), flyers, radio coverage and videos⁵⁸. These activities are primarily funded by GIZ and the Government of the RCI.

The 2016 APR states that the MSG's objective is to improve access to information on the extractive sector

⁵⁷ Some newsletters are available online on the EITI-Cote d'Ivoire website, but most newsletters are disseminated in print <http://www.cnitie.ci/doc/63-bulletin-dinformations.html>. The national secretariat did not provide an estimate of the readership, they just stated thousands of flyers and newsletters are printed and distributed during dissemination events.

⁵⁸ The MSG has used communication firms for computer graphics of design of documents, and production of videos and cartoons.

and foster public debate for adequate reform (EITI Cote d'Ivoire, 2017, p. 24). The APR highlights that the EITI National Council has set up a network of journalists which includes all the main newspapers in the country (p.26). It notes that a mailing list exists, but needs to be updated. In addition to the EITI Cote d'Ivoire website, the APR notes that the EITI National Council has set up a Facebook page, which was not active at the time of the mission. The APR also notes that quarterly communication to the Council of Ministers on the Energy sector (Oil, Gas and Electricity) is regularly posted on the websites of the EITI National Council and the Government (p.24).

EITI data is accessible in Excel format for both 2014⁵⁹ and 2015⁶⁰ EITI Reports. This information is available for download on the EITI Cote d'Ivoire website.

Outreach: The APR mentions several tools for outreach and dissemination (movies, cartoons, etc.) and several dissemination campaigns and outreach workshops, but there is little information on the targeted audience, frequency, scope and impact of these activities. PWYP Cote d'Ivoire has taken the leadership in terms of outreach to communities affected by mining activities. It has local committees⁶¹ in Jacqueline, Bouafle, Divo and Loh-Djiboua that includes village elders and PWYP facilitators based in Abidjan, who travel frequently to the mining regions and act as mediators to resolve conflicts, record grievances from the communities and provide information on the extractive sector. PWYP and GIZ are supporting local communities to set up local councils that will manage the local development funds from voluntary or mandatory social payments by mining companies.

Stakeholder views

Partners highlighted that the EITI is the first and only open space available to discuss sensitive topics, such as contract transparency, and to put pressure on the government. Local community representatives can express their opinions and contribute with information on the sector.

Mining company representatives not on the MSG noted that not all companies had access to the EITI Reports. The Chamber of mines highlighted that it uses data from EITI Reports for its own publication. They stated that EITI is the only independent and reliable source of information on the sector, which is crucial for maintaining good relations with local communities. They requested that a workshop be held with EITI focal points in mining companies to share their experience. Companies' representative also lamented that despite EITI's effort, people have very little knowledge of the sector and more work is needed to promote EITI data. They noted that more generally, the EITI could play a greater role in improving public knowledge of the sector. Companies' representatives highlighted that more work is needed in dissemination and community relations to avoid some negative notions about the sector taking hold. They also noted that the impact of the EITI could be improved through better monitoring of the use of funds to CDLM that are being established.

Several civil society representatives noted that the EITI Reports allowed them to know the exact contribution of the petroleum and mining sectors. Before the EITI Reports, the sector's contribution was

⁵⁹ http://san.capitalafrique.com/cnitie.ci/files/upload/Rapport_conciliation_ITIE_CI_2014.pdf

⁶⁰ <http://www.cnitie.ci/doc/39-publications.html>

⁶¹ PWYP: Information is power, or how PWYP Cote d'Ivoire took good governance to the local level, by Alice Powell. <http://www.publishwhatyoupay.org/wp-content/uploads/2014/11/localgovernancePWYP.pdf>

too abstract and there was a visible impact especially for the maturing oil sector. They noted that they use the EITI Reports as their primary source of information, which they cite regularly in their communication with local communities. They explained that they had higher expectations for the EITI to lead to a better redistribution of revenues and a better understanding by the local populations. They noted that the information is still not sufficiently well disseminated and communities do not see the information about revenues allocated to them. They explained how the EITI gave a formal structure to civil society and a space for dialogue with local communities. They highlighted an example of conflict resolution by PWYP Cote d'Ivoire and the EITI in the oil region of Jacqueline, after villagers blocked the roads and requested their share of oil revenues.

PETROCI acknowledged the work of the EITI in training of the various actors on the sector. The EITI was important in allowing for the publication of SODEMI's financial accounts. A company representative noted that the EITI has allowed their company to be more detailed in its work and are better structured. Company representatives noted that the public has a better idea of the organization and structure of the sector. They explained that EITI is like a flash light in the sector and they hope it will eventually become a big lamp.

Initial assessment

The International Secretariat's initial assessment is that the RCI has made satisfactory progress in meeting this requirement. EITI disclosures, including the EITI Report, are comprehensible, have been actively promoted, are publicly accessible and have contributed to public debate. The EITI has contributed to conflict resolutions in some extractives regions and stimulated an informed debate about the management of the extractive sector. The MSG has played a key role in developing more formalised consultation mechanisms with mining-affected communities, through village elders and traditional chiefs. The EITI report has been made available virtually and in hard copies. The MSG has agreed a policy on the access, release and reuse of EITI data in December 2016.

Given high expectations from mining companies, the MSG may wish to consider ways to ensure that key stakeholders, such as the Chamber of Mines, are able to participate more actively in the design and development of communications strategies, as opposed to dissemination activities. The MSG and civil society should redouble its efforts of formalising local communities' fora, especially those that are creating local community funds (CDLM).

Data Accessibility (#7.2)

Documentation of progress

The MSG has agreed an open data policy, which was published in December 2016. In addition to the EITI data for 2014⁶² and 2015⁶³ EITI Reports that is available for download on the EITI Cote d'Ivoire website, the summary data for these two reports is also available for download on the EITI Cote d'Ivoire website.

⁶² http://san.capitalafrique.com/cnitie.ci/files/upload/Rapport_conciliation_ITIE_CI_2014.pdf

⁶³ <http://www.cnitie.ci/doc/39-publications.html>

Stakeholder views

Stakeholders did not make comments on this requirement.

Initial assessment

EITI Requirement 7.2 encourages the MSGs to make EITI reports accessible to the public in open data formats. Such efforts are encouraged but not required and are not assessed in determining compliance with the EITI Standard. EITI data for 2014 and 2015 is available in machine readable format through the EITI Cote d'Ivoire website.

Lessons Learned and follow-up on recommendations (#7.3)

Documentation of progress

The 2016 APR list all the recommendations from 2012, 2013 and 2014 EITI Reports (EITI Cote d'Ivoire, 2017, pp. 29-36), including the responsible entity, deadlines and corresponding MSG response. The APR notes that six out of eight recommendations from the last Validation have been implemented. The recommendations from the 2014 EITI Report are all outstanding, mainly because the MSG has not found an effective solution for the publication of production sharing agreements as required by the law (p.30).

On the recommendation from the 2012 EITI Report for SODEMI and PETROCI to publish their respective audited financial statements, the 2016 APR notes that the publication of financial statement by PETROCI is still in progress.⁶⁴ On its website, SODEMI has published financial statements from 2012 to 2015. The APR noted that publication of SODEMI's 2016 financial statement was pending audit and approval by the Board, and should be published by 30 June 2017.⁶⁵

The 2013 EITI Report recommended that PSAs be published in accordance with Law n°2012-369 of 18 April 2012. The 2016 APR notes that the MSG has created a committee to address this issue and that the DGH had convened a working session with the operators in to discuss the modality and format of publication of production sharing agreement. The APR notes that the committee has not published its findings and it is important to ensure that this committee expedites its work and delivers its conclusions (p.36).

The 2013 EITI Report also recommended to computerize the DGMG, to update the content of the mining cadastre, and to publishing the mining directory online. The 2016 APR notes ongoing activities to address this recommendation, including a working session with the DGMG to evaluate the progress of work on the establishment of the mining cadastre. The MSG is encouraging the DGMG to publish the mining cadastre on its website.

Recommendations related to EITI reporting, mainly to improve timely reporting, comprehensiveness and explain discrepancies have been implemented. However, other recommendations remain outstanding.

⁶⁴ PETROCI has published analytical report of its accounts for 2014 not the audited financial statement <http://www.petroci.ci/index.php?numlien=722>

⁶⁵ At the time of the mission in July 2017, SODEMI's 2016 financial report was still not published on the company's website, but the 2015 Report was published http://www.sodemi.ci/single_page_synthese_etat_financier.html

The MSG has developed a mechanism to follow up on the implementation of these recommendations.

Stakeholder views

Stakeholders did not agree on the main reasons for the delay of implementation of recommendations from previous EITI Reports. Civil society representatives expressed frustrations with the delays in the publication of contracts. They requested more cooperation from PETROCI and DGH, which will need to implement most outstanding recommendations.

SODEMI explained that it was satisfied with the implementation of these recommendations as it gives the company more visibility online and increases its credibility with its partners and stakeholders. SODEMI's representative noted that a modern company should be visible online and they welcome the demand for publication of annual reports.

Initial assessment

The International Secretariat's initial assessment is that the RCI has made satisfactory progress in meeting this requirement. Together with the IA, significant efforts have been made to identify, investigate and address the causes of discrepancies in EITI reporting. The MSG has been thorough in taking steps to act upon lessons learned and monitoring progress with the implementation of recommendations in EITI Reports. However, Cote d'Ivoire has made limited progress in implementing substantive recommendations made in EITI Reports.

Given that implementation of recommendations in previous EITI reports is still ongoing, the MSG and the Government of the RCI should continue following up on these recommendations and ensure that future recommendations and findings from EITI Reports are evaluated and acted upon in a timely manner.

Outcomes and impact of implementation (#7.4)

Documentation of progress

The Republic of Cote d'Ivoire has published four Annual Progress Reports (APR), from 2013 to 2016. The 2016 APR is well structured and highlights that the implementation of the EITI is fostering dialogue on governance and transparency between stakeholders.

The first section of the 2016 APR lists and describes the activities carried out in 2016 (pp. 6-15). It does not adopt a results-based approach or provide an overall summary. These activities include participating to the 7th Global Conference in Lima (p. 6) and the Francophone week in Abidjan (p.7). At the national level, the report lists all four MSG meetings held in 2016, indicating the agendas. It highlights that the 2014 EITI Report was adopted on the 16 September meeting (p.10), while the scoping and planning for the 2015 EITI Report was discussed during the 16 December meeting (p.12).

On capacity building, the report mentions three workshops:

- a workshop to discuss the follow-up of recommendations and auto-assessment ahead of Validation on 29-20 April 2016 in Grand Bassam (pp.12-13);
- a workshop for MSG members on the 2016 Standard on 10-11 November (pp.13-14);
- a workshop to present the declaration template for the 2015 Report (p.14).

The Report assesses the progress made with meeting requirements 1 and 7 (even though it indicates 6) (pp. 18-27). It does not use the terms satisfactory, meaningful, etc. The disclosure requirements are not assessed. For most of the requirements, the Report merely states what is planned in that regard, but it does not indicate what has been achieved.

On MSG functioning, the APR states that the review of relevant texts should be included in the 2017 work plan (p. 19). The APR highlights that the *Comité de Pilotage et de Supervision* was created in January 2016 and established in July 2016 (p. 22). This committee is in charge of assessing the National Committee's activities and informing the Government/President.

Communication activities are described on pp. 23-24. They include the setting up of a journalist network from the main media in the country. The report notes that the EITI Cote d'Ivoire website should contribute to make use of that network.

With regards to impact, the APR notes three main outcomes of the EITI implementation: a) formalization of dialogue on transparency; b) increased overall participation of reporting entities; c) reliable and accessible information on the extractive sector (pp. 16-17). The APR highlights the impact of the implementation of the EITI on the management system of several government structures (including DGH, DGI, DGMG, Direction Générale du Portefeuille de l'Etat, DGD, Inspection Générale de l'Etat, and the two SOEs, PETROCI and SODEMI), with new procedures fostering transparency and disclosure of information (pp. 25-26).

All the recommendations from conciliation and validation reports are listed (pp.29-36). The responsible entity, deadlines and corresponding MSG response are also indicated. The disclosure of mining and oil contracts, as well as ASM, are high priorities, but there has been no progress in contract disclosure.

While the Report lists the seven objectives of the MSG for 2016 (p. 4, 28), there is no assessment of progress with achieving work plan objectives. The APR does not provide information on efforts to strengthen implementation, nor does it highlight challenges. Finally, there are no indications of the cost of implementing the EITI or details on the financial situation of the EITI-CDI.

Stakeholder views

Civil society representatives said that, while activities were undertaken, it was unclear whether they correspond to the outline of the work plan. In addition, there is no monitoring mechanism for the implementation of the work plan.

Stakeholders recommended that future activities consider ASM in the gold sector and sub-national transfers to maximise impact.

Initial assessment

The International Secretariat's initial assessment is that the RCI has made meaningful progress in meeting this requirement. The 2016 APR is well structured and highlights that the implementation of the EITI is

fostering dialogue on governance and transparency between stakeholders. The APR lists all the recommendations from RCI EITI reports (pp.29-36). It documents clearly the responsible entity, deadlines and corresponding MSG response. However, the 2016 APR provides too little detail on dissemination activities and their impact. Furthermore, it lacks a section on the assessment of performance with achieving workplan objectives and assessment of compliance with EITI disclosure requirements. The International Secretariat concludes that significant aspects of this requirement have been implemented and the underlining objectives are being achieved.

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

Table 7 - Summary initial assessment table: Outcomes and impact

EITI provisions	Summary of main findings	Validator's recommendation on compliance with the EITI provisions (to be completed for 'required' provisions)
Public debate (#7.1)	EITI Cote d'Ivoire has ensured that the EITI Reports are accessible to the public and contribute to public debate and conflict resolutions in some extractives regions. Dissemination activities involving civil society groups appear to have been effective in stimulating an informed debate about the management of the extractive sector. Industry representatives appear eager to use EITI data to improve community relations. The MSG has played a key role in developing more formalised consultation mechanisms with mining-affected communities, through village elders and traditional chiefs.	Satisfactory progress
Data accessibility (#7.2)	EITI data for 2014 and 2015 is available in machine readable format through the EITI Cote d'Ivoire website. Such efforts are encouraged but not required and are not assessed in determining compliance with the EITI Standard.	
Lessons learned and follow up on recommendations (7.3)	The MSG has been thorough in taking steps to act upon lessons learned and monitoring progress with the implementation of recommendations in EITI Reports, but the RCI has made limited progress in implementing substantive recommendations made in EITI Reports. Together with the IA, significant efforts have been made to identify, investigate and address the causes of discrepancies in EITI reporting.	Satisfactory progress
Outcomes and impact of implementation (#7.4)	The 2016 APR is well structured and highlights that the implementation of the EITI is fostering dialogue on governance and transparency between stakeholders. All the recommendations from conciliation and validation reports are listed. The responsible entity, deadlines and corresponding MSG response are also indicated. However, the 2016 APR provides too little detail on dissemination activities and their impact.	Meaningful progress
<p>Secretariat's recommendations:</p> <ul style="list-style-type: none"> Given high expectation from mining companies, the MSG should consider ways to ensure that key stakeholders, such as the Chamber of Mines, are encouraged to participate more actively in the design and development of communications strategies instead of only dissemination activities. The MSG and civil society should redouble its efforts of formalising local communities' fora, especially those that are creating local community funds (CDLM). Given that implementation of recommendations in previous EITI reports is still ongoing, the MSG and the Government of the RCI should continue following up on these recommendations 		

and ensure that future recommendations and findings from EITI Reports are evaluated and acted upon in a timely manner.

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

4. Impact analysis (not to be considered in assessing compliance with the EITI provisions)

Documentation of progress

Impact:

Fostering dialogue between stakeholders: Despite significant internal governance issues, there is evidence that EITI Cote d'Ivoire has created space for constrictive dialogue between stakeholders. Representatives from the three constituencies have stated that the EITI provides the only targeted mechanism to address transparency and governance issues in the hydrocarbon and mining sectors. Minutes of the EITI Cote d'Ivoire National Council show that a robust debate is taking place to address various issues of transparency and accountability in the extractive sector, including contract transparency, subnational transfers, social payments and local revenue management. The first objective of the triennial work plan illustrates the MSG's commitment to ensure that it remains a dynamic forum for discussion. Moreover, efforts on behalf of civil society organisations to bring the discussion closer to local communities affected by extractive activities should be highlighted. Local PWYP community structures and efforts to solve tensions between communities and companies are also becoming a formalised consultation mechanism. Nevertheless, internal governance issues and lack of sufficient representation from the mining sector are limiting the scope of the debate in the EITI Cote d'Ivoire national council and more broadly hampering the impact of the implementation of the EITI. To ensure that the EITI Cote d'Ivoire contributes to promoting debate in the governance of the extractive sector, key stakeholders including the mining companies and local stakeholders should be adequately represented in the EITI national council.

Strengthening the engagement of reporting entities: Through capacity-building workshops targeting focal points within reporting government agencies and companies, the implementation of the EITI is improving the comprehensiveness of data reporting. According to the 2015 EITI Report, 30 companies and six government entities have disclosed payments and revenues. The scope of EITI reporting therefore covers 99% of the sector. The MSG has highlighted the engagement of reporting entities, despite short deadlines to disclose information, and industry representatives have been vocal about their willingness to disclose key information online. Beyond building capacities, these commitments go together with the necessary reorganisation of government entities and companies on an institutional level, in order to provide the requested information.

Building trust through reliable data: The International Secretariat's assessment found the EITI Reports remains the only independently verified source of data on the hydrocarbons and mining sectors. This includes information about voluntary and mandatory social payments, the contribution of the sector to the national economy and the allocation of licenses, with the Republic of Cote d'Ivoire even going beyond the EITI requirement on its coverage of the artisanal mining of diamonds. EITI Reports are therefore considered a trusted source of information, and thereby contribute to building trust between companies, government structures and the wider public. Although the annual progress reports lack details related to the audience and frequency of dissemination and outreach activities, there is significant evidence that EITI Reports data is circulated through a variety of communications tools, including a well-organised EITI Cote d'Ivoire website, cartoons and newsletters as well as through the creation of a network of journalists from the main media outlets. A short film based on EITI Reports was released in 2016. Finally, dissemination about the EITI is not restricted to the capital, with several activities carried out in the provinces, in cooperation with civil society organisations.

Accompanying legal and operational reforms: Key reforms have taken place in recent years in the mining sector. As described previously, the new Mining Code contains provisions related to transparency, in agreement with EITI principles thanks to advocacy efforts by civil society. Similarly, a new online Mining Cadastre was inaugurated in July 2017. The EITI has thus provided a space to discuss these reforms, including through recommendations from the conciliation and validation processes. However, the impact of the EITI remains limited, and efforts are required to ensure that the EITI accompanies these reforms further. The EITI in the Republic of Cote d'Ivoire has indeed failed to implement and follow-up on some of the core recommendations, including on the disclosure of contracts, which remains a highly contentious issue. There is also no evidence that the EITI has contributed to the discussion on reforming the hydrocarbons sector. With regards to the use of revenues from the sector, the EITI could play a key role, in encouraging the setting up and monitoring of local communities' development funds (CDLM).

Contributing to the transparency of SOEs: EITI reporting requirements have produced notable results in clarifying the financial relationship between SODEMI and the State. However, such a level of clarity has not yet been achieved with regards to the financial relationship between PETROCI and the State. The current EITI reporting does not allow for a full understanding of sales of in-kind revenues by PETROCI or of the terms of swap agreements. Similarly, more information should be provided on quasi-fiscal expenditures.

Sustainability:

Funding: The Government has ensured that funding is provided to the implementation of the EITI and is likely to carry on over the next years, based on the high-level commitment expressed in recent years. The MSG should however clarify its use and managements of funds and ensure that the latter are allocated to different activities in a sustainable manner.

Institutionalisation: While the new Mining Code contains provisions related to transparency in the sector and the MSG benefits from high-level engagement, the institutionalisation of the EITI in the Republic of Cote d'Ivoire remains fragile. The credibility of the EITI as an institution is mitigated by the lack clarity in the current operational structure of EITI Cote d'Ivoire. The Chair of the MSG is also the head of the national Secretariat which does not have a clear and formal mandate. It is unclear how the new inter-ministerial Committee tasked with the mandate of supervising, monitoring and evaluating the MSG will work with the latter.

Innovations and actions beyond EITI Provisions:

Artisanal and small-scale mining: There is a strong focus on artisanal and small-scale mining of gold and diamonds in Cote d'Ivoire. For instance, stakeholders have specifically requested that purchasing houses for ASM are included in the scope of EITI reporting. The latter already takes into consideration the monitoring and certification of diamonds exports. The triennial work plan illustrates these efforts, by planning the drafting of an action plan to integrate ASM fully within the scope of reporting. The 2015 EITI Report went beyond EITI provisions, by disclosing the identity of license holders in the artisanal and small-scale sector.

Conclusions, lessons learnt and recommendations

EITI provides a useful governance tool to RCI to develop an extractive sector in transition. Almost all EITI Requirements are already applicable or will become applicable in the coming years in the context of the Cote d'Ivoire's extractive industry. The mining sector has grown rapidly since the RCI began implementing the EITI in 2008, while the hydrocarbon sector remained relatively stable for the most part, and somewhat in decline due to maturing oil fields that started producing oil in the 1990s. Gold production has grown two folds since 2011 and reached 23 tonnes per year in 2015, overtaking oil as the first export product from the extractive industry, but well behind agricultural products. The mining sector now employ more than 5,000 full time employees, not including the significant projects at the development phase that are due to start production in 2018. The new mining code adopted in 2014 also provides additional incentives to attract investment and help diversify the economy and reduce the country's dependence on cocoa export. Exploration activities in the oil sector also picked up in 2015 and natural gas is primarily used to produce electricity, making Cote d'Ivoire a net exporter of electricity to neighbouring countries of Burkina Faso and Ghana.

A key strength of EITI implementation in Cote d'Ivoire is the unique space for dialogue it provides to the government, companies and civil society to develop coherent and implementable policies and help resolve conflicts between local communities, and companies. Transparency provisions and allocation of revenues to local communities are now embedded in both the 2012 amendments to the hydrocarbon code and the 2014 mining code. EITI Cote d'Ivoire plays a key role in the drafting, adoption and implementation of these legislations. It also monitors and support ongoing reforms of the cadastre system and the creation of local communities' developments funds (CDLMs).

The quality of EITI reporting has also improved significantly as a result of the implementation of the new EITI Standard. EITI Report have become more comprehensive and more useful, providing reliable information on production, export, government revenues, employment, mandatory and voluntary social payments and the overall extractive sector's contribution to the economy. EITI reporting has also played a key role in improving transparency in the financial relationship between the two SOEs, PETROCI and SODEMI and the state. Government agencies participating in EITI reporting have improved their procedures and practices.

Despite the small and fragmented groups of civil society interested in extractive industries in Cote d'Ivoire, a small but active civil society has generated a robust national debate on revenue management and impact to local communities. A robust dissemination and outreach effort led by civil society with support from GIZ have highlighted significant popular demand for information, such as subnational transfers, mandatory and voluntary social payments, production figures, local content requirements and artisanal mining. The challenge for EITI Cote d'Ivoire is to establish robust mechanisms to provide timely information on these issues and ensure that local community development funds are adequately managed to benefit local citizens.

Key challenges faced by EITI Cote d'Ivoire include updating its own statutory documents to improve the internal governance of the structures, which has the mandate to implement the EITI in Cote d'Ivoire. An effective and accountable MSG will require adequate representation of all stakeholders following clear, open and transparent nomination and replacement procedures, open and transparent per diem policy, and open and transparent management of the budget allocated to EITI implementation.

Looking ahead, the EITI Cote d'Ivoire can contribute in improving transparency of license allocation in line with the new mining code; transparency of production sharing agreements in line with the 2012 amendments to the hydrocarbon code; improving transparency of revenue sharing formula and subnational transfers in accordance with the tax code; and improve transparency of quasi-fiscal expenditure by PETORCI beginning at the swaps of crude oil for natural gas by PETROCI to the transfer of natural gas to Cote d'Ivoire energy for electricity production and then the clearing of electricity bills from Cote d'Ivoire energy to the state. Greater transparency in the funding of activities by the PETROCI foundation and the publication of PETROCI's financial statements could also help improve transparency of the quasi-fiscal expenditures. Finally, the MSG's ambition to extend the scope of EITI reporting to include artisanal mining is challenging, but remains a valuable undertaking.

Annexes

Annex A - List of MSG members and contact details

		NOM ET PRÉNOMS	STRUCTURE	FONCTION	TELEPHONE	EMAIL
Secteur Parapublic	1	ABBAS Sanoussi	Cabinet du Premier Ministre, Ministre de la Défense	Conseiller Technique	20.31.50.16 07.14.85.20 05.04.03.27	sabbas7@yahoo.fr
	2	KOFFI N'Dri	Ministère de l'Economie et des Finances	Conseiller Technique	22.41.15.38 07.08.99.95	presidentcnie@cnitie.ci
	3	N'DRI KOUADIO P. Narcisse	Ministère de l'Economie et des Finances	Directeur Général de l'Economie	05.60.89.13	drinars@yahoo.fr
	4	DIABATE Abdramane	Ministère l'Industrie et des Mines	Directeur Général des Mines et de la Géologie	20.21.05.76 44.54.53.05 49.99.00.97	kongolyabou@yahoo.fr
	5	DIABY Ibrahima	Ministère du Pétrole et de l'Énergie	Directeur Général des Hydrocarbures	20.21.38.71 07.85.55.21 02.51.67.54	ibrahima_diaby@yahoo.fr
	6	DIABY Lanciné	Ministère d'État, Ministère du Plan et du Développement	Directeur Général du Plan et de la lutte contre la Pauvreté	20.21.38.71 08.54.73.93	diaby_lancine@yahoo.fr
	7	TANO Adjegny Paulin	Ministère de l'Industrie et des mines	Directeur des Statistiques Industrielles et des Systèmes d'Informations	20.22.81.89 05.64.02.99	tano.paulin@industrie.gouv.ci
	8	YAVO N'Takpé Serge	Ministère d'État, Ministère de l'Intérieur	Sous-directeur des Etudes, de la Programmation et du Suivi-Evaluation	20.32.08.64 07.70.65.89 01.05.83.82	snyavo@gmail.com
	9	OUATTARA Fétigué	Garde des Sceaux, Ministère de la Justice, des droits de l'homme et des Libertés Publiques	Directeur des Affaires Financières et du Patrimoine	20.33.80.51 09.99.14.19	fetiguo@yahoo.fr

Validation of Cote d'Ivoire: Report on initial data collection and stakeholder consultation
Annexes - Annex A - List of MSG members and contact details

	10	KOUA Kouamé Léon	Ministère de l'Environnement, de la Salubrité urbaine et du Développement durable	Sous Directeur de l'inspection des installations classées /CIAPOL	20.24.24.70 05.96.79.87 08.87.30.29	leonkoua@yahoo.fr
	11	ANGAMAN Ado Olivier Paterne	Ministère du Commerce	Directeur des Affaires Juridiques et du Contentieux	20.22.20.10 01.03.54.15	adopat2002@yahoo.fr
	12	BOUADOU Éba Julien	Chambre des Comptes	Conseiller	20.21.21.38 01.20.01.76	julienbouadou@yahoo.fr
	13	ASSALÉ KOFFI KOMENA Eugène	Districts et Départements	Président du Conseil Général	07736086 09.08.21.96	becklome1@gmail.com
S e c t e u r E x t r a c t i f	1	KOFFI KOUAKOU Laussin Emmanuel	Canadian Natural Resource International	Directeur Général	20.31.00.15 07.08.48.77	emmanuel.koffi@cnrinternational.com
	1	SAGE Christian	FOXTROT International	Directeur Général	21.21.76.06 77.78.54.31	csage@foxtrot.ci
	1	GBALLOU Zebe Joachim	PETROCI	Conseiller technique du DG	20.20.25.57 01.85.84.50	Jgballou1959@yahoo.fr
	1	YAÏ Daniel	Société des Mines d'Ity	Directeur Général	22.44.63.63 07.07.39.28	daniel.yai@edv-ops.com
	1	DEMBELE Yahaya	SODEMI	Conseiller Technique	22.44.56.09 07.93.87.53	alphademb@yahoo.fr
	1	AKUNIN Koidia	FESACI	2ème Secrétaire Général Adjoint	07.83.24.10	akuninemile@yahoo.fr
	2	KOUAME AKPEGNI Pierre	UGTCI	Secrétaire National	05.96.98.60 48.33.50.06	kablanb21@yahoo.fr
	2	CAMARA Maméry	UNJCI	Président	01.13.33.03 09.47.50.57	mam_camara@yahoo.fr
	2	ZOHORÉ Lassané	GBICH	Président du Conseil d'Administration	07.60.99.50	zohorel@yahoo.fr
	2	YOBOUE KOFFI Kouadio Michel	PWYP Cote d'Ivoire	Coordonnateur Adjoint	07.62.35.29	myoboue@gmail.com
2	KOUASSI Yao Hyacinthe	Social Justice	Directeur des Opérations de Social Justice	07.96.98.77 23.52.72.13	cinthek@yahoo.fr	

Annex B – MSG meeting attendance

MSG meeting		25.02.2013	22.03.2013	17.04.2013	14.11.2013	26.03.2014	09.07.2014	03.09.2014	10.11.2014	10.12.2014	11.03.2015	29.07.2015	30.09.2015	09.12.2015	30.03.2016	17.08.2016	20.09.2016	15.12.2016	30.03.2017
Quorate? y/n		n/a	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Entity	name/title	1	0	18	17	23	24	17	17	16	22	23	20	19	17	17	14	17	17
Cabinet du Premier Ministre,	ABBAS Sanoussi, CT (Conseiller Technique)	n/a		1	0	1	1	0	1	1	1	1	1	1	1	1	1	1	1
Ministère de l'Economie et des Finances	KOFFI N'Dri, CT	n/a		1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
	N'DRI KOUADIO P. Narcisse, DG Economie	n/a		0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0
MMPE (Ministère des Mines, du Pétrole et de l'Énergie),	Diabate Abdramane, DG Mines et Géologie	n/a		1	0	1	1	0	0	r	1	1	1	0	1	1	1	1	0
	COULIBALY Ibrahima, DGMG	n/a		n/a	n/a	n/a	n/a	n/a	n/a	1	?	?	?	?	?	?	?	?	?
	DIABY Ibrahima, DG Hydrocarbures	n/a		0	1	1	1	1	0	1	1	1	1	1	1	1	0	0	r
	SIDIBE Raymond, DG Hydrocarbures	n/a		n/a	n/a	n/a	n/a	n/a	n/a	1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1
ME/MPD (Ministère d'État/Ministère du Plan et du Développement),	DIABY Lanciné, DG Plan et de la lutte contre la Pauvreté	n/a		0	1	1	1	0	0	0	1	1	1	1	1	1	1	1	1
MI (Ministère de l'Industrie et de Promotion du Secteur Privé)	TANO Paulin, DG des Statistiques Industrielles, des Systèmes d'Informations	n/a		0	1	1	1	1	1	1	1	1	1	1	0	0	0	0	0
ME/MI (Ministère d'Etat/Ministère de l'Interieur)	YAVO N'Takpé Serge, Sous-directeur des Etudes, de la Programmation et du Suivi-Evaluation	n/a		1	1	1	1	1	1	1	1	1	1	1	1	1	0	1	1
ME/GS/MJ (Ministère d'Etat/Garde des Sceaux/Ministère de la Justice)	OUATTARA Fétigué, Directeur des Affaires Financières et du Patrimoine	n/a		1	1	1	1	1	1	1	1	1	0	1	1	0	1	1	1
Ministère de l'Environnement et du Développement Durable/des Eaux et des Forêts	KOUA Kouamé Léon, Sous-directeur de l'Inspection des Installations Classées/CIAPOL	n/a		1	0	1	1	1	1	1	1	1	1	1	1	1	0	1	1

Initial data collection and stakeholder consultation
Annexes - Annex B – MSG meeting attendance

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Annexes - Annex B – MSG meeting attendance

GBICH Editions	ZOHORÉ Lassané, Président du Conseil d'Administration	n/a		1	0	1	1	0	0	0	1	1	1	1	0	1	0	1	0
Coalition Ivoirienne PWYP	YOBOUÉ Koffi Kouadio Michel, Coordonnateur National	n/a		1	0	0	1	1	0	0	1	1	0	1	0	1	0	1	1
Social Justice	KOUASSI Yao Hyacinthe, Directeur des Opérations de Social Justice	n/a		1	1	1	1	1	1	1	1	1	1	1	1	0	1	1	1

1 – Present
0 - Absent

MSG meeting		25.02.2013	22.03.2013	17.04.2013	14.11.2013	26.03.2014	09.07.2014	03.09.2014	10.11.2014	10.12.2014	11.03.2015	29.07.2015	30.09.2015	09.12.2015	30.03.2016	17.08.2016	20.09.2016	15.12.2016	30.03.2017
Quorate? y/n		n/a	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Entity	name/title	1	0	18	17	23	24	17	17	16	22	23	20	19	17	17	14	17	17
Cabinet du Premier Ministre,	ABBAS Sanoussi, CT (Conseiller Technique)	n/a		1	0	1	1	0	1	1	1	1	1	1	1	1	1	1	1
Ministère de l'Economie et des Finances	KOFFI N'Dri, CT	n/a		1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
	N'DRI KOUADIO P. Narcisse, DG Economie	n/a		0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0
MMPE (Ministère des Mines, du Pétrole et de l'Énergie),	Diabate Abdramane, DG Mines et Géologie	n/a		1	0	1	1	0	0	r	1	1	1	0	1	1	1	1	0
	COULIBALY Ibrahima, DGMG	n/a		n/a	n/a	n/a	n/a	n/a	n/a	1	?	?	?	?	?	?	?	?	?
	DIABY Ibrahima, DG Hydrocarbures	n/a		0	1	1	1	1	0	1	1	1	1	1	1	1	0	0	r
	SIDIBE Raymond, DG Hydrocarbures	n/a		n/a	n/a	n/a	n/a	n/a	n/a	1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1
ME/MPD (Ministère d'État/Ministère du Plan et du Développement),	DIABY Lanciné, DG Plan et de la lutte contre la Pauvreté	n/a		0	1	1	1	0	0	0	1	1	1	1	1	1	1	1	1
MI (Ministère de l'Industrie et de Promotion du Secteur Privé)	TANO Paulin, DG des Statistiques Industrielles, des Systèmes d'Informations	n/a		0	1	1	1	1	1	1	1	1	1	1	0	0	0	0	0
ME/MI (Ministère d'Etat/Ministère de l'Interieur)	YAVO N'Takpé Serge, Sous-directeur des Etudes, de la Programmation et du Suivi-Evaluation	n/a		1	1	1	1	1	1	1	1	1	1	1	1	1	0	1	1
ME/GS/MJ (Ministère d'Etat/Garde des Sceaux/Ministère de la Justice)	OUATTARA Fétigué, Directeur des Affaires Financières et du Patrimoine	n/a		1	1	1	1	1	1	1	1	1	0	1	1	0	1	1	1
Ministère de l'Environnement et du Développement Durable/des Eaux et des Forêts	KOUA Kouamé Léon, Sous-directeur de l'Inspection des Installations Classées/CIAPOL	n/a		1	0	1	1	1	1	1	1	1	1	1	1	1	0	1	1

Initial data collection and stakeholder consultation
Annexes - Annex B – MSG meeting attendance

Validation of Cote d'Ivoire: Report on initial data collection and stakeholder consultation
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GBICH Editions	ZHORÉ Lassané, Président du Conseil d'Administration	n/a		1	0	1	1	0	0	0	1	1	1	1	0	1	0	1	0
Coalition Ivoirienne PWYP	YBOUÉ Koffi Kouadio Michel, Coordonnateur National	n/a		1	0	0	1	1	0	0	1	1	0	1	0	1	0	1	1
Social Justice	KOUASSI Yao Hyacinthe, Directeur des Opérations de Social Justice	n/a		1	1	1	1	1	1	1	1	1	1	1	1	0	1	1	1

Annex C – Cost of EITI Reports

The Cost of the 2015 EITI Report prepared by Moor Stephens is USD 111 000. The cost of previous reports was not disclosed.

Annex D - List of stakeholders consulted

Government

1.	N'DRI KOFFI	CN-ITIE	Bureau : Cel : Fax	
2.	OUATTARA Fétigué	CN-ITIE Ministère Justice	Bureau : Cel : Fax	
3	SIDIBE Raymond	DGH	Bureau : Cel : Fax	raydesmines@yahoo.fr
4.	YED Bra Marcelle Josiane	DGI	Bureau : Cel : Fax	yedmarfr@yahoo.fr
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Industry

1.	KOFFI KOUAKOU Laussin Emmanuel	Canadian Natural Resource International		
	DEMBÉLÉ Yahaya, CT	SODEMI (Société pour le Développement Minier de la Côte d'Ivoire)		

Civil Society

1.	KOUAME AKPEGNI Pierre	CN-ITIE Société Civile UGT CI	Bureau : Cel : Fax	
2.	DIBI Niagne Martin	CN-ITIE Comité National de Supervision, Suivi et Ev.	Bureau : Cel : Fax	
3.	YOBOUE KOFFI K.Michel	CN-ITIE PCQVP-CI	Bureau : Cel : Fax	
4.	KOUAKOU K. Léonard	CADES	Bureau : 03-03-53-15 Cel : 08-02-31-55 Fax	kkanleo@gmail.com

5.	KOFFI Adjoua Madeleine	CADES	Bureau : Cel : 08-76-41-05 Fax	madovictoire87@gmail.com
6.	KONE Joseph	CREFDI	Bureau : Cel : 55-13-24-20 Fax	spiderone0@gmail.com
7.	SERY Diane Flora	APDH	Bureau : Cel : 49-36-81-33 Fax	florasery16@gmail.com
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10.	BLA KOUASSI Edmond	REJECI/PCQVP	Bureau : Cel : 05-75-20-95 Fax	Santafebla2013@gmail.com
11.	KOUMAN KOUAME Dongo	Transparency Justice	Bureau : Cel : 07-07-84-05 Fax	Kouman.alaince@gmail.com
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Independent administrators

1.	LOURIMI Karim	Moore Stephens	Bureau : Cel : Fax	
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