

“Año de la Innovación y la Competitividad”

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Directorate of International Relations

30 May 2019

No.: INT-MEM-2019-6520

Mr
Mark Robinson
Executive Director of the
EITI International
Secretariat, Oslo, Norway

Dear Mr. Robinson,

I hope this letter finds you well. I would like to acknowledge receipt of the draft Validation Report, prepared by the Independent Validator, dated 21 May 2019.

In this regard, and taking into account the corrective measures suggested by the Validator in order to comply with the implementation of the EITI Standard Requirements, I would like to inform you that the EITI-RD National Commission fully welcomed these measures. The actions carried out by the National Commission are published in the EITI-RD Transparency Portal. Below are the results of these actions:

Corrective Measure 1:	Action	Approval
<p>Requirement 3.2: Publish the production value of non-metallic minerals by commodity.</p> <p>It is recommended that the government ensures that the accuracy of the volume information provided by companies is adequately monitored.</p>	<p>Publication in the EITI-RD Transparency Portal of the values for the production of non-metallic minerals by commodity corresponding to the year 2016, provided by the Directorate General of Mining.</p> <p>https://eitird.mem.gob.do/informe-eitird/produccion-y-exportacion/produccion-minera-dominicana/</p>	<p>Debated and approved in Meeting No. 06-2019 of the EITI-RD National Commission, on 9 May 2019.</p>

Corrective Measure 2:	Action	Approval
<p>Requirement 5.2:</p> <p>1. Assess and disclose any discrepancy between the formulas and the amounts actually transferred (1) from the central government to FOMISAR and (2) from FOMISAR to the municipalities.</p> <p>2. It is recommended that the multi-stakeholder group documents and discloses disagreements concerning the interpretation of the concept of “net profit” in the contract of Pueblo Viejo.</p>	<p>1. Preparation of the document entitled “Technical Note on the Calculation of the Subnational Transfer carried out within the framework of the Special Contract on the Leasing of Mining Rights (CEAM) between the Dominican State and Pueblo Viejo Dominicana Corporation - Barrick”, which explains: a) the transfer from the Government to FOMISAR according to the calculation formula applied by the Government, and documents the resulting discrepancy, and b) the transfer from FOMISAR to the municipal governments in accordance with the provisions of Law 91-05, Regulation No. 266-09 and Law No. 236-14. Published in the EITI-RD Transparency Portal: https://eitird.mem.gob.do/informe-eitird/distribucion-de-ingresos/distribucion-de-los-ingresos-mineros/transferencias-generadas-del-ceam/fomisar/</p> <p>2. Preparation of the document entitled “Concept Note on the Calculation of the Subnational Transfer carried out within the framework of the Special Contract on the Leasing of Mining Rights (CEAM) between the Dominican State and Pueblo Viejo Dominicana Corporation - Barrick”, which explains the difference of opinion between sectors of Civil Society and the Government on the EITI-RD National Commission, with regard to the interpretation of the basis for calculating the 5%. Published in the EITI-RD Transparency Portal: https://eitird.mem.gob.do/wp-content/uploads/2019/05/20190530-Nota-Conceptual-F%C3%B3rmula-Transferencias-Subnacionales-1.pdf <i>English version included below.</i></p>	<p>1. Debated and approved in Meeting No. 08-2019 of the EITI-RD National Commission, on 30 May 2019.</p> <p>2. Debated and approved in Meeting No. 06-2019 of the EITI-RD National Commission, on 09 May 2019.</p>

Corrective Measure 1:	Action	Approval
<p>Requirement 7.4: The Dominican Republic is expected to assess the impact and results of the EITI in the Dominican Republic and to identify opportunities to strengthen the impact of the implementation of the EITI on the governance of natural resources.</p>	<p>Preparation of the document entitled "Impact of EITI in the Dominican Republic", in which the results of the implementation of the Initiative in the country are assessed, as well as identifying opportunities for improvement. Published in the EITI-RD Transparency Portal: https://eitird.mem.gob.do/impacto-del-eiti-en-republica-dominicana/ <i>English version included below.</i></p>	<p>Approved in Meeting No. 7-2019 of the EITI-RD National Commission, on 23 May 2019.</p>

Concerning this matter, I attach the document expressing the approval from the National Commission for the actions listed above.

The EITI-RD National Commission is aware of the great challenge ahead to continue to advance in the transparency of extractive industries, and we shall take on board the strategic recommendations resulting from this Validation process, with the aim of strengthening the implementation of the EITI Standard and the impact it has.

Yours sincerely,



Vilma I. Arbaje de Contreras
National Coordinator EITI-RD

Cc: Francisco Paris, LAC Regional Director, EITI International Secretariat

Actions implemented by the EITI-RD National Commission to respond to the corrective measures proposed by the Independent Validator.

Corrective Measure	Action	Approval
<p>Requirement 3.2: Publish the production value of non-metallic minerals by commodity. It is recommended that the government ensures that the accuracy of the volume information provided by the companies is adequately monitored.</p>	<p>Publication in the EITI-RD Transparency Portal, of the values for the production of non-metallic minerals by commodity corresponding to the year 2016, provided by the Directorate General of Mining</p>	<p>Debated and approved in Meeting No. 06-2019, of the EITI-RD National Commission, on 9 May 2019.</p>
<p>Requirement 5.2: 1. Assess and disclose any discrepancy between the formulas and the amounts actually transferred (1) from the central government to FOMISAR and (2) from FOMISAR to the municipalities.</p>	<p>1. Preparation of the document entitled "Concept Note on the Calculation of the Subnational Transfer carried out within the framework of the Special Contract on the Leasing of Mining Rights (CEAM) between the Dominican State and Pueblo Viejo Dominicana Corporation - Barrick", which explains: a) the transfer from the Government to FOMISAR according to the calculation formula applied by the Government, and documents the resulting discrepancy, and b) the transfer from FOMISAR to the municipal governments in accordance with the provisions of Law 91-05, Regulation No.266-09 and Law No. 236-14. Published in the EITI-RD Transparency Portal.</p>	<p>1. Debated and approved in Meeting No. 08-2019 of the EITI-RD National Commission, on 30 May 2019.</p> <p>2.</p>

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<p>2. It is recommended that the multi-stakeholder group documents and discloses disagreements concerning the interpretation of the concept of “net profit” in the contract of Pueblo Viejo.</p>	<p>2. Preparation of the document entitled “Concept Note on the Calculation of the Subnational Transfer carried out within the framework of the Contract between the Dominican Government and Barrick-PVDC”, which explains the difference of opinion between sectors of Civil Society and the Government on the EITI-RD National Commission, with regard to the interpretation of the basis for calculating the 5%. Published in the EITI-RD Transparency Portal.</p>	<p>Debated and approved in Meeting No. 06-2019, of the EITI National Commission, on 9 May 2019.</p>
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<p>Requirement 7.4: The Dominican Republic is expected to assess the impact and results of the EITI in the Dominican Republic and to identify opportunities to strengthen the impact of the implementation of the EITI on the governance of natural resources.</p>	<p>Preparation of the document entitled "Impact of EITI in the Dominican Republic", in which the results of the implementation of the Initiative in the country are assessed, as well as identifying opportunities for improvement. Published in the EITI-RD Transparency Portal.</p>	<p>Approved in Meeting No. 7-201, of the EITI National Commission, on 23 May 2019.</p>
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Signed in Santo Domingo, Capital of the Dominican Republic, on the thirtieth (30) day of May of two thousand and nineteen (2019).

Government Commissioners


Marta González
Ministry of the Presidency


Yris González
Ministry of Energy and Mining


Félix Peguero
Ministry of Finance


Ruth Montes de Oca
Ministry of Economy, Planning and Development

Commissioners from the Extractive Industries:

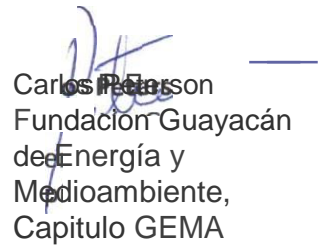

María Lac
Pueblo Viejo Dominicana Corporation (PVDC-BARRICK)


Rosa de los Santos
Falconbridge Dominicana, S.A. (FALCONDO)

Commissioners from Civil Society:



Maritza Ruiz
Dominican Observatory of Public
Policies
(ODPP-UASD)



Carlos Peterson
Fundación Guayacán
de Energía y
Medioambiente,
Capitulo GEMA



Ynés Rosso
Articulación Nacional Campesina (ANC)

Executive Secretary:


Natalia Polanco
Executive Secretary

Concept Paper on the Formula for Calculating Subnational Transfers within the framework of the Special Contract on the Leasing of Mining Rights (CEAM) between the Dominican State and Pueblo Viejo Dominicana Corporation - Barrick

Requirement 5.2.a of the EITI Standard Requirements on Subnational Transfers stipulates that material transfers of revenue generated by the extractive industries, where transfers are carried out between national and subnational government entities, in accordance with constitutional or legislative provisions, or governed by other mechanisms, should be disclosed. Equally, the revenue sharing formula should also be disclosed.

There have been several debates in the EITI-RD National Commission on this requirement, providing the opportunity for each of the three sectors that comprise the National Commission to present their positions on this issue. These debates are recorded in the following Minutes: 09-2016, 22-2017, 23-2017, 24-2017, 33-2017, 44-2018, 45-2018 and 53-2018. The following presentations stand out: presentation made by the representative from the company Barrick-PVDC, during meeting No. 9; presentation made by the representative from the Ministry of Finance in meeting No. 33; as well as the presentation made by the representative from the Dominican Observatory of Public Policies of the UASD in meeting No. 53.

Among the discussions that took place, the discussion on the revenue sharing formula relating to revenue from the CEAM stands out. In this regard, Article 9.2.(g) of the First Amendment to the CEAM stipulates the following: "The municipalities where the Mine is located shall receive five (5%) of the net profits generated, in accordance with the Environment Law. The State, as the lessor of the Federal Sanctuary, shall be responsible for paying said contribution to the municipalities where the Mine is located. The State may request that PVDC make these payments on their behalf and that it deduct these amounts from the payments it is required to make to the State, under this Agreement".

Currently, the debate of the EITI-RD National Commission focuses on the interpretation of the meaning of "5% of the net profit generated" as stipulated in the aforementioned Article 9.2.(g), giving rise to two different positions on the basis for the calculation of this 5%. Below are the interpretations and positions from the government sector and from the Civil Society sector:

The Ministry of Finance, the body responsible for developing, implementing and evaluating fiscal policy, has informed the EITI-RD National Commission that in order to enact the provisions of Article 9.2(g) of the First Amendment to the CEAM, community representatives from Barrick-PVDC and from the government, after extensive discussions, reached an agreement dated 4 March 2015 concerning the basis to be used to calculate the 5% of the net profit, as well as the means through which the transfer to the municipalities would be made. The points agreed upon are as follows:

1. Considering that the Income Tax that the State receives is the closest concept to net profit, it was decided that the amount collected through this tax is the basis for calculating the 5%, as stipulated in Paragraph II of Article 117 of Law No. 64-00.
2. The appropriation of the total amount of the contribution shall be in the General State Budget (PGE) and shall be delivered to the municipalities in monthly items of equal amounts, in compliance with Organic Law No. 423-06 on Budget for the Public Sector.
3. The amount of the contribution shall always be derived from the Income Tax revenue projections that the company will pay, in the year when the PGE approved by the National Congress is in force.

The Civil Society sector, on the other hand, maintains that the 5% should be calculated based on the concept established through Act No. 64-00 on the Environment and Natural Resources, namely the "net earnings generated" as stipulated in Article 117 paragraph II of said Law: "In the case of non-renewable natural resources, the municipality or municipalities where the mining is located shall receive five percent (5%) of the net profits generated".

This sector has declared that the specified Article of Law No. 64-00 stipulates that the basic concept for the calculation are the Net Profits Generated in each fiscal period and that the determination of this figure presents no disadvantage or difficulty, since the Sworn Annual Statement upon which companies base the Income Tax payment and any other fiscal commitment that they may have established in their Special Contract is based on The Audited Financial Statements which accompany such Statement. With regard to the distribution of revenues, the laws and decrees that formalise the establishment of the Mining Funds stipulate how these should be distributed among the different mun

EITI Impact in the Dominican Republic

Scope: This document¹ gathers opinions and reflections from the stakeholder groups represented in the EITI-RD National Commission (the Commission): government, industry and civil society, with regard to the impact that EITI implementation has had in the Dominican Republic and the progress on the established objectives.

How was the EITI-RD impact measured?

On 11 April 2019, a session of the National Commission was organised with the objective of discussing and documenting the opinions of the commissioners in relation to the impacts of the EITI in the Dominican Republic.

The focus of the session was to document and exchange points of view from the different stakeholder groups with regard to EITI-RD impact according to:

- The guiding questions,
- The objectives established in the EITI-RD Strategic Plan and the Work Plan, and
- The recommendations resulting from the first and second Report from the EITI.

The opinions of the stakeholders were gathered and documented in writing. The first draft of the document was shared with the commissioners on 30 April 2019 and comments were received from the various stakeholder groups until 10 May 2019. After incorporating the requested adjustments, the second draft was circulated among the commissioners on 21 May and was submitted for approval at meeting No. 07-2019, held on 23 May 2019. These opinions express the points of view by sector and do not rule out other opinions. In the instances where there was consensus, this is documented, and the positions of each stakeholder group is reflected separately.

Part I

Progress towards achieving the objectives

Part I of this exercise documents the position of the National Commission and the various sectors in relation to the progress towards achieving the objectives established in the Strategic Plan, including the impact and results of the objectives established according to the regulations of requirement 7.4.iv.

The baseline for this analysis is established in “the national priorities” identified by the National Commission and outlined in the Strategic Plan. The National Commission prepared a list of expected results² based on three areas: 1. Governance, 2. Transparency, 3. Participation and dialogue. Each prioritised aspect relates to a specific objective. The progress towards achieving the general objective was also reviewed.

¹ Report prepared by: Aida Aamot, consultant from the Inter-American Development Bank

² National priorities EITI-RD 2018-2010. EITI-RD Strategic Plan, page 11, available at <https://eitird.mem.gob.do/wp-content/uploads/2018/12/Plan-Estrat%C3%A9gico-CNEITI-RD-2018-2020-con-anexos.pdf>

General objective

*“To strengthen governance of the Dominican extractive industries (mining and hydrocarbons) through the implementation of **transparency and accountability processes** through the participation of key stakeholders, in order to optimise the management and use of resources derived from the mining and hydrocarbons industries for the benefit of society.”*

Generally, the representatives from the National Commission expressed a common understanding on the gradual progress to achieve total fulfilment of the EITI-RD general or strategic objective, since it is envisioned that these goals will be achieved in the long term. Similarly, the opinions expressed by the different stakeholders reaffirmed the validity of this objective ahead of the next period or implementation phase.

The various sectors recognised the progress with regard to transparency and highlighted the role of multi-stakeholder dialogue in:

- establishing common concepts,
- understanding the position of each stakeholder group represented in the National Commission, and
- establishing a foundation for dialogue beyond the operational aspects of implementing the standard that may lead to significant improvements in the management of the extractive industries.

Although there is progress in terms of transparency based on the disclosures, the three sectors consider that there is still work to be done in order to achieve the goal of optimising the use and management of resources derived from the extractive industries.

Representatives from the **government sector** explained that the processes initiated for the preparation of EITI reports have been important for raising awareness and knowledge among civil servants. In addition, the dialogue in the National Commission and the disclosure have generated significant results in terms of inter-institutional coordination, which did not exist before.

The **civil society sector** highlighted that it values the space that the National Commission has created to discuss in-depth the improvements in governance that are required in relation to the future of the sector. It also highlighted the great value of the EITI-RD Transparency Portal as a tool for information. The Portal is the source of evidence for intersectoral interaction, for example, dialogue with mining communities or syndicates, based on reliable data. This group recognises the progress made in the area of transparency and considers that the bases exist for strengthening the accountability processes, i.e. the moment when the state accounts for the use and beneficiaries of mining resources.

The **private sector** indicated that the most important part of this first EITI implementation cycle was the organised disclosure of information and data throughout the value chain. It recognises the reliability of the data published as a result of participation in the EITI-RD disclosures from companies in the sector. The **private sector** highlighted that the EITI-RD information provided is used as a key part of statements and dissemination exercises in the mining sector. On the other hand, the private sector indicated that, to date, transparency of data on the distribution of revenues collected by the State has not been achieved. The sector recognises the importance of transparency with regard to the distribution of revenue in order to achieve the ultimate objective.

With regard to multi-stakeholder dialogue within the National Commission, the **private sector** recognised the experience gained in the process, and valued the increased understanding and cooperation achieved between business, government and civil society. With regard to fulfilment of the general objective, representatives from this stakeholder group expressed that some challenges persist; in particular, ensuring that proposals that are discussed in meetings go beyond strengthening governance of the mining industries.

Specific Objective 1

“To improve the quality of the internal functioning of the EITI-RD National Commission and generate sectoral participation activities through a constructive dialogue that builds confidence between the parties involved and the government”.

The National Commission agrees that the internal functioning has improved and that representatives have raised the level of technical proficiency with regard to the standard. This has led not only to dialogue, but it has also enabled the operationalisation of collaborative efforts and has led to consensual decisions. In the 2016-2018 period, the National Commission (in its 57 meetings) took only one decision by vote, due to a lack of consensus. This fact reflects the quality of the exchanges and the time that the commissioners dedicate to achieving the objectives.

The commissioners recognised significant progress in terms of collaborative efforts on specific aspects of the EITI. Examples of this are demonstrated in the working groups, among others, for:

- The disclosure of final beneficiaries,
- The development of the Terms of Reference of the Independent Administrator and the negotiation with the auditing company,
- Developing a strategic and operational plan for communications, and
- Carrying out an internal self-evaluation in relation to EITI Validation.

Similarly, the role of the National Commission and the Executive Secretary was contemplated, and the importance of ensuring the future of the operation of the Technical Support Committee to provide operational support and strengthen the technical element of EITI implementation. In the next cycle, the National Commission expects to have a strategic role so that it can contribute to reform processes in the sector, and continue providing administrative monitoring of the EITI following the phase of learning and establishing common concepts.

The civil society sector was notable as a stakeholder group in favour of mining done properly, which is why they consider that multi-stakeholder dialogue is a key aspect for strengthening the guidelines within which the industry must operate and for ensuring that the State uses and distributes the revenues derived from this economic activity appropriately. The EITI has generated value for this stakeholder group in that it has enabled exchange with the business sector and the government sector. In particular, they highlighted that the disclosure of financial information through collation was crucial for increasing the level of trust between civil society and the business sector. The civil society sector indicated its desire to further deepen the dialogue, exchange and collaborative efforts with the government sector.

The **private sector** considers that the National Commission tripartite discussion table has enabled the exchange of clear opinions on several aspects and it has opened a space for companies to explain how the sector works from the business angle, and the responsibilities and commitments undertaken by companies with regard to the monitoring that the public sector carries out. They expressed the opportunity of the space for exchange and predict that this effort will be replicated in other areas of sectoral management beyond preparing EITI reports, signalling opportunities to build trust between the industry and

society, through, for example, educational workshops on the mining industry with data already provided by the EITI.

Subsequently³, the **private sector** indicated that, at the internal level within the National Commission, the commitment of this stakeholder group to dialogue among the parties has been demonstrated, as well as their participation in the reporting process. In addition, this stakeholder group noted that it recognises the progress of having the three sectors sit at the same discussion table, although they observe weaknesses in the government sector.

The **government sector** indicated that there is a significant improvement with regard to technical knowledge and it highlighted that the working groups have meant that the dialogue has led to greater intersectoral and intrasectoral coordination. By way of self-reflection, the **government sector** in the Dominican Republic mentioned that the EITI has led to them having dialogue with various government entities, making it possible to consult and reach consensus on positions within this stakeholder group. They also highlighted the value of observing the opening of companies in terms of disclosing information; this has managed to reduce the gaps in understanding that limited collaborative efforts.

Specific Objective 2

“To progressively integrate transparency into the existing mechanisms for managing the mining and hydrocarbons industries, in accordance with the EITI standard and based on the principles of legality, veracity and credibility.”

The EITI-RD National Commission agrees that the implementation of EITI reports represents a major breakthrough in the country in terms of transparency, especially because these reports have published information that had never been known before. The process of preparing the reports has enabled commissioners to improve their understanding of how the extractive industries have been managed and how to clarify vague or inaccurate information, and how each stakeholder group had various concepts related to such information. One of the key aspects resulting from the EITI information disclosure process in the Dominican Republic is the standardisation of the information disclosed as a result of the coordinated efforts of various government entities.

The publication of EITI data based on the principles of legality, veracity and credibility is a valuable tool, given the historical profile concerning the mining industries in the Dominican Republic. For the first time, it is possible to speak with certainty based on data and facts about the management of the sector. Specific examples of where the National Commission has made efforts, with the support of the government and the business sector, to submit accurate and balanced information are:

- Detailed descriptions of each of the mining contracts and access to the full contract text including annexes.
- The management status of the bauxite mine in Pedernales, from the contractual mechanisms to subnational transfers.
- Review and discussion with regard to the provisions related to voluntary social expenditure stipulated in the contracts, and in accordance with the legal framework in force.

The importance of the reconciliation reports was also identified, in particular the role of companies in facilitating the processes to develop the duty of fiscal reserves and the provision of data.

³ Comments made in writing to the draft document, received on 10 May 2019.

Government stakeholders highlighted the importance of collation for identifying the destandardisation of databases on rights-holders or mining contracts and the stakeholders registered in the collecting entity. As an indirect result, the Ministry of Energy and Mines and the Ministry of Finance established an interinstitutional working group with the goal of improving

the information available under the umbrella of the mining audit table, which contributed to improving intergovernmental coordination.

Civil society recognised that progress has been made with the EITI disclosures. They indicated that although the way that expenses are managed in the country has been documented after they are deposited in the State treasury system, they do observe opportunities for the next reports to increase the level of completeness in the data related to subnational transfers and the use of these resources at the subnational level. Other aspects that are advocated by this stakeholder group are continuing to address the non-metallic mining sector in future transparency exercises, in accordance with the principle of progressiveness established in the country.

Representatives from the **private sector** recognised the results from the EITI reports and the Portal which is designed in a format and language that is simple, the way the extractive industries are managed. They reflected that the EITI is a tool that enables the private sector to disclose information about their fiscal contribution in a structured way, thanks to the data validation by an independent stakeholder. In addition they indicate that the EITI-RD Report is a tool that provides visibility to the commitment to transparency from companies in the mining sector.

Furthermore, the **private sector** mentioned having perceived that the request for information from companies is more rigorous and requires more data, compared to the requests for information from reporting government entities. Representatives from this stakeholder group stated that they also reflected on the remaining challenges within their stakeholder group, such as, for example, exhaustive disclosure on the management and distribution of revenues collected from the extractive industry.

Specific Objective 3

“To increase public understanding of the management of extractive industries, with the publication of information, data and participation mechanisms available in simple formats, focused on key audiences.”

The National Commission agrees that some efforts have been made to raise awareness and publicise the EITI in the country, in accordance with the considerations of the requirements of the EITI standard; however, greater dedication is still required to address the proposed objective of increasing public understanding of the management of extractive industries. To make progress in this area, the National Commission developed a Strategy and Plan for Communications, with which it hopes to deliver a significant impetus during 2019.

Activities to communicate about the EITI have been carried out mainly at three points in time:

- During the preparation of the EITI candidacy, workshops were held with key stakeholders, including the communities where there is the presence of mining.
- When the (two) EITI reports were launched, with events, institutional press releases, media coverage and distribution of copies of the EITI-RD report, and notification about the opening of the EITI-RD Transparency Portal website.
- A workshop for the dissemination of EITI reports was delivered in the Bonao mining community.

The EITI communication and dissemination activities in the Dominican Republic have had a digital focus, taking advantage of the low cost of spreading information through social network channels. In particular, the Ministry of Energy and Mines has documented the publications that have been produced, to increase knowledge about the EITI and the data in the reports; in addition to the leadership demonstrated in the media and speeches from the Champion of the initiative, not only in this capacity but also in interactions as Minister of Energy and Mines. In addition, the portals of the Ministry of Energy and Mines, Ministry of the Presidency, Ministry of Economy, Planning and Development, the Directorate General of Mining, as well as those of the companies Barrick PVDC, Cormidom, Falcondo and the Oil and Mining Chamber (CAMIPE), have links to directly access the EITI-RD⁴.

The impact of the dissemination workshop held in Bona0 for commissioners was mentioned; the workshop presented a learning opportunity with regard to addressing different audiences. In terms of the community, representatives from civil society explained that this exercise helped to establish a platform for exchange, where consolidated information was offered to the representatives of this community.

The stakeholder groups mentioned having undertaken other actions aimed at improving public understanding of the management of extractive industries, based on EITI data, among others. The examples described were:

- Speeches, publications on social networks and the press releases from CAMIPE that clarify and explain the EITI.
- Civil society meetings in the communities where mining is present are supported by EITI-RD documentation. A meeting in Samaná was described, as well as consultancy to the Barrick syndicate.
- The meetings held by the team of the Executive Secretary, with technical support from the Inter-American Development Bank, with various government entities that participated in the process of information dissemination, which provide awareness-raising and training on the standard for civil servants.

Stakeholders from the **government sector** reflected that public understanding of the management of the sector is a major challenge that requires education. As such, it is a medium- or long-term challenge.

The **private sector** indicated having observed that in the areas where companies operate, there is still misinformation and, in general, there is a lack of awareness that affects public opinion.

Civil society expressed the need to implement dissemination activities in the communities where mining operations are present, since this is essential in order for the EITI impact in the country to reach the public, which is necessary in order to build trust.

⁴ See examples on the website of the Ministry of Economy, Planning and Development (<http://economia.gob.do/>), and Directorate General of Mining (<http://dgm.gob.do/>).

Part II

Efforts to strengthen EITI impact

Part II of this document aims to list the efforts made by the EITI-RD to strengthen the impact of EITI implementation on natural resource governance, including any measure(s) to extend the detail and scope of the reports or to increase engagement with stakeholders in accordance with requirement 7.4.v.

The National Commission has highlighted, in various areas, the progress in the coverage of EITI reports, in particular:

- **The increase in coverage of mining subsectors in EITI reports:** EITI reports demonstrate advancing progress in the level of quality and coverage of information. The first EITI report addressed the metallic mining sector and the second report, in the contextual section, included information on the non-metallic mining sector. This is a significant impact due to the dispersal of the sectoral information in 11⁵ different government entities consulted.
- **The extended scope of revenue streams to be reconciled in the collation reports:** The second collation report showed an increase in the number of flows covered compared to the first collation report. These decisions take into account aspects of percentage coverage of materiality and also the inclusion of other flows in accordance with the recommendations from the Independent Administrator or at the request of the National Commission.
- **Political dialogue to disclose information about CORDE despite the dissolution process:** The second report made it possible to clarify the situation of CORDE as a state entity responsible for managing mining assets. The National Commission agreed that this entity does not correspond to a company owned by the state and that for the sake of greater transparency, it made efforts to achieve the disclosure of information related to CORDE, even when this entity was in the process of dissolution.
- **Accountability in relation to the position of the government on transfers arising from the Special Contract on the Leasing of Mining Rights (CEAM):** The second report documents for the first time in a timely manner the position of the government on the interpretation of the concept of distribution of revenues from CEAM. This impact has value because it opens the door for technical discussion about an area that is highly controversial in the country.
- **Analysis of challenges and opportunities to reconcile data on an accrual basis:** As part of the analysis it carried out for integrated disclosures, EITI-RD analysed the challenges and opportunities for carrying out reconciliation according to the accrual method. The criterion that generates the greater level of data consistency was identified as being the cashflow base and the various stakeholders managed to

⁵ The government entities that intervened in the information supply process were: 1. Ministry of Mines and Energy, 2. Directorate General of Mining, 3. National Geological Services, 4. Ministry of Finance, 5. Directorate General for Internal Taxes, 6. Directorate General of Customs, 7. Ministry of Environment and Natural Resources, 8. National Treasury, 9. Central Bank of the Dominican Republic, 10. National Office of Statistics, and the 11. Office of the Legal Counsel of the Executive Branch ref. CORDE.

learn the technical aspects when comparing fiscal data through cashflow with the financial reports from the companies based on the accrual method.

Part III

Responses and efforts in response to the recommendations of the EITI reports

This part is intended to document the exchange in the National Commission on the responses and efforts of the multi-stakeholder group in response to the recommendations of the EITI reports, in accordance with requirement 7.4.ii of the EITI Standard. In the Dominican Republic, the recommendations of the EITI reports can be found in the contextual report and in the collation report.

On the one hand, the Independent Administrator documented in the second collation report the progress on the recommendations arising from their first report. In order to analyse the recommendations arising from the second collation, the National Commission agreed to conduct a workshop⁶ that involved government entities and reporting companies; this would serve as an input for defining the scope of the third collation report and for perfecting the processes for the provision of information.

On the other hand, with regard to the contextual report, the National Commission noted having talked on several occasions about the resulting recommendations and indicated that an activity related to the list of actions was established in its Work Plan, to provide monitoring for these efforts.

Among the various exchanges, the opportunities in which information was shared on some of the governance improvement actions carried out were recalled, such as:

- The development of the draft bill on mining and the consultation process associated with this document.
- The work of the Ministry of Energy and Mines related to the development of a proposal for a draft bill for the redistribution of mining income with the objective of ensuring that the funds reach the development of the communities.
- The implementation of institutional strengthening processes for sector governance, for example, an audit table to comply with the provisions of Law 146-71, since an audit process had never been undertaken.

Several stakeholder groups reflected on the role and competences of the National Commission in terms of improvements in governance in the extractive industries. In this regard, consultations with the various government entities responsible for each of the governance improvement actions listed in the EITI Reports were proposed. An example of the options discussed is to consider consulting the Directorate General of Mining on the progress related to the improvements to the registry. Various representatives continued to reflect on the opportunities to make an impact on sector management. From this exchange, various ideas emerged that could be considered for the list of actions for improvements in governance, proposed as an activity from the Work Plan.

⁶ Workshop held on 2 May 2019, moderated by the Independent Administrator.

The **business sector** indicated that, from their point of view, it would have been very valuable for the work on the Draft Mining Bill to have been discussed at the EITI-RD table. The first draft bill was shared with the commissioners after having been drafted.

Other evidence of the efforts of the multi-stakeholder group to address the recommendations of the contextual report are reflected in the improvements made in terms of increasing the quality of the disclosures in the second report.

Part III

EITI achievements in the Dominican Republic

The third part presents the achievements of the EITI-RD in the first implementation cycle, 2016-2018.

Civil society, the public sector and the private sector recognise that the government has taken the step to be part of the EITI initiative and that concrete results have been generated, which have been proven through two EITI published reports, only one year apart from each other, ensuring improvements in quality and scope.

Civil society, the public sector and the private sector consider that the National Commission has become a forum for dialogue with technical foundations. This progress provide confidence among this group, so that during the next implementation phase, greater attention is dedicated to promoting and monitoring improvements in governance.

Civil society applauds that EITI-RD maintains continuity over time, which demonstrates the institutionalisation of the space.

All stakeholders agree on the significant impact that the EITI Transparency Portal has; this includes everything relating to the management of the mining sector, with easy access for all stakeholders. As an indirect impact, **civil society** identified the significant value of having information from reliable sources. The Portal is considered to be a friendly and educational platform which makes data that used to be very difficult to obtain available to the public.

The **private sector** indicated that the EITI has better structured the processes for gathering, processing and publishing information on the mining sector.

The **private sector** identified that the EITI has brought public entities together to work on achieving common goals.

The **public sector** highlighted the level of progressiveness of the EITI disclosures that is being achieved thanks to the fact that the government bodies themselves have initiated actions to strengthen its information systems and to establish processes that institutionalise EITI disclosures.

The **public sector** highlighted the institutionalisation of the National Commission through the presidential decree and the excellent level of consensus reflected within the multi-stakeholder group; as well as the sustainability of the implementation of the initiative in the country.

The **public sector** highlighted the guarantee of financial sustainability from the EITI-RD within a context of budget cuts.