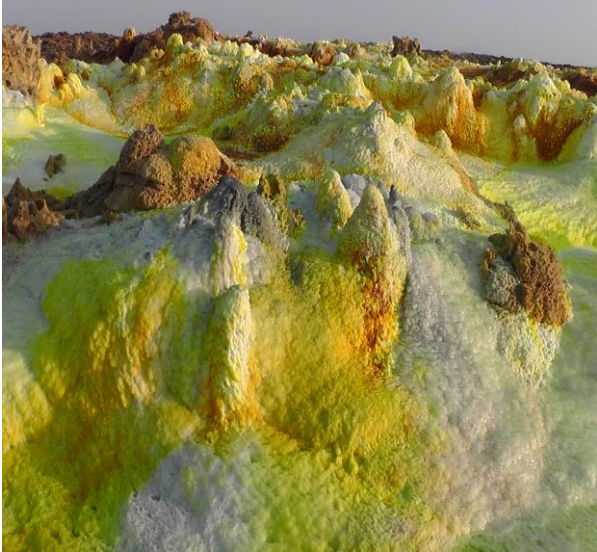


EEITI ANNUAL PROGRESS REPORT 2016/2017 (2009 ETH.C)



Dalol colour ful area (Afar Region)



Stakeholders EEITI Act Debate



Discussion during Mosobo



EMSB Potash Site Visit together with Ministers

Cement Factory visit

Table of Contents

Introduction

1. General Assessment of Year's Performance
- 1.1. Summary of the 2015/2016 (2007/2008 E.C) progress

Objectives:-

2.1.1 Conducting capacity building and Awareness creation activities for concerned stakeholders and the secretariat

- 2.1.1.1. Organizing brief MSB and Charities & Societies training on beneficiary ownership roadmap issues.
- 2.1.1.2. Taking part on the consultative workshop for the development of Beneficiary ownership roadmap
- 2.1.1.3. Conducting consultative workshop on Beneficiary ownership roadmap
- 2.1.1.4. Conducting workshop for the media institutions and university community radio practitioners
- 2.1.1.5. Briefing EEITI for various stakeholders using different occasions
- 2.1.1.6 Stakeholders Consultative meeting on EEITI Act BO finalization
- 2.1.1.7 Questions, remarks and Comments given by participants during the discussion
- 2.1.1.8 Some comments and remarks forwarded

- 2.1.1. Decision-making processes through the monthly effective communicational and promotional activities
- 2.1.2. Mainstreaming, strengthen EEITI implementation process and assess the impact against the natural resources governance
- 2.1.3. Efforts started toward study based document against the CSR & community
- 2.1.4. Execution of operational activities
- 2.1.5. Distribution of promotional materials to EEITI stakeholders

3. Assessment of performance against targets and activities set out in the work plan
4. Any specific strengths and weaknesses identified in the EEITI process
5. Impacts of implementing EITI in Ethiopia
6. Executed EEITI Work plan by the year 16/17 (2009 EFY)

Introduction

Ethiopia is endowed with various kinds' natural resources wealth and currently there are courageous promises to discovery new minerals which are attracting the world markets. The newly emerging achievements in the EI and the growing interest to extend EITI beyond reconciliation of revenues generated from the extractive sector is paving ways for different stakeholders on how to adopt transparency in public business to foster the infant economy of the Country. EMSB as a governing body of the country`s initiative is striving to achieve meaningful progress by fulfilling the minimum requirement of global EITI standard through the active participation of various stakeholders.

As part of its responsibility to oversee the implementation of EITI in Ethiopia, the EMSB has published its first and second Annual Activity Report for the year 2014/15 and 2015/16. Since then, there has been a remarkable development in the international arena where the new EITI Standard was published on February 15, 2016. This new EITI Standard has focused on the clarification of ambiguities and inconsistencies contained in the previous standard. Furthermore, the requirements has been restructured and aligned with the extractive industry value chain. The hitherto Annual Activity Report was changed to **Annual Progress Report** in the new EITI Standard. It is also to be noted that the new EITI Standard was made to reflect the latest changes such as **the protocol “Participation of civil society”** and **“Open data policy.”**

The EMSB has decided to align its Annual Progress Report (**EITI Requirement 7.4 – Review the outcomes and impacts of EITI implementation**) with the Ethiopian Fiscal Year which starts July 8 & ends July 7 each year. Accordingly, the current Annual Progress Report covers a period from 8th July 2016 –7th July 2017 (2009 EFY).

Ethiopia has now produced its first EEITI report and the performance of the EEITI process was assessed against the new EITI Standard 2016. EITI Guidance Note 5 was used as a guiding document for preparing the current Annual Progress Report.

2. General Assessment of Year's Performance

2.1. Summary of the 2015/2016 (2007/2008 E.C) progress

The EMSB has set targets and activities through the objectives of its work plan for the reporting year. The objectives of the work plan of EMSB are given below.

General Objectives:

The general objective of the Ethiopian EITI is to **optimize the benefits** of the extractive industries in order to transform the human development path of Ethiopia. Specifically, it proposes interventions that seek to mutually *encourage greater citizen involvement while at the same time improving the capacity of federal and regional institutions for accountable and responsive governance*. In doing so, the financial and technical support we look for will also enhance the **capacity of the EEITI Secretariat & tripartite** groups to work towards fulfilling minimum requirement of the EITI new standard and to ensure that the country becomes compliant with the EITI standard by 2018.

Specific Objective:-

- Enabling the country (i.e. Ministry of Mines, Petroleum & Natural Gas, Revenues & customs Authority, Finance & Economic Cooperation including Regional Bureaus with the similar structure) to design, improve and implement their legal, regulatory and policy frameworks to effectively govern the extractive sectors by **addressing the capacity constrains** through delivering trainings and workshops at least three times within a year for all selective stakeholders including Civil Society Groups;
- To facilitate formal and informal participatory decision-making processes through the **monthly effective communicational and promotional activities and strategic platforms** created two times a year to institutionalize representation of local communities, women's organizations and indigenous people in the governance of extractive industries and thereby avoiding violent conflicts, mistrusts;
- To systematically and strategically **mainstream**, strengthen EEITI implementation process and **assess the impact** against the natural resources governance once in a year;
- To develop study based or investigative document to access the citizens' with relevant information on the extractive sector transaction and related business which includes

annual based EEITI report, EEITI impact assessment, natural resource governance system against the Corporate Social Responsibility & mining community;

The EMSB has undertaken various activities to implement the details of its work plan objectives. The following section provides a summary of key achievements and results with regard to these objectives.

2.1.1 Conducting capacity building and Awareness creation activities for concerned stakeholders and the secretariat

The EMSB has held various EEITI stakeholders' workshops in different times at different places of the country. The following are lists of activities related to the capacity building endeavors of the EMSB.

6.1.1.1. Organizing brief MSB and Charities & Societies training on beneficiary ownership roadmap issues.

Workshop on beneficiary ownership roadmap where 25 number of participants from MSB and Charities & Societies were participated to facilitate preconditions for effective implementation of BO with the objective of creating awareness on the issues so that the concerned stakeholders can have the necessary understandings so as to take their part in its effective implementation.

6.1.1.2. Taking part on the consultative workshop for the development of Beneficiary ownership roadmap

Two EEITI secretariat staff members have participated on the consultative workshop for the development of Beneficiary ownership roadmap which was conducted at Abuja, Nigeria. By participating on the workshop, the participants are able to understand Beneficiary ownership related issues, are able to gain the experiences of other implementing countries and are also equipped with the necessary skills to develop the roadmap.

6.1.1.3. Conducting consultative workshop on Beneficiary ownership roadmap

137(113Mand24F) participants from the different parts of stakeholders (i.e. Government institutions, Extractive companies and Civic Society Organizations) were participated on the consultative workshop of Beneficiary ownership roadmap.

The workshop was conducted with the objective of:

- ✓ Explaining what beneficiary ownership road map is and its importance;

- ✓ Discussing the link between beneficiary ownership and the national priority;
- ✓ Defining beneficiary ownership within the national context;
- ✓ Agreeing on the institutional framework for beneficiary ownership disclosure;
- ✓ Agreeing on the reporting obligations for the politically exposed persons;
- ✓ Agreeing on the level of detail to be disclosed; and
- ✓ Discussing and agreeing on the other issues regarding what is to be considered in developing the roadmap.



6.1.1.4. Conducting workshop for the media institutions and university community radio practitioners

This workshop has gathered a total of 98 (82M & 16F) participants from media institutions and universities' community radio practitioners with the objective of creating awareness on EEITI and also to enable the participants play their decisive role in promoting the EEITI to the wider communities.

Generally, the workshop has discussed the following points.

- EEITI implementation process
- General overview of the history and principles of EITI implementation
- EEITI objectives and principles

- EITI implementation status in Ethiopia and achievements
- Forthcoming activities and the roles of the EEITI stakeholders
- Legal framework for the extractive sector of Ethiopia
- The role of media institutions in enhancing the implementation of EEITI
- Experiences of some six universities in the country regarding the use of community radio.



6.1.1.5. Briefing EEITI for various stakeholders using different occasions

Awareness was created on EEITI related issues for various stakeholders like the Gemstone Association (45 participants), Oromia regulatory bodies (80 participants), Oromia mining companies using different occasions created by the concerned bodies. It was made with the objective of highlighting the overall EEITI issues so that the concerned stakeholders can have the necessary insight on EEITI and can also take their part in its implementation.

Moreover, capacity building training was delivered for 90 experts drawn from various Federal and Regional Government institutions who are expected to take their part in the effective implementation of EEITI.

Workshop & consultation meeting on CSO charter for EEITI CSO members/constituency was also organized and conducted with the objective of capacitating & ensuring CSO- EEITI members' engagement through sharing views & collecting valid input on the action plan through discussion.

Brief explanation on the overall issues related to EEITI and its implementation was made to various departments of the ministry of Foreign Affairs and the management members of Geological Survey of Ethiopia. This explanation has helped the EMSB to gain the necessary support from these stakeholders in the process of EEITI implementation.

2.1.1.6 Stakeholders Consultative meeting on EEITI Act BO finalization

EEITI Act consultative meeting was held on Nov.25/2016 for the 4th time to collect valid input before transferring to the general attorney for final comment. In addition Beneficiary Ownership issue was also one of the discussion agenda for the 3rd time aiming to widen the concept among relevant stakeholders. Some of the basic points raised during the meeting were stated below for information.

Questions ,remarks and Comments given by participants during the discussion:

Questions:-

- Does the MSB Representation incorporate all CSOs like labor unions, professional associations etc and how the selection was made? Is there a possible room to add up?
- How two of the Government organizations (MoFEC & MMPNG) are selected or proposed to be a part of MSC on a permanent base? Why ERCA and others were not part of it?
- Who is /are the owner or practitioner of the law? Was it clearly mentioned/stated?
- Does the multi stake holder members or groups are clearly identified?
- How the Regional Governments could represent in the MSC?
- Is that not possible to create or give an article to incorporate on how the human elements and labor issue addressed in the Act?
- Where is/are the Role of Regional governments in the implementation process? Or does the regional governments allowed or encouraged to establish their own?
- Is that possible to say it is an independent initiative, being it is led by the government?
- To whom the EEITI report will submit or declared or explained?
- Where is punishment system established for those who break the Act/Law?
- Which phrases of the articles sited to respond to the community interest or question?

- Does the law enforce the illegal miners to come to the legal system?
- Why the Act is emphasized only on Gold? What if tried to incorporate other commodities?
- What if the scope enlarged more than those currently mentioned to incorporate other resources?
- Why the chair of MSC is expected to be assigned by the prime minister? What if the team (MSC) would nominate by themselves?
- What if CSOs Joined EEITI would establish their own consortium?
- What are the clear criteria to nominate constituencies for MSC?
- Under Article 4.1, it states that different constituencies came to gether and formulate government institution. How a tripartite groups including CSO established as government organization?
- Article 23, says the report could be produced by IA However, there is some statement, says, when MSC wants the reconciliation would performed out of IA or by MSC. How the MSC undertake the reconciliation?

Some comments and remarks forwarded

- Background (Preamble) part has to rephrase to reduce or minimize some redundancies.
- The main title has to checked again to ensure that it represents the sector to minimize unnecessary biased.
- Countries used as bench mark during the preparation of the draft work have to be stated as a reference.
- Indentify and role of observers has to explained well.
- Article 26.1 & 26. Should be checked and coincide each other specifying as data or information;
- Type of information or data required should stated clearly.
- Words used at the end of the sentences like facilitating..... Should change to addressed the required subject matter.
- The Act should familiarized or up to dated with some proclamations enacted recently (mining law, revenue low)
- Article 4.1 &6.1 have generalized and mentioned as permanent office.It is make sense if rephrase it again;
- Objectives stated for MSB, should changed referring to be an objective for proclamation.
- It makes sense if some relevant article from the constitution would added;



6.1.2. Facilitate formal and informal participatory decision-making processes through the monthly effective communicational and promotional activities

The EMSB has recognized the importance of understanding the current status of the various aspects of the Extractive Sector of Ethiopia. The following documents were published by EMSB and have been widely distributed to EEITI stakeholders and the general public.

- i. Develop the work plan for the year 2009 EFY and distribute to the local and international funding organizations including the World Bank.*
- ii. Develop progress report for the year 2008 EFY*
- iii. Develop 1000 copies of document on CSOs' effort in the implementation of EEITI since its launching*
- iv. Publish 1500 copies of summery document*
- v. Develop CSOs' guidance manual to ensure adequate representation and serve as a code for principled engagement of CSO stakeholders.*
- vi. Open data policy and beneficiary ownership roadmap were also developed and submitted to the international Secretariat as per the schedule set by the international Secretariat.*

The published documents were printed and distributed to the wider stakeholders and were also made publicly available on the EEITI web site in order to create an access to beneficiaries on the required information regarding the current status of EEITI implementation in Ethiopia.

Moreover, draft EEITI legal act was prepared and presented to some 90(75M& 15F) concerned stakeholders to enable them comment up on it and is distributed to the concerned Government body for its final approval.

On the other hand EEITI web site was developed and made functional to enhance the promotional activities of the initiative. To start with, about six universities from the Community Radio practitioners have agreed and signed with EEITI to take part in broadcasting natural resource management for the communalities living in the universities and around. Each university Radio program covers a minimum area of 250 Km. These universities are selected based on their location to fit with the community interest and experience they have in broad casting similar useful information for the communities.

6.1.3. Systematically and strategically mainstreaming, strengthen EEITI implementation process and assess the impact against the natural resources governance once in a year

Four regional states of the country namely Tigray, Benishangul Gumz, Amhara and Oromia regional states Mines' Bureaus and other relevant Government Bureaus at the abovementioned regions were communicated once in person by the Secretariat with the objective of systematically and strategically mainstreaming, strengthening EEITI implementation process and also assessing the impact of implementing EEITI in the country.

The visit depicted that efforts made by the EMSB in implementation of EEITI since then has resulted in the following positive impacts:

- ✓ Great improvements that the regional bureaus have started to promote transparency and accountability in the sector more than ever;*
- ✓ Stakeholders engagement in achieving the development of the sector has been improving from time to time particularly starting from the time of conducting stakeholders' workshop which has gathered various stakeholders of the sector and facilitated ways to identify the challenges they faced in the implementation process and possible ways of tackling the challenges faced.*

- ✓ *The creation of stronger relationship between the ministry of Mines, Petroleum & natural gas and concerned regional bureaus is evolving;*
- ✓ *The creation of smooth relationship between the Extractive companies, Artisanal miners and the local communities living in the mining areas by solving minor conflicts created among them through open discussion on a timely basis;*
- ✓ *Increased the amount of revenue collected from the sector as all stakeholders are working with the common objective of enhancing the revenue collection from the sector;*
- ✓ *Encouraged the extractive companies and artisanal miners to act environmentally friendly and also actively engage on environmental rehabilitation activities; and*
- ✓ *Awareness created on the sectoral legal framework has also helped them in working to tackle illegal activities within the sector.*

6.1.4. Develop study based or investigative document which includes annual based EEITI report, EEITI impact assessment, natural resource governance system against the Corporate Social Responsibility & mining community

With the objective of accessing the citizens with relevant information on the extractive sector transaction and related business, the EMSB has prepared the necessary preconditions to conduct the second EEITI report and also developed TOR to produce study based document on the efforts made by the Mining companies for community development and other related issues. Both documents are expected to be finalized as per the time scheduled, despite some delays concerning EEITI report.

6.1.5. Execution of operational activities

As part of the operational activities, mining site visit by EMSB-EEITI,IS & other stakeholders including local community representatives, companies & local administrators was made once to oversee the real situation on grassroots level of mining operations understanding of the Group visa vis companies operation & relationship with local communities. Accordingly, the team has tried to visit five mining sites of Afar and Tigray regional states. By conducting this visit the EMSB has tried to identify what is there on the ground and dealt on every issue on the way every mining activity is going on. The board has also discussed with the local administrators and the community representatives on various issues regarding the overall relationship between the community and the mining companies to foster the smooth relationship between the two.

Major challenges identified during the visit include the following among others:

- Lack of integration between companies and local communities to work together;
- Weakness of the relevant regulatory bodies to facilitate and set regular meeting program platform which will bring both companies and local communities together and thereby create a smooth relationship between them;
- Failure to create consensus on some prior companies bad image before transferring the license to the new license holders;
- Over expectations by communities to gain advantage from the company in different ways; and some potential ignorance by the company against the local community; and
- Infrastructure constraints like road, water, electrification, and etc around the mining site.

After identifying these major challenges which exist at the grass root level, the team has forwarded possible ways of solving them after discussion is being made with the concerned stakeholders.

On the other hand, regular & urgent EEITI MSB meetings were conducted every quarter to oversee & decide on the overall EEITI implementation process, & timely evaluate the reports of the secretariat and; also to pinpoint the direction which the secretariat is expected to follow in the way forward.

To strengthen the MSBn and see on how the Board is operating to manage EITI business, one delegation lead by the Minister comprising 4 members from each constituency including the secretariat had attended EITI Board meeting held in Oslo from 21-24/2017. Thereby, the team had learned a lot of lessons from the presentations and discussions made on different issues. Using the opportunity created fertile discussion with World Bank team and Foreign Minister of Norway was made.

Some of the photos from the visit of Mining site (Potash & Muger)



EITI Board Chair, Minister-MMPNG & World Bank Co. during Meeting in Oslo



6.1.6. Distribution of promotional materials to EEITI stakeholders

One of the major achievements of the EMSG is the production and distribution of EEITI promotion materials to its stakeholders and the general public to further foster awareness of the EITI implementation in Ethiopia. To this end, the EMSG has distributed EEITI LOGO printed bags, caps and T-shirts during various awareness creation workshops and occasions. Moreover, various printed EEITI documents were also distributed to the concerned stakeholders on different occasions and also by moving around on their office location.



Some of the Distributed EEITI Documents

Disributed EEITI Promotional materials



Some of the Distributed EEITI Documents

Disributed EEITI Promotional materials



7. Assessment of performance against targets and activities set out in the work plan

The EMSB has targeted four major objectives in its work plan to be achieved through its planned activities in 2016/2017 (2009 EFY). For the effective execution of these activities, the Ethiopian Government has covered the administrative costs of EEITI and the EMSB has also sought for additional funding from its international development partners.

The EMSB has presented detailed activities for achieving its set objectives. The following section presents the achievements of the EMSB in the reporting period indicated above.

Objective 1: Enabling the country (i.e. Ministry of Mines, Petroleum, Revenues & customs Authority, Finance & Economic Cooperation including Regional Bureaus with the similar structure) to design, improve and implement their legal, regulatory and policy frameworks to effectively govern the extractive sectors by addressing the capacity constraints through delivering trainings and workshops at least three times in a year for all selective stakeholders including Civil Society Groups

In this regard the EMSB has arranged a national workshop for participants drawn from various stakeholders including concerned Government institutions both from the Federal and Regions, Extractive companies and Charities and Societies with the objective of enhancing their capacity which will help them to contribute to the effective implementation of EEITI.

Objective 2: Facilitate formal and informal participatory decision-making processes through the monthly effective communicational and promotional activities and strategic platforms created two times a year to institutionalize representation of local communities, women's organizations and indigenous people in the governance of extractive industries and thereby avoiding violent conflicts, mistrusts

Relevant to the achievement of this objective the EMSB has conducted the following activities:

- a. The EMSB has developed a mechanism where it produces an internal quarterly report with regard to EEITI implementation and the overall performance of the EEITI IS. These reports usually outlined the progresses of EEITI implementation, issues that require further attentions and etc.
- b. On the other hand as part of its concerted effort to strengthen the engagement of the CSOs in the EEITI process, the EMSB has facilitated the strengthening of the General Assembly of Charities and Societies and; also their draft charter is prepared by their representatives in EMSB and presented to the General Assembly to get the comments of the whole members of the Assembly.

- c. Moreover, as the top responsible body in managing the EEITI implementation in the Country, the EMSB has developed Board charter to elaborate and elucidate the broad responsibilities aiming at setting specific principles, standards and guidelines that govern the activities and functioning of the body. The charter therefore, attempted to provide clarity on key governance issues that impact on the effectiveness of the Board and state the roles and responsibilities of the respective organs and key functionaries which are important actors within the EEITI implementation process.
- d. The EEITI Act used the minimum requirement of the Global ETIT principles, standards and guidelines for ensuring efficient oversight of the EITI process in member countries is almost on the final stage. The Act, therefore, are based on the fundamental principles of promoting accountability, transparency, responsibility, fairness, discipline, independence and social responsibility in the extractive industry. This draft Act is prepared and sent to the general attorney for further comment before sending to the parliament.
- e. As part of enhancing the effective implementation of EEITI through an active oversight, the refreshment of Board members from the constituency of the Government was finalized while the other two constituencies' refreshment of the Board members is on process.

Objective 3: To systematically and strategically mainstream, strengthen EEITI implementation process and assess the impact against the natural resources governance once in a year

With the objective of assessing the impact of EEITI implementation process on the natural resource governance, identifying the potential gaps and challenges that the regions are facing and also to distribute the best practices seen in some regions to the other regions and thereby to enhance transparency and accountability in the sector, various concerning bureaus of four regions were visited in person by the secretariat staff members. The visit has helped the IS to identify the potential gaps in the regions, to identify activities which are considered better performed than others, to identify the mechanisms the regional bureaus are using to solve the challenges they faced, to assess the coordination of stakeholders of the sector and thereby to enhance the coordination among the regional and federal level ministries so that sectoral development would be lead through the active involvement and coordination of all concerned stakeholders at all levels. The Tigray, Amhara, Oromia and

Benishangul Gumz regional Mining bureaus, Environment bureaus, Audit bureaus, Revenue bureaus and Micro and Small Enterprise Development bureaus of these four regions are those which were given due attention in the visit made by the secretariat.

Objective 4: To develop study based or investigative document to access the citizens' with relevant information on the extractive sector transaction and related business which includes annual based EEITI report, EEITI impact assessment, natural resource governance system against the Corporate Social Responsibility & mining community

In view of achieving this objective the EMSB has conducted the following activities as part of achieving the overall objective of EEITI:

- I. The second EITI Report covering the year 2014/15 (2007 EFY) is intended to defines the scope of the extractive industries and reconcile the data provided by extractive companies against the data provided by relevant Government Ministries and Entities which will in turn assist the Government in identifying the positive contribution that the extractive industries are making to the economic and social development of the country. Apart from this, the report is will identify the potential opportunities of implementing EITI principles in the EIs through improved resource governance. Thereby, all the preconditions to resume the reconciliation process is arranged.
8. To provide a clear picture and quantified information on the contributions of the extractive companies to local communities living in the mining site and around with regard to social, economic and environmental support or protection made, production of comprehensive document preparation is planned and ready to resume study on the sector as part of annual activity.
9. Any specific strengths and weaknesses identified in the EEITI process

9.1. Strengths

The following points could be cited as the strengths of the EMSB, EEITI IS and its stakeholders:

- The EMSB has recognized that the effective implementation of EEITI demands the effective oversight of the Board. Accordingly, the Board has conducted various meetings beyond its regular meeting by devoting their time and other necessary expenses.

- The EMSB has a technical Committee which deliberates on all technical issues pertaining to EEITI process. This committee meets very frequently to discuss issues related to EITI implementation and develop Terms of References to outsource various studies. This approach was found to be the strongest side of the EMSB to steer the EEITI process in a consolidated manner leading to tangible achievements.
- The EEITI has demonstrated its strong commitments to create opportunities for dialogue and proactive participation of all stakeholders in issues related to sustainable natural resources governance and transparency in minerals, oil and gas sectors.
- The EEITI has demonstrated its strong commitment to work with the EITI Board and International Secretariat to establish a solid working environment that fosters full and active participations of all parties involved in the implementation of EITI in Ethiopia.
- Effective implementation of EITI in Ethiopia requires a systematic effort by the EMSB to interact with its stakeholders. To this end, the EMSB has recognized the importance of availing published studies on various aspects of the Extractive sector of Ethiopia for a wide range of audiences.
- The EMSB has a strong Regional/States links and has shown strong commitments to disseminate relevant information related to the implementation of EITI in Ethiopia. As part of this activity, it has used various occasions to communicate with the concerned regional level stakeholders.
- Putting in place some guidance manuals (Board charter, CSO manual, MOU with Universities);

9.2. Weaknesses

The following issues are identified as weaknesses:

- Record keeping of revenues of minerals, oil and gas is not the same across the extractive industries and these revenues are also not separately managed by relevant Government body.
- Sometimes, there have been overlapping responsibilities between the Federal and Regional Governments in revenues collection.
- The EMSB has developed its work plan for the reporting year and fully costed it. The Work plan contained a wide range of activities and the availability of funding is

critical for their implementation. Budget is considered to be a major bottleneck that could limit the activities of EMSB in the course of EITI implementation.

- Currently, the EEITI IS is operating with very limited human resources. Given the bulk of work for the EITI implementation and the need to systematically update and maintain various data and information, an in depth assessment of options to enhance the human capital of the EEITI IS is of a priority. It is noted that there will be a bulk of activities which are forthcoming with validation and EITI complaint status to overwhelm the capacity of its current staff. New recruitments of staff and feasible structuring are required to enable the EEITI IS to expedite its activities effectively and efficiently.

10. Impacts of implementing EITI in Ethiopia

Basically one of the most expected areas to be visible in the EITI implementation is to bring impact or radical change in the management of natural resources governance in a way to contribute for the interest of the nations. It is well known that Ethiopia is an agrarian country in which more than 80% of the citizens are depend on agriculture. However, the demand of the country for further growing, and the need toward job opportunity, discovery of different minerals etc are motivating the public to look for extracting minerals initiate the government to see the mining sector would be one of the key areas to be a back bone for the next GTP II goal achievement.

From its very nature, the mining sector management is quite complex and needs various stakeholders engagement and smart strategy to tackle multidimensional problems and challenges encountered to the regulatory bodies and beneficiaries as well. To this end, putting well studied and functional structure would be one of the best solutions. As long as the Country is following federal system, Regional states are practicing different structures for the long time to administer the extractive industries in which the sector was given less attention. Following deep and long time discussion made with federal and regional government authorities, currently there are courageous actions taken almost in all states in order to give due attention to the sector on how it is going to be managed.

Apart from this, now days EEITI implementation process is somehow well introduced to the regional states of relevant organizations including members of parliament from natural resources standing committee to provide adequate support for the efforts made to improve the

natural resource governance including licensing and contract administration, revenue collection and allocation, expenditures modality by companies to the community and others as well.

In general the cumulative result of EEITI implementation including the efforts made this year are identified as a short term result or immediate positive impact that would lead to stretch or move forward.

- Raised understanding of the relevant government entities to give due attention for the transparency required in the Extractive sector;
- Amendments made by mining and revenue sectors on legal provisions in favor of transparency;
- Growing accessibility of information on mining sector natural resource governance through the published and disseminated reports, study based documents, flyers and stakeholders forums at different regions;
- Developed guiding manuals for the effective engagement of Civil society organizations and MSG/MSB charter;
- Established Extractive sectors as an independent sector to execute extractive activities at Regional level;
- Agreements signed between Universities to share responsibilities and commitments in broadcasting better natural resource governance and sharing information's among communities in the university and around;
- Developed Beneficiary Road map and Open data [policy to widen transparency beyond reconciliation of figures;

Conclusion:-

To implement EITI process in the extractive sector, the commitment & understanding of the government organizations has no any replacement. By the extensive outreach effort we made in 2015/16, we recognized this fact. However, in 2016/17, we lack this opportunity due to different reasons. To reverse this, we are looking to bring back very important organizations to the previous trend to work together for better success in 2017/18 including successful accomplishment of EEITI Report for 2014/15 and most probably 2015/16.

Executed EEITI Work plan by the year 16/17 (2009 EFY)

Major Pillars	Objectives/Goals	Activities	Expected Out Come	Indicators	Expected out comes	Status
1. Capacity building	To Maximize the insight of the secretariat and MSG to enable them carry out and lead the whole implementation process effectively through training & study tour	<ul style="list-style-type: none"> • Training to secretariat staff • Training to NSC members • Study tour both by secretariat And NSC members at least three times 	<p>Increased knowledge of Mining sector management</p> <p>Gained best practice of the other countries</p>	Satisfactory orientation was given for MSB & IS by EITI Secretariat and through Regional meeting hold in Abuja 7 Oslo as well	Growing insight to discharge expected role	achieved
2. Capacity building	To enhance the effective governance of the extractive sector by addressing the capacity constrains to selective Federal & Regional Government stakeholders or regulatory bodies	<p>-Training for 36 expertise in Addis</p> <p>-Training for 120 expertise in the Region</p>	<p>-Enabled management capacity of EI;</p> <p>-Increased knowledge of EITI implementation process & benefit of transparency in the EI</p>	90(75 M & 15F) participants from federal and Regional states were took training on the implementation of EITI	Increased knowledge on how to manage EITI business parallel to their own mandate	achieved
3. Capacity building	To create an awareness & boost debating capacity of representatives or target groups from Civic societies including local communities, Women associations, cooperatives, elders, youth associations,NGOs & associations;	Work shop for at least 450 selective people`s from all regions targeting miners and regulatory bodies including administrative Cities once a year in the region	<p>Increased information and maximized engagement of free, active and independent Civil Society groups</p> <p>Created debate on natural resource governance</p>	220 (183 M & 37 F) participants from Mining cooperatives, regulatory bodies and CSOs attend EEITI workshop delivered at regional and federal level	Enhanced knowledge and commitment to work on transparency of natural resource management	achieved
4.Capacity building	To capacitate & ensure CSO- EEITI members engagement through sharing views & collect valid input on the action plan through discussion	Workshop & consultation meeting on CSO charter for EEITI CSO members/constituency	Increased active engagement in the EEITI implementation process	30(25 M & 5F) participants from CSO EEITI members were attend the discussion made on CSO governance manual	Endorsed guidance manual to use during EEITI engagement	achieved

5.Capacity building	To enable all relevant tripartite groups to have clear understanding & contribute of EEITI Act through brief consultative meeting & discuss.	Stakeholder consultative meeting(from parliamentarians, Justices, CSOs ...) on Act (100 participants)	Produced, agreed and well commented EEITI Act	90(75 M & 15 F) participants from different entities including natural resource standing committee from parliament were took part on the consultative meeting made on EEITI Act	Developed agreed EEITI Act by relevant stakeholders	achieved
6.EEITI Reporting	To produce comprehensive reputable EEITI report for 2015/16(2007EFY)	<ul style="list-style-type: none"> - Floating tender - Recruit reconciler - Deliver workshop for reporting entities on template & report requirements - workshop on the scoping produced for NSCs 	Increased better understanding among EEITI stakeholders & Citizens on the natural resource management & its economic contribution to the Country	Floating tenders, nomination of firms required scope for reconciliation were done	Identified competent firm to undertake the reconciliation	On going
7. Reporting	To enable the stakeholders to access EI governance system & review the outcomes as well	Develop & publish annual progress report for the year 2016/17 (2009 EFY),	Developed stakeholders' insight on the EEITI implementation	Developed APR	Produced, Published and disseminated APR	Publishing & dissemination is on going
8.Communication	To strengthen Company & Government engagement in EEITI process through discussions & refreshing representatives	Hold Company and Government annual conference of EEITI members & stakeholders	Ensured commitment & heard annual report -refresh representatives in the NSC/MSG EEITI	Refreshment conducted for representative from government	Having MSB members from government side	Partially achieved
9.Communication	To Ensure adequate representation and serve as a code for principled engagement of CSO stakeholders.	Develop, publish and disseminate a CSO charter.	One charter developed, published and disseminated	Agreed on the overall contents developed	Putting in place governance manual and use it for the intended purpose	achieved

10.com munica tion	To increase awareness of EEITI report & its findings	-Launch & Disseminate 2 nd EEITI report including summary document -Conduct workshop on the findings of 2ndEEITI report	Transmitted EEITI report findings & contextual information to the public Debate on the report	Hiring independent administrator is started	Hiring independent administrator	ongoing
11.com munica tion	To maximize the understanding of better natural resource Governance & EEITI implementation best practice from different Countries	Participate on the Regional and International meeting	Gained best practices understood global EITI status	Representatives from MSB and Implementation Secretariat were attend Regional & global EITI meeting	Enhanced capacity to implement EITI rule and principles	achieved
12.com munica tion	To increase transparency on the beneficial ownership by declaring real live owners of the license	-Make consultative meeting with relevant organization to develop beneficial ownership Roadmap	-Identified real live owners of licenses & to fight corruption	137 (113 M & 24 F) participants from different entities were participated on the briefing program of BO	Understood the necessity of BO disclosure in supporting transparency of EI management	achieved
13.com munica tio	To promote EEITI implementation process& encourage transparency	Undertake TV & Radio EEITI Promotion	Increased public awareness on EEITI	Covered EEITI events by media institutions	Increased information on EI governance	achieved
14.Com munica tion	To avail adequate number of EEITI report copies for the year 2015/16/ (2007EFY) to the wider stakeholders	Publish 1000 EEITI report copies and Publish 1000 EEITI report summary document	Availed & distributed comprehensive EEITI documents to citizens	1500 EEITI summary document was published and disseminated	Increased information of EEITI effort and EI status	Report preparation is ongoing while the rest is ongoing
15.Com munica tion	To Increase EEITI promotion	Plant EEITI billboards, comic figures, posters etc	Increased public awareness on EEITI	Tender for competitors was managed	Promoted EEITI & increased access of information	ongoing

16.Com munica tion	To aware communities on the mining companies contribution	Produce action oriented research document on the Extractive sector.	Awarded community to ward companies effort	Filtration of applicants or consultants had over	Increased knowledge of Company contribution for local communities	ongoing
17. Comm unicati on	To oversee the real situation on grassroots level of mining operations understanding of the Group visa vis companies operation & relationship with local communities	Arrange Mining site visit for NSC/MSG-EEITI,IS & other stakeholders including local community, companies & local administrators Create discussion & debate among stakeholders at grass root level	Identified strength & weakness of companies operation & community relationship Created smooth operation & relationship of companies, communities, administration	13 (11M & 2 F) from MSB and mining sector expertise were participate on the mining tour made	Increased knowledge of companies operation on the ground and fruitful discussion with communities living around mining site	achieved
18.Ope rational	To oversee & decide on the all EEITI implementation process, & timely work reports	-Hold regular & urgent EEITI NSC/MSG meetings every quarter	Implemented EEITI principles and requirements	Hold MSB quarterly meeting and passed valuable decisions	Enabled the EEITI to achieve activities planned	achieved
19.Ope rational	To collect recent and updated mining license & revenue data from all regions & Adm. Cities	Implementation Secretariat staff business trip to Regions and administrative Cities	Collected recent data on the license allocation & revenue collected	Scheduled staff visit around regional mining and revenue bureaus were made to evaluate any progress made	EITI oriented activities are considered by the expertise in the region	achieved