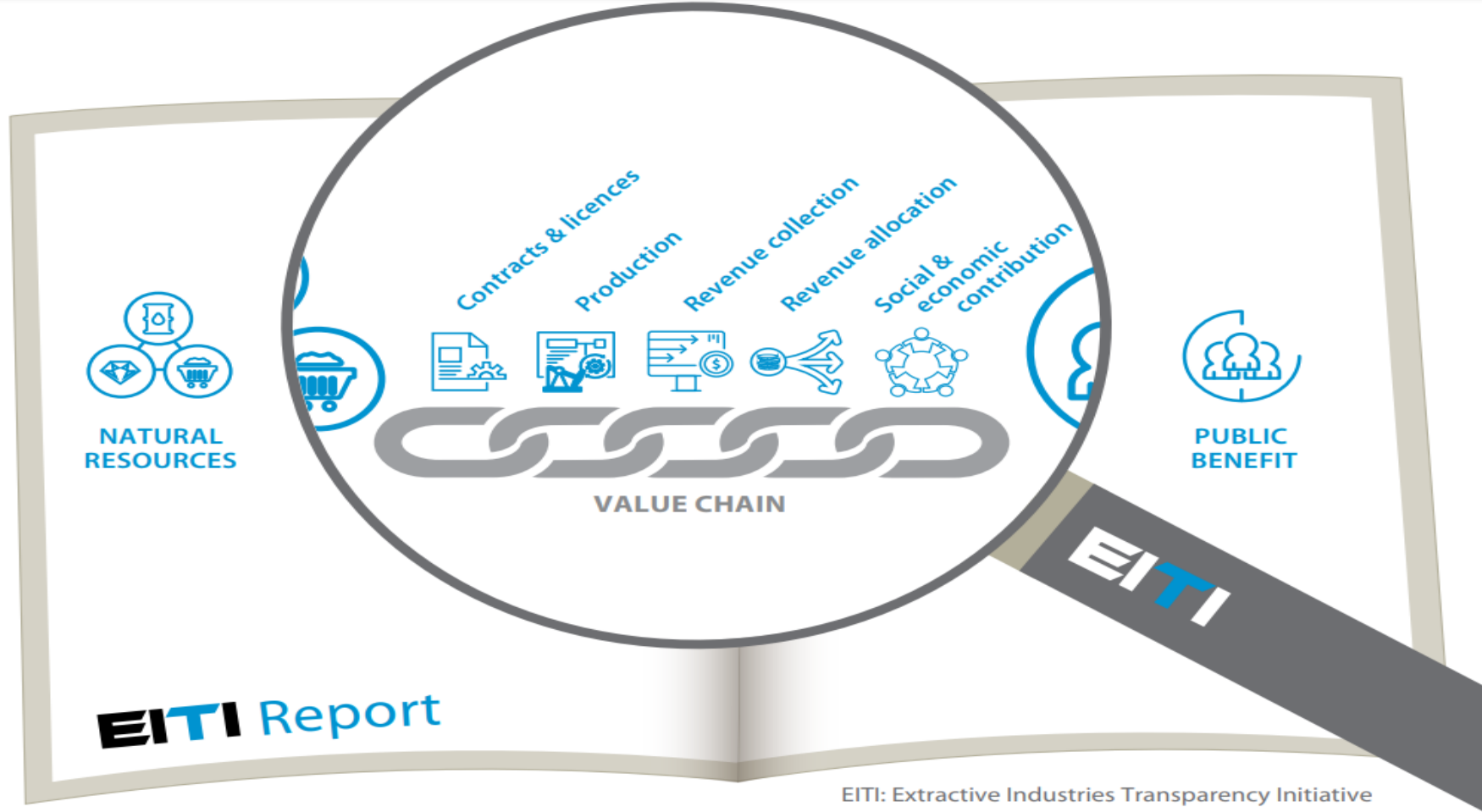




From Reports to Reforms:

*Formulating Country Strategies for Implementing
Recommendations from EITI Reports*



1 A national **multi-stakeholder group** (government, industry & civil society) decides how their EITI process should work.



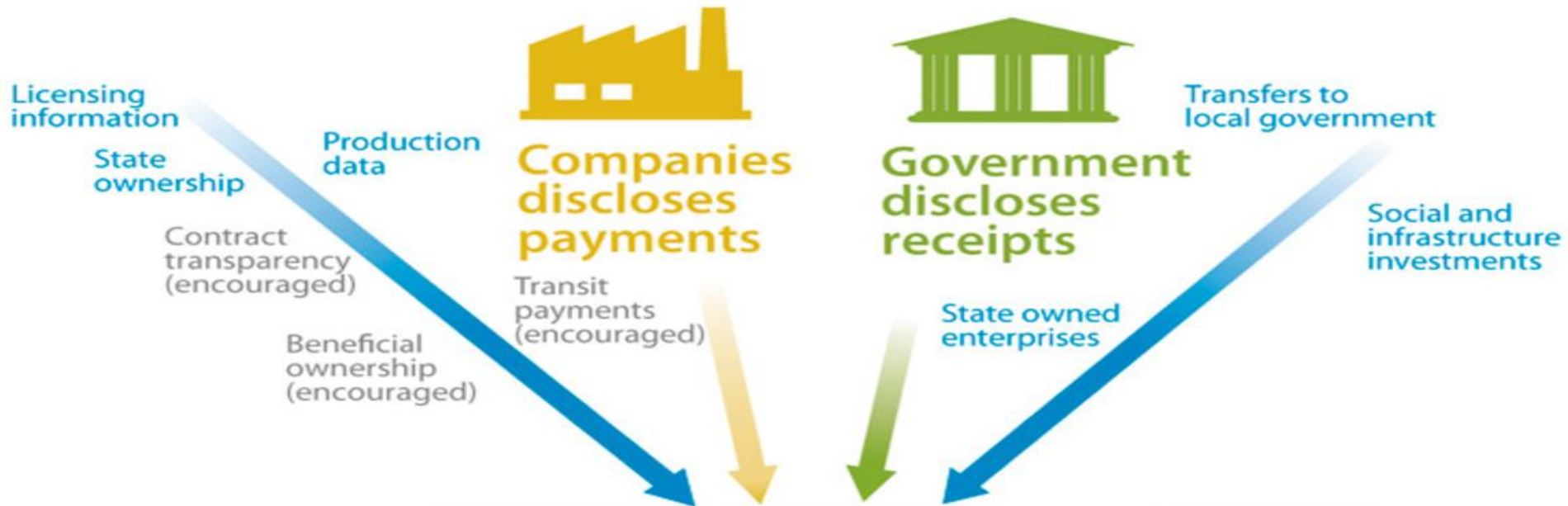
2 Key information about the governance of the sector is reported annually alongside **recommendations for improving sector governance**.



3 This information is widely disseminated to **inform public debate** and ensure recommendations are followed up.



The EITI Standard



Subnational transfers: Philippines

EITI Report:

- Local governments are entitled to 40% of mineral reservation royalties, energy resource production and mining taxes.
- Central government lumped subnational transfers together.
- Unpaid subnational transfers built up.

Recommendations:

- Department of Budget & Management to disaggregate and monitor transfers.

Reform:

- Mining Industry Coordinating Council follow-up.
- Government started publishing disaggregated data so LGUs could monitor transfers.
- Streamlined rules from 2016 budget to quicken disbursements and improve monitoring and oversight.

Financial transactions between the government and state-owned enterprises: **Nigeria**

EITI Report:

- Nigerian National Petroleum Company (NNPC) collected USD 2.95bn in dividends, loan and interest repayments in 2012, but did not remit to State.
- Auditor General not complying with Fiscal Responsibility Act.
- NNPC should pay domestic crude allocations to refineries within 90 days but does not -> USD 3.5bn in unpaid dues.

Recommendations:

- Comply with legal provisions and clarify mandate of NNPC regarding dividends.

Reform:

- Inter-Ministerial Task Team following up on unpaid dues.
- Monitoring framework developed by Accountant General and NNPC to oversee NNPC payments.

In-kind revenues: Trinidad and Tobago

EITI Report:

- The 2010-2011 Report identified incomplete reporting of in-kind revenues to the SOE (National Gas Co. of T&T) and State revenues from the sale of these commodities.
- No contract governing NGC gas sales to the Electricity Commission.

Recommendations:

- Clarify how these arrangements should work and establish appropriate reporting framework.

Reform:

- Subsequent EITI Reports provide information on the agreements and information on revenue flows NGC collects in-kind.
- 2011-2012 Report disclosed information on types of payments, and 2012-2013 Report disclosed volumes of gas actually received by NGC.

EITI Requirement 7

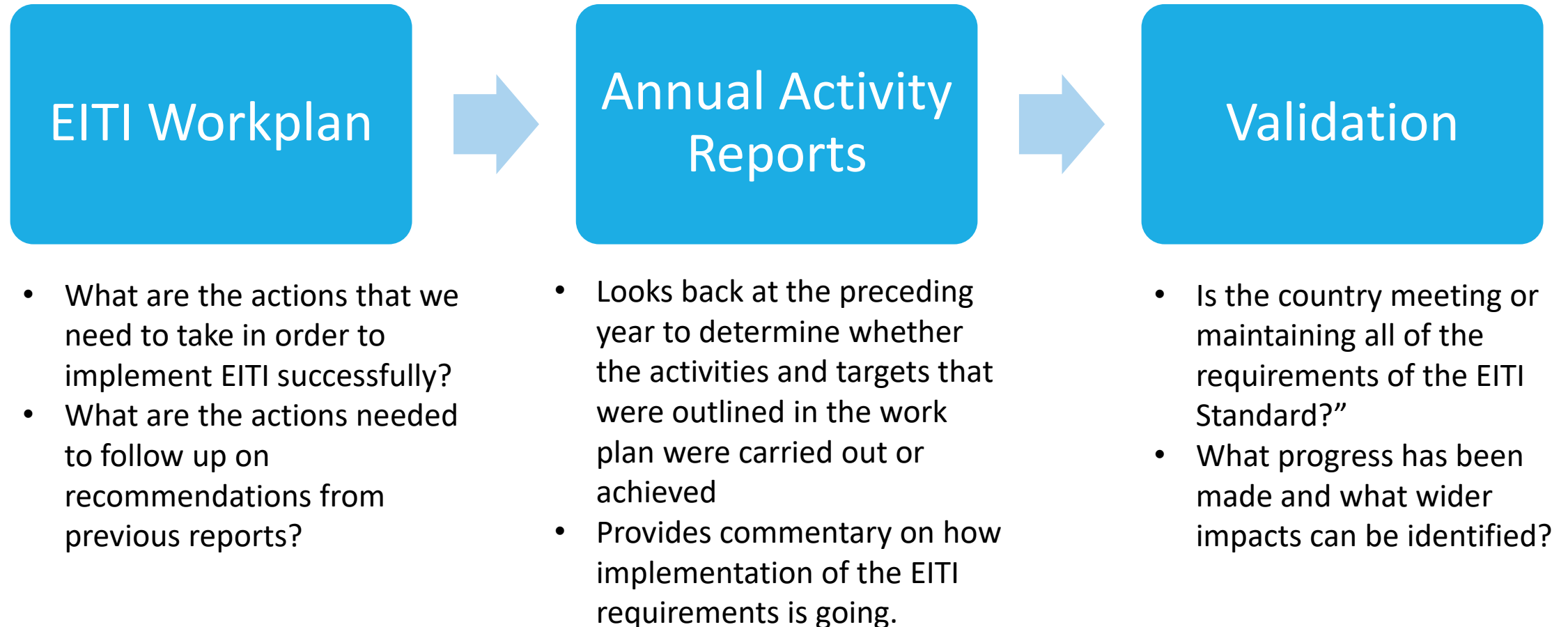
7.1 – Public debate

7.2 – Data accessibility

7.3 – Discrepancies and recommendations from previous EITI Reports

7.4 – Review outcomes and impact of EITI implementation

Main instruments for directing and managing outcomes and impact



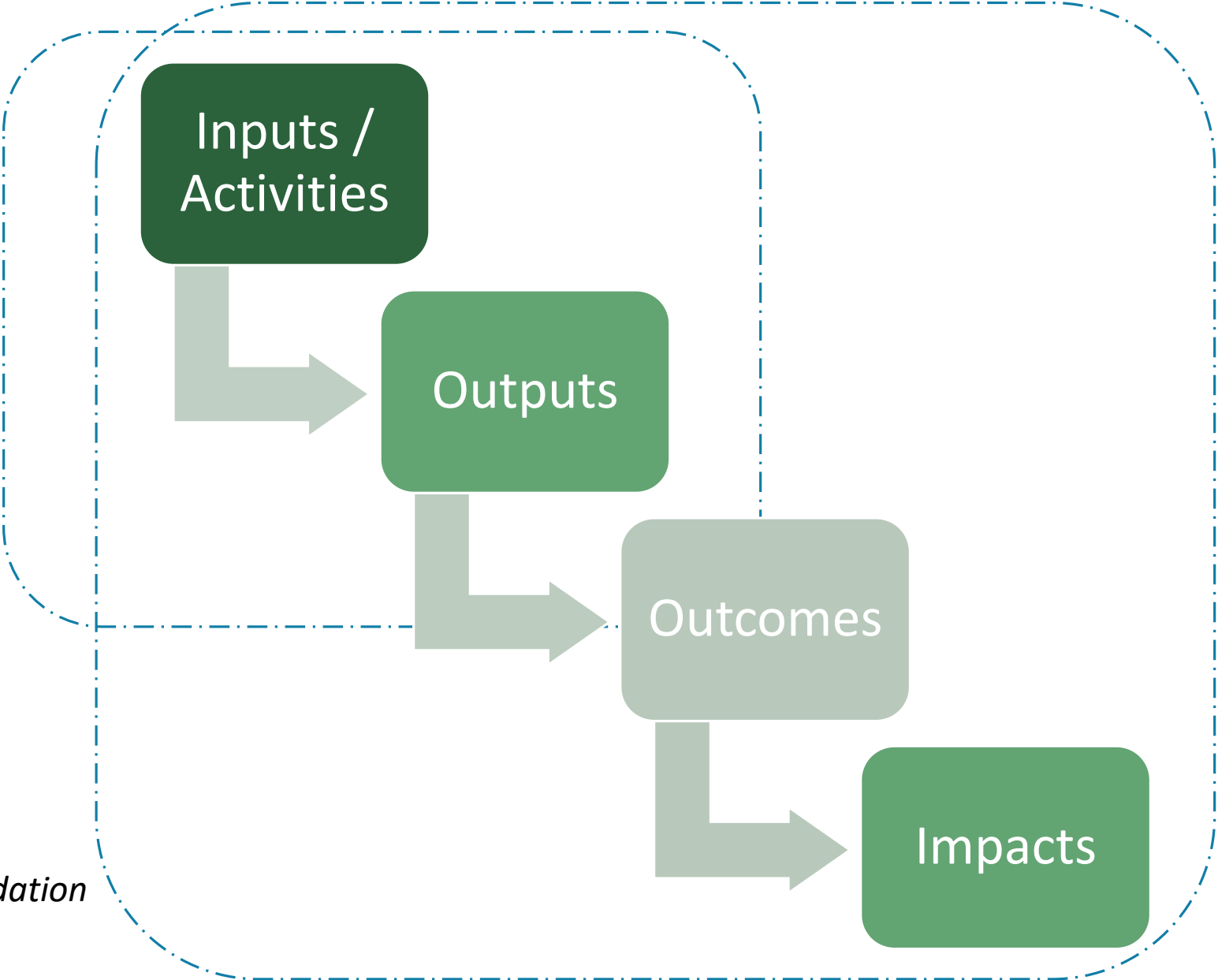
What is the logic behind EITI's impact?



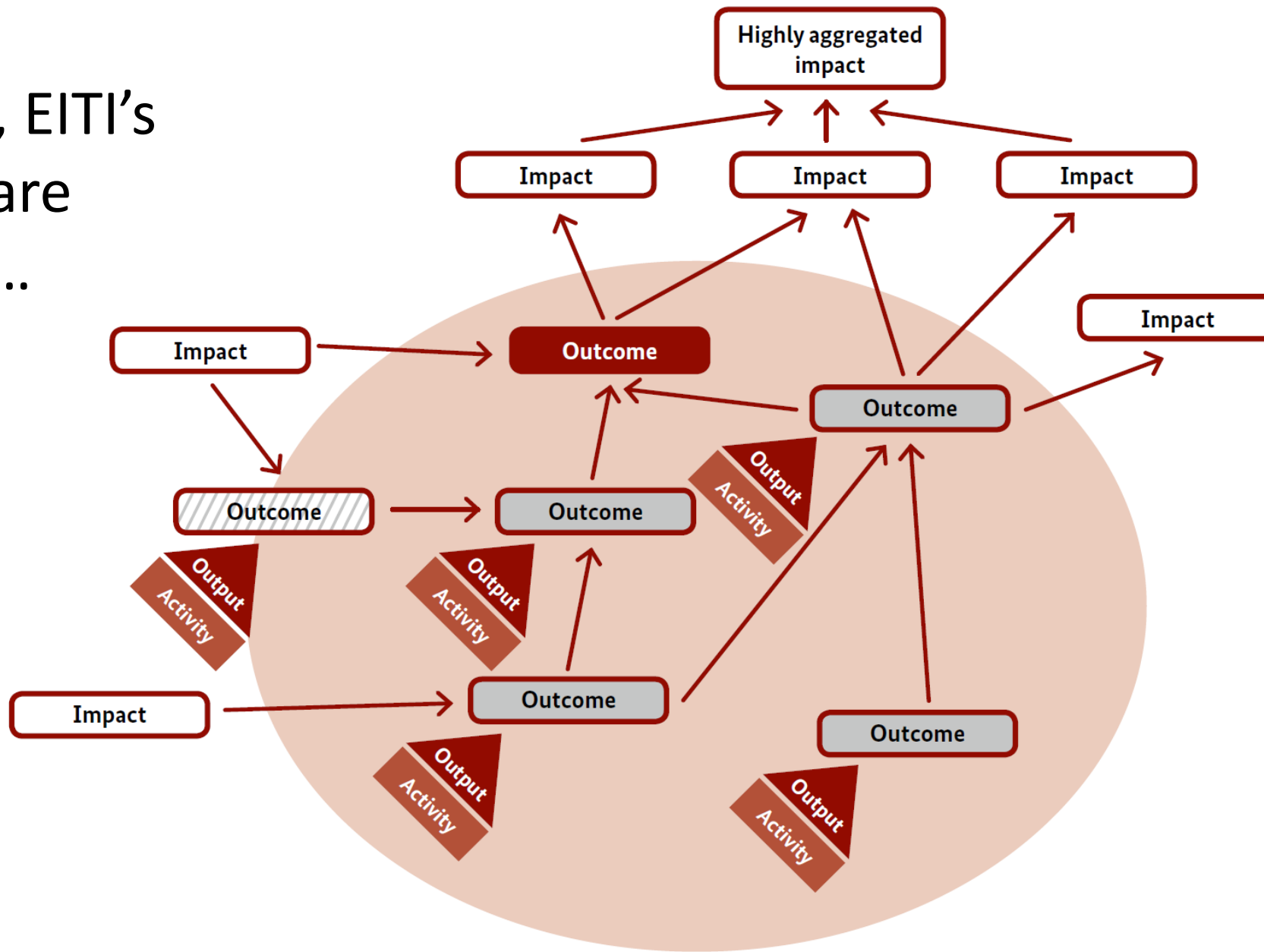
More simply put...

*EITI Workplan &
Annual Activity Reports*

Validation



In reality, EITI's impacts are complex...



Returning to national priorities...

What are the problems in extractives governance which EITI can help inform?

- Divestment debate
- Corruption in mining licenses
- Open pit mining ban
- Local government fiscal transfers
- “Other accounts” – public education
- Investment origins
- Royalty payments

Formulating recommendations for maximum impact

Keep recommendations SMART:

- Specific – target a specific relevant area for improvement
- Measurable – quantify or suggest an indicator for progress
- Achievable – specific who is in charge of doing it
- Relevant – results should be tied to the underlying problem
- Time-bound – specify when the results can/should be achieved

Key features of an engagement strategy

- 1. Stakeholder engagement: *Who needs to be involved?***
 - Defining the relevant stakeholder groups (both inside and outside government) must strike the right balance between inclusivity and relevance
 - Often relevant stakeholders may be outside of MSG group and should be consulted early in the process

- 2. Stakeholder capacity gaps: *Do we have all the information that we need?***
 - Extractives sector policymaking is highly technical, and informed discussion is critical.
 - MSGs may wish to commission additional research, issue briefs, etc on specific areas of interest

Key features of an engagement strategy

3. Activity planning: *What actions are required?*

- Prioritization of certain activities over others
- Sequencing of activities according to what is possible with current resources

4. Resource mobilization: *What resources are required?*

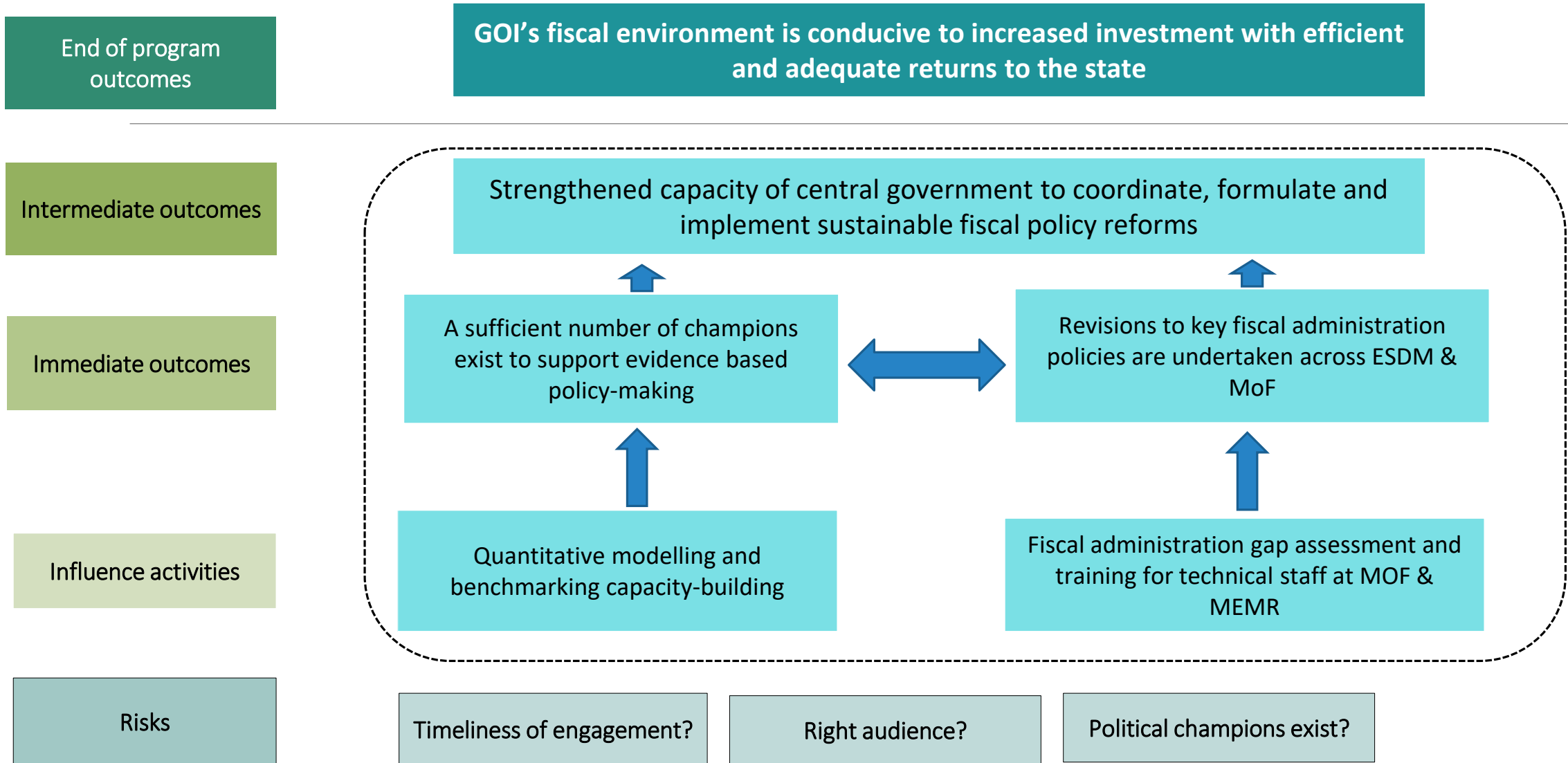
- Country-specific constraints

5. Leveraging partnerships: *What existing initiatives can be leveraged?*

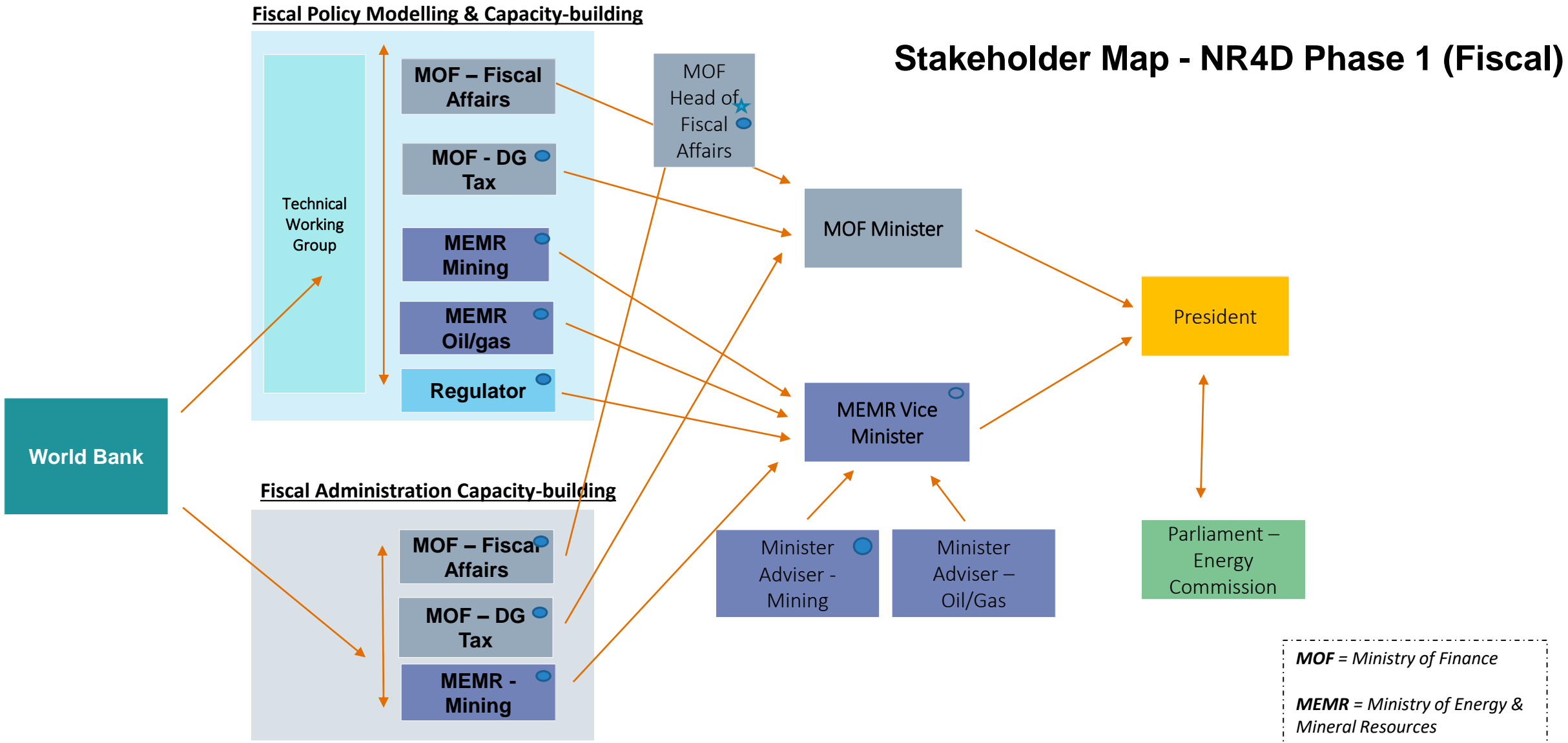
- National priorities outside of EITI
- Country membership in other international initiatives (OGP, FATF, AEOI)

What might this look like in practice?

Real-world example: World Bank logic model for a fiscal policy capacity-building project



Real-world example: World Bank stakeholder mapping for fiscal policy capacity-building



Group Exercise – Developing an Action Plan for EITI Report Recommendations

Step 1: Framing the objectives

1. From the list of national priorities you came up with in the previous session, which are already covered in your EITI Report recommendations?
2. For any priorities *not* covered in the EITI Report, what activities do you plan to include in your next work plan to address these priorities?
3. What are the anticipated challenges in addressing these priorities?

Group Exercise

Step 2: Developing a plan of action

- Stakeholder mapping (selection and engagement),
- Engagement strategy outline
 - Capacity gaps and necessary trainings
 - Tools (briefings, draft legislations, primers etc) you need to produce.

Priority area	
Stakeholders required:	
Stakeholder capacity gaps:	
Activity 1:	
Tools:	
Timeframe:	
<i>Intended outcome:</i>	
Activity 2:	
Tools:	
Timeframe:	
<i>Intended outcome:</i>	
Activity 3:	
Tools:	
Timeframe:	
<i>Intended outcome:</i>	