TERMS OF REFERENCE

Independent Evaluation of the EITI

21 June 2021

1. Summary

Proposals are sought from qualified consultants to undertake an independent evaluation of the Extractive Industries Transparency Initiative's (EITI). The EITI Board has agreed that the Evaluation should be based on international best practice, aimed at providing credible and useful evidence to strengthen accountability for development results and to contribute to organisational learning.

The evaluation should combine: (1) country level studies that take into account national circumstances and objectives in EITI implementing countries; and (2) a global level evaluation based on the shared objectives as expressed in the 2019 EITI Standard. Reflecting the multi-stakeholder nature of the EITI, the evaluation should be based on a participative approach that captures diverse stakeholder perspectives and expectations. The final report should present a clear evaluation of the EITI's effectiveness, with practical recommendations addressed to the EITI Board on opportunities to further strengthen the EITI.

There will be a two-step tendering process. A request for Expressions of Interest will be used to identify a short list of potential consultants, who will be invited to submit full proposals. In both stages, consultants are encouraged to suggest appropriate methodologies and approaches for achieving the objectives of the Evaluation. The Evaluation has a maximum budget of $350,000 USD. Proposals will be evaluated on the basis of technical and financial aspects.

2. Background

The EITI is a global coalition of governments, companies and civil society working together to improve the openness and accountable management of oil, gas and minerals for the benefit of the citizens living in countries with significant resource endowments.[1] Guided by the belief that a country's natural resources belong to its citizens, the EITI has established a global standard to promote the open and accountable management of oil, gas and mineral resources. Initially designed to focus on company tax payments and government revenue disclosure, the EITI has evolved into a broader instrument seeking to improve transparency and accountability along the natural resource management value chain. The most recent articulation of these requirements is set out in the *2019 EITI Standard.*[2]

A key feature of EITI implementation is country ownership, based on the principle that the

[1] www.eiti.org
[2] See: https://eiti.org/document/eiti-standard-2019

"management of natural resource wealth for the benefit of a country's citizens is in the domain of sovereign governments to be exercised in the interest of their national development".[3] 55 countries are implementing the 2019 EITI Standard.[4] Through EITI implementation, governments commit to transparently disclose information about the country's extractive sector, including the legal framework, production and exports statistics, licenses, state participation in the sector, the amount of revenue collected, the beneficial owners of companies and how these revenues are allocated. Companies commit to transparently disclose payments related to their extractive industry activities. The publication, dissemination and public debate of this information enables citizens to hold their government to account for how the sector is managed and informs the formulation of government policy, and thus contribute to reducing the risk of mismanagement, corruption and conflict.

A multi-stakeholder approach is central to the operation and philosophy of the EITI and is reflected in how the EITI is governed and implemented. In each implementing country, a multi-stakeholder group (MSG) comprised of representatives from government, companies and civil society is established to oversee EITI implementation. Although the mandate of the MSG varies across countries, the MSG is the main decision-making body responsible for setting objectives for EITI implementation linked to wider national priorities in the extractive sector, producing EITI Reports, and ensuring that the findings contribute to public debate and policy. While the MSG has a mandate to determine the scope of the EITI in its country, the EITI Standard contains some minimum requirements including those related to the role, rights and responsibilities of the MSG. This includes the full, free, active and effective engagement by government, companies and civil society.

While these global standards are an essential feature of the EITI's work, EITI implementation at the national level also varies widely based on national circumstances and priorities. The EITI Standard specifically encourages implementing governments and MSGs "to explore innovative approaches to extending EITI implementation to inform public debate about natural resource governance and encourage high standards of transparency and accountability in public life, government operations and in business".[5] While country work plans increasingly include objectives for EITI implementation that are linked to wider challenges in the sector, it is recognised that the EITI is not yet delivering on its potential in some countries. Due to strict deadlines and consequences (including suspension and delisting), implementation activities often remain centred around the EITI reporting cycle.

Since its inception, the EITI approach to monitoring and evaluation has evolved considerably – both at the country-level and the global-level. An overview of this work is provided in Annex B. In late 2019 the International Secretariat commissioned an independent review to support the EITI Board and International Secretariat in developing its approach to evaluation and impact assessment.[6] This included a review of emerging best practice in results-based monitoring and evaluation in similar transparency and accountability and multi-stakeholder initiatives, and an evaluation of the EITI's current approach to results-based monitoring and evaluation at the

[3] *Ibid*
[4] https://eiti.org/countries
[5] See 2019 EITI Standard Requirement 1.5: https://eiti.org/document/eiti-standard-2019#r1-5
[6] The report can be found here: https://eiti.org/document/results-measurement-impact-assessment-in-eiti-review-of-best-current-practice

national and global level.

The final report found that the EITI's current approach to impact measurement at the country level does not sufficiently meet the EITI's evidence needs. In implementing countries, accounting for impact is generally motivated either by a perceived need to satisfy external stakeholders, or to ensure compliance with the Standard, often resulting in a box-ticking approach. The review highlights several obstacles, including the lack of technical, human and financial capacity for measurement, particularly at the country-level. At the global level, the report concluded that the EITI's monitoring and evaluation work is too focused on Validation results, and generally fails to meet evidence needs for implementation, justification, or promotion of the EITI.

In response to the Report, the EITI Board agreed a series of recommendations in June 2020.[7] This included improving guidance to implementing countries and the development of a country-sensitive results framework. The Board also agreed on the scope, timing and resourcing of an Independent Evaluation "based on international best practice, aimed at providing credible and useful evidence to strengthen accountability for development results, and to contribute to organisational learning". The Board has emphasized that the evaluation should build on existing approaches and previous evaluations (see Annex B), the findings from the independent review, and focus on developing practical recommendations addressed to the EITI Board on opportunities further strengthen the EITI.

3. Evaluation objectives

The EITI Board is seeking an evaluation of the relevance and effectiveness of the EITI work in implementing countries, taking into account the diversity of national circumstances, EITI objectives and diverse stakeholder perspectives and expectations. The evaluation should also consider the EITI's role in establishing and promoting global norms in relation to transparency and accountability in the oil, gas and mining sectors and the EITI's wider contribution to the implementation of the UN Sustainable Development Goals.

At the global level, the evaluation should consider the overall effectiveness of the EITI based on the shared objectives as expressed in the 2019 EITI Standard. This work includes the central features of EITI implementation, including the efficacy of the changes to the EITI Standard requirements in 2016 and 2019, and to consider early experience of flexible reporting.[8] **A key feature of this work to be addressed in this evaluation is the shift from standalone EITI reporting to "mainstreaming" and systematic disclosure of data through government and company systems**. Other major policy areas covered by the EITI's work include:

- Multi-stakeholder governance and civic space
- Tax transparency and domestic resource mobilisation
- License and contract transparency
- Beneficial ownership transparency

[7] See the decision in full: https://eiti.org/board-decision/2020-36
[8] See https://eiti.org/blog/eiti-2016-standard-is-different-eiti-in-minute-recent-focus and https://eiti.org/document/presentation-on-changes-to-eiti-standard-2016-to-2019

- Transparency in the trade of oil and minerals
- Transparency of state-owned enterprises
- Subnational transfers and expenditures
- Gender, social and environmental impact

More recently, the EITI Board has agreed recommendations relating to tackling corruption and energy transition, although it is not realistic to expect substantial results at this early stage.

The evaluation would be expected to address issues related to national implementation, including:

- Functioning and composition of multi-stakeholder group
- Capacity and effectiveness of national secretariat
- Quality and comprehensiveness of work plans
- Adherence to the civil society protocol
- Quality and comprehensiveness of reporting
- Progress on mainstreaming and systematic disclosure
- Validation and lesson learning adequacy of the technical and financial support provided to EITI implementing countries.

The question of EITI effectiveness is complicated and it is not possible to comprehensively address all of the policy areas referenced above within the limits of this Evaluation. Proposals are expected suggest approaches and methodologies that acknowledge this and are designed achieve the overall objectives of the Evaluation in light of these limitations and trade-offs. Proposals should have a clear strategy and justification for prioritizing and contextualizing different types of evidence. Specifically, they should explain how specific methodologies and approaches will support evaluation in this implementation context, and support the delivery of

- an analysis of the EITI's effectiveness as a global policy intermediary, in providing support to country implementation, and as a national mechanism for improving resource; governance and achieving outcomes; and
- practical recommendations addressed to the EITI Board on opportunities to further strengthen the EITI.

4. Methodology

The consultant should suggest an appropriate methodology to achieve the objectives presented above, and in accordance with recognised professional standards in the field of evaluation or in relevant social science disciplines. This should include a combination of country case studies and reviews of specific policy areas based on a desk review of EITI documentation and publications, as well as through stakeholder consultations at the global and national level. In light of the ongoing travel restrictions associated with COVID-19, the consultant should suggest a budget that includes travel to the implementing countries, with a contingency approach based on remote consultations. The budgetary implications of both approaches should be clearly specified.

The EITI Board has indicated that it would prefer a minimum of five country case studies and in-depth reviews of at least three policy areas, but consultants are encouraged to propose methodologies that they believe best address the Evaluation's objectives.

Regardless of specific methodologies and scope, the evaluation should be based on a participatory approach that reflects the multi-stakeholder nature of the EITI and captures diverse stakeholder perspectives and expectations. Particular attention should be given to include disadvantaged groups such as women, youth and representatives from local communities. Additionally, the Board has requested the evaluation be undertaken in line with international best practice. Drawing on the OECD's DAC criteria, the evaluation team should consider questions related to the EITI's relevance, coherence, effectiveness, efficiency, impact, sustainability, and reach.[9]

The evaluation should build on recent research on the EITI's impact (see Annex A) and the EITI's built-in mechanisms at the EITI for monitoring and evaluation (see Annex B). The evaluation should also draw on and complement a number of ongoing M&E projects, including county evaluations of the EITI impact on issues including anti-corruption efforts, beneficial ownership and SOE/commodity trading transparency.

The EITI International Secretariat will support consultants in finalizing methodologies during the inception phase. This will include:

- Guidance to identify and access appropriate documentation for desk review,
- collaboration to identify appropriate country studies, acknowledging varied length of EITI membership, as well as approaches and substantive focus in EITI implementation, and
- validate and refine hypotheses and assumptions in Evaluation design.

5. Stakeholder consultation

Since stakeholders directly associated with the EITI normally have better access to, the evaluation team shall actively try to balance inputs and influence from different categories of stakeholders over the evaluation process and results. Particular attention should be given to stakeholders who have limited influence over EITI strategy and decision making, including marginalised groups.

All parts of the evaluation process shall be carried out in accordance with recognised ethical standards. The rights and welfare of all participants in the evaluation shall be protected and informed consent obtained.

When interacting with stakeholders the team shall behave professionally and respectfully, strive to reduce the time and other demands on stakeholders, and actively manage expectations to avoid unjustified expectations among for continued assistance.

[9] In line with the OECD's best practice guidelines for evaluation interventions. See for more information: https://www.oecd.org/dac/evaluation/daccriteriaforevaluatingdevelopmentassistance.htm

The evaluation team shall show sensitivity to gender, beliefs, manners and customs of all stakeholders and act with integrity and honesty. The anonymity and confidentiality of individual informants shall be protected when requested and/or as required by law, the context or ethical considerations. Direct references to informants' statements in reports shall be done in ways that do not make it possible to trace statements to individuals, unless agreed with the informant concerned or unless the statements were made in public.

If the evaluation team during implementation finds any reason to suspect corruption, misuse of EITI funds or breaches of the EITI Association Code of Conduct,[10] the team shall immediately inform the EITI International Secretariat or use the 'Report a concern' procedures described on the EITI's website.[11]

6. Indicative Timeline and milestones

An indicative timeframe for the evaluation is set out below. The schedule will be further refined during the procurement and contracting process, taking the COVID-19 situation and the timing of the next EITI Global Conference and members' meeting into account.

Milestone	Timing
Deadline expressions of interest (EOI)	16 July 2021
Shortlisted Candidates are contacted	23 July 2021
Q&A sessions with shortlisted candidates	27 July 2021
Deadline to submit written questions	15 August 2021
Deadline for Request for Proposals (RFP)	31 August 2021
Contract signature	30 September 2021
Commencement of the study	October 2021
Inception phase & initial report	End December 2021
Desk review Case studies & stakeholder consultation Analysis and drafting	Q1 2021
Submission of the draft report	May 2022
Presentation of the draft report and initial findings	June 2022
Board comments	July 2022
Submission of the final report	August 2022

7. Qualification requirements

The consultant must be a reputable firm, perceived by EITI stakeholders to be credible, trustworthy and technically competent. The consultant will need to demonstrate:

- Expertise in results-based monitoring and evaluation in similar governance and

[10] https://eiti.org/document/eiti-association-code-of-conduct
[11] https://eiti.org/report-concern

transparency multi-stakeholder initiatives;

- Understanding of governance issues in the oil, gas and mining sectors.
- Previous experience with EITI is not required but would be advantageous.
- Credibility and independence: the consultant needs to be credible in the eyes of the host governments, the private sector and civil society.
- A team that is able to consult stakeholders in English, French, Spanish and Russian.

In order to ensure the quality and independence of the exercise, consultant is required, in their technical proposal, to disclose any actual or potential conflicts of interest, together with commentary on how any such conflict can be avoided.

8. Administrative support

The support provided to the consultant during the task and all other logistical and administrative criteria shall be specified in the contract.

9. Procurement procedure

A consultant will be selected following a quality- and cost-based selection procedure. Initially, consultants are invited to submit an expression of interest by **COB Friday, 16 July 2021** to Shemshat Kasimova (skasimova@eiti.org).

Expressions of Interest should include:

- A short (1-2 page) description of the consultant's strategy to address the Evaluation's methodology and scope, including specific approaches, steps, and priorities.
- A brief overview of previous experience and expertise, demonstrating the required qualifications and relevant experience to perform the Evaluation,
- A brief overview of key individuals and experts, highlighting their qualifications and expertise.

Consultants may associate with other firms in the form of a collaboration or a sub-consultancy to enhance their qualifications.

A shortlist of firms will then be invited submit written questions and to attend an online question and answer session before submitting more detailed technical and financial proposals. Detailed proposals should include:

- The **Technical Proposal** should outline: (a) the experience of the firm / consultants, (b) the proposed methodology and work plan in response to the Terms of Reference (TORs) and (c) the key experts' qualifications and competence, including CVs.

- The **Financial Proposal** should clearly indicate a lump sum financial proposal, **inclusive** of all applicable taxes, in USD or Norwegian Kroner (if Norway-based). The financial proposal should clearly differentiate fees from any other reimbursable expenses. The daily rates for the consultant fees should be clearly indicated.

The criteria for assessing the proposals is as follows:

Criteria	Weighting
Experience of the Consultant (as a firm) relevant to the assignment	10%
Key experts' qualifications and competence based on the Qualification requirements (see section 6 above)	40%
Adequacy and quality of the proposed methodology, and work plan in responding to the Terms of Reference (TORs)[12]	50%

The weights given to the technical (T) and financial (P) proposals are:

T = 70%
P = 30%

Additional details will be provided in the request for proposals (RFP).

Contract negotiations will be held with the highest ranked consultant or firm. A template contract is attached below. If contract negotiations are unsuccessful, negotiations will be held with the next highest ranked firm.

10. Deliverables and payment schedule

The consultant is expected to produce an inception report, draft report and final report. The draft report and final report will be presented to the EITI Board, either directly or via the EITI Board's Implementation Committee.

	Deliverable	Payment
1st Payment	Following EITI acceptance of the inception report.	30%
2nd Payment	Following submission of the draft report.	30%
3rd Payment	Following EITI acceptance of the final Report.	40%

11. Data and facilities to be provided by the Client

The EITI International Secretariat will provide all the necessary documentation needed to undertake the evaluation and will facilitate contact with EITI stakeholders as needed.

[12] The Client will assess whether the proposed methodology is clear, responds to the TORs, work plan is realistic and implementable; overall team composition is balanced and has an appropriate skills mix; and the work plan has right input of experts

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Address: Rådhusgata 26, 0151 Oslo, Norway

The EITI Secretariat contact point for the assignment is:

Shemshat Kasimova
Projects & Board Liaison Manager
skasimova@eiti.org

Annex A: Recent research on the EITI's impact

The EITI has also been the subject of dozens of independent evaluations and research projects[13]. The Report commissioned by the International Secretariat on the results measurement and impact assessment in the EITI[14] includes an annotated bibliography of some key research papers on the EITI.

Since then, several other studies have been published. The paper by Benjamin Sovacool[15] asks if the transparency promulgated by the EITI produces better governance and development outcomes (what the EITI refers to as "big picture impact indicators" in its KPIs, see **Error! Reference source not found.**). The paper finds some evidence of the EITI's contribution to those goals for a narrow selection of countries, over 20 years. Other quantitative and comparative assessments have provided evidence supporting the notion that EITI contributes to outcomes as diverse as tax revenue mobilization,[16] and trust in politicians,[17] and that civil society participation contributes to strengthening EITI outcomes.[18]

The initial report from the Leveraging Transparency to Reduce Corruption (LTRC) project, by the Brookings Institution, Results for Development and the Natural Resource Governance Institute, was published in June 2020 and includes a review of the literature on the EITI's impact. Its report looks more narrowly on combatting corruption, and not wider good governance issues, such as improving service delivery and internal oversight.[19]

In 2017, U4 undertook a review of 50 evaluations of the EITI.[20] They ask "*Has the EITI been successful?*", and conclude:

> *Many efforts have been devoted to improving resource governance through the Extractive Industries Transparency Initiative. A review of 50 evaluations concludes that the EITI has succeeded in diffusing the norm of transparency, establishing the EITI standard, and institutionalizing transparency practices.*

[13] A google scholar search for "Extractive Industries Transparency Initiative" gives about 37'500 results. The EITI highlights *some* of the research that is freely accessible on its website: eiti.org/publications
[14] By Christopher Wilson. Available on our website: https://eiti.org/document/results-measurement-impact-assessment-in-eiti-review-of-best-current-practice May 2020.
[15] Is sunshine the best disinfectant? Evaluating the global effectiveness of the EITI, published in Extractive Industries and Society, September 2020. Behind paywall.
[16] Mawejje, J. (2019). Natural resources governance and tax revenue mobilization in sub saharan Africa: The role of EITI. Resources Policy, 62(February), 176–183. https://doi.org/10.1016/j.resourpol.2019.04.001; Kinda, H. (2021). Does transparency pay? The impact of EITI on tax revenues in resource-rich developing countries (No. hal-03208955 HAL). Retrieved from https://hal.uca.fr/hal-03208955
[17] Fenton Villar, P. (2020). The Extractive Industries Transparency Initiative (EITI) and trust in politicians. Resources Policy, 68(April), 101713. https://doi.org/10.1016/j.resourpol.2020.101713
[18] Wilson, C., Claussen, C., & Valverde, P. (2021). Does civil society matter for natural resource governance? A comparative analysis of multi-stakeholder participation and EITI validation outcomes. Resources Policy, 72(March), 102084. https://doi.org/10.1016/j.resourpol.2021.102084
[19] Section 2.4 includes a full evaluation of the EITI, including successes and failures of combatting corruption. https://www.brookings.edu/about-the-leveraging-transparency-to-reduce-corruption-project/
[20] See https://www.u4.no/publications/has-the-eiti-been-successful-reviewing-evaluations-of-the-extractive-industries-transparency-initiative

Yet, there remains an evidence gap with regard to the mechanisms linking EITI adoption and development outcomes. Addressing this gap will require developing a theory of change for the EITI and demonstrating causality through more sophisticated methods. The cost-effectiveness of the EITI will also need to be compared to other policy options.

Developing "a [single] theory of change for the EITI [globally] and demonstrating causality through more sophisticated methods", as suggested above, is particularly challenging. Some studies, such as Papyrakis, Rieger & Gilberthorpe (2016) focus specifically on the impact of the EITI on corruption.[21] Others, such as Acosta (2013) take a wider approach a seek to measure the impact and effectiveness on a wider set of governance improvements.[22] Research based on the U4 study proposes three Theories of Change ("name-and-shame", "public debate" and "technical reform") through which EITI might achieve impact and which should be adapted to country contexts.[23]

The challenge is that EITI stakeholders understand and measure impact in different ways, depending on their background, viewpoint and priorities. For some, it is about creating trust and lessening conflict, for others it is about economic growth, attracting investments, widening the democratic space or improving government accountability. The TAI Study "Assessing the Evidence: The Effectiveness and Impact of Public Governance-Oriented Multi-Stakeholder Initiatives" provides a useful framework for such an approach.[24]

The BMZ-supported 2016 study "The Assessing the Effectiveness and Impact of the Extractive Industries Transparency Initiative (EITI)" by GIZ took the form of a contribution analysis applying a mix of methods of empirical social research (quantitative and qualitative data collection methods and data analysis) including a perception-based approach by survey.[25] It showed that mere quantitative analyses of panel or cross-sectional data to tease out statistical relationships driving observed changes by regression analysis were not adequate to address key issues of impact and causality. The following EITI results areas, that can be considered as key thematic domains of change, have been modelled in this study: 1) Fiscal transparency, 2) Public debate, 3) Anti-corruption, and 4) Trade and investment climate. It provided guidance to set up evaluation of this multi-stakeholder initiative in a way that can be robust enough to survive short-term changes of the evolving initiative, but also flexible enough to measure outcomes and impacts over the long term. As a priority, it recommended developing and applying adequate monitoring and evaluation (M&E) for in-country implementation.

Similarly, a recent mapping of the impact of transparency and accountability interventions in the

[21] See https://www.tandfonline.com/doi/full/10.1080/00220388.2016.1160065?scroll=top&needAccess=true
[22] See https://onlinelibrary.wiley.com/doi/10.1111/dpr.12021
[23] Le Billon, P., Lujala, P., & Rustad, S. A. (2020). A Theory of Change for the Extractive Industries Transparency Initiative: Designing resource governance pathways to improve developmental outcomes. U4 issue. Retrieved from https://www.u4.no/publications/a-theory-of-change-for-the-extractive-industries-transparency-initiative.pdf.
[24] See https://www.transparency-initiative.org/blog/429/assessing-the-evidence-the-effectiveness-and-impact-of-public-governance-oriented-multi-stakeholder-initiatives/
[25] See http://www.bmz.de/rue/en/releases/aktuelleMeldungen/2016/september/20160923_EITIimpactstudy_Publikation/index.html

extractive sector[26] concluded that:

> *"Given the large investments geared towards transparency and accountability programmes by global initiatives and national authorities, the lack of rigorous evaluation and accountability for results is alarming. At present, we do not know the extent to which programmes achieve their objectives. There is an urgent need to invest in rigorous impact evaluations to learn about the effects of these interventions."*

As with the review of the EITI's approach to evaluation and impact assessment, the Independent evaluation would need to take into account: (1) the diversity of implementing country circumstances; (2) the divergent (and sometimes conflicting) expectations of different stakeholders and (3) the varying level of capacity of national stakeholders to identify and evaluate impact.

Annex B: The EITI's mechanisms for monitoring and evaluation

From the outset, the EITI has worked to develop tools to ensure that the EITI is relevant to the national context. The Standard has, as a built-in feature, a monitoring and evaluation mechanism to ensure the effectiveness of EITI implementation. The in-built elements are described below. The most recent impact review concluded that stakeholders feel that the below approach insufficiently captures the outcomes and impacts the EITI has on good governance efforts[27].

(a) Country level evaluations

Each year, the MSG is required to review the outcomes and impact of EITI implementation on natural resource governance.[28] There have been a wide array of monitoring and evaluation activities. Several countries have commissioned independent evaluations. Few MSGs have some form of monitoring framework that builds on the basic tracking possibility given by work plans.

Prior to 2019, the EITI Standard required that this work was documented in Annual Progress Reports (APRs) which were submitted to the EITI International Secretariat.[29] The EITI undertook an internal review of APRs in 2017.[30] The review concluded that: "… the APRs and the template in their current form fail to tell the story of the EITI or show impact in the 52 countries. Furthermore, they do not appear to be in a good format for communicating the EITI to a wider audience". [31] In most cases, the APRs focused on documenting the activities that had been undertaken and the

[26] October 2019; The effect of transparency and accountability interventions in the extractive sectors: an evidence gap map, 3ie Evidence gap map report. Available here: https://www.3ieimpact.org/evidence-hub/publications/evidence-gap-maps/effect-transparency-and-accountability-interventions

[27] Results Measurement and Impact Assessment in EITI: a Review of Best and Current Practice. Independent review conducted by Christopher Wilson, 8 May 2020. Available on our website: https://eiti.org/document/results-measurement-impact-assessment-in-eiti-review-of-best-current-practice

[28] See requirement 7.4: https://eiti.org/document/eiti-standard-2019#r7-4 .

[29] A compendium of APRs is available here.

[30] See Board Paper 38-2-A Implementation Progress Report (IPR) June – October 2017. "Thematic focus: Review of the 2016 Annual Progress Reports".

[31] Ibid

outputs that had been produced, with limited analysis of the impact of this work.

In the 2019 EITI Standard, the requirement to review the outcomes and impact of EITI implementation was revised to provide greater flexibility for implementing countries to document the impact of EITI implementation, including whether the objectives for implementation are being fulfilled. The annual review of impact and outcomes must include:

- A summary of EITI activities undertaken in the previous year and an account of the outcomes of these activities;
- An assessment of progress towards meeting each EITI Requirement, and any steps taken to exceed the requirements. This should include any actions undertaken to address issues that the multi-stakeholder group has identified as priorities for EITI implementation;
- An overview of the multi-stakeholder group's responses to and progress made in addressing the recommendations from reconciliation and Validation.
- An assessment of progress towards achieving the objectives set out in its work plan (Requirement 1.5), including the impact and outcomes of the stated objectives.
- A narrative account of efforts to strengthen the impact of EITI implementation on natural resource governance, including any actions to extend the detail and scope of EITI reporting or to increase engagement with stakeholders.
- In addition, the multi-stakeholder group is encouraged to document how it has taken gender considerations and inclusiveness into account.

There is no standardised template for these reports.[32]

(b) Validation

The evaluation activities undertaken by the national MSG is complemented by an independent Validation.[33] Validation is a quality assurance mechanism, where the Board regularly reviews the country's progress in reaching the disclosure, governance and communications requirements of the EITI Standard.

The Validation model is currently under review and expected to be finalised in December 2020. The new model will have a stronger focus on rewarding impact and supporting learning.[34] The new Validation model is expected to be rolled out in April 2021. It will take one to three years for all countries to be examined under the new model, and thus the effect of the new assessment model on impact is yet to be seen in the coming years.

What remains the same, is that Validation is intended to provide all stakeholders with an impartial assessment of whether EITI implementation in a country is in line with the provisions of

[32] You may find examples of progress reports on our website: eiti.org/publications
[33] See https://eiti.org/overview-of-validation
[34] See for more background: https://eiti.org/news/new-approach-to-assessing-progress-in-eiti-countries

the EITI Standard. The Validation report, in addition, seeks to identify the impact of the EITI in the country being validated, the implementation of activities encouraged by the EITI Standard, lessons learnt in EITI implementation, as well as any concerns stakeholders have expressed and recommendations for future implementation of the EITI. Almost 90% of EITI countries have completed their first Validation since the process was introduced in 2016, producing a substantial dataset that covers 2,224 individual requirements of the EITI Standard.[35] To date, 21 countries have undergone a subsequent Validation. While there is evidence of backsliding in some countries, many second Validations reveal progress on addressing shortcomings identified in corrective actions. Out of the 544 corrective actions that were identified in first Validations, 154 were considered to have been fully addressed in the latest Validations.

Validation provides a very detailed and rigorous assessment of adherence to the EITI Standard and has been a catalyst to address aspects of EITI implementation that multi-stakeholder groups (MSGs) have found challenging. Validation has also identified weaknesses in EITI implementation that have not previously been identified by government agencies, MSGs, Independent Administrators, or the International Secretariat.

Validation has also been an opportunity to review the effectiveness of EITI implementation. The EITI Standard specifies disclosure requirements, but the objectives of this work need to be contextualised by MSGs in implementing countries. **In most cases, Validation has shown that the EITI objectives (as documented in the work plan) are too general to be practically relevant for implementation. While the EITI process and outputs are valued by stakeholders, the impact of EITI implementation is often unclear.** Validation has often identified opportunities for the EITI to have a greater impact in informing public debate. However, the current Validation model tends to focus on the technical corrective actions needed to achieve compliance rather than the wider opportunities to increase the relevance of EITI implementation for all stakeholders – an issue which is being address by the new Validation model as mentioned above.

(c) Global KPIs and Evaluations

In 2018 the EITI Board agreed an approach for or measuring the results of the EITI Management and Secretariat.[36] It has three dimensions:[37]

1. **Secretariat's effectiveness indicators that monitor value for money.** These can be directly linked to the International Secretariat's and the EITI Board's activity: input and output in relationship to the allocation of budget and staff time.

2. **Outcome indicators quantify the number of countries with transparent systems.** These are based on the outcomes of Validation, the quality assurance mechanism of EITI implementation. It measures the number of countries that have achieved "satisfactory progress" or "beyond" on the related EITI Requirements. It is assumed that the countries with those "grades" have transparent systems.

[35] See https://eiti.org/blog/crunching-numbers-on-eiti-validation. Figures updated as of 28 October 2020.
[36] See https://eiti.org/board-decision/2018-30
[37] See https://eiti.org/KPIs

The level of transparency can partly be attributed to EITI implementation. Other factors, such as political will and opportunity, as well as work by partners (for example the World Bank and NRGI) may also impact a country's performance.

3. **Impact indicators, or "big picture" indicators**, measure the direction of travel of EITI countries based on indexes that measure the quality of governance. Although not attributable to any single organisation, selected proxy indicators such as investment climate, human capital spending, corruption and poverty levels are all relevant to the EITI's goals. If the EITI is successfully being implemented in accordance with its Principles, countries should score better every year on those selected indexes.

The International Secretariat documents these indicators in its yearly Secretariat Work plan[38], under the annex "Key Performance Indicators (KPIs)". The International Secretariat highlights progress and impact across EITI countries in its annual report, "Progress Report".[39]

(d) Evaluation and Impact

Finally, the EITI has undertaken and supported several independent evaluations:[40]

- In late 2019, the International Secretariat commissioned an independent review of the EITI's approach to evaluation and impact assessment emerging best practices and recommendations for improving strengthening the EITI's approach, both at the International Secretariat and implementing countries.

  One of the recommendations of the report was to undertake an independent evaluation, and to allow for other impact strengthening activities to show effect on capturing evidence of impact.[41]

- In late 2015, a "Review of the International Governance and Oversight of the EITI"[42] analysed the effectiveness and accountability of the EITI Board and the International Secretariat. The governance and oversight review was carried out to ensure that the EITI is appropriately governed and has desired oversight is provided to the EITI International Secretariat and implementation as a whole.

- In 2015, the EITI and World Bank's EITI Multi-donor Trust Fund commissioned a joint review of "Resourcing of the Extractive Industries Transparency Initiative".[43] This was not an impact evaluation. The objective of the joint review was "to assess if support to EITI implementing countries is appropriately organized and resourced". The review provided a series of recommendations to strengthen technical and financial support at the national and global level.

[38] See https://eiti.org/document/secretariat-work-plan-20072019
[39] See here
[40] All studies are available on our website: https://eiti.org/outcomes-impact-of-eiti#external-evaluations-of-the-eiti
[41] See section 4.1.5 Results Measurement and Impact Assessment in EITI: a Review of Best and Current Practice. See preceding footnote for links.
[42] See https://eiti.org/document/review-of-international-governance-oversight-of-eiti
[43] See https://eiti.org/document/joint-review-eiti-eiti-multidonor-trust-fund-resourcing-of-extractive-industries

- In 2011, the EITI Board commissioned a review entitled: “Achievements and Strategic Options: Evaluation of the Extractive Industries Transparency Initiative”.[44] This review played a key role in expanding the scope of EITI implementation through the 2013 EITI Standard.[45]

[44] See https://eiti.org/document/achievements-strategic-options-evaluation-of-extractive-industries-transparency-initiative
[45] See https://eiti.org/blog/charting-next-steps-for-transparency-in-extractives

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Address: Rådhusgata 26, 0151 Oslo, Norway

Annex C: Template contract

CONTRACT

between

The Extractive Industries Transparency Initiative – EITI
Rådhusgata 26,
0151 Oslo
Norway

And

Name,
Street
City, Country

1. ASSIGNMENT

1.1 Contents

This contract provides for "NAME OF THE ASSIGNMENT" between [NAME OF CONSULTANT] ("the consultant") and the EITI Secretariat ("The Client"). The terms of reference for tasks to be carried out under this contract will be agreed in writing prior to the initiation of each task in accordance with the terms of reference outlined in Annex XXX. In the event of any discrepancy between this Contract and the ToR for Individual assignments, the provisions of this Contract shall prevail.

1.2 Duration

The assignment will take effect as of TBC and shall be completed by TBC.

Additional pieces of work with given working days shall be agreed between both parties and will be seen as binding limitations on the scope and duration of work falling under this contract.

1.3 Administration

The consultant will report to Sam Bartlett, Technical Director and other staff at the EITI Secretariat as directed.

2 FEES AND PAYMENT

2.1 Fees

The consultant will be paid a total fixed fee of [CURRENCY AND AMOUNT] (AMOUNT IN LETTERS only) for completing the ToRs (Annex A) inclusive of all taxes and mandatory payments.

2.2 Reimbursables

Not applicable.

2.3 Payment

Invoices should be submitted to the EITI International Secretariat, following the Secretariats approval of agreed deliverables. The Consultant will be paid in full within two weeks of receipt of Invoice.

3 CONFIDENTIALITY, CONFLICT OF INTEREST AND PROPERTY RIGHTS

The consultant shall not disclose to any third party any information relating to the services under this contract, which could be considered confidential (other than in the proper performance of this contract or as may be required by law). The consultant shall immediately notify the EITI of any circumstances which may place the consultant in a real or apparent conflict of interest in relation to the services under this contract or the interests of the EITI generally.

4 FORCE MAJEURE

If a situation arises that under the normal rules of contract law must be considered to be an event of force majeure, this contract shall not be considered breached while the force majeure situation continues. If the force-majeure situation continues, or can be expected to continue, for more than 60 days, either party can terminate the contract by giving 30 days' notice.

5 RESPONSIBILITY OF THE PARTIES

5.1 The consultant's responsibility

a. The consultant is responsible for ensuring that the assignment is carried out in accordance with the contract and that the quality of the assignment result satisfies the requirements that could reasonably be specified on the basis of the assumed professional competence of the consultant.

b. The consultant is responsible for breaches of time limits and the financial budget that result from the negligence or intentional acts of him/her.

c. The consultant undertakes to keep the EITI Secretariat informed of progress and promptly to inform the EITI Secretariat of circumstances that may cause delays, prevent completion of the assignment, or in any other way affect completion.

d. The Consultant's area of responsibility as set out in a., b. and c. also includes quality deficits and delays in completion of the Assignment, caused by any contractors engaged by the

consultant or by the Secretariat.

5.2 The Client's responsibility

a. The EITI Secretariat will issue clear terms of reference for each assignment, maintain close communication with the consultant, and expeditiously provide feedback on draft deliverables.

b. The Secretariat will make available to the consultant the necessary data and information necessary to carry out the prescribed tasks, and will work to ensure good access to relevant stakeholders and contacts within EITI implementing countries and supporting organizations as needed.

6 BREACH - SANCTIONS

a. In the case of breaches as set out in paragraphs 5.1 that are not due to the EITI's conduct or circumstances as set out in paragraph 5.2, the Secretariat can require the consultant to remedy the breach(es) at his own expense, as long as this does not occasion unreasonable costs or inconvenience.

b. If the breaches are not remedied in accordance with the quality requirements set out in paragraphs 5.1, or this does not occur within a reasonable period after the Secretariat has complained about the breaches, the Secretariat can claim a price reduction corresponding to the cost of carrying out the assignment.

c. A party may terminate the contract when the breach of the other party is substantial.

d. A party may claim compensation for the loss he/she suffers as a result of the breach of the other party, in accordance with the general rules on compensation in contractual relationships. The party shall be put in the same financial position he/she would have been in had the contract been properly fulfilled.

e. A party loses his/her right to enforce a sanction against the other party if he/she does not give notice of the claim to the other party within a reasonable period of becoming aware of the circumstances that constitute the basis for the sanction.

7 DURATION - TERMINATION

The contract remains in force until the assignment is completed and all payments, pursuant to invoices, have been made, but it can be terminated by the Secretariat on 14 days' written notice without giving reasons. In the case of such termination, the Secretariat shall pay the consultant's fee for work carried out and Travel Costs and shall pay financial compensation for expenses the consultant has incurred in connection with the early termination of the assignment.

The consultant may, if the Secretariat makes significant changes to the content or extent of the assignment, terminate the contract by giving 14 days' written notice. The Consultant is obliged to complete and deliver work already started.

8 CHOICE OF LAW - DISPUTES

The parties' rights and obligations under this contract are governed in their entirety by Norwegian law. Disputes that arise under this contract shall, if they cannot be resolved by negotiation between the parties, be heard by the district court of Oslo.

9 ENQUIRIES

All enquiries concerning this contract should be directed to:

EITI	Consultant:
Mark Robinson	XXXXXXXXXXXXX
Executive Director	XXXXXXXXXXXXX
MRobinson@eiti.org	XXXXXXXXXXXXX

This contract is signed in **2 (two) copies**, of which each party keeps 1 (one) copy.

For the EITI:	The Consultant:
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Date: [DATE]	Date: [DATE]