

November 7, 2018

EITI Board, Oslo (Norway)

We the Civil Society Organizations (CSO) representatives in the Ethiopian EITI Multi Stakeholder Board (EMSB) commend the *Team* that produced comprehensive and detailed validation report in relation to the EITI requirements. The CSO representative in the EMSB discussed the draft validation report and took the recommendations of the report as valuable inputs to help step up its engagements of CSOs in the EEITI and register a better outcome. While announcing our ambition for a more vigorous action ahead, and accepting also the recommendations of the report, we would like to humbly forward our reflection on two issues to be considered by the Board.

On Civil Society engagement #1.3

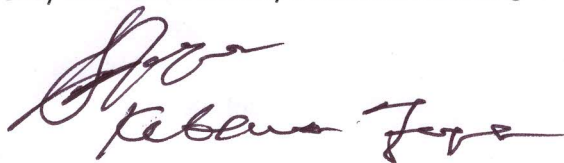
In June 2018, the government has made an announcement on the formation of a high level Council to review the three controversial laws: the anti-terrorism proclamation, the Charities and Societies Proclamation (CSP) and the Media law. One of the sub-committee assigned to review the Charities and Societies Proclamation (CSP) has concluded its assignment in September and delivered its report for a range of stakeholders. Subsequently, the draft has been submitted to the Federal Attorney General. The revised version of the CSP, if approved, will do away with most of the restrictions on CSOs, including those involved in the EITI process.

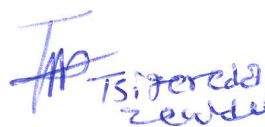
Some of the directives associated with the CSP were revised three times due partly to the unrelenting effort of CSOs, donors and other partners. CSOs, including a number of those in the informal EEITI-CSO network, have exerted enormous pressure on the government to revise the law. Notably, several researches on the impact of CSP were carried out and their findings employed to expedite the review process which was started in June.

For instance, the Council, which was appointed by the Prime Minister to review the CSP has used the findings of researches conducted by a consortia of CSOs and multi donor supported initiative such as the study by "Trends in Ethiopian Civil Society (TECS)".

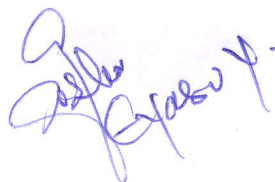
Also, one of the CSO-MSG representatives, CCRDA, coordinated a research on CSP (the recent one being "in-depth assessment on the situation of CCRDA members since the enactment of the Charities and Societies Proclamation 621/2009") and organized a series of consultative sessions intended to show the impact of the proclamation on CSOs. On several occasions, the Consortium lobbied the government to review some of the directives and the proclamation.

On the other hand, CSO-MSG members (TI and CCRDA) have also managed to link EEITI with other accountability initiatives such as Ethiopian Social Accountability program (ESAP) II, and the Construction Sector Transparency Initiative (CoST). A platform has now been in place to promote learning and experience sharing among the three accountability initiatives. Though this may appear a little bit different from the activities of EITI proper, it does contribute to raise awareness among CSOs and encourage their participation in transparency and accountability initiatives including EITI.


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Similarly, the CSO-MSB/MSG members and the European Union Civil Society Fund (EUCSF) have organized workshop for the CSO-EEITI constituency on the findings of a research on artisanal mining. The research was conducted through the European Union Office in Addis.

Hence, in spite of a plethora of restrictions imposed by CSP on CSOs on advocacy and related interventions, the CSO- EMSB/ MSG members and their constituency have tried their best to promote the initiatives within the limited space available. Such an effort demonstrates their determination to go through all challenges while upholding the basic principles of the EITI.

In conclusion, our constituency will continuously involve in EEITI implementation process and try its best to widen the space to accommodate all interested CSOs for better transparency of natural resource governance and continue to lobby the government to create conducive environment.

Therefore, we want to assure you that, CSO representative had actively engaged in the implementation process since the launching period. The representatives have also labored to involve all CSOs during the nomination process as per the internal governance with no external intervention. In view of this, we would like to request the Board to re-consider the rating point given under Requirement #1.3

On state participation (#2.6)

The unstable political situation in the country since 2014 has constrained an exhaustive assessment which the MSB intended to do on two domains: financial relationship between SOEs and the government and detailed terms of free equity and payment arrangements of SOEs. The MSB had acknowledged the presence of such limitation which was, in fact, beyond its discretion to rectify.

The primary challenge under this requirement was associated with the formation and in some cases the merger of new entities to own government's free equity and commercial equity interest in the mining sector. This new arrangement created a blind spot denying proper identification of the exact line of transaction related to free equity. Addressing this matter with the new officials was also a formidable challenge.

This might be the key factor for excluding details of information on terms of state equity and financial relation of SOEs with other entities in the 2015-16 report.

Besides, the report cites that METEC was extracting Coal without having an official license from MMPNG. That was a real impediment for the MSB to include the corporation in the list of reporting companies. However, the concern associated with METEC has always been subject of discussion among MSB members and the Independent Administrator (IA) as well. As mentioned in the validation report, METEC is going through some internal reforms and this may entail a good opportunity to resolve outstanding issues in the future.

We anticipate that the validation report would factor in the current political reality in the country and consider also the efforts of the MSB /MSG to transcend a range of challenges and ensure the implementation of the EITI in Ethiopia.

Finally, we would like to thank the secretariat for its deep, meaningful, honest assessment and valid recommendation set out for our future consideration.

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