

# Minutes

For comment

The paper captures the purpose and agreed outcomes of the 45<sup>th</sup> meeting of the EITI Board.

# MINUTES OF THE 45TH EITI BOARD MEETING

---

## Table of Contents

<b>45-1 Welcome and adoption of the agenda .....</b>	<b>3</b>
<b>45-2 Report from the Secretariat .....</b>	<b>3</b>
Board paper 45-2-A Implementation Progress Report July-September 2019.....	4
Board paper 45-2-B Outreach Progress Report July-September 2019.....	6
<b>45-3 Report from the World Bank on progress on the EGPS .....</b>	<b>6</b>
<b>45-4 Report from the Implementation Committee .....</b>	<b>7</b>
Board Paper 45-4-A Request for adapted implementation: Ukraine .....	7
Board Paper 45-4-B Proposal for proportionate implementation: Seychelles .....	7
Board Paper 45-4-C How should the EITI address corruption .....	8
<b>45-5 Report from the Validation Committee .....</b>	<b>10</b>
Board paper 45-5-A Report from the Validation Committee.....	10
Board Paper 45-5-B Review of Validation .....	11
Board Paper 45-6-A Addressing concerns in the EITI.....	12
Board Paper 45-6-B Committee terms of reference review.....	12
Board Paper 45-7-A EITI Outreach strategy 2020-2022.....	13
Board Paper 45-8-A 2019 Q3 Draft Accounts and full year forecast.....	14
Annex A – Board decisions .....	<b>18</b>
Board decision on the adapted implementation request from Ukraine .....	18
Board decision on the proportionate implementation request from the Seychelles ..	18
Board decision on the Validation of the Democratic Republic of Congo .....	19
Board decision on the second Validation of Iraq.....	20
Board decision on the second Validation of Mozambique.....	21
Board decision on the Validation of Myanmar.....	21
Annex B – List of participants.....	<b>23</b>
<b>Chair.....</b>	<b>23</b>
<b>Countries .....</b>	<b>23</b>
<b>Civil Society Organisations .....</b>	<b>23</b>
<b>Companies including Investors .....</b>	<b>24</b>
<b>Board Secretary .....</b>	<b>24</b>
<b>Observers .....</b>	<b>25</b>
<b>EITI International Secretariat.....</b>	<b>27</b>

## 45-1 Welcome and adoption of the agenda

The EITI Board chair, Rt. Hon. Helen Clark opened the meeting and suggested that the Board members adopt the agenda. The Chair welcomed Board members complementing the EITI's active social media with their own postings in order to broadcast Board news as widely as possible to stakeholders.

The Chair then invited the host government representative and EITI Board member, the Minister of Mines and Petroleum of Ethiopia, Samuel Urkato, to welcome participants and observers. Minister Urkato welcomed the Board to Ethiopia and highlighted the importance of the extractives sector and associated reforms to his country. The Chair noted the recent award of the Nobel Peace Prize to Ethiopian Prime Minister Abiy Ahmed and commended the peace-making efforts of the Ethiopian Government in the region.

The Chair continued the Board meeting by welcoming Jürg Vollenweider, Programme Manager at SECO, Switzerland, as an alternate to Sören Dengg at the EITI Board.

Apologies were noted from Awa Marie Coll-Seck, Ruslan Baimishev, Olga Bielkova, Teresa Habitan, Carolina Royas Hayes, Eduardo Guevara, Tom Huffaker, James Nicholson and Dominic Emery. The Chair noted the absence of implementing country representatives from outside Africa and expressed hope for their availability to join the next Board meeting in Oslo.

The Chair reported on her recent visit to the EITI International Secretariat in Oslo and missions to Brazil, Peru, and Zimbabwe in late September and early October. She highlighted her visits to sub-national EITI groups in Peru as well as constructive meetings with the Government and constituencies in Brazil and in Zimbabwe. She noted the interest in the two countries in exploring EITI membership. She thanked EITI staff for their work in planning the missions, and their resourcefulness, especially with such a lean staff.

The Chair said that she was looking forward to the Board's discussions at its retreat in Oslo. The Chair posed the question for later discussion as to whether two or three Board meetings per year would be appropriate.

## 45-2 Report from the Secretariat

The Executive Director of the International Secretariat, Mark Robinson, began by noting the success of the 2019 Global Conference in June and the positive feedback received by the Secretariat from participants. He highlighted the support given by the Government of France to EITI during its G7 Presidency. He noted with appreciation the effort put in by Secretariat staff to making the Global Conference a success. Mark further reported on the priorities of the Secretariat in the months that followed the Conference and mentioned the two ongoing internal reviews of (1) human resource systems and procedures, and (2) approaches to EITI reporting and report analysis. He highlighted Secretariat missions in late September and early October, and further briefed the Board on recruitment processes underway to employ more staff in the Secretariat to address workload pressure and gaps in staffing.

There was a significant increase in implementation support in this quarter with a number of missions in Africa, Asia and Latin America and a busy Validation schedule. The Board committees were established with solid membership from the three constituencies. Mark reported on a step change in the Secretariat's corporate engagement work led by Andy Irvine, with several new supporting companies and SOEs joining EITI in recent months. He also drew attention to efforts to scale up work on capacity building in response to growing demand from implementing countries. Asia Director Gay Ordenes is coordinating efforts to deliver more webinars, peer learning events, and technical assistance on key elements of the Standard, notably around systematic disclosure and beneficial ownership.

Mark thanked the government of Switzerland for its support for scaling up the work on commodity trading and noted a possible partnership with Open Ownership to scale up work on beneficial ownership disclosures. He also drew the attention of the Board to the Regional Mainstreaming Workshop for National Co-ordinators and Supreme Audit Institutions which was jointly organised with INTOSAI and AFROSAI and took place prior to the Board meeting.

Finally, Mark drew the attention of the Board to the administrative error in Board circular 279, noting that recommended suspension of Malawi should come into effect on 16 October, rather than on 2 October. Malawi had unfortunately not been able to publish the report yet but was expected to do so in the coming two weeks.

**Action:**

- Malawi is ineligible for extension of their reporting deadline and is suspended as of 16 October 2019 (Decision through BC 279)

### Board paper 45-2-A Implementation Progress Report July-September 2019

Mark introduced the Implementation Progress Report (IPR), noting progress in systematic disclosures in Argentina, Philippines, Kazakhstan and Guinea, and commenting on how Validation is playing a role in thinking of ways of publishing data other than through EITI Reports. Mark acknowledged the challenges faced by multi-stakeholder groups (MSGs), including the challenge of prioritising improvements to systematic disclosure while still facing deadlines for publication of EITI reports.

Mark highlighted progress on achieving beneficial ownership transparency, contract transparency, and state-owned enterprise reform, and emphasised the Secretariat's efforts to work with partners to deepen this work. Mark noted that civil society engagement in several EITI implementing countries remains a challenge and welcomed views on what more EITI could do to improve its guidance and support for civil society engagement.

Alan McLean commended the Secretariat for an improved implementation progress report (IPR) and agreed on the challenges noted around civic space. He expressed concern over countries lagging on beneficial ownership transparency and urged the Board to have a discussion on how to change the trajectory of progress in these countries. He observed that the statement in the IPR on high prevalence of corruption and tax evasion in the African region does not appear to be supported by data. He recommended that as a good practice, such statements should be backed by data as otherwise it might be perceived as a value judgment of the EITI Board. Alan noted his appreciation for the added detail provided on country assessments and asked what interventions would be available necessary to support countries making no progress.

Cielo Magno suggested that future IPRs should include ongoing assessments of Requirements 1.1, 1.2, and 1.3 so that the Board is apprised of developments on these aspects of implementation before they become a crisis. She noted the absence of some Board members from Board meetings, such as the representatives from Southeast Asia, as a manifestation of declining government support. She emphasized the need for legislation in EITI countries to ensure the sustainability of EITI processes through changes in administrations. She urged the Board to reflect on what more could be done to ensure the sustainability of EITI processes in implementing countries.

Erica Westenberg supported Cielo's suggestion to monitor civil society engagement regularly through IPRs. She noted that MSGs could be encouraged to include the monitoring of progress on Requirement 1.3 in their work plans. She further noted the importance of support on providing examples of model beneficial ownership legislations to countries, as NRGi has done. She observed that discussions on beneficial ownership should now focus on the issue of scope, that

is, what would be a feasible scope that countries should commit to. A good starting point, she said, was to go back to what the EITI Standard requires.

Django Coulibaly brought to the Board's attention the statement on page 53 of the French version of the IPR that public debate in Senegal around the Petro-Tim case on page 53 of the French version of the IPR (p. 44 in the English version) raises credibility issues to EITI. He expressed disagreement with this statement and noted that since there have been no changes in the country's situation since Paris, the status of Senegal should remain unchanged.

James Ensor expressed concern regarding the lack of political commitment on beneficial ownership transparency in seven countries and asked whether there would be value in looking at the number of countries that are at risk of not meeting the requirements on beneficial ownership when they undergo Validation. He cited as examples Guatemala and Honduras where the Governments appear to be reconsidering the rationale for EITI implementation and suggested that EITI considers the role that it should play in informing public debate in these countries. Oleksiy Orlovsky suggested naming the seven countries that have not expressed political commitment to beneficial ownership transparency and noted that the next important discussion would be on data verification. He suggested that the Secretariat's work plan should reflect plans for how to support countries with beneficial ownership data verification. He emphasized that disclosure is not enough, and that concrete steps on verifying data would be needed.

Marte Briseid observed that more could be done to ensure increased engagement of civil society at the national level. She noted that improving beneficial ownership disclosures requires collective effort and said that detailed estimated costs for beneficial ownership disclosure work would be welcome.

Stuart Brooks commented that even countries like the UK struggle with the implementation of their laws on beneficial ownership. He encouraged the Board to reflect further on what approach should be taken when there are untruthful beneficial ownership declarations. He observed that the Secretariat might not have the resources to work on this, so that decisions on what approach to take should consider resource implications. He further observed that work on other policy areas, such as contract transparency and project level reporting, might require legislation in some countries.

Brice Mackosso proposed that efforts to improve civil society engagement must be integrated into MSG work plans, and that meetings to discuss civic space could be organised in implementing countries. On the regional summaries in the IPR, he noted that the reference to Chinese investments in the extractive sector leading to indebtedness of some Asian countries is also true in Africa. He noted that EITI could play a role in examining loans extended in relation to extractive activities when it assesses Requirement 4.3 of the EITI Standard.

Bady Balde responded to the comments on the section on Senegal in the IPR by explaining that the IPR merely stated that an investigation is ongoing without passing judgment on the merits of the investigation. He said that the Secretariat received questions about how the investigations affect Senegal's standing as a country that had been assessed to have made satisfactory progress on Validation. The IPR mentioned only that the investigation posed credibility issues.

Agnès Solange Ondigui Owona commented on the statement in the IPR regarding the investigation in Senegal and noted that it seemed clear that the period when the investigation occurred was outside the period for Validation. Django reiterated that in the absence of new developments since the Paris conference, the EITI's statements as of that time should still stand. He explained that the position of the sub-constituency of African countries is that the public debate on the investigation should not affect the credibility of the EITI in Senegal. The Chair explained that the English version of the IPR does not suggest that the investigation had compromised the EITI in any way. She assured board members that the EITI Secretariat

statement on the Senegal in the Paris global conference stands. Alan McLean asked whether the Board could in the future make use of the Rapid Response Committee to respond to these types of developments.

**Actions:**

- The Secretariat to consider whether country by country assessments in future IPRs should more consistently refer to challenges related to Requirements 1.1. 1.2 and 1.3.
- The Secretariat to update budget estimates for beneficial ownership activities in countries and share with Board for information.

### **Board paper 45-2-B Outreach Progress Report July-September 2019**

Mark introduced the Outreach Progress Report (OPR) and noted heightened outreach activities in Latin America and southern Africa. He updated the Board on recent visits to Brazil and Zimbabwe, on progress made by Lebanon and Uganda towards preparing a candidature application, and on ongoing discussions with Chile, Ecuador, and Equatorial Guinea. Mark thanked Board members for their assistance in encouraging and supporting outreach efforts. He finished by noting that the Secretariat would continue to pursue opportunities in Angola and South Africa. Pablo Valverde and Andrew Irvine provided additional information on the Secretariat's outreach efforts to Lebanon and industry respectively. Pablo also informed the Board that Niger had recently applied to re-join the EITI.

Cesar Gamboa said that Niger had voluntarily left the EITI and asked whether the application request included suitable guarantees to address the challenges that had led to Niger's decision to leave the EITI. Bady Baldé said that the multi-stakeholder group had worked with partners and the International Secretariat to ensure that the candidature application was complete. Stuart commended the Secretariat's efforts to increase outreach efforts to industry.

### **45-3 Report from the World Bank on progress on the EGPS**

Sven Renner, Program Manager for the Extractives Global Programmatic Support (EGPS), presented the report from the World Bank (WB). He reaffirmed the Bank's continued support for the EITI. He noted that the EGPS was in a transition phase. The first phase of the EGPS (from 2015 – 2019) had allocated USD 17 million, representing fifty percent of the EGPS funds, to a component on "transparency and governance" that included funding for EITI implementation.

He reported that a second phase of the EGPS, with support from ten donors, would formally commence in the coming days, and run for six years from 2019 to 2025. The WB's goal was to raise USD 69M, and to maintain the current level of support for EITI. The EGPS Steering Committee had agreed to prioritize funding for low income countries. The Bank would be leveraging its engagement to promote gender equality in efforts to support improved extractives governance.

The Chair thanked the WB and the EGPS donors for their support. She noted that while the grants were often small, they had a significant impact in EITI implementing countries.

Cesar Gamboa asked about EGPS support for civil society organisations. Carlos Aranda highlighted the importance of the EITI communications and dissemination activities. Marte asked

about WB support for developing beneficial ownership disclosure legal frameworks. Sven confirmed that the second phase of the EGPS allowed for further support on all these issues, where they were a priority at the country level.

Django highlighted the challenges in meeting the EITI's reporting deadline in Mali, and that meeting the deadline was dependent on financial support coming from the WB. Ian Mwiinga suggested that the EITI's deadlines should focus on progress with mainstreaming rather than on progress with reporting. Sven noted that the WB fully supported the EITI's mainstreaming agenda, and that this was key in addressing the sustainability of EITI implementation.

Alan asked about the extent to which EGPS disbursements were aligned with EITI Board priorities, for example in engaging with prospective EITI candidate countries. Sven again highlighted the importance of priorities at the country level, and that the EGPS had supported several countries like Ecuador as they considered whether to join the EITI.

Solange requested that information on the EGPS application process and the selection criteria be shared with all national secretariats. Sven agreed to provide additional details.

**Actions:**

- The World Bank to share EGPS application process and selection criteria with all national secretariats.

## **45-4 Report from the Implementation Committee**

Ian Mwiinga, the co-Chair of the Implementation Committee (IC), gave an overview of the work by the Committee since Paris, including agreement on its terms of reference and work plan, new guidance on legal approaches to beneficial ownership and gender considerations, review of the IPR, and review of reporting extension requests from Kyrgyz Republic, Malawi, and Tanzania. He noted the significant number of EITI countries struggling with funding and expected the Committee to receive more extension requests by the end of the year.

### **Board Paper 45-4-A Request for adapted implementation: Ukraine**

Ian introduced IC's recommendation to the Board to approve Ukraine's adapted implementation request. Representatives from Ukraine and the Seychelles recused themselves. The Board approved the recommendation to grant the request.

**Action:**

- The Chair to write to the Government of Ukraine announcing the Board's decisions (see Annex A).

### **Board Paper 45-4-B Proposal for proportionate implementation: Seychelles**

Ian introduced IC's recommendation to the Board and reminded it that a limited engagement policy had been agreed by the Board in October 2017. He encouraged the Board to consider the request submitted by the Seychelles carefully as it would set a precedent. Stuart further explained that the limited engagement policy was a subset of adapted implementation and reiterated his full support for Seychelles. He added that the contribution of the extractive sector to a country's economy should be taken into consideration in prioritising outreach to countries. Alan noted that

the 2019 Standard did not provide for a mechanism for countries to apply for 'proportionate' implementation. He wondered whether there had been a missed opportunity to reflect more clearly an implementation model for countries with emerging extractive industries in the revised EITI Standard.

The Board approved the recommendation to grant the request.

**Action:**

- The Chair to write to the Government of Seychelles announcing the Board's decision (see Annex A).

### **Board Paper 45-4-C How should the EITI address corruption**

Ian provided background on the paper. He noted the importance of discussing the role of EITI in fighting corruption, especially in the context of a shift towards systematic disclosures. He explained that the discussion paper drafted by independent consultant Alexandra Gillies focused on how the EITI played a role in fighting corruption and how to strengthen that contribution, while the Board paper prepared by the International Secretariat suggested concrete recommendations for the EITI Board to consider going forward.

The Chair called on Alexandra to make a brief presentation to the Board on the findings and recommendations in the discussion paper on the EITI's role in addressing corruption. Alexandra emphasised that the views presented in the paper were her own. As part of her presentation of the contents and recommendations of the paper, she stated that the paper discussed how the EITI could directly and explicitly tackle corruption, rather than broader considerations around strengthening transparency and accountability.

Ian noted that the paper prepared by the International Secretariat proposed recommendations that could be applied in the short term, and other recommendations that the Board might wish to consider in the long term. The Chair noted that the language around contract and beneficial ownership transparency in the 2019 EITI Standard was a good starting point for strengthening the use of information to fight corruption. She added that there are low-hanging fruit that the Board could take a decision on immediately, whereas other recommendations would require further exploration from the International Secretariat and could be discussed at the Board retreat scheduled for February 2020.

Alan stated that he fully supported the recommendation to adopt a staged approach and discuss such issues further during the retreat. He asked Alexandra for advice on how to tackle the challenges raised in the discussion paper with the shift towards systematic disclosures. Diana mentioned that beneficial ownership disclosures of service companies subcontracted by international extractive companies were particularly important in some contexts. She highlighted challenges related to government policies that allow for political appointees to make decisions around procurement. She recommended that a working group be set up to further explore these issues in addition to the Board discussion at the retreat.

Sören supported prioritisation of the recommendations included in the paper. He emphasised it was key to co-operate with existing actors in the anti-corruption space. He mentioned local procurement reporting mechanisms developed with support of Germany which could be shared with EITI implementing countries for pilot activities. Sonia agreed that a staged approach was



sensible. While acknowledging that corruption in subcontracting is a key issue, she highlighted that it could become challenging for countries to address it beyond identifying particular risks. She warned against the EITI becoming directly linked to litigation issues and suggested that the recommendation to identify lessons learned from past corruption cases could be explored in future strategy discussions. Carlos echoed the caution against bringing EITI into the legal sphere when allegations are made by stakeholders.

Solange reiterated the desire of implementing countries to participate in further strategic discussions on the recommendations. She highlighted strong reactions from countries that were mentioned in the discussion paper.

Oleksiy emphasised the need to develop tools for verifying beneficial ownership data and agreed with adding corruption to the agenda of the Board retreat. Brice recommended that the EITI look into areas that are particularly vulnerable to corruption, including transparency around subcontracting, pre-financing agreements, and cost auditing.

Stuart commended the quality of the papers and underlined that there was no suggestion to add new requirements to the EITI Standard. He recommended going ahead with the first recommendation on better articulating the role of the EITI in fighting corruption through communications. He added there was a lot of material available in the compliance and due diligence field, but less so in the investigative field. He noted that in disclosing companies' anti-corruption policies, the corresponding legal considerations would have to be carefully considered, with the risk that companies could be accused of not following their internal systems. Public accessibility to such policies might also enable corrupt actors to better evade such systems.

Erica noted the recommendations were not aimed at addressing the level of perceived corruption, but rather at making risk assessments at the country level which were data-driven. She agreed that the first recommendation could be implemented immediately, and that when looking at the third and fourth recommendations it was key to build on existing requirements and support countries to reflect such issues in their work plans.

The Chair proposed that the Secretariat should proceed with the four immediate recommendations in the Board paper and that the longer-term recommendations could be developed further in a draft Board paper which would be tabled for a more in-depth discussion at the Board retreat, with a view to taking further decisions based on that at the Board meeting should consensus on that course be reached. Stuart suggested continuing to work through the Implementation Committee in finalising the paper for Board approval by circular on the four immediate recommendations. Solange noted that the implementing country constituency had agreed to establish their own working group to agree on their inputs to the strategy discussions.

#### **Actions:**

- Implementation Committee to review updated paper and recommendations on how EITI should address corruption and submit the recommendations to the Board for approval by circular.
- The Secretariat to reflect proposals on longer-term recommendations in a document prepared for the board strategy retreat in the form of a draft Board paper, with a view to taking further decisions based on that at the Board meeting should consensus on that course be reached, and to support the implementing country constituency in compiling feedback from multi-stakeholder groups.

## 45-5 Report from the Validation Committee

The Chair invited Validation Committee Chair Sonia Le Bris to present the Committee's recommendations to the Board, noting that there were two parts to the Validation Committee discussion.

### Board paper 45-5-A Report from the Validation Committee

Sonia introduced the Report from the Validation Committee.

Marie-Thérèse Holenn recused herself. Sonia presented the Validation Committee's recommendation that the Democratic Republic of Congo (DRC) had made meaningful progress in implementing the 2016 EITI Standard and would be requested to undertake thirteen corrective actions before a second, commencing eighteen months after the Board's decision. The Board was briefed that the proposed Board statement had been finalised on 7 October, subsequent to circulation of the Board Paper, with the addition of one sentence encouraging the government to ensure that international civil society organisations are able to contribute to local civil society's efforts on extractives governance. Indra Thévoz from the Secretariat introduced the case, noting the context, impact, and challenges of EITI implementation. **The Board approved the proposal in Board Paper 45-5-A that the DRC had made meaningful progress overall in implementing the 2016 EITI Standard and would be requested to undertake corrective actions before the second Validation commencing on 16 April 2021 as outlined in Annex A below.**

Sonia presented the Validation Committee's recommendation that Iraq had made meaningful progress in implementing the 2016 EITI Standard and would be requested to undertake twelve corrective actions before a third Validation, commencing eighteen months after the Board's decision. Alex Gordy from the Secretariat introduced the case, noting the context, impact, and challenges of EITI implementation. The Board was briefed that Validation had found that Iraq had adhered to the terms of its adapted implementation with respect to the Kurdistan Region covering the 2016-2018 period, including reviewing all publicly-available information and continuing outreach to the Kurdistan Regional Government. **The Board approved the proposal in Board Paper 45-5-A that Iraq had made meaningful progress overall in implementing the 2016 EITI Standard and would be requested to undertake corrective actions before the third Validation commencing on 16 April 2021 as outlined in Annex A below.**

Sonia presented the Validation Committee's recommendation that Mozambique had made meaningful progress with considerable improvements across several individual requirements in implementing the 2016 EITI Standard and would be requested to undertake fourteen corrective actions before a third Validation, commencing eighteen months after the Board's decision. Lydia Kilpi from the Secretariat introduced the case, noting the context, impact, and challenges of EITI implementation. **The Board approved the proposal in Board Paper 45-5-A that Mozambique had made meaningful progress overall with considerable improvements across several individual requirements in implementing the 2016 EITI Standard and would be requested to undertake corrective actions before the third Validation commencing on 16 April 2021 as outlined in Annex A below.**

Sonia presented the Validation Committee's recommendation that Myanmar had made meaningful progress in implementing the 2016 EITI Standard and would be requested to undertake twelve corrective actions before a second Validation, commencing eighteen months

after the Board's decision. Gay Ordenes from the Secretariat introduced the case, noting the context, impact, and challenges of EITI implementation. **The Board approved the proposal in Board Paper 45-5-A that Myanmar had made meaningful progress overall in implementing the 2016 EITI Standard and would be requested to undertake corrective actions before the second Validation commencing on 16 April 2021 as outlined in Annex A below.**

**Actions:**

- The Chair to write to the Governments of the Democratic Republic of Congo (DRC), Iraq, Mozambique, and Myanmar announcing the Board's decision.
- The Secretariat to publish the results of the Validations of the Democratic Republic of Congo (DRC), Iraq, Mozambique and Myanmar, including the supporting documentation.

### Board Paper 45-5-B Review of Validation

Sonia introduced the review of Validation, noting that the Board had agreed to undertake a broader review of the Validation process at its 43<sup>rd</sup> meeting in Paris, considering specific challenges associated with the assessment of requirements on beneficial ownership, project-level disclosures, and contract transparency. The Board was briefed that the review of Validation would be based on the Board's mandate in June, and draw on a preliminary survey of implementing countries, feedback from current and former Validation Committee members, and the final reports from independent validators in 2016-2018. The Board approved the proposal in Board Paper 45-5-B to launch the review of Validation and that the Validation Committee's work should be supported by a working group. The Board discussed the draft terms of reference for the working group and noted that the final version, including the working group's composition, would be agreed via circular in coming weeks.

Sonia introduced the 2019 Validation procedure, noting that the proposed updates were relatively minor, building on the current Validation procedure with updates considering the 2019 EITI Standard, past Board decisions and comments received from Validation Committee members. The Board was briefed on key updates codifying the procedure for second and subsequent Validations, clarification of the process for stakeholder comments, the scope of the independent validator's work, and the Board-approved criteria for considering new information subsequent to the commencement of Validation. Sonia highlighted that the relatively minor updates to the Validation procedure would not preclude further updates if the Board agreed to broader changes to the Validation model. The Board approved the proposal in Board Paper 45-5-B on the 2019 Validation procedure.

Sonia noted that the Validation Committee was continuing its discussions on the 2019 Validation Guide and would subsequently submit a recommendation to the Board for decision.

**Actions:**

- The Validation Committee to submit terms of reference for the working group on review of Validation to the Board for decision via circular.
- The Validation Committee to present the status of its work on the review of Validation to the Board at its 46<sup>th</sup> meeting in February 2020.
- The International Secretariat to publish the 2019 Validation procedure.

## 45-6 Report from the Governance and Oversight Committee

The Chair invited Oleksiy Orlovsky to present the Governance and Oversight Committee's (GOC) report to the Board. Oleksiy said that besides the two Board papers, the GOC was also finalising an online induction model and reviewing experiences from stakeholders on the constituency guidelines that were updated ahead of the Members' Meeting in June. He said that in the coming weeks the GOC would among other things review adherence to the EITI Association Code of Conduct and follow up on previous recommendations from the Board to implementing countries to address common governance challenges.

### Board Paper 45-6-A Addressing concerns in the EITI

Oleksiy introduced the paper. He noted that the main recommendation in the paper was the approval of a Board policy on addressing concerns to accompany the online platform and other measures that had been taken to map, strengthen and make more accessible to stakeholders the EITI's procedures for addressing concerns.

Erik Nürnberg welcomed the paper and said that it was itself a step towards clarifying procedures and addressing gaps that had been identified throughout this process. He added that it would be important to ensure that the online platform for raising concerns complied with the relevant laws on data protection, and that the necessary measures were taken to ensure the confidentiality of personal information before the platform was implemented online. Cielo encouraged the Secretariat to ensure that the procedures for addressing concerns were widely shared with stakeholders in implementing countries.

Stuart expressed concern that the online platform and the proposed change to the wording of the Code of Conduct, which would allow anyone to voice a concern regardless of whether they had a relationship with the EITI, could lead to a large number of concerns being voiced in the future. James Ensor responded that the procedures for addressing concerns remained unchanged and concerns would consequently continue to be addressed by whichever EITI body was most suitable. Simon Taylor noted that stakeholders already had other ways to voice their concerns and that he did not expect the number of concerns to increase significantly. Simone Niven said that Rio Tinto's experience setting up a similar online platform for voicing concerns had not led to a significant increase in concerns being raised. Board members agreed on the need to revisit the online platform and its use in a year's time. **Board members also agreed to adopt the recommendations in Board paper 45-7-A with an edit to recommendation 2 so that it be clear that concerns about possible violations of the Code of Conduct may be raised by "EITI stakeholders" instead of "anyone" or "EITI Office holders".**

### Board Paper 45-6-B Committee terms of reference review

Oleksiy introduced the paper and said that it was for information, not for decision. He said that the GOC regularly conducts a review of committee terms of reference in accordance with its own terms of reference. He added that the Committee had noted an improvement in the coherence and consistency of committees' terms of reference, with all committees now including policies on observers and quorum as well as provisions on committee papers, procedures and expectations arising from the Code of Conduct. He added that the review had shown a need for additional guidance on what constituted a quorum, how to address conflicts of interest, and on enforcement

of the observer policy, and the paper included recommendations to committees on all three aspects.

Board members noted the need for implementing countries to nominate a representative to the Finance Committee to enable it to be quorate. Oleksiy informed the Board that the GOC had agreed to review the EITI's conflict of interest policy in further detail.

**Actions:**

- The implementing country constituency to nominate a representative to the Finance Committee as soon as possible.
- Provision 12 on "Reporting" in the EITI Association Code of Conduct to be reworded to make it clear that concerns about possible violations of the Code of Conduct can be raised by any EITI stakeholder (not just EITI Office holders).
- The Secretariat to publish the EITI's policy for addressing concerns. Once published and the online form for addressing concerns is online, the Secretariat to reach out to stakeholders to inform them of the updated procedures and policy.
- The Secretariat to provide an update to the Board's Governance and Oversight Committee on stakeholders' use of the online form in one year's time to better understand how it is being used and areas for improvement.

## **45-7 Report from the Outreach and Candidature Committee**

The Chair invited Diana El Kaissy to present the Outreach and Candidature Committee's (OCC) report to the Board. Diana noted the substantial outreach activity taking place and said that the first task of the Committee would be to assess Niger's candidature application.

### **Board Paper 45-7-A EITI Outreach strategy 2020-2022**

Diana introduced the Outreach Strategy and welcomed Board comments.

Mtwalo Msoni suggested that going forward, the Board should prioritise a country's capacity to implement the EITI. He said that Equatorial Guinea was an example of a country that had expressed a strong commitment, but where the capacity of the government to live up to the expectations of the civil society protocol was unclear. He said that civil society Board representatives had prepared a position paper on Equatorial Guinea's preparedness to respect the protocol. Simon said that in the case of Equatorial Guinea, the Board may wish to consider a mission to better understand the situation and the country's ability to meet the requirements in the Standard. The Chair suggested sharing the position paper with the Board.

Sören and industry representatives welcomed the strengthened emphasis on outreach to industry and to state-owned enterprises. He added that the current strategy implied a 100 percent increase in budget compared to the previous year and asked whether the Board should not instead focus its resources on supporting implementation. The Board agreed to postpone this discussion to the agenda item on the budget and the work plan. Stephen Douglas said that a further challenge was the lack of resources for implementation and added that the financial commitment inherent in a decision to implement the EITI should be emphasised to outreach

countries.

James suggested that additional outreach to service firms should be considered in light of the Board's discussions on the role of the EITI in addressing corruption. He also highlighted the need for the Secretariat and the Board to remain agile in identifying opportunities for outreach. Marte and Solange suggested that identifying and demonstrating impact would be an important element in the EITI's outreach efforts.

**Actions:**

- The EITI to begin implementing the 2020-2022 Outreach strategy.
- Secretariat to circulate to the Board for information a link to the civil society position on Equatorial Guinea's preparedness for implementation.

## 45-8 Report from the Finance Committee

### Board Paper 45-8-A 2019 Q3 Draft Accounts and full year forecast

Oleksiy confirmed to the Board that the finances remained healthy. He reported that the outturn for Q3 2019 was positive with revenue at USD 5.7m and expenditure at USD 5.1m. He noted that the figures included USD 1.1m in project-specific revenue mainly towards the Global Conference which was delivered close to the budget of USD \$1.5m. He added that with the Board meeting in Addis, eight Validation missions and a modest increase in staffing, the end of year result was forecasted to break-even with revenues and expenditures at USD 7.0m.

Oleksiy mentioned continued funding efforts were being undertaken, including processes for new and renewed multi-year agreements with supporting countries as Canada, the EU, Finland, Norway and the US. He added that efforts were being undertaken to expand support from new companies including SOE's and financial institutions.

He further noted the ongoing challenge in collecting the USD 10,000 in required contributions from implementing countries. He also reiterated the need for supporting countries to agree a minimum USD 250,000 annual contribution. Finally, he highlighted the need to watch the increasing share of project funding as this type of funding was less reliable and more bureaucratically heavy than core funding. The Chair noted that untied core funding was less easy to access for many organisations.

### Board Paper 45-8-B Draft 2020 Work Plan and budget

Mark introduced the EITI 2020 work plan and budget and noted that the plan focused on (1) supporting the EITI Board and its committees, (2) supporting implementation, particularly considering the revision of the EITI Standard, and (3) improving disclosure and deepening policy work. He added that the Secretariat would strengthen communications activities and increase outreach to stakeholders.

Mark explained that the proposed budget of USD 7.0m reflected the Secretariat's increased activity. He added that around thirty percent of funding had already been secured for 2020

through multi-year agreements from supporting countries and a thirty percent expected from company contributions, and that the remainder would be sought from annual donor contributions and project funding. He noted that EITI in 2020 would have more staff than it had in 2019, which would be the main added cost. He then invited EITI's Communications Director Joanne Jones and EITI's Regional Director Gay Ordenes to provide more detail on their work respectively around a new communications strategy and capacity building priorities in 2020

Oleksiy Orlovsky noted, on behalf of the Finance Committee, that the budget is broadly realistic in terms of revenue and expenditure. He mentioned that the Finance Committee would look at increasing the reserve and review the procurement limits and procedure and come back to the Board with a recommendation before the end of the year.

Eric Nürnberg, Ian Mwiinga, James Ensor, Marte Briseid, Stuart Brooks and Sören Degg each pointed in different ways to the risk to delivering the work plan if staff didn't have the needed skills or capacity and if staff turnover was too high. Mark responded that a combination of different types of staff training, looking at the competitiveness of salaries, and the hiring of a new human resources manager were steps being taken to mitigate this risk.

Sonia Le Bris asked about more specific plans to consider gender in implementation. Mark responded that the Secretariat was discussing with partners how to ensure that EITI's efforts on gender could draw from existing expertise and efforts to use transparency to improve gender equality and participation in the extractive sector. He added that he saw the Secretariat's work on gender being complemented by the significant work done by partners.

Marte Briseid asked whether three-year work plans could be considered going forward, and also asked whether a review should be commissioned in 2020 of the relevance and impact of EITI. Mark responded that these would be good topics for the Board retreat in February 2020.

Finally, Mark welcomed any further feedback to the work by 8 November.

**Action:**

- The Secretariat to propose an amended draft work plan to the Board for final approval.

## **45-10 Update on Oslo Board meeting and EITI Board Retreat plans**

The Chair reported to the Board that a Board retreat was planned on 12 February in Oslo prior to the Board meeting on 13-14 February. The Chair suggested the themes of:

- anti-corruption— carrying on discussion on the recommendations of the paper commissioned by EITI.
- energy transition—what it means for implementing countries, for countries with minerals critical for sustainable energy solutions, and for EITI itself.
- measurement of EITI's impact in implementing countries, including on investment in and revenues from extractives, and with respect to civil society space.

The Chair asked the Board for input concerning the themes and format of the retreat.

Stuart said that the Validation review was a fundamental theme and should be left for the Board meeting but could also be addressed at the retreat as a strategic issue. He agreed with all the suggested themes, but with respect to energy transition he indicated that analysis of approaches already taken should be conducted, so as not to waste time on duplication.

Stephen explained Total and BP had existing projections on energy economies and could provide material as input to the Board's consideration of energy transition. Stephen noted Total's driving force is to meet consumer needs, that the company tries to remain neutral, and that companies cannot read the future. Stephen noted the topic of energy transition has been given serious thought within oil and gas companies.

Erik added that the list of themes for the retreat was interesting and thought it would be better not to begin a wide discussion on energy transition. Erik expressed his concern about the EITI leaping from one issue to the next and urged the EITI to stay focused on the work it has already taken on and to dare to be boring.

Timo Voipio asked whether the retreat should reflect on where EITI could be positioned in five to ten years' time. He suggested that regional hubs could be an option in order for staff to be closer to implementing countries and to linking work with regional organizations such as the African Union.

Simon expressed appreciation for the way the Chair set up consideration of energy transition, He noted certain minerals will be in demand, that such demand will impact certain areas, and there is potential for communities in those areas not to be consulted. Corrupt transactions may take place, including by smaller companies, which is a growing problem that cannot be ignored. In addition, Simon said there is a likelihood of there being stranded assets, and that certain projects may not be viable as a result of energy transition. He said that it was important to understand the fiscal dimensions of energy transition, including how citizens will benefit from the sector in the near term. He noted that discussion of equity would be important, but that the EITI has to date largely concerned itself only with fiscal contributions.

Sonia supported Marte and Timo with regard to the need for strategic planning about the future and suggested the Board should have a longer term understanding about where EITI is headed. She stated that such planning should include a multi-year budget and indicated that more and more investors are requiring green measures and sustainable investment in oil and gas and mining activities.

Some Board members noted that as EITI promotes a transparency standard, issues to be discussed should include corruption, EITI's impact on minimising it. New provision for beneficial ownership disclosure and systematic disclosures will sharpen its contribution to addressing corruption. Board members reiterated the importance of understanding the purpose of the retreat as opposed to a regular Board meeting.

The Chair suggested that the retreat should consider longer-term issues than those which could be covered in the normal working of committees, and that such consideration of emerging issues in the strategy is important for EITI to avoid "missing the bus" on emerging issues. The Chair



stated that discussion regarding the corruption paper could be well-focused, and that discussion of other trends and topics could also be informed by focused papers.

Brice suggested the retreat should also focus on changes to the Validation process. He said it was important to reflect on the link between transparency and corruption/mismanagement of funds, He also stressed the importance of fighting against illicit financial flows and suggested that the retreat focus on issues of concern to implementing countries.

The Chair raised the issue of the location of future Board meetings as well as the frequency of Board meetings. She noted that Ecuador had extended an invitation to host the next Board meeting, Stuart noted that the frequency of meetings had been raised previously. He indicated that Board decisions would need to be taken by circular were there to be fewer Board meetings and that such decision-making process was undesired as constituencies need to meet and “hash things out.” Stuart indicated that certain committees often have weak participation, and there was benefit for all constituencies from meeting in one place and resolving problems face-to-face.

Board members agreed that funding implementing country representatives’ travel to the Board meetings remained an issue but suggested keeping Board meetings to three times a year. The Chair said that there was no substitute for face-to-face meetings but indicated that technology enabling remote participation could be helpful. She further suggested that the Secretariat provide proposals for the Board retreat discussions via Board Circulars.

The Chair then closed the meeting.

**Actions:**

- The Secretariat to provide proposals for the format and content of the Board retreat and meeting to the Board via circular.
- The Secretariat to provide background materials and papers to focus discussion at the Board retreat on anti-corruption, energy transition, and impact.

## Annex A – Board decisions

### Board decision on the adapted implementation request from Ukraine

The EITI Board accepts the Ukrainian multi-stakeholder group's request for adapted implementation with respect to coverage of extractive industries in the Donetsk and Luhansk regions and in Crimea. The request applies to the 2018 and 2019 EITI reporting.

The EITI Standard allows for adapted implementation “where the country faces exceptional circumstances that necessitate deviation from the implementation requirements” (Article 1). In taking this decision, the EITI Board notes the ongoing conflict in the region, and that the government is currently not able to compel companies and local government agencies in these regions to participate in the EITI process.

The EITI Board welcomes the commitment from the government and the multi-stakeholder group to continue to engage with companies and government agencies with activities in these regions with a view to ensuring full disclosure of information required by the EITI Standard. Where comprehensive information is not obtained from these entities, the multi-stakeholder group is expected to include links to other publicly available sources of information. It is a requirement that there continues to be full unilateral disclosure of any revenues received by the Government of Ukraine from companies and local government agencies in these regions. The 2018 and 2019 EITI reporting should include an assessment of the comprehensiveness of the information, highlighting any gaps in the information available.

### Board decision on the proportionate implementation request from the Seychelles

The EITI Board accepts Seychelles' multi-stakeholder group's proposal for proportionate implementation. The request is granted for the reporting period 2017-2021. Thereafter, the Seychelles' multi-stakeholder group should review progress and consider whether a further request is necessary.

The EITI Standard allows for adapted implementation “where the country faces exceptional circumstances that necessitate deviation from the implementation requirements” (Article 1, Chapter 4). The Limited engagement policy specifies that the irrelevance of an EITI Requirement in a specific country may constitute an exceptional circumstance. In taking this decision, the EITI Board notes that Seychelles joined the EITI to strengthen transparency and accountability in the petroleum sector, which remains at exploration stage. As the economic significance of the sector is limited, the Board agrees that a tailored, more cost-efficient approach to EITI implementation is sensible.

The EITI Board welcomes the multi-stakeholder group's continued commitment to transparency and good governance, and efforts to systematically disclose information required by the EITI Standard. Unilateral disclosures of government revenues and other EITI data on government websites will reduce the cost of implementation and strengthen government systems. The MSG is encouraged to consider nationally relevant topics beyond the EITI Requirements in its next work plan.

## Board decision on the Validation of the Democratic Republic of Congo

Following the conclusion of the Democratic Republic of Congo (DRC)'s first Validation, the EITI Board decided that the DRC has made meaningful progress overall in implementing the 2016 EITI Standard. While there is anecdotal evidence that EITI implementation has contributed to changing practices and mitigating the risk of corruption, the Board expresses concern that corruption and mismanagement of funds in the extractive sector persist. The Board encourages the new government, led by President Felix Tshisekedi, to use the EITI to help advance its anti-corruption agenda and ensure that the extractive industries benefits citizens. The new government is encouraged as a priority to reconstitute a functioning MSG, that can update the EITI work plan in line with national priorities. The Government of the DRC is also urged to ensure that there are no legal, regulatory or practical constraints for civil society to fully, actively and effectively engage in all aspects of EITI implementation and debate about natural resource governance, particularly in terms of freedom of expression, operation and association.

The Board congratulates the Government of the DRC, the Multi-Stakeholder Group (MSG) and local stakeholders on the progress made in improving transparency in the extractive sector in recent years, despite a complex industry that has traditionally been closed to public scrutiny. EITI implementation has opened up key parts of the extractives sector to public oversight, including contractual terms awarded to some of the country's largest companies, transactions between state-owned enterprises (SOEs) and government as well as the implementation of infrastructure-for-minerals deals. EITI reporting has shed light both on the fragmented oversight of the sector and the operations of the numerous companies operating in the DRC. Implementation of the EITI has led to gradual improvements in government agencies and companies' data management procedures, with online disclosures by the Ministry of Mines and the Ministry of Finance showing the potential for transitioning towards timelier, systematically disclosed data.

Despite broader challenges to civic space in a dynamic and turbulent environment, the EITI's multi-stakeholder platform has provided a key channel for civil society to participate in discussions about the management of the sector and to have access to public decision-making. The success of the multi-stakeholder approach has been most apparent in the EITI's multi-stakeholder contribution to regulatory reform, including the inclusion of transparency provisions in the Mining law and regulations related to licensing, beneficial ownership and government ownership.

The oversight of EITI implementation itself has faced internal governance challenges. While industry and civil society engagement has proven resilient in often challenging circumstances, the Board encourages the government to respect all constituencies as equal partners and to exert adequate oversight over the governance of implementation, including financial management and the nomination of the National Coordinator. Given the ambitions linked to the EITI process, its potential to yield even greater impact and the remarkable engagement of all constituencies, EITI implementation in the DRC should be an example in terms of probity and adherence to the EITI's Code of Conduct and Civil Society Protocol. The government is encouraged to ensure that international civil society organisations are able to contribute to local civil society's efforts on extractives governance.

Gaps identified in EITI disclosures have shed light on significant weaknesses in government oversight, including related to SOEs' group-level financial relations, off-budget extractive revenues and implementation of regulations related to subnational transfers and companies' social expenditures. Moreover, EITI reporting has revealed different transparency and accountability

challenges across different extractives subsectors. The DRC is encouraged to build on innovations in the 2019 EITI Standard to address other areas of particular interest for local stakeholders, including the formalisation of the artisanal and small-scale mining sector given its significance in the DRC, the environmental and social impact of extractives at the local level, and the participation of women in the sector. Civil society is encouraged to enhance its use of EITI data to further drive improvements in the management of the extractives sector.

The Board has determined that the DRC will have 18 months, i.e. until 16 April 2021 before a second Validation to carry out corrective actions regarding the requirements relating to MSG governance (#1.4), license allocation (#2.2), license register (#2.3), state participation (#2.6), production data (#3.2), comprehensiveness (#4.1), SOE transactions (#4.5), direct subnational payments (#4.6), data quality (#4.9), distribution of revenues (#5.1), subnational transfers (#5.2), mandatory social expenditures (#6.1) and SOE quasi-fiscal expenditures (#6.2).

### **Board decision on the second Validation of Iraq**

The EITI Board agrees that Iraq has partly addressed the corrective actions from the country's first Validation. Consequently, Iraq has made meaningful progress overall with implementing the EITI Standard, with considerable improvements across several individual requirements.

The Board recognises Iraq's efforts to use the EITI as the key source for disclosing data on the oil and gas sector and bolster its international standing. Iraq has used the EITI to disclose information previously kept closed, ranging from data on oilfields and property rights to the financial statements of state-owned enterprises in the oil and gas sector. Iraq's EITI implementation is also recognised as having generated a number of reforms, from pioneering transparency in the sale of the government's crude oil exports to ongoing efforts to develop a license register. The Board recognises Iraq's efforts to strengthen government and industry engagement in EITI implementation. Given Iraq's adapted implementation request related to Iraqi Kurdistan for the 2016-2018 EITI Reports, the Board did not take account of weaknesses in coverage of Iraqi Kurdistan in its assessment of Iraq's progress in implementing the EITI Standard.

The Board nonetheless encourages Iraq to further enhance public disclosures, particularly related to SOEs' financial relations with government, and ensuring comprehensive disclosure of payments, including social expenditures, and provision of agreed quality assurances by all material companies. Iraq is urged to use EITI implementation as an instrument to support reforms, including improving the performance of international oil companies and SOEs to ensure that extractives revenues benefit Iraq's citizens. The Board encourages Iraq to use its EITI implementation to drive a more transparent and accountable management of its extractive industries. The Board welcomes Iraq's ongoing efforts to consider opportunities for improving government and company disclosures through transparency at source, through government and company systems, and encourages Iraq to strengthen its use of EITI data to support the country's vibrant public debate. Iraq should link these systematic disclosure efforts more closely to broader public finance management reforms that are ongoing.

The Board has determined that Iraq will have 18 months, i.e. until 16 April 2021, before a third Validation to carry out corrective actions regarding industry engagement (1.2), MSG oversight (1.4), workplan (1.5), state participation (2.6), comprehensiveness (4.1), transactions related to state-owned enterprises (4.5), level of disaggregation (4.7), data quality (4.9), social expenditures (6.1), public debate (7.1), discrepancies and recommendations from EITI Reports (7.3), outcomes

and impact of EITI implementation (7.4). Failure to achieve satisfactory progress in the third Validation will result in suspension in accordance with the EITI Standard. In accordance with the EITI Standard, Iraq's MSG may request an extension of this timeframe, or request that Validation commences earlier than scheduled.

### **Board decision on the second Validation of Mozambique**

The EITI Board agrees that Mozambique has partly addressed the corrective actions from the country's first Validation. Consequently, Mozambique has made meaningful progress overall in implementing the 2016 EITI Standard, with considerable improvements across several individual requirements. The Board is delighted that government engagement in the EITI has strengthened. EITI implementation has improved coordination between government agencies. Mozambique is encouraged to ensure the sustainability of transparency and multi-stakeholder governance in the extractive sector by completing the institutionalisation of the EITI secretariat. The Board encourages the industry constituency to engage more actively in the EITI to ensure that the process reflects the interests of extractive companies as well. Company representatives on the multi-stakeholder group are expected to liaise with the broader constituency. Having published EITI Reports covering nine financial years, Mozambique is encouraged to consider routine disclosures to ensure that information is made available in a timely and cost-efficient manner. The Board commends Mozambique for improving the availability of license information. The government is encouraged to use the extractives license portal to disclose granular data related to, for example, production, exports, payments and beneficial ownership. The Board recognises that significant gaps remain in disclosures related to state participation in the extractive industries. The MSG is encouraged to work with state-owned enterprises (SOEs) and the government agencies overseeing them to ensure that comprehensive information about the policies and practices regarding the financial relationship between the state and SOEs is comprehensively disclosed. The Board has determined that Mozambique will have 18 months, i.e. until 16 April 2021, before a third Validation to carry out corrective actions regarding industry engagement (1.2), license allocations (2.2), state participation (2.6), comprehensiveness (4.1), in-kind revenues (4.2), barter agreements (4.3), SOE transactions (4.5), subnational payments (4.6), data quality (4.9), subnational transfers (5.2), social expenditures (6.1), quasi-fiscal expenditures (6.2), economic contribution (6.3) and public debate (7.1). Failure to achieve satisfactory progress in the third Validation will result in suspension in accordance with the EITI Standard. In accordance with the EITI Standard, Mozambique's MSG may request an extension of this timeframe, or request that Validation commences earlier than scheduled.

### **Board decision on the Validation of Myanmar**

Following the conclusion of Myanmar's Validation of 2018, the EITI Board concludes that Myanmar has made meaningful progress overall in implementing the EITI Standard.

The Board commends Myanmar for its impactful EITI implementation, evident in the progress in introducing policy reforms, improving transparency in extractives data, stimulating robust public debates and creating a platform for dialogue among stakeholders. The Board acknowledges the EITI's centrality in the government's reform agenda, particularly related to public finance management and the gemstone sector. It also recognises the MSG's accomplishments in ensuring effective multi-stakeholder oversight of EITI implementation and aligning EITI objectives with national priorities. The Board acknowledges that the EITI has created opportunities for all constituencies to be engaged in policy discussions on natural resource governance, including creating discussion platforms for civil society where they did not exist before. The Board takes note of the manner in which all constituencies have collectively proposed recommendations in

EITI Reports to improve the management of the extractive sector as well as government's response to proposals for reforms prioritised by civil society, such as beneficial ownership and state-owned enterprise transparency.

At the same time, the Board sees the need to further improve the environment for civil society participation in the EITI, particularly in subnational regions. The Board emphasizes the urgent need for the government to address the corrective actions related to civil society participation, particularly in ensuring that there is an enabling environment for civil society within and outside of the multi-stakeholder group to meaningfully engage in all aspects of the EITI process without obstacles. The Board congratulates Myanmar for the unprecedented disclosures of extractives data in a country with a nascent democratic process and recent history of economic liberalisation. The Board welcomes Myanmar's efforts to move towards mainstreaming of its mining cadastre as well as initiatives to publish more disaggregated data through project-level reporting.

The Board nonetheless encourages Myanmar to further improve public disclosures, particularly related to license allocation, gemstone production data and state-owned enterprises (SOEs), while strengthening the comprehensiveness of its EITI reporting. The Board emphasizes the need for Myanmar to ensure that the status of military-affiliated extractive companies is clarified, and their activities are comprehensively addressed in accordance with the EITI Standard. The Board welcomes the detailed assessment of these issues in the initial assessment and the Validation Report. The Board welcomes the detailed assessment of these issues in the initial assessment and the Validation Report. These improvements could help Myanmar ensure that this growing transparency translates into greater accountability in the governance of its extractive industries, key to its broader economic development.

Taking into account the complexity of the extractive sector in the country and the good faith efforts undertaken by Myanmar to meet requirements of the EITI Standard, the Board has determined that Myanmar will have 18 months, i.e. until 16 April 2021, before a second Validation to carry out corrective actions regarding requirements relating to industry engagement (#1.2), civil society engagement (#1.3), license allocations (#2.2), license register (#2.3), state participation (#2.6), production data (#3.2), export data (#3.3), in-kind revenues (#4.2), SOE transactions (#4.5), distribution of revenues (#5.1), mandatory social expenditures (#6.1), and quasi-fiscal expenditures (#6.2). Noting concerns regarding broader constraints on civil society's freedoms of expression and of operation, the Board agreed to reassess adherence to the civil society protocol during Myanmar's second Validation.

Failure to achieve meaningful progress with considerable improvements across several individual requirements in the second Validation will result in suspension in accordance with the EITI Standard. Pursuant to the EITI Standard, Myanmar's MSG may request an extension of this timeframe, or request that Validation commences earlier than scheduled. The Board's decision followed a Validation that commenced on 1 July 2018. In accordance with the 2016 EITI Standard, an initial assessment was undertaken by the International Secretariat. The findings were reviewed by an Independent Validator, who submitted a draft Validation report to the MSG for comment. The MSG's comments on the report were taken into consideration by the independent Validator in finalising the Validation report and the independent Validator responded to the MSG's comments. Following representations from several stakeholders, in September 2019 the Validation Committee requested a review of the evidence related to civil society engagement. The Validation Committee recommended that the Board exercise its mandate to consider information subsequent to the commencement of Validation. The final decision was taken by the EITI Board.

## Annex B – List of participants

# Participant List – 45<sup>th</sup> EITI Board meeting

(Board members not attending in grey)

## Chair

Rt Hon. Helen CLARK

## Countries

### Implementing Countries

Mr Ruslan BAIMISHEV, Director of Subsoil Use Department, Ministry of Industry and Infrastructure Development, Kazakhstan

Alt: Ms Olga BIELKOVA, Member of Parliament, Deputy Head of the Committee on Fuel and Energy Complex, Ukraine

Ms Maria Teresa S. HABITAN, Assistant Secretary of the Department of Finance, Philippines

Alt: TBC

Mr Ian Chitumba MWIINGA, Communications Officer, EITI Secretariat, Zambia

Alt: Mr Samuel URKATO, Minister of Mines and Petroleum, Ethiopia

Ms Awa Marie COLL-SECK, Minister of State, Senegal

Alt: Mr Django Mady COULIBALY, EITI National Coordinator, Mali

Ms Agnès Solange ONDIGUI OWONA, EITI National Coordinator, Ministry of Finance, Cameroon

Alt: Ms Marie-Thérèse HOLENN AGNONG, EITI National Coordinator, Democratic Republic of Congo

Ms Carolina ROJAS HAYES, Vice Minister of Mines, Ministry of Mines and Energy, Colombia

Alt: Mr Eduardo GUEVARA, Vice-Minister of Hydrocarbons, Ministry of Energy and Mines, Peru

### Supporting Countries

Ms Sonia Le BRIS, Director General, External Policy and Partnerships Branch, Natural Resources Canada

Alt: Mr Michael TOYRYLA, Director, Office of Policy Analysis and Public Diplomacy, Bureau of Energy Resources, U.S. Department of State, USA

Ms Marte BRISEID, Senior Adviser, Oil for Development Section, Norwegian Agency for Development Cooperation (NORAD), Norway

Alt: Mr Timo VOIPIO, Senior Advisor, Ministry of Foreign Affairs, Finland

Mr Sören DENGGE, Head of Division, Energy, Infrastructure and Raw Materials, Federal Ministry for Economic Cooperation and Development, Germany

Alt: Mr Jürg VOLLENWEIDER, Programme Manager, State Secretariat for Economic Affairs (SECO), Switzerland

## Civil Society Organisations

Mr César GAMBOA, Derecho, Ambiente y Recursos naturales, Perú

Alt: Mr Óscar PINEDA, Project on Organizing, Development, Education and Research (PODER), Mexico

Mr Brice MACKOSSO, Secrétaire Permanent, Commission Justice et Paix, Republic of Congo

**Alt: Mr Mtwalo MSONI**, PWYP National Coordinator, Zambia

**Ms Cielo MAGNO**, Assistant Professor Bantay Kita; School of Economics University of the Philippines Diliman, Philippines

Alt: **Ms Diana El KAISSY**, Executive Director, The Lebanese Oil and Gas Initiative (LOGI), Lebanon

**Mr Oleksiy ORLOVSKY**, International Renaissance Foundation, Ukraine

Alt: **Ms Maria LOBACHEVA**, Executive Director, Echo - Public Association, Kazakhstan

**Ms Erica WESTENBERG**, Director of Governance Programs, Natural Resource Governance Institute (NRGI)

Alt: **Mr Simon TAYLOR**, Co-founder and Director, Global Witness

## Companies including Investors

**James NICHOLSON**, Head of Corporate Responsibility, Trafigura Group

Alt: TBC

**Mr Stuart BROOKS**, Manager, International Relations, Chevron

Alt: **Mr Tom HUFFAKER**, Senior Advisor, Corporate Issues, Exxon Mobil Corporation

**Mr Stephen DOUGLAS**, Senior Adviser to the President, Exploration & Production, Total

Alt: **Mr Erik NÜRNBERG** - Senior Legal Policy Adviser, Equinor

**Mr James ENSOR**, Executive Director, BHP Billiton Foundation

Alt: **Mr Carlos ARANDA**, Manager Technical Services, Southern Peru Copper Corporation

**Mr Alan McLEAN** Executive Vice President Taxation and Corporate Structure, Royal Dutch Shell plc

Alt: **Mr Dominic EMERY**, Vice President, Group Strategic Planning, BP

**Ms Simone NIVEN**, Group executive Corporate Relations, External Affairs, Rio Tinto

Alt: **Mr Richard MORGAN**, Anglo American

## Board Secretary

**Mr Mark ROBINSON**, Executive Director, EITI International Secretariat, Oslo



## Observers

**Mr Elhadji ABDOUL AZIZ**, EITI MSG Member, Senegal

**Mr Stanley Nnabugo ACHONU**, Civil Society Advisor, Open Government Partnership Secretariat, Nigeria

**Ms Beneta ACKAH**, Senior Policy Specialist, Ministry of Mines & Energy, Liberia

**Mr Koffi Séwonou AMEKUDZI**, Head of Administration and strengthening unit of capacities, Togo

**Ms Laurence ARNOULD**, Spécialiste de programme, Organisation internationale de la Francophonie, France

**Mr Abdelkarim AKSAR**, Secrétaire Permanent ITIE, Niger

**Ms Fatuase Olusegun AYODEJI**, Project Director, Media Right Agenda, Nigeria

**Mr Luke BALLENY**, Manager, International Council on Mining and Metals (ICMM), UK

**Mr Evan BITMEAD**, Assistant Manager, International Engagement and Strategy, Department of Industry, Innovation and Science, Australia

**Ms Susana BOKOBO**, Tax & EP Global Services, Repsol Spain

**Mr Simon CLYDESDALE**, Campaign Leader: Oil, Gas and Mining Campaign, Global Witness

**Ms Clémence CONTENSOU**, Policy Officer Transparency in Extractive Industries and Open Government, Mission of Democratic Governance, Ministry of Europe and Foreign Affairs, France

**Mr Mamadou DIABY**, National Coordinator, Guinea

**Mr Marième Anna DIAWARA**, National Coordinator, Senegal

**Mr Nobuhisa EDAMURA**, First Secretary, Economic Division, Embassy of Japan, Ethiopia

**Mr Mustapha FALL**, Legal Advisor, EITI Senegal

**Ms Alex GILLIES**, Advisor, Natural Resource Governance Institute, USA

**Ms Lisa GÜNTHER**, Policy Officer, Federal Ministry of Economic Affairs and Energy, Germany

**Ms Tsehay HAILEMICHAEL**, Programme Officer, Royal Norwegian Embassy in Addis Ababa, Ethiopia

**Mr George HARAWA**, EITI National Coordinator, Malawi

**Ms Lina HOLGUIN**, Senior Policy Analyst, Natural Resources and Governance Division, Global Affairs, Canada

**Ms Charlotte HULL**, Deputy Director, Head of Governance, Open Societies and Anti-Corruption (GOSAC), DFID, UK

**Mr Egbule Peter IFEANYI**, National Coordinator, Publish What You Pay (PWYP), Nigeria

**Mr Edwin Kavuma KANAKULYA**, EITI Legal Officer, Uganda

**Ms Fatime KANTE**, EITI National Coordinator, Seychelles

**Mr Merga KENEA**, National Coordinator, EITI Ethiopia

**Mr Hassan KHALIFE**, Hub Champion, Extractives Hub, Ethiopia

**Ms Wambui KIBICHO**, Advocate, Kenya

**Ms Giada LEOPORE**, Consultant, ENI

**Mr Johannes LOHMEYER**, Sector Project Adviser, Extractives and Development, German

Development Agency (GIZ), Germany

**Mr Reg MANHAS**, Senior Vice President, External Affairs, Kosmos Energy

**Ms Miriam MGAYA**, Acting Executive Secretary, TEITI Secretariat, Tanzania

**Mr Rangarirai MHAZO**, Minerals Development Officer, Ministry of Mines and Mining Development, Zimbabwe

**Mr Per Mogstad**, Counsellor – Head of Development Cooperation, Royal Norwegian Embassy in Addis Ababa, Ethiopia

**Mr Christian MOUNZEO**, 1st Vice-Chairman, EITI Executive Committee, Republic of Congo

**Ms Nolwazi MUCHINGURI**, Senior Legal Officer and Executive Assistant, Minister of Mines and Mining Development, Zimbabwe

**Ms Clare MURPHY-MCGREEVEY**, Consultant – Communications Officer, Energy & Extractives Global Practice, World Bank

**Mr Simon MSANJILA**, Permanent Secretary of Ministry of Minerals, Tanzania

**Mr Takudzwa MUTONHORI**, Economist, Ministry of Mines, Zimbabwe

**Mr Frode NEERGAARD**, Chief Adviser, Growth and Employment in Development Cooperation, Ministry of Foreign Affairs, Denmark

**Mr José Antonio NDONG EGONO**, EITI, Equatorial Guinea

**Mr Jacinto NGUEMA OWONO**, Secretario Nacional Permanente, Equatorial Guinea

**Mr Bernardino NZÉ BIYOA**, Miembro de la Comisión Nacional del Grupo Preparatorio de la EITI/ITIE para Guinea Ecuatorial, Representante de la Sociedad Civil, Equatorial Guinea

**Mr Filiberto Ntutumu NGUEMA NCHAMA**, Miembro de la Comisión Nacional del Grupo Preparatorio de la EITI, Equatorial Guinea

**Ms Olesia NEKHOROSHKO**, EITI National Coordinator, Ukraine

**Mr Bernardino NZE BIYOA**, Miembro de la Comisión Nacional del Grupo Preparatorio de la EITI/ITIE para Guinea Ecuatorial, Representante de la Sociedad Civil, Equatorial Guinea

**Mr Brendan O'DONNELL**, Consultant, Global Witness

**Mr Michel OKOKO**, EITI, National Coordinator, Republic of Congo

**Mr Saul ONGARIA**, Senior Economist, Ministry of Finance Planning and Economic Development, Uganda

**Ms Elisa PETER**, Executive Director, Publish What You Pay (PWYP), UK

**Mr Boris RAEDER**, Head, German EITI Secretariat, Germany

**Mr Sven Ulrich RENNERT**, EGPS Program Manager, World Bank, USA

**Ms Haley RICE**, Publish What You Pay (PWYP), UK

**Mr Charles SETEN**, Energy Officer, U.S. Department of State / Bureau of Energy Resources, USA

**Ms Vimala THANGAVELOO**, Senior Legal Counsel, Social Responsibility, Shell International B.V., The Netherlands

**Ms Sally TRUONG**, Director, Private Sector Development Section Development Economics, Department of Foreign Affairs and Trade (DFAT), Australia

**Ms Cathy TURNER**, Publish What You Pay (PWYP), UK

**Mr Charles S. TAWHA**, Chief Director, Technical Services, Ministry for Mines and Mining Development, Zimbabwe

**Mr Pasquale VETTA**, Manager – Human Rights, Transparency and Global issues, ENI

**Mr David Waigwa WACHIRA**, EITI unit liaison, World Bank, USA

**Ms Johanna WYSLUCH**, Sector Project Director, Extractives and Development, German Development Agency (GIZ), Germany

## **EITI International Secretariat**

**Mr Bady Mamadou BALDÉ**, Africa Director

**Mr Sam BARTLETT**, Technical Director

**Mr Alex GORDY**, Validation Director

**Mr Andrew IRVINE**, Legal and Corporate Engagement Manager

**Ms Joanne JONES**, Communications Director

**Ms Lydia KILPI**, Validation Manager

**Ms Leah KROGSUND**, Capacity Building & Events Manager

**Ms Ines Schjolberg MARQUES**, Policy Director

**Ms Gay ORDENES**, Asia Director

**Ms Indra THÉVOZ**, Policy and Country Officer

**Mr Pablo VALVERDE**, Regional & Outreach Director

**Mr Brynjar WIERSHOLM**, Finance & HR Director