

NEITI 2016 Annual Progress Report



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ADB	African Development Bank
APR	Annual Progress Report
BPSR	Bureau of Public Service Reforms
CAC	Corporate Affairs Commission
CBN	Central Bank of Nigeria
CF	Companies Forum
CGT	Capital Gains Tax
CLSD	Centre for Leadership and Strategic Development
CISLAC	Civil Society Legislative Advocacy Center
CSO	Civil Society Organisation
CSSC	Civil Society Steering Committee
DFID	Department for International Development (UK)
DPR	Department of Petroleum Resources
EFCC	Economic and Financial Crimes Commission
EITI	Extractive Industries Transparency Initiative
EU	European Union
FAAC	Federation Account Allocation Committee
FASD	Fiscal Allocation & Statutory Disbursements
FGN	Federal Government of Nigeria
FIRS	Federal Inland Revenue services
FOSTER	Facility for Oil Sector Transparency & Reform
GIZ	German Development Corporation
HSE	Health Safety & Environment
IA	Independent Administrator
IATT	Inter-Agency Task Team
IMTT	Inter-Ministerial Task Team
IMF	International Monetary Fund
IOC	International Oil Company
JVs	Joint Ventures

MCO	Mining Cadastre Office
MMSD	Ministry of Mines & Steel Development
MSG	Multi Stakeholders Group
MDTF	Multi Donor Trust Fund
NEITI	Nigeria Extractive Industries Transparency Initiative
The Act	Nigeria Extractive Industries Transparency Initiative Act 2007
NNPC	Nigeria National Petroleum Corporation
NRGI	Natural Resource Governance Institute
NSWG	National Stakeholders Working Group
OAugF	Office of the Accountant General for the Federation
OGP	Open Government Partnership
OPTS	Oil Producers Trade Section
PENGASSAN	Petroleum & Natural Gas Senior Staff Association of Nigeria
PIB	Petroleum Industry Bill
PPMC	Pipeline & Product marketing Company
PPT	Petroleum Profit Tax
PPPRA	Petroleum Product Pricing Regulatory Agency
PSC	Production Sharing Contract
PTDF	Petroleum Technology Development Fund
RMAFC	Revenue Mobilization Allocation & Fiscal Commission
SGF	Secretary to the Government of the Federation
SOE	State Owned Enterprises
SP	Strategic Plan
ToR	Terms of Reference
TUGAR	Technical Unit on Governance & Anti-Corruption Reform
UNODC	United Nation Office on Drugs & Crime
WB	World Bank

GENERAL ASSESSMENT OF 2016 PERFORMANCE

Background

Socio-political environment

The implementation of EITI in Nigeria in 2016 was against the background of some fundamental social-political and economic factors taking place in the country. The clamour for change after 2015 general election in Nigeria brought new realities in terms of reforms initiated by the new government which were built on three campaign promises - fight against corruption, revival of Nigeria's economy and dealing with insecurity. The NEITI mandate was (is) intertwined with two of the three policy goals of the new administration. NEITI therefore ensured that its reports were made available, to support the reforms initiated by the new government with respect to the provision of reliable information and data on the status of the extractive industries, the remedial issues, the challenges of implementing EITI and the wider implications in the pursuit of the bold reforms required in the sector and the larger economy.

EITI Implementation and the APR

NEITI's APR for 2016 is produced principally as a tool to review progress in the implementation and impact of the EITI in Nigeria through the WP of NEITI.

As a very brief insight, EITI implementation in Nigeria is driven by the following vehicles;

The Nigeria Extractive Industries Initiative Act 2007

Under the Act, *the NEITI is* "charged with the responsibility for the development of a framework for transparency and accountability in the reporting and disclosure by all extractive industry companies of revenue due to or paid to the Federal Government of Nigeria".

EITI Standard

To improve the governance of the extractive sector for sustainable growth, Nigeria implements the EITI Standard. The Standard is implemented by 52 countries around the world and is generally considered the global standard for good governance and transparency in the extractive industries.

These two vehicles are further assisted by the internally (NEITI Secretariat) generated documents for the implementation of the EITI. There are:

Strategic Plan (SP) 2012-2016

The SP is a policy direction tool used in achieving the objectives and functions of NEITI in the implementation of the EITI principles: to guide the operations of NEITI in line with the Act and the EITI Standard. The omnibus essence of the SP in 2016 was to progress from concentration on improving the transparency of the extractive industries through the annual

audits and the identification of areas requiring remediation, to a deeper engagement oriented towards achieving full and meaningful accountability in the extractive sector.

2016 Work Plan (WP)

The NEITI WP detailed the activities of the NEITI to be performed in 2016. The WP was developed by the NSWG using the consultative protocol of engaging representatives of companies (Companies Forum) and the civil society (Civil Society Steering Committee) on the NSWG who further consulted their respective wider constituency members. The wider constituency members are comprised of:

- i. The Civil Society and the Media
- ii. Extractive companies
- iii. Opinion and Community Leaders.

Short Summary of EITI Activities in 2016

For a better understanding of “*a short summary*” of the activities undertaken requires laying emphasis on the core EITI activities for the year 2016, consisting principally of the:

- a) **Conduct of EITI Report:** based on data about governance of the extractive industry reported annually through the engagement of a credible and independent administrator.
- b) **Publication and dissemination of Information contained in the Report:** regular publication of the EITI Report and other intervention tools in a publicly accessible, comprehensive and comprehensible manner, and
- c) **Remediation** of discrepancies, weakness and inefficiencies identified by the Reports: recommendations for improving extractive industry governance.

It is pertinent to point that a lot of the other activities conducted in 2016 arose from these three core activities.

EITI Reports and other intervention tools.

No	Objective	Activity	Date	Impact
1	To produce both the EITI reports for 2014 oil & gas and 2014 solid minerals	NEITI Secretariat carried out the data collection for both the 2014 oil & gas and 2014 solid minerals reports as a cost reduction tool of the EITI reports	April to June 2016	Reduction in the cost of conducting the report by the IA.
2	To produce both the EITI	Reconciliation and validation of the data	From 31 st October to	Ensured effective reconciliation of collected

	reports for 2014 oil & gas and 2014 solid minerals	meetings between the IA and the covered entities without interference.	3 rd December 2014	data and independence of process
3	To meet the reporting obligations under the Act and EITI Standard	Completion of both the 2014 oil & gas and 2014 solid minerals EITI reports.	31 st December 2016	Provision of data (report) to the public on the governance of the extractive industry in 2014
4	Better understanding of the evolving nature of the EITI process	Constant reviews of past EITI Reports with relevant stakeholders to provide better understanding for future EITI reports.	Ongoing	Ensured improvement in the value chain of preparing EITI reports
5	To solve long outstanding governance issues in the extractive industry	Issuance of Policy Briefs on very pertinent issue affecting governance in the extractive industry (see further explanation under "Innovations" and hyperlink on page 38)	May 2016 and October 2016	Improved awareness of urgent governance issues that requires policy reforms
6	Analysis NNPC results reports pending the publication of EITI report for a particular year	Publication of Occasional Paper Seriesto apprise and review NNPC Monthly Financial and Operational Report as a source of up-to-date information on the activities of NNPC. see further explanation under "Innovations" and hyperlink on page 38)	December 2016	Comparative analysis enabled the public to benchmark the efficiency of NNPC
7	Production of analysis on	The Quarterly Review analyses the FAAC recent disbursements	October and	Comparative studies on allocation of revenues to different tiers of

	allocation revenues	to all tiers of government in 2016 and makes projections for the 2017. see further explanation under “Innovations” and hyperlink on page 38)	December 2016	government: revenue management
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Dissemination.

The essence of preparing an EITI report is not only to know the realities of the situation in respect of governance issues in the extractive industry, but also to be able to provide the findings of the report to the public at large in a friendly user manner, so that the public can use such findings to hold both government and covered entities (companies in the extractive industries) accountable. NEITI does this through a vigorous process of dissemination.

The activities commenced under a comprehensive dissemination plan. The plan identified key activities and stakeholder groups that should be reached with the NEITI reports and other publications. This was followed by posting the reports on www.neiti.gov.ng, sharing the reports with various stakeholders in line with the provisions of the law. These include the Auditor – General of the Federation and the National Assembly.

As part of the dissemination engagements, NEITI held meetings on the reports with the Chief Economic Adviser to the Vice President and the EFCC.

The high point of the media engagement on the report was a Press Conference to highlight key issues, findings and recommendations contained in the Reports. Fifty-seven (57) local and foreign media covered the event. The reports were extensively reported.

NEITI also convened a stakeholders’ dialogue to discuss the reports.



Stakeholders’ dialogue on the 2013 NEITI (Audit) EITI Reports

The Reports were reproduced in DVDs and Flash drives and distributed to stakeholders.

Tweet chats were also held on the reports.

NEITI also presented the findings and recommendations of the reports at different fora targeting specific audiences and stakeholder groups.

Consequently, the WP of NEITI was designed to sustain such dissemination of data through various channel of dissemination: publication of reports, robust media relations, meeting with various stakeholders, publicity on NEITI activities, advocacy visits, capacity trainings for stakeholders in the EITI process, etc.

The table below shows some of the activities that were held with far reaching positive impacts on NEITI's mandate and understanding of the NEITI principles and benefits:

No	Objective	Activity	Date	Impact
1	Dissemination of EITI reports and other key data	Publication, editorial review and simplification (with infographics). of EITI 2013 Reports	March to May 2016	Quality assurance mechanism to guarantee error free, user-friendly EITI reports to connect citizens with national development
		Presentation of 2013 EITI Reports to all stakeholders (government, companies and civil society) through press conference, tweets	May to November 2016	Impacted policy reviews, awareness and remedial issues outlined by the report.
		Special presentation of EITI 2013 reports to the Senate and later to the plenary session of the Senate	31st May 2016 and 15th June, 2016	Senate set up a special ad hoc committee to study and further advice on the Report. Another special committee was set to study the remedial issues.
		Dissemination of Policy Briefs, Quarterly Reviews and Occasional Papers series	Ongoing	Better and interactive enlightenment of the public on current issues in the extractive industry and to

				encourage mainstreaming of data
2	Attain Optimum Stakeholder Participation through effective stakeholder relationship	General awareness programme / dialogue conducted for and with stakeholders under the sponsorship of various development donors.	14th June 2017	Companies, CSOs, Government and the public freely interacted on the Report and offered suggestions on next steps.
		Meeting with a Delegation from IMF	20th January 2017	Provided opportunity to share information and data with IMF and to critically appraise how NEITI Reports have led the reforms.
		Meeting of EITI delegation with CSOs in Nigeria	9th February 2016	Created opportunity for information sharing on new EITI Standard and peer review of experiences of other implementing countries.
		Advocacy visits to both executive and legislative arms of government	Various dates	Created opportunity for government to publicly declare its renewed support for EITI.
		Advocacy visits to critical Development partners; IMF, Oxfam, GIZ, DFID, USAID, FOSTER, NRG, AfDB etc.	January, March – April 2016	This created avenues for improved donor support.
		Companies Forum meetings to discuss EITI reports and other issues affecting EITI implementation	February and April 2016	To have an all-inclusive participation in the EITI process
		Development of a very vibrant social media platform for extractive industry discussions	March 2016	

3	Multi Stakeholders Communications and Mobilization strategy framework for effective stakeholder relationship management collaboration and cooperation	Participated and provided institutional support during the Anti-Corruption workshop with the Theme “Anti-Corruption: Enforcement and investigation using Open Data” organized by BudgIT in Lagos	23rd April 2016	Contributed to the development of open data policy for NEITI
		Provided institutional support and participated in the Stakeholders Dialogue on Petroleum Industry Bill organized by CISLAC	27th June 2016	Created a forum for interrogation of issues and debate on the PIB.
		Participated in Nigeria Association for Energy Economists Conference	24th to 27th April 2016	Expanding the frontiers on understanding of natural resource issues
		Presented the 2013 NEITI Reports to NREGI /SMC Media training on Natural Resource Governance in collaboration with Pan Atlantic University, Lagos	30th June to 1st July 2016	Information sharing, enlightenment and education on the content of the Report.
4	Capacity building for stakeholders to equip and educate them for enhanced	Stakeholders retreat which was attended by civil society and government agencies on NEITI SP for 2017 - 2021	December 2016	Better understanding and strengthening of the implementation of the EITI process

	<p>implementation of the EITI.</p>	<ul style="list-style-type: none"> • Training on Social Media for the staff and a social media policy document was developed. • Training on Infographics by a Team from BudGIT • Training for Social Media Influencers 	<p>Various times</p>	<p>Development of a social media policy for NEITI.</p> <p>Development of a data base of social media influencers.</p> <p>Strengthening and building capacity of CSOs in EITI implementation in Nigeria.</p>
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Other Key Activities



Validation

Nigeria went through the EITI Validation in 2016. Extensive preparations were made by the NEITI Secretariat for the Validation prior to the country visit of the Validation team from EITI Secretariat. A comprehensive stakeholders’ workshop was held in 2015 to ascertain Nigeria’s readiness for Validation based on the thematic areas and templates identified by the EITI Secretariat as guidance tools. ([Validation report on page 36 of this report and EITI website](#))

“We welcome the new 2016 EITI Standard, in particular, the requirements on beneficial ownership and the sale of the government’s share of production... Nigeria will establish a transparent central register of foreign companies bidding on public contracts and buying property” ...“Nigeria is already reporting progress through the EITI working groups and will continue to work with interested countries to build a common understanding and strengthen the evidence for transparency in this area”. President Muhammadu Buhari

Beneficial Ownership Register

Pursuant to **Requirement 2.5.** on the establishment of a beneficial ownership Roadmap that would lead to a beneficial ownership register, a consultative workshop was held on the 30th October 2016 with all relevant stakeholders in attendance. Furthermore, Nigeria hosted the EITI Anglophone and Lusophone African regional workshop on Beneficial Ownership on the 1-3 November 2016.

Findings from both workshops led to the establishment of a Roadmap www.neiti.gov.ng that was published on the NEITI website before the deadline of the 31st December 2016 set by the aforementioned requirement.

Furthermore, in May 2016, the President of the FGN, committed Nigeria to the implementation of the OGP at the Anti-Corruption Summit in London UK. An important facet of this commitment is the establishment of beneficial ownership register for all companies operating in Nigeria: Nigeria country statement was expressed as “Nigeria is

committed to establishing a public central register of company beneficial ownership information”

Meanwhile under the NEITI Roadmap for the establishment of beneficial ownership register of the corporate entity (ies) that bid for, operate or invest in extractive assets” in Nigeria, NEITI has started discussion with the DPR (oil & gas) and MCO (solid minerals) to see how best, respective registers can be maintained for those companies that bid for operate or invest in extractive assets in oil & gas and solid minerals. The experience garnered from the pioneering efforts of NEITI which commenced with Nigeria’s participation in the EITI pilot scheme on beneficial ownership disclosure in 2012 to the present discussions with DPR and MCO would eventually feed into the broader OGP process being coordinated by OGP unit warehoused in the Federal Ministry of Justice, and further progressed in conjunction with the CAC, CSOs and companies for the establishment of a wider public register for beneficial ownership of all companies operating in Nigeria

Notwithstanding the above, NEITI has made several modifications (to include politically exposed persons, better identification of ownership structure to include date of birth and addresses, attestation clause, etc.) to the initial template that was used for the collection of beneficial ownership disclosure data during the pilot scheme, tas a result of recent studies and understanding garnered through stakeholders’ consultation, EITI secretariat advice and field experience.



Participants at the EITI Anglophone and Lusophone African regional workshop on Beneficial Ownership on the 1-3 November 2016.

Open data policy

In furtherance of **Requirement 7.1.b** NEITI developed an Open Data Policy by the 1st January, 2017 www.neiti.gov.ng. NEITI's open data policy presents a framework for the implementation of the global drive for open data especially in the extractive sector of the Nigerian economy. The policy is expected not only to create a solid foundation for open data disclosures in the extractive sector but also that it has the potential for implementation in other sectors of the economy. The policy was developed primarily from and in-depth deliberations with all relevant stakeholders and best practices globally. An effective open data policy that is accessible would enable a good number of citizens who can use the information to make demands on the government.

The implementation of the Nigerian open data policy entails:

1. Timing for data/information release

Data/information from NEITI should be released as soon as the final EITI annual report by the independent administrator is ready. However, data/information produced on a regular basis by a relevant third party(ies) such as crude production data by DPR/IOCs, crude sales volume/value from COMD, should be made available pre and post reconciliation.

2. Level of Information to be made available

All data contained in the EITI annual audit report(s) and annexes are to be made available, including reliable third-party data which has been audited.

3. Data format

Data would be made available in XLS and CSV formats on a continuous basis. Going forward however, adopting the RDF (web-data based platform where each data-point is directly linkable to others & data structure is open) and LOD formats (network-data; where each data-point is directly pulled from source of data, and speaks with other datasets) would be adopted in the future as part of this open data policy. The NEITI webpage will be used for this purpose on an ongoing basis with options for the use of other mediums as well in the future.

4. Licence type

This open data policy will employ the use of an Attribution License (i.e. CC-by & ODC-by). This type of license indicates that attribution must be given to the publisher of the data/information accessed/used. A major merit of this option is that it improves awareness about NEITI and allows users to freely obtain and easily re-use information/data obtained from the NEITI database whilst acknowledging NEITI as the publisher of such data/information.

Mainstreaming

Nigeria commenced a “Mainstreaming exercise” in 2016 with the intention of using the findings of the exercise to identify opportunities for mainstreaming EITI disclosures in Nigeria. The buy-in of government agencies to the concept was (is) paramount to the success of mainstreaming which is intended make use of existing reporting systems for EITI data collection and make the results transparent at source, rather than duplicating this exercise through EITI reporting. It would lead to better efficiency strengthening of existing systems and build stakeholder trust.

The ultimate aim of mainstreaming in Nigeria is to ensure that government agencies such as NNPC, MPR, DPR, etc. regularly disclosure information that are easily accessible and tied to a transparent quality assurance mechanism. The EITI Secretariat has conducted a case study on Nigeria titled “Mainstreaming in Nigeria” www.eiti.org which aimed to show existing and potential opportunities of mainstreaming in Nigeria.

NEITI has already started some mainstreaming with the introduction of both the Quarterly Reviews which seeks to evaluate FAAC allocations during the year and the Occasional Paper series which strives for analyze NNPC’s monthly Financial & Operations Reports.

It is also expected that Nigeria’s commitment to the OGP process would further enhance NEITI’s implementation of mainstreaming in Nigeria through the application of the commitment to proactively provide high-value information, including raw data, in a timely manner, in formats that the public can easily locate, understand and use, and in format that facilitate reuse” for analysis and in the elimination of duplicity in reporting.

Commodity Trading

The NSWG at its meeting of 12 July 2016 approved Nigeria’s participation in the EITI commodity trading pilot scheme. Transparency and accountability in commodity trading or “first trade” transactions are especially important as they constitute a significant portion of all trade that is carried out by NNPC on behalf of Nigeria.

The objective of the pilot scheme was to entrench transparency and accountability in the trading of commodities by state owned enterprises (SOEs) such as NNPC and to ensure that government receives a share of proceeds commensurate with expected market value from all transactions. Furthermore, it is also to confirm that the processes of transfer of the proceeds to the budget, pricing and tendering for the commodities are also transparent and competitive.

NEITI has consistently reported on details of ‘first trades’ from NNPC records in its EITI reports. However, NEITI is working closely with the NNPC to improve the disclosure templates so that the following information would be included in the template:

- i. The buyer/trader information (if possible inclusion of beneficial owners)
- ii. The contracts governing the transactions.
- iii. Inclusion of gas sales and
- iv. Inclusion of refined petroleum product sales.
- v. Beneficial ownership structure of the buyers

Some funding to carry out additional gap analysis is expected in 2017. The NRGI has been very instructive in the provision of guidance on commodity trading.

OGP

NEITI actively participated in Nigeria's commitment to the OGP principles as enunciated by the President of the FGN at the Anti –corruption Summit in May 2016. NEITI was very active at the Retreat for the development of the National Plan on OGP for Nigeria in Kaduna from 24th to 26th October 2016. Arising from discussions at the Retreat and subsequent meetings thereof, NEITI was chosen to be the co-chair (along with the Ministry of Petroleum Resources) on Commitment Three of the OGP principles which is on Extractive Industry Transparency: to enhance company disclosure on payments to government for oil, gas and minerals sales, complementing ongoing work within the EITI through NEITI.

Preparation of a new Strategic Plan (SP) for 2017-2021

NEITI commissioned the development of the 2017-2021 SP following the expiration of the 2013-2016 SP on the 31st December 2016. The development of a new plan commenced with the review of the previous plan to identify gaps and pending issues arising from its implementation. The review was done through desk review of NEITI reports, manuals, NEITI Act, EITI Standard and other relevant materials. The new strategic objectives which derive from the review of the previous strategic plan, examination of issues and trends in NEITI's operating environment and NEITI's expanded theory of change are:

- (1) **To deepen openness in the extractive sector** through timely audits and other impactful studies
- (2) **To shape extractive sector and overall governance reforms** through policy engagements thought leadership and inter-agency coordination
- (3) **Strengthen accountability in use of extractive revenues** through strategic communication with critical stakeholders and empowerment of accountability actors
- (4) **To develop operational capacity, legitimacy & support** through effective financial, administrative and human resource management and adequate funding (Culled Executive Summary of SP). www.eiti.org

These activities were overseen by the NSWG in alignment with the relevant drivers of the EITI process in Nigeria enunciated earlier in this Report.

ASSESSMENT OF PERFORMANCE AGAINST TARGETS AND ACTIVITIES SET OUT IN THE WORK PLAN.

Introduction

The 2016 WP www.neiti.gov.ng was designed to sustain and consolidate NEITI's leading role in providing timely information, and data required by the citizens to promote the needed debate and advocacy for reforms in the country's extractive sector: an action plan developed to guide the successful implementation of the NEITI activities during the year. The WP was not approved any NSWG because of the interregnum of the NSWG between June 2016 and February 2017. However, during the interregnum, the NEITI Secretariat operated under the oversight function of the SGF.

The core objectives of the 2016 WP were:

- Regular reporting on the extractive sector in line with the NEITI Act and EITI Standard.
- Adequate corporate governance of NEITI.
- Broadened and Effective stakeholders' engagement
- Efficient and timely dissemination of reports.
- Enforcement and regulation of NEITI Act 2007.
- Comprehensive Remediation (implementation of findings and recommendations of NEITI Reports).
- Efficient management of available resources.
- Timely response to EITI and global obligations

2016 WP activity review & evaluation assessment report.

Evaluation Report

Evaluation report assesses the level of compliance and implementation of the WP 2016.

Methodology

A Modified Logical Framework Analysis (MLFA) was adopted for the 2016 WP evaluation. The MLFA assesses WP implementation by activities, start and end date, outcomes and outputs with defined key performance indicators. It also assesses level of budgetary implementation of the course of action.

Activities evaluated were not necessarily completed within the scheduled time frame as per the WP, but the activities were terminated within the reporting period.

Basis of Evaluation

- Activities were measured on these basis (i.e. **not started, in progress or completed**) within the reporting period.

- A simple average of activities was used to determine the success or failure of activities on a percentage (%) basis (i.e.) number of activities in a status divided by the total number of activities in year multiplied by a hundred.

Summary of Evaluation

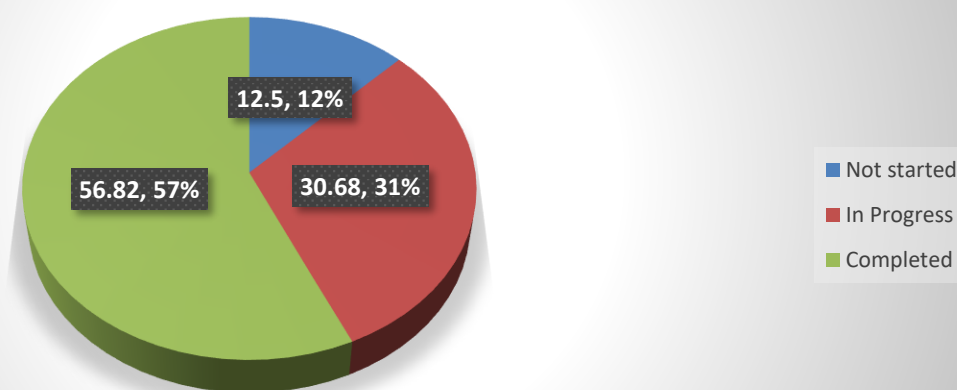
The evaluation of the NEITI WP covers the **period January- December 2016**. The overall performance of the WP is **56.82%**. A breakdown of the activities is as shown below:

A total of **88** activities from **5** Department under **3** strategic Goals were evaluated

TABLE 1: Performance Evaluation 2016.

Goals	Not started	In progress	completed	Total Activities	% NS	%In progress	% Completed
Goal 1: Achieve Operational Excellence in Regulation and Enforcement	10	7	8	25	40	28	32
Goal 2: Attain Optimum Stakeholder Development	13	4	15	32	40.6	12.5	46.9
Goal 3: NEITI Capacity Building	4	0	27	31	12.9	0	87.1
Total	27	11	50	88	30.68	12.5	56.82

% of Activities Implementation



The 2016 WP evaluation assess goal by goal performance as indicated in the table and chat below.

GOAL 1: The assessment shows that Goal 1 achieved **32%** completion of activities **28%** are in progress ie ongoing and **40%** not started as at the end of the evaluation period.

GOAL2: **46.9%** of the activities in Goal 2 are completed while **12.5%** in progress and **12.9%** were not started as at the end of the evaluation period.

GOAL3: **87.1%** of the activities are completed while **0%** in Progress and **12.9%** were not started during the reporting period.

Table 2: Goal Performance Trend Analysis

Status	Completed			In Progress			Not Started		
	2014	2015	2016	2014	2015	2016	2014	2015	2016
Year	2014	2015	2016	2014	2015	2016	2014	2015	2016
Goal 1	82.6%	55.5%	32%	17.4%	26%	28%	-	18.5%	40%
Goal 2	55.6%	54.8%	40.6%	14.8%	25.8%	12.5%	29.6%	19.4%	46.9%
Goal 3	76.3%	90%	87.1%	11%	2%	-	12.7%	8%	12.9%

The evaluation trend analysis shows a consistent decrease in the level of implementation of the work plan as indicated in the Table above.

The number of completed activities decline from 82.6% to 32% from 2014-2016. This is as a result of consistent decline in funding to implement the schedule activities in the WP and change in government policy and priority areas. The work in progress also increases from 11% in 2014 to the highest level of 28% in 2016. The implication is that activities are rolled over to the succeeding year due to untimely release of fund and administrative challenges. Activities not started as at the end of the reporting period has steadily increased from 12.7% in 2014 to 40% in 2016. This is as a result of lack or untimely release of funding in many instances; other factors are change in government policy direction. The trends analysis shows that 2014 has been the best implementing year while 2016 is the least.

The critical success factor in the overall implementation of the NEITI WP in the years under review was lack of adequate funds to implement the WP.

Going forward NEITI would:

- Improve and adhere strictly to the SMART (Specific, measurable, achievable, relevant and time bound) criteria in setting the WP;
- NEITI would endeavour to adopt a certain level of prioritisation within the scope of budgetary regulations. For instance, budgetary regulations does not allow for funds to be transferred from one budget head (activity) to another even if NEITI has completed that activity under the budget head. To transfer such funds from one budget head to another is known a “virement” and it needs legislative approval which is very cumbersome to obtain.

- Make provision for adjustment through continuous monitoring and routine reviews to take care of implementation challenges.
- Produce a robust M&E framework in 2017 to adequately address the challenges on monitoring and evaluation of the WP.
- Continue to pursue development partners to assist with the funding of some of the activities in the WP.
- Provide capacity building is required for focal persons at departmental level to aid effective work plan development and monitoring & evaluation function.

TABLE: Activity review and evaluation report.

S/n	Activity	Start/End Month	KPI	Status of Activity (Items remove from WP should be mark not started as R.)			Output	Outcomes
				Not Started	In Progress	Completed		
	From work plan	From work plan	From work plan				As stated in the work plan	As stated in the work plan
1	Oil and gas Audit 2014	Jan Dec 2016	O&G Audit Report			✓	No. of Deliverable provided	Oil & Gas Report
2	Solid Minerals Audit 2014	Jan Dec 2016	SM Audit Report			✓	No. of Deliverable provided	Solid Minerals Report
3	FASD Audit	Jan Dec 2016	Report	✓			No. of Deliverables	FASD Report
4	Data Gathering for the Oil and Gas Audit.	April 2016	Returned Templates			✓	Populated Template	Populated Template
5	Data Gathering for the Solid Minerals Audit.	April 2016	Returned Template			✓	Populated Template	Populated Template
6	Audit Progress Monitoring & Evaluation	Jan Dec 2016	Milestone Reports			✓	Audit M&E Report	Audit M&E Report
7	Remediation/IM TT	Jan Dec 2016	Remediation Plan & Reports	✓			Remediation Report	Remediation Report
8	Economic, and Environmental impact of Small Scale Mining Activities in Select States	Mar- Dec 2016	Scoping Report	✓			Scoping Report	Scoping Report
9	Metering infrastructure in the Oil & Gas Sector; The Nigeria Extractive Industries Transparency Initiative (NEITI) story.	Apr- Dec 2016	Studies Report	✓			Studies Report	Studies Report
10	Value for Money Audit Scoping Study	Mar- Dec 2016	Scoping Report	✓			Scoping Report	Scoping Report
11	Data Automation Infrastructure	Dec 2016	Auto system		✓		Auto System	Auto System
12	Software Development	Dec 2016	Auto System		✓		Auto System	Auto System

13	Design and Develop Data Automation System	Dec 2016	Auto System		✓		Auto System	Auto System
14	Bid Rounds Monitoring (212,000)USD	Jun,2017	Bid Report		✓		Deliverables provided	Bid Rounds Report
15	Legal Retainer ship	Jan - Dec 2015	Legal Docs			✓	Compliance with relevant laws	
16	Round table meetings on compliance with covered entities	Mar-2016	No. of Compliance Entities	✓			Legal compliance with Audit Drives	
17	Development of a comprehensive framework for the Implementation and enforcement compliance with NEITI related laws and EITI Standards.	Jan - July 2016	Quarterly reports within NEITI and other regulatory agencies.	✓			Compliance with EITI requirements and other relevant laws.	
18	Review of NEITI Act	Jan - Dec 2016	Reviewed Act.		✓		Bill Advocacies	Bill Advocacies
19	Dev of Risk Management Profile	Jun-2016	Risk profile Report	✓			Signed Contract	Risk profile Report
20	Sensitization workshop on internal audit process & procedures	Apr-2016	Report	✓			Report	Report
21	Dev of Procurement Manual	Jun-2016	Procurement Manual	✓			Signed Contract	Procurement Manual
22	Pre-Bid Meetings & Procurement Templates	Jan- Dec 2016	Report			✓	Report	Report
23	Dev of NEITI strategic Plan 2017-21	Sep-2016	SP Docs		✓		Signed Contract	SP Docs
24	Development of MTSS and SP 2017-19	Sep-2016	MTSS & SP Docs		✓		Signed Contract	MTSS & SP Docs
25	Monitoring & Evaluation of Projects, Activities & Reviews	Jan-Dec 2016	2016 WP Report			✓	Report	Report
26	Simplification of 2012, 2013, Oil & Gas Audit Report	Feb,2016	Simplified Audit Report			✓	Main report printed	Main report printed
27	Simplification of 2012, 2013, SM Audit Report	Feb, 2016	Simplified Audit Report			✓	Simplified copies printed	Simplified copies printed
28	Printing of copies of Comprehensive Oil & Gas audit reports 2013	Jun, 2016	Audit Report			✓	Printed Report	Printed Report
29	Printing of copies of Comprehensive Solid Minerals reports 2013	Jun,2016	No. Audit Report printed			✓	Printed Report	Printed Report
30	Printing of IEC Materials	June,2016	No. of Printed Materials	✓			Printed Materials	Printed Materials

31	Printing of Simplified copies of NEITI Oil and Gas and Solid Minerals Audit reports 2014/15	Dec,2016	Simplified Audit Report	✓			Simplified copies printed	Simplified copies printed
32	Printing of Open Audit Magazine	Dec,2016	No. of Printed Audit Magazine.	✓			Printed Report	Printed Report
33	National Presentation of 2013, Industry Audit Reports of oil & gas and solid minerals	Feb,2016	Press cutting of Presentation of Report			✓	Presentatio n of Report	Presentation of Report
34	Zonal Outreach on the issues in NEITI Industry Audit Reports of oil & gas and solid minerals and FASD 2013	May,2016	No. of Zonal Forums	✓			Zonal Forums	Zonal Forums
35	Media Conferences and Sensitisation on NEITI Industry Audit Reports - Capacity building	Jun, 2016	No. Of Conference			✓	No. Of Conference	No. Of Conference
36	Indigenous & International Extractive Companies Forum	Feb, 2016	No. of Meetings			✓	No. Of Forums	No. Of Forums
37	Legislative (NASS) Engagement Outreach on Implementation of EITI in Nigeria	March, 2016	No. of Legislative Engagement forums			✓	Oil& Gas and SM Audit Report	Oil & Gas and SM Audit Report
38	Roundtable with Government Agencies on remedial issues	March, 2016	Remediation Plan & Report	✓			Remediation Report	Remediation Report
39	Engagement /Sensitisation of National and Sub-National CSOs on the new EITI Standard-Capacity building	April, 2016	No of CSO participation	✓			No. Of workshops	No. Of workshops
40	Sub-national reporting	Sept, 2016	Report	✓			Reports	Reports
41	Sponsored Radio programme on Natural Resource Governance	Jan-Dec 2016	No. of Radio Programs			✓	No. Of Radio Programmes	No. Of Radio Programmes
42	Sponsored Television programme on Natural Resource Governance	Jan-Dec 2016	No. Of Television Programs			✓	No. Of Television Programmes	No. Of Television Programmes
43	Jingles and Spot Announcements	Jan- Dec 2016	No. Of Jingles	✓			No. Of Jingles	No. Of Jingles
44	Quarterly Press Conferences and PR Agency	Jan-Dec 2016	No. Of Conference			✓	No. Of Conference	No. Of Conference
45	Establishment of 6 zonal public information centres	July, 2016	No. Of Information Centres	✓			No. Of Information Centres	No. Of Information Centres
46	Press briefings	August,2016	No. Of Press Briefing			✓	No. Of Press Briefing	No. Of Press Briefing

47	Billboard Advertising	Jan-Dec 2016	No. Of Billboards	✓			No. Of Billboards	No. Of Billboards
48	Print and Electronic advertisement placements	Jan-Dec 2016	No. Of Adverts			✓	No. Of Adverts	No. Of Adverts
49	Platform for updating Anti-Corruption Database	Jan-Dec 2016	AC data base Report	✓			Updated Data base	Updated Data Base
50	Adoption and implementation of National Anti-Corruption Strategy	Jan-Dec 2016	Strategy Report		✓		AC Strategy Papers	AC Strategy Paper
51	Research Studies of Anti-Corruption and Governance Survey	Jan-Dec 2016	Research Report		✓		Report	Report
52	Scoping and Gap Analysis of the Ethics environment	Jan-Dec 2016	Scoping Report		✓		Report	Report
53	Implementation of the Remediation Plan of the Review of Nigerian Implementation of International Treaties and Preparation for the next Review Circle	Jan-Dec 2016	Review Report		✓		Report	Report
54	Publication and launch of Phase 4 Scoping Survey Report	Jan-Dec 2016	Survey Report	✓			Report	Report
55	Corruption Risk Assessment in Some selected MDAs	Jan-Dec 2016	CRA Report			✓	Report	Report
56	Implementation of Integrity Plans in the MDAs	Jan-Dec 2016	Report	✓			Report	Report
57	Coordination all the ACAs and Celebrating the annual International Anti-Corruption Day	Dec-2016	AC Day			✓	Report	Report
58	Local Training & Transport	Jan-Dec 2016	No. of trainings	✓			Report	Report
59	International Training	Jan-Dec 2016	No. of int Trainings	✓			Training Report	Training Report
60	Local travels	Jan-Dec 2016	No. of Travels			✓		
61	International Travel	Jan-Dec 2016	No. of Int Travel			✓		
62	Office Utility bills	Jan-Dec 2016	Utility Supplies			✓	Consumption Bills	Consumption Bills
63	Office Stationaries	Jan-Dec 2016	Adequate stationary			✓	Stationaries	Stationaries
64	Motor Vehicles Maintenance	Jan-Dec 2016	No. of useable MV			✓	No. of useable MV	No. of useable MV
65	Plant Generator & Maintenance	Jan-Dec 2016	Available Alternative power supply			✓	Available Alternative power supply	Available Alternative power supply

NIGERIA EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (NEITI)

66	Cleaning & Fumigation	Jan-Dec 2016	No. of Cleaners			✓	Cleaned Env.	Cleaned Env.
67	Refreshment and meals	Jan-Dec 2016	No. of Refreshment			✓	No. of Refreshment	No. of Refreshment
68	Bank Charges	Jan-Dec 2016	Charged amount			✓	Bank Charges	Bank Charges
69	Medical Expenses	Jan-Dec 2016	No. of medical queries Settled			✓	First Aid Kits	First Aid Kits
70	Subscription to Professional bodies	Jan-Dec 2016	No. of Proff. Subscription Paid			✓	No. of Skilled Personnel	No. of Skilled Personnel.
71	Postage & courier service	Jan-Dec 2016	No. of postages sent/received			✓	Postages	Postages
72	Honorarium & Allowances	Jan-Dec 2016	Allowances Paid			✓	No. of Sitting Allowance Paid	No. of Sitting Allowance Paid
73	Sporting Activities	Jan-Dec 2016	No. of sporting outing	✓			Healthy Workforce	Healthy Workforce
74	Financial cost	Jan-Dec 2016	FC involved			✓	Cost	Cost
75	Security cost	Jan-Dec 2016	No. of security Personnel available			✓	Security Bill paid	Security Bill paid
76	Office Furniture Maintenance	Jan-Dec 2016	No. of furniture maintained			✓	Furnished Office	Furnished Office
77	Office maintenance	Jan-Dec 2016	No. of Maintenance done			✓	No. of Maintenance done	No. of Maintenance done
78	Other maintenance	Jan-Dec 2016	No. of Maintenance			✓	No. of Maintenance done	No. of Maintenance done
79	Insurance Premium	Jan-Dec 2016	Insurance Covered			✓	Premium Paid.	Premium Paid
80	Newspapers	Jan-Dec 2016	No. of Dailies Available			✓	Newspapers	Newspapers
81	Internet Access Charges	Jan-Dec 2016	Interest amount			✓	Internet Access	Internet Access
82	Printing of Non Security Documents	Jan-Dec 2016	Security docs			✓	Availability of Docs Printed	Availability of Docs Printed
83	Books	Jan-Dec 2016	No. of books purchased			✓	Availability of Books	Availability of Books
84	Publicity & Advert	Jan-Dec 2016	No. of publicity made			✓	Publicity & Advert Made	Publicity & Advert Made
85	Printing of Security Documents	Jan-Dec 2016	Security Doc			✓	Availability of Docs Printed	Availability of Docs Printed
86	Drugs and Medical Supplies	Jan-Dec 2016	Drugs available			✓	Availability of drugs	Availability of drugs
87	Information Technology Consulting	Jan-Dec 2016	IT consulting	✓			IT Consultant engaged	IT Consultant engaged
88	Welfare Packages to assist staff in need (not per diem)	Jan-Dec 2016	Welfare Items Purchased.			✓	No. of welfare made	No. of welfare made
	Total			27	11	50		

ASSESSMENT OF PERFORMANCE AGAINST (EITI) STANDARD (REQUIREMENTS)

MSG Oversight				
Sub Requirements	Progress Made	Evidence	Action Point	Expected Time Line
Government engagement	The FGN is very committed to the implementation of EITI in Nigeria.	The new NSWG is chaired by a very high ranking senior official of the government: Dr. Kayode Fayemi (Hon Minister of Solid Minerals Development).	Continuous Government Engagement in the EITI Process	Continuous
Company engagement	The composition of the NSWG is statute based. It is comprised of 15 members from the civil society, extractive industry companies, extractive industry experts and government representatives.	The companies Forum was constituted in December 2015. Minutes of both the Executive Committee and General Meetings of the CF is available in the records	Continuous Companies Engagement in the EITI Process. Quarterly meetings	Quarterly
Civil society engagement	Mr. Kola Banwo From CISLAC representing the CSO on the NSWG. Civil Society Steering committee Inaugurated and functioning. (CSSC)	Civil Society Steering committee has been inaugurated.	Continuous and regular CSOs engagement in the EITI Process. CSSC regular meetings. Dissemination and involvement with the wider CSO constituency.	Regularly
MSG functioning	The activities of the NSWG are governed by a Board Charter and it operates without restraint or coercion in the implementation of the EITI.	The NSWG had 4 statutory meetings in 2016. At those meetings fundamental resolutions were passed in compliance with the Act and the EITI Standard. See meeting attendance under "Governance" in this report	NSWG Board Resolutions to be implemented	Quarterly
Work plan	The WP was developed in consultation with wider stakeholders: companies, CSOs,	WP is on www.neiti.gov.ng .	Continuous review of the WP to ensure optimum	Bi-annually

	development partners and government agencies	WP Evaluation Report is in Chapter 2 of this report.	implementation	
Production & Monitoring				
Sub Requirements	Progress Made	Evidence	Action Point	Expected Time Line
Timeliness of EITI Reports	The NEITI concluded both the 2014 Oil & Gas and 2014 Solid Minerals EITI reports by the 31 st December 2016 in line with the EITI reporting deadline. Both reports were published before the 31 st December 2016 and can be found at www.neiti.gov.ng	NEITI Oil & Gas and Solid Minerals Industry Audits Reports available on www.neiti.gov.ng	Adherence to subsequent deadlines for the EITI reports: 2015 reports are expected to be published by 31 st December 2017	31 st December 2017.
Exploration activities	The 2014 report provides an over view of exploration activities in the industry. SM Exploration – Detailed in the report Adequate exploration activities provided.	Details 2014 Oil & Gas Report 2.9 on page 37. It also redirects to the link below for additional information. https://dpr.gov.ng/index/wp-content/uploads/2016/01/2014-Oil-Gas-Industry-Annual-Report-1.pdf Section 4.1 New Development in Exploration and exploitation of SM Page 18.	Continuous inclusion in subsequent reports	31 st December 2017
Production data	Report shows aggregate crude production volumes for the year 2014. It also disaggregates production per contractual arrangement. Show lifting volumes to different levels of disaggregation, per contractual arrangement and per month. It shows volumes of aggregate gas production and utilization for the	Table 2-5 on page39 disaggregates production per contractual arrangement. show lifting volumes to different levels of disaggregation, per contractual arrangement and per month. Details of gas sales can be seen in tables 4-3 and 4-9 Table 8-14 on page 208 shows volumes of aggregate gas	Continuous inclusion in subsequent reports	31 st December 2017

	<p>period. This is further disaggregated per company in table 8-15 Summary of domestic crude oil lifting value is shown in table 4-6 on page 69 and table 4-2 on page 64 shows lifting values for the year. Summary of lifting volumes and value on account of DPR and FIRS is shown in tables 5-3 and 5-5.</p> <p>SM Production – Information on mineral production provided company-wise and state-wise</p>	<p>production and utilization for the period. This is further disaggregated per company in table 8-15</p> <p>SM 2014 EITI Report Section 4.2 Production Page 23-27</p>		
Export data	<p>Details of export crude oil sales can be found in Table 4-8, export gas sales in table 4-9 and table 4-19 presents export crude oil, gas and feedstock receivables control account as at December 31st 2014</p> <p>SM Export data Volume, value and State /region of origin disclosed.</p>	<p>Details of export crude oil sales can be found in Table 4-8, export gas sales in table 4-9 and table 4-19 presents export crude oil, gas and feedstock receivables control account as at December 31st 2014</p> <p>SM Report Section 4.3 Export Data Appendix 4 has detailed analysis on Volume, value etc.</p>	Continuous inclusion in subsequent reports	31 st December 2017
Contract and Licenses				
Sub Requirements	Progress Made	Evidence	Action Point	Expected Time Line
Legal framework	Adequate regulatory frameworks in terms of various statutes for the governance of both the oil & gas and solid minerals reports are in place.	<p>Overview of the oil & gas legal and fiscal frameworks governing the industry. See section 2.3 pages 27 – 29 O & G 2014 Report.</p> <p>Overview of the Solid Minerals sector. See Section 3, 3.1 Page 13-</p>	Continuous inclusion in subsequent reports	31 st December 2017

		16 2014 SM Audit Report.		
State-ownership	<p>State participation in the industry is evident in several sections of the report. State participation is described in the PSCs, NGL projects, SDF project, RD projects and JV alternative funding agreements</p> <p>Solid Mineral State Owned Enterprise – disclosed in the SM 2014 Report.</p>	<p>Government participatory interest in joint ventures is found in table 6 – 10 section 6.3 from pages 140 – 144.. In-kind flows are discussed in chapter 5;</p> <p>See Section 5.5 Page 31 of the SM EITI report 2014.</p>	Continuous inclusion in subsequent reports	31 st December 2017
License registers	<p>O & G 2014 report identifies the governance issues inherent in this process.</p> <p>SM mining license register at www.miningcadastral.gov.ng</p>	<p>The license register is presented in the appendix report, appendix 12-22 on pages 49 – 60.</p> <p>SM 2014 report Section 3.3 page 16.</p>	<p>Continuous inclusion in subsequent reports.</p> <p>Governance issues are under remediation</p>	31 st December 2017
License allocations	<p>Report identifies the governance issues inherent in this process.</p> <p>SM License Allocation – In place with the MCO link</p>	<p>Section 2.14 describes the process of license allocation including the transfer of license.</p> <p>www.miningcadastral.gov.ng</p>	<p>Continuous inclusion in subsequent reports.</p> <p>Governance issues are under remediation.</p>	31 st December 2017
Beneficial ownership	Roadmap for the establishment of Beneficial Ownership Register is in place	A summary of information gathered is presented in the appendix report, appendix 12 -67	Available on www.neiti.gov.ng	Implementation is presently ongoing.
Contracts	Section 2.6 of the 2014 O & G discusses contract disclosure in the industry and lists the different classes of contracts operating in the industry and defines the different contracts in operation.	See Section 2.6 Pages 23 – 25.	Effort is being made to ensure disclosure of contracts further.	31 st December 2017.

	SM Contract disclosure – A cadastral system is in place for the SM sector in Nigeria with a link to www.miningcadastral.gov.ng	See Section 3.4 page 16 solid Mineral 2014 audit report.		
Revenue Collection				
Sub Requirements	Progress Made	Evidence	Action Point	Expected Time Line
Comprehensiveness	<p>The list of financial and physical flows, the basis of materiality, the summary of aggregated flows, etc. are explained in both the 2014 O & G and 2014 SM reports.</p> <p>The IAs assessed the materiality of non-reporting companies and government entities and provided opinion on the comprehensiveness and reliability of the EITI report</p>	<p>The evidence is in the Oil & Gas 2014 report see sections;</p> <p>1.4 Scope of the Audit 1.6 Sources of Data 1.7 Basis of Accounting 1.9 List of Financial Flows 1.10 List of Physical Flows 3.3 Covered Entities 3.5 Materiality Standard for aggregate reporting and reconciliation 4 Summary of Aggregated Flows 4.12 Quality Assurance</p> <p>2014 SM 2014 report Section 2.0 Reconciliation Approach and Methodology Section 2.1 Preliminary Analysis Section 2.2 Materiality and Data collection Section 5.1 Comprehensiveness Section 8.2 Report of payment and receipts by revenue stream type</p>	Continuous inclusion in subsequent reports	31 st December 2017
Data Quality EITI	<p>Data quality was covered in the 2014 O & G report</p> <p>Quality assurance in 2014 SM report is in place</p>	<p>See Section 4.12 Quality Assurance Page 110</p> <p>See section 2.4 of the 2014 SM report 2014.</p>	Continuous inclusion in subsequent reports	31 st December 2017

<p>Taxes and other revenues</p>	<p>In both the 2014 O & G and SM reports, revenue streams are stated, and those not stated are explained.</p>	<p>Section 4.1 Comparison of Aggregate Financial flows. Section 6.1 Company Level Financial Flows (Page 128-156) Section 6.2 Analysis of Financial flows to Federal Government See Section 2.0 Reconciliation Approach and Methodology SM audit Report 2014</p>	<p>Continuous inclusion in subsequent reports</p>	
<p>In-kind revenues</p>	<p>In-kind flows in aggregate and under the PSCs and JV alternative funding arrangements are disclosed.</p>	<p>A gross summary of in-kind flows is found in Table 5–2. Tables 5-3 and 5-4 shows lifting on account of DPR settlement of royalty. Table 5-5 shows lifting on account of FIRS settlement of PPT. Table 5-7 shows lifting from the reserve development project and tables 5-9,5-10,5-11 and 5-12 shows summaries of revenues derived by the federation from MCA projects</p>	<p>Continuous inclusion in subsequent reports</p>	<p>31st December 2017</p>
<p>Infrastructure provisions and barter arrangements</p>	<p>Infrastructure projects are discussed in in the 2014 O & G report.</p> <p>2014 SM reports on infrastructure provision and barter arrangement.</p>	<p>O & G report - Infrastructure projects are discussed in section 4-10 on page 107. Table 4- 36 shows a summary of Infrastructure projects embarked on by companies in the sector.</p> <p>See Section 5.3 page 30 2014 SM audit report.</p>	<p>Continuous inclusion in subsequent reports</p>	
<p>Transportation revenues</p>	<p>Transportation revenues disclosed in the Oil & Gas 2014 Industry audit.</p>	<p>See 2014 O & G report from page 148-151</p> <p>Solid Mineral 2014 see Section 5.4 Page 30.</p>	<p>Continuous inclusion in subsequent reports</p>	<p>31st December 2017</p>

	SM audit Transportation revenues stated.			
Transactions between SOEs and government entities	The 2014 O & G report contains the role of the SOE, its materials payments and transfers made to the government agencies. 2014 SM contains SOE	Table 4-1 Comparison of Aggregate Financial Flows Page 61-63 Table 4.2 Financial flows of Federation Crude oil gas revenue Table 4.3- Analysis of Gas sales by COMD Page 65 Table 4.8- Analysis of Export Crude Sales Page 71-95 Table 4.9- Analysis of Export Gas sales Table 4.24- Monthly Analysis of Gas Sales Page 88-90 Table 8.26- List of oil and gas revenue heads Table 8.8 The role of NNPC page 233-248. See Section 5.5 Page 31 2014 Solid Mineral Audit report.	Continuous inclusion in subsequent reports	31 st December 2017
Subnational direct payments	The 2014 O & G report includes PAYE, Education Tax, VAT. The 2014 SM report contains subnational payments	See Section 4.8 page 99-104 See SM 2014 audit report Section 5.6 page 31	Continuous inclusion in subsequent reports	31 st December 2017
Revenue Allocation				
Sub Requirements	Progress Made	Evidence	Action Point	Expected Time Line
Sub-national transfers	Subnational transfers are covered in the 2014 O & G report and also reported under revenue management. 2014 SM reports subnational transfers: Revenue sharing formula and reconcile transfers	See Section 2.13 Page 45-52 Section 6.2 Page 32 Table 23	Continuous inclusion in subsequent reports	31 st December 2017.

Distribution of revenues	<p>Oil & Gas revenue allocation procedures are described in the 2014 O & G reports along with reviews of receipts into the federation account for the period.</p> <p>In addition, federal government share is further divided showing aggregate oil and gas flows, oil and gas specific flows to the federation account and revenue allocation to federal, state and local government councils respectively.</p> <p>2014 SM report includes distribution of revenues.</p>	<p>Oil & Gas Revenue allocation procedures are described on pages 49 – 51 and on pages 96 - 98.</p> <p>Section 4.4 also reviews oil and gas receipts into the federation account.</p> <p>Also see Tables’ 4-27, 4-28 and 4-29 shows aggregate oil and gas flows, oil and gas specific flows to the federation account and revenue allocation to federal, state and local government councils respectively.</p> <p>See Section 6.0 Revenue allocation on Page 31.</p>	Continuous inclusion in subsequent reports	31 st December 2017
Additional information on revenue management and expenditures	Solid minerals additional Information on revenue management and expenditures stated in the 2014 SM audit report.	See Section 6.1 Revenue Management and Expenditure Page 32-34 SM audit Report 2014.	Continuous inclusion in subsequent reports	
Social and Economic Impact				
Sub Requirements	Progress Made	Evidence	Action Point	Expected Time Line
SOE quasi fiscal expenditures	<p>Report in 2014 oil & gas.</p> <p>Not applicable to SM</p>	see Section 4.11 on page 111	Continuous inclusion in subsequent reports	31 st December 2017

<p>Social expenditures</p>	<p>Mandatory social expenditure in the form of NDDC payments is disclosed as payments made to NDDC. An overview of discretionary social expenditure by producing companies is provided in the report.</p> <p>SM Social and Economic Spending - 7.0</p>	<p>Mandatory social expenditure in the form of NDDC payments is described in section 6.4 on pages 144-146.</p> <p>Table 6-14 shows disaggregated company payments made to NDDC.</p> <p>An overview of discretionary social expenditure by producing companies is discussed in section 4-10.</p> <p>A summary of projects undertaken by these companies is presented in table 4-35. Not Available in detail</p>	<p>Continuous inclusion in subsequent reports</p>	<p>31st December 2017</p>
<p>Contribution of the extractive sector to the economy</p>	<p>The Oil & Gas sector makes the largest contribution to Nigeria's GDP.</p> <p>The solid mineral Contribution of the extractive sector to the economy is detailed in the 2014 SM report</p>	<p>See Section 2.8 on page 36 of oil and gas sector contribution to Nigeria's GDP</p> <p>See Section 7.3.1 page 36 of the 2014 SM report solid minerals contribution to the GDP.</p>	<p>Continuous inclusion in subsequent reports</p>	<p>31st December 2017</p>

Outcomes and Impact

Sub Requirements	Progress Made	Evidence	Action Point	Expected Time Line
<p>Public debate</p>	<p>The activities of NEITI have generated a lot of debate on the best way to enshrine extractive industry governance in Nigeria: been effective in strengthening public debate and promoting good</p>	<p>Better management of round unpaid royalties, signature bonuses, fuel subsidies, crude oil and refined products theft, and unpaid subsidies by the NNPC. Recovery by the Federal Government, of USD 2.4 billion as a result of NEITI EITI reports.</p>	<p>Produce EITI reports and intervention</p>	<p>Ongoing</p>

	governance and enhance revenues for the country.			
Data accessibility	<p>The EITI reports are machine readable and user friendly and free at no cost.</p> <p>Commenced in interim reporting of NNPC operation based on monthly statement by NNP and quarterly reviews of FAAC allocations were comparatively analysed.</p>	<p>The 2014 reports were published on the NEITI website in a machine readable format. www.neiti.gov.ng</p> <p>The dissemination of the EITI reports was mainly through an established Communications Strategy. www.neiti.gov.ng approved by the NSWG.</p> <p>The findings were disseminated to stakeholders and to target audiences.</p> <p>Executive summaries of the EITI reports were also produced.</p> <p>Power point presentations of the EITI reports were also produced both in hard copies and electronic form.</p> <p>Capacity building was also encouraged with the civil society in the use of the EITI reports to engage Government for improved accountability. These have all encouraged vibrant public debate.</p>	Mainstreaming of current extractive industry reports	Ongoing.
Lessons learned and follow up on recommendations	<p>The EITI reports contained assessments and the identification of various discrepancies and like-issues. Recommendations (corrective measures) going forward were also made in the reports.</p> <p>These correctives measures identified in both</p>	Better transparency in NNPC operations with the monthly publication operations' data. Please see Remediation below for more evidence	Ensure implementation of remediation document is developed annually from the NEITI audit reports, the remedial issues identified are captured and classified thematically (issue and agency based),	Ongoing

	reports would be addressed under the Remediation Programme coordinated by NEITI being superintended by the IMTT to tackle issues raised in the reports.		this feeds into a pre-existing remediation action plan that involves all the relevant entities from both the government and companies ends. This is to ensure effective and efficient tackling of the issues identified going forward. Within the year under review, the IMTT has not met to deliberate on the myriad of issues identified in the EITI reports'	
Outcomes and impact of EITI implementation on natural resource governance	Outcomes & Impacts provided not detailed.	Solid Minerals Outcome and Impacts – 8.0 Observations and Recommendations	Improvement suggested on the outcomes and impacts to be detailed	2015 Industry Audits

Remediation

The FGN IMTT which was reconstituted in October 2013 was established in 2005. The IMTT is a group of government, petroleum, mining and financial department heads put together by the President of the FGN to address the sector lapses identified in NEITI (EITI) reports over the years. The IMTT is to ensure that remedial issues are adequately addressed by taking responsibility for the custody, management, monitoring and regulation of extractive industries revenues with the primary mandate of developing an efficient interface framework to address remedial issues.

The remediation programme implementation was not carried in 2016 for either oil & gas or solid minerals because the IMTT did not meet.

Nonetheless, certain remediation took place in 2016 as a result of NEITI's insistence over time for recommendations of its EITI reports to be implemented. Examples of such remediation includes but without limitation to the following:

- A new policy was put in place to eventually exit the cash call arrangement. The exit cash call agreements comprise three components which are: the process of settling the pre-2016 cash call areas; the process of sustaining the cash call payment from 2017; and agreement and settlement over performance in 2016. With this arrangement, the federal government will continue to receive royalties, taxes and profit from its equity share of JV oil and gas production while the cost of operation is deducted upfront.
- NNPC in 2016 replaced the offshore processing arrangement (OPA) and crude oil swap - deals which NNPC uses to trade crude oil for refined products - with the Direct Sale Direct Purchase (DSDP) arrangement. The terms of OPA and swaps short-changed Nigeria.

NEITI in 2015 estimated that Nigeria lost \$966 million to crude oil swap deal between 2009 and 2012 and billions of naira in subsequent years until the NNPC headed to its call for the discontinuation of the OPA in April 2016.
- NNPC's toga of opaqueness which for long has made the provision of accurate data in oil and gas difficult to obtain, gave way to a more transparent order. NNPC started a month by month the publication of its operation. Citizens could now use updated data from NNPC to do effective analysis. NEITI keyed into this with the commencement of the Occasional paper series and for mainstreaming purposes.
- On March 1, 2016, a multi-stakeholder committee was set-up to develop a roadmap for the transformation of the minerals, mining and metals sector under the Federal Ministry of Mines and Steel Development. A roadmap titled "Roadmap for the growth and development of the Nigerian Mining Industry: on the road to shared mining prosperity" was developed.

The Roadmap took into consideration a lot of the issues raised in NEITI's EITI solid minerals reports such as: no adequate reporting standard, lack of monitoring mechanism, lack of

I assure you that under this 8th Senate, NEITI reports are not going to die without anybody doing something about it," "There is the need to talk about laws to strengthen agencies like NEITI because of the type of responsibility they are saddled with"
Senate President,
Bukola Saraki

collaboration between government agencies, lack of reliable geological data to aid investment, production figures are based on self-declaration by companies, etc. in solid minerals sector. The objectives of the Roadmap are to:

- i. create a globally competitive sector capable of contributing to wealth creation, providing jobs and advancing our social and human security.
- ii. focus on using its mining assets to drive domestic industrialization initially, and then migrate to winning in global markets and
- iii. pursue this strategy through a value chain based growth plan.

In a nutshell, the Roadmap outlined key issues, activities and basic steps required to reform and re-position the solid minerals sector as a very viable source of revenue for Nigeria's economy

Remedial Issues in the EITI 2014 Oil & Gas Report

Key findings

1. Outstanding liabilities from the Nigerian Petroleum Development Company Limited (NPDC)

Audit revealed outstanding liabilities from the NPDC in the sum of **N70, 014,589,266.45** and **\$1,458,618,285.76**. Details of liabilities are enumerated in the table below;

Table 1a - Outstanding liabilities from NPDC		NGN	USD
PAYE		42,330,334.09	
WHT		17,095,101,913.3	
EDT		15,692,422,800	
VAT		7,029,211,381.68	
Royalty on Oil			451,373,112.44
Royalty on Gas			15,228,040.77
PPT			910,937,132.55
NDDC Levy		28,335,833,752	81,080,000
Gas Flared Penalty		1,819,689,085.38	
Total		70,014,589,266.45	1,458,618,285.76

Table 1b - Implications	Recommendations
Loss of revenue to the federation which has hampered developmental programs of the federation	Recovery of NPDC statutory liabilities totaling \$1.459 billion and N70.015 billion
Loss in value of the fund due to delayed remittance.	

2. Non-remittance of NLNG Dividend

- a. NLNG payments of dividends, loan and interest repayments of \$1.42 billion for 2014 could not be traced to the Federation Account.
- b. This brings to a total of \$15.823 billion the cumulative payments of NLNG dividends, loan and interest (2000 – 2014) paid to NNPC but not remitted to the federation account. See breakdown of cumulative amount in table below;

Table 2a - NLNG dividend, interest and loan repayment (Year)	USD '000
2000	211,341.00
2001	322,077.00
2002	226,562.00
2003	436,272.00
2004	280,095.00
2005	207,282.00
2006	332,980.00
2007	842,957.00
2008	2,613,170.00
2009	879,839.00
2010	1,427,512.00
2011	2,537,503.00
2012	2,795,531.00
2013	1,289,592.00
2014	1,420,000.00
Total	15,822,713.00

Table 2b - Implications	Recommendation
Loss of revenue to the federation account which has hampered developmental projects	High level investigation should be carried out from 2000 to date on management of NLNG dividend, interest and loan repayment

3. Shortfall in Remittance to Federation Account

The shortfall in domestic crude proceeds sum up to N243, 639,192,873.50 after deducting for subsidy, crude and product losses and pipeline maintenance.

Recommendation: the sum of **N243, 639,192,873.47** shortfalls in collection should be collected and remitted into the Federation Account.

4. Outstanding and late payment of liabilities from operating companies

- Audit established that there were incidences of late payment and in some cases outstanding payment of liabilities to the federation in the form of royalty oil, gas royalty, gas flared penalty and taxes.
- While some liabilities have been settled, below are details of outstanding liabilities as at the time of conducting this audit;

Table 3 - Outstanding liabilities from companies as at 31/12/2014			
Company	Liability	Amount	Period
Waltersmith Petroman Oil	Royalty oil	\$2,703,161.99	2014
Agip Energy and Natural Resources	Gas flare penalty	\$469,359.00	2014
Total		\$3,172,520.99	

5. Gas sales value and receipt variances

- a. The total value of Gas in the sum of \$594.391 Million was invoiced by NNPC-COMD which has a net receipt of \$581.949 Million, was traced to JP Morgan Chase Gas Revenue Account. The variance of \$12,442 Million is accounted for as follows:
- \$9.645 million not due for settlement as at 31st December 2014
 - \$0.198 million credit notes utilized
 - \$2.598 Million exchange losses.
- b. NNPC gas sales revenue paid into CBN/NNPC with JP Morgan account resulted in the exchange loss totaling **\$2.598 Million** (iii above). This is due to Gas sales being valued in dollars, invoiced in naira and payment made into JP Morgan in dollars for subsequent remittance into Federation Account in naira.

Table 4a - Gas sales value and receipt variances

Implication	Recommendation	NNPC's Response
There was a shortfall in remittance to the Federation account in the sum of \$2.598 Million resulting from exchange losses in the year 2014.	NNPC is to ensure that payments are made in the currency of transaction and currency conversions are also made at the prevailing CBN rates.	The transactions are in accordance with the Agreement and approval.

6. Findings on crude theft and sabotage

- a. 6 companies provided data on losses made due to crude theft and sabotage. Details are presented in table below;

Table 5 - Crude oil theft and sabotage reported in 2014

Company	Volume barrels	Value \$
NAOC	4,696,704	483,666,408.00
Addax	161,324	17,126,589.00
OandO	55,647	5,946,667.00
Platform	103,187	11,202,858.00
NPDC	212,743	22,852,927.00
SPDC	34,938,069	3,602,970,779.00
	40,167,674	4,143,766,228.00

7. Findings on Domestic Crude Losses

The Report stated that 1,000,796 barrels of crude oil valued at an estimated amount of **\$100,008,600.00** were lost by PPMC in 2014. This huge loss has been attributable to pipeline vandalism, theft and sabotage

Implications

- PPMC revenue for 2014 has been reduced by **\$100,008,600.00** which represent estimated crude oil loss for the year
- The sabotage will increase total cost of maintaining pipelines because PPMC will have to spend more in fixing damaged pipe and equipment

Outstanding payments from previous reports

Table 6

Issue	NNPC Response	Recommendation	Current Status
<p>NPDC Issue: Outstanding balance of \$1.7 billion out \$1.8 billion consideration receivable from eight (8) OML assigned to NPDC from Shell JV between 2010 and 2011</p>	<p>NPDC recognizes that:</p> <ul style="list-style-type: none"> i. A balance of \$1.7 billion is outstanding for payment on OMLs 4, 38, 41 and OMLs 26, 30, 34, 40 & 42 out of the 'Good and Valuable Consideration' of US\$1.847 billion as advised by the Department of Petroleum Resources (DPR); ii. The obligation to pay the balance in the future has not been waived; and iii. The balance as payable to the Federation is recognized in NPDC's books and commitment to make good the deficiency as soon as the financial position improves is sacrosanct. 	<p>NPDC to pay outstanding liability of \$1.7 billion to the federation</p>	<p>NPDC is yet to make the payment. The IMTT has not recently to further discuss the issue. The NSWG has made many overtures to Government to ensure that NPDC makes the payment</p>
<p>NPDC Issue: Consideration not received from four (4) OMLs assigned to NPDC in NAOC JV in December 2012</p>	<p>The consideration for divested OMLs (60, 61, 62 & 63) was received from DPR in the 3rd quarter of 2016 valued at US\$2.225 billion. NNPC has written to DPR requesting for the basis and assumptions that went into the valuation taking cognizance of all associated risks and assess its impact on the NNPC bottom line. Meanwhile, NNPC has remitted about US\$1.3 billion to the Federation Account from the gas revenue derived from the assigned assets from January 2013 to date</p>	<p>NPDC to pay outstanding liability of US\$0.925 billion to the federation</p>	<p>The NSWG has mad presentations to the Government on several occasions on the need for NPDC to make the payment</p>

<p>\$35.127m refund by NPDC into JP Morgan Chase Cash Call Dollar account not transferred to Federation Account and outstanding refund request made by NAPIMS on OML 26 and OML 46</p>	<p>This was cash call obligation paid by NAPIMS on behalf of NPDC with respect to the Assets above. It should be refunded back to NAPIMS, which was done. Based on this further explanation NNPC suggested that the issue be expunged.</p>	<p>The funds belong to the Federation Account and should therefore be paid by NAPIMS</p>	
<p>The sum of \$389.058m refunded by NPDC to NAPIMS which should have gone into the Federation account was not accounted.</p>	<p>The \$389.058M was cash call obligation paid by NAPIMS on behalf of NPDC with respect to the SPDC JV divested Assets. It should be refunded to NAPIMS, which was done. Based on this further explanation NNPC suggests that the issue be expunged.</p>	<p>The funds belong to the Federation Account and should therefore be paid by NAPIMS</p>	
<p>Amount outstanding of \$2.274bn (N351.886Billion) as shortfall in Federation Account remittance from total domestic crude sales valued at \$17.436 Billion (N2.698 Trillion)</p>	<ul style="list-style-type: none"> • As at December 2013, total Domestic Crude Oil purchased by NNPC amounted to N2,657,209,731,508.19, out of which N1,551,935,625,000 was remitted to Federation Account leaving gross outstanding balance of N1,105,274,106,508. • Of the balance of N1, 105,274,106,508, PPPRA approved and certified N792, 961,142,799.52 for 2013 subsidy (See 2013 PPRA subsidy certificates) and balance of N312, 312,963,708.67 relate to expenses incurred by NNPC on behalf of the Federation Account. These expenses include: <ul style="list-style-type: none"> ○ Crude oil and Product losses; 		

<p>N3.981bn of debts as a result of over-recovery under Petroleum Support Fund Scheme (PSPF) in 2012 was outstanding</p> <p>\$1.289bn received from NLNG in 2013 as well cumulative dividend receipt from 2000 to 2012 of \$13.113 billion was not remitted to the Federation account by NNPC as at the end of 2013</p>	<ul style="list-style-type: none"> ○ Pipeline repairs and Management costs; and ○ Products Strategic Reserve holding costs <ul style="list-style-type: none"> ● The difference of N39.57billion may be due to exchange rate used by NEITI. 		
	<p>NNPC has been in contact with PPPRA on the issue and acknowledge the amount as being due for payment; it has remained outstanding. NNPC management has also informed the PPPRA of its commitment to settle the said amount.</p>		
	<p>All receipts in respect of the NLNG Dividend by NNPC are being held in trust for the Government and administered as directed by the Government. The Government and relevant agencies are periodically provided with updated reports showing full details of the funds and the bank accounts where they are domiciled upon request.</p>	<p>The total dividend over the years should be paid to the Federation Account</p>	

Summary of outstanding revenues and losses to the federation

The total outstanding revenue identified by the 2014 oil & gas industry audit stand at \$2,881,790,806.75 and N313, 653,782,139.95. The total losses on the other hand stand at \$ 4,246,372,828.00. Details are presented in the tables 7 and 8 below;

Table 7 - Outstanding revenues to the federation

Organization	Outstanding revenue		Comment
	\$	N	
NPDC	1,458,618,285.76	70,014,589,266.45	Liabilities are in respect of payments for PAYE, WHT, EDT, VAT, PPT, royalty oil, royalty

			gas, NDDC levies and gas flared penalty
NNPC	1,420,000,000.00		Unremitted NLNG dividend for 2014
NNPC		243,639,192,873.50	shortfall from the sale of crude oil
Waltersmith Petroman Oil	2,703,161.99		Unpaid liability in respect of royalty oil
Agip Energy and Natural Resources	469,359.00		Unpaid liability in respect of gas flare penalty
	2,881,790,806.75	313,653,782,139.95	

Table 8 - Established losses to the federation

Organization	Losses		Comment
	\$	N	
NNPC	2,598,000.00		Pricing domestic gas dollars, invoicing in Naira while payment is made in dollars which leads to exchange losses
NNPC	100,008,600.00		Losses due to theft on the domestic crude allocated to refineries
NAOC, Addax, OandO, Platform, NPDC and SPDC	4,143,766,228.00		Crude oil theft and sabotage a reported by six producing companies during the 2014 audit
	4,246,372,828.00		

Total outstanding payments from previous reports add up to \$17,452,185,000.00 and N3,981,000,000.00.

Table 9 - Outstanding payments from previous reports

Organization	Outstanding		Comment
	\$	N	
NPDC	1,700,000,000.00		Balance of consideration to be paid in respect of transfer of assets from SPDC JV to NPDC
NPDC	925,000,000.00		Balance of consideration to be paid in respect of transfer of assets from NAOC JV to NPDC

NAPIMS	35,127,000.00		Refund by NPDC in respect of cash call paid in error
NAPIMS	389,058,000.00		Refund by NPDC in respect of cash call paid in error
NNPC		3,981,000,000.00	Over-recovery under the PSF scheme in 2012
NNPC	14,403,000,000.00		Cumulative NLNG dividend payments paid to NNPC but not remitted to the federation account
	17,452,185,000.00	3,981,000,000.00	

Remedial Issues in the EITI 2014 Solid Minerals Report

- Some companies reported the same level of production from January to December, even though explosive consumption was observed to differ during the period under review.
- Poor document archiving system: Many companies did not have up to date monthly returns or in some cases show poorly completed monthly production records
- Non-payment of royalty for Laterite: Many of the construction companies could not provide record for quantity of laterite used in their operations.
- Non-payment of royalty Gypsum by some Cement Manufacturing Companies: Specifically, AshakaCem. Plc has ML228 for gypsum but did not pay for 29, 579.44tons used in 2014
- Exports figures in many instances were way higher than the declared production figures. For example, in year 2014, Tongyi Allied Mining Ltd, declared production and paid royalty for 10, 870 tons but exported 35,939.4 tons of lead zinc.
- It was also observed that some companies that exported solid minerals in 2014 were mainly below materiality threshold and (apparently) did not obtain permit to export solid minerals in line with extant laws.
- Multiplicity of taxes and levies were being imposed by the three tiers of government on extractive. Specifically, NIWA and LASEMA collect royalties from companies that are engaged in sand dredging.
- The activities of illegal miners were observed to be prevalent within the industry, leading to loss of government revenues and environmental degradation.

Recommendations

- That MID should to initiate programs for regular independent production audit of extractive companies so that gross misstatements or under-declaration of production volumes would be reduced to the minimum.
- MID should encourage companies to install and use calibrated weighing machines such as load volume scanner, weight bridges, etc., in order to have accurate production figures.
- For the purpose of recovery, government should review year 2014 export documents to ensure that royalty payments on solid minerals are adequately confirmed at export point.

EITI Validation of Nigeria - 2016

Nigeria went through EITI Validation in 2016, using the 2016 EITI Revised EITI Standard. Validation not only serves “to assess performance but also to safeguard the integrity of the EITI by holding all EITI implementing countries to the same global standard”. As part of the process, NEITI hosted a two-man team from the EITI Secretariat who prepared an initial assessment of NEITI’s compliance with the EITI Standard. NEITI provided all necessary support that allowed the team unrestricted access to the diverse multi-stakeholders in EITI implementation in Nigeria. At the end of the Validation exercise, the EITI Board held that Nigeria had made only “meaningful progress” in the implementation of the EITI Standard in Nigeria.



Workshop on EITI Validation

EITI Requirements		Level of progress				
Nigeria 2017 Validation scorecard		No progress	Inadequate	Meaningful	Satisfactory	Beyond
Categories	Requirements					
MSG oversight	Government engagement (#1.1)					
	Industry engagement (#1.2)					
	Civil society engagement (#1.3)					
	MSG governance (#1.4)					
	Work plan (#1.5)					
Licenses and contracts	Legal framework (#2.1)					
	License allocations (#2.2)					
	License register (#2.3)					
	Policy on contract disclosure (#2.4)					
	Beneficial ownership (#2.5)					
	State participation (#2.6)					
Monitoring production	Exploration data (#3.1)					
	Production data (#3.2)					
	Export data (#3.3)					
Revenue collection	Comprehensiveness (#4.1)					
	In-kind revenues (#4.2)					
	Barter agreements (#4.3)					
	Transportation revenues (#4.4)					
	SOE transactions (#4.5)					
	Direct subnational payments (#4.6)					
	Disaggregation (#4.7)					
	Data timeliness (#4.8)					
	Data quality (#4.9)					
Revenue allocation	Distribution of revenues (#5.1)					
	Subnational transfers (#5.2)					
	Revenue management and expenditures (#5.3)					
Socio-economic contribution	Mandatory social expenditures (#6.1.a)					
	Discretionary social expenditures (#6.1.b)					
	SOE quasi-fiscal expenditures (#6.2)					
	Economic contribution (#6.3)					
Outcomes and impact	Public debate (#7.1)					
	Data accessibility (#7.2)					
	Follow up on recommendations (#7.3)					
	Outcomes and impact of implementation (#7.4)					
Overall assessment	Meaningful progress					

Validation: Corrective Measures.

The letter from the EITI Board dated 11th January 2017 informing Nigeria that it had made “meaningful progress” in the implementation of the EITI Standard, also stated in the second sentence in paragraph 3 that Nigeria did not make “satisfactory progress” in some of the requirements and encouraged Nigeria to take corrective actions before the next validation on the 11 July 2018.

The corrective actions along with NEITI’s action plan are:

Requirement	EITI Assessment	Corrective Measure to be taken	Action by NEITI
1.3: Civil society engagement	Not Satisfactory: Lack of evidence that the broader civil society constituency is consulted or otherwise engaged in the design, implementation, monitoring or evaluation of the EITI process	The civil society constituency should develop and disclose an action plan for addressing the deficiencies in civil society engagement by 11 April 2017.	The CSSC of the NSWG at its inaugural meeting of 2 nd March 2017 developed an action plan to address the deficiencies in the engagement of the wider civil society constituency. Implementation of has commenced. www.neiti.gov.ng
1.4: MSG governance	Not satisfactory: Lack of procedure for companies and civil society should agree constituency guidelines that explain the process by which they will nominate their representatives Lack of outreach activities by NSWG members with other stakeholders and failure of effective liaisons with constituency groups	NSWG should ensure that its procedures for nominating and changing NSWG representatives are public and confirm the right of each stakeholder group to appoint its own representatives undertake effective outreach activities with civil society groups and companies,	Within the context of Nigeria, members of the NSWG are chosen statutorily: the Act. However, NEITI is working with funding from UNODC to review the Act to accommodate this requirement and others. A Secretariat Board Charter review committee has already been set up to review the Board Charter for effective alignment with this Requirement NEITI is in the process of arranging very extensive outreach programmes with stakeholders and better liaisons with geopolitical constituency groups. The Chairman of NSWG would further introduce

			NSWG members from geopolitical zones to their respective State Governors for better outreach activities
2.2: license allocations	Not satisfactory: No clarification on the number of licences that were renewed or transferred, transfer procedure, etc. in both Oil & Gas and Solid Minerals reports for 2013	NSWG should clearly define the number of licenses awarded and transferred in the year(s) under review, describe the actual process and highlight any non-trivial deviations in practice. The NSWG should also liaise with the Nigeria-Sao Tome and Principe Joint Development Authority to include any license awards or transfers in the scope of Nigeria's O&G EITI Report. Finally, the NSWG should also clarify the technical and financial criteria used for assessing license allocations and transfers, including weighting, both for discretionary oil and gas licenses and for solid mineral licenses. In addition, the NSWG may wish to comment on the efficiency of the current license allocation and transfer system as a means of clarifying procedures and curbing non-trivial deviations, in line with industry's calls for improvements in the investment environment.	The NSWG is working very efficiently to ensure that these all included in the both the Oil & Gas and Solid Mineral reports for the year 2015, which year is the subject of the second Validation commencing 11 July 2018. Furthermore, the IAs' ToRs for the 2015 EITI reports have addressed this gap identified during validation.
2.3: license registers	Not satisfactory: Lack of adequate data on dates of award, the dates of application and expiry, license coordinates, principally in Oil & Gas	The government should also ensure that the dates of application and coordinates for all oil, gas and mining licenses are publicly available.	The NSWG is working with DPR and the Mining Cadastre office to ensure that this information is included in the 2015 Reports. Furthermore, the IAs' ToRs for the 2015 EITI reports have addressed this gap identified during validation.
2.4: contract disclosure	Not satisfactory: "The 2013 EITI Reports do not clarify government policy on contract disclosure,	Government policy on contract should be disclosed: "relevant legal provisions, actual disclosure practices and any reforms	The NSWG is working to ensure that current policy on contract disclosure is clarified in addition to any reforms

	nor any planned or ongoing reforms in this area	that are planned or underway”.	that are going on. Furthermore, the President of Nigeria at the “Anti-corruption Summit in London in May 2016 committed Nigeria to the open contracting standards under the OGP. There is a unit in the Federal Ministry of Justice that is driving the OGP process in Nigeria. Furthermore, the IAs’ ToRs for the 2015 EITI reports have addressed this gap identified during validation.
2.6: state participation	Not satisfactory: Applicable to only Oil & Gas. The Report also did not clearly define SOEs nor provided a comprehensive list of NNPC subsidiaries, nor of new JVs created by IOC divestments from oil blocks since 2010. Also there is no information on any loans or guarantees extended by the FGN to companies operating in the oil and gas sector, such as NNPC.	The NSWG should clearly establish its definition of SOEs to delineate the SOEs within the scope of EITI reporting and clarify the level of support through loans and loan guarantees to companies by the FGN or SOEs and include a comprehensive list of SOEs and their subsidiaries in the next EITI Report. The NSWG may wish to work closely with NNPC to shape the structure of NNPC’s monthly disclosures as a means of publishing information required under the EITI Standard on a timelier basis as part of NNPC’s routine disclosures.	The NSWG shall ensure that the 2015 Report on Oil & Gas fulfills the Requirement. The NNPC has started the publication of monthly figures of its operations. And NEITI on the other hand has begun a Review of NNPC monthly Financial Operations Report based on NNPC disclosures. These are to provide up to date figures on a timelier basis. Furthermore, the IA’s TOR for the 2015 oil & gas would address this gap.
3.2: production data	Not satisfactory: In oil and gas, the EITI Report provided production volumes for crude oil and natural gas and sufficient information to calculate oil export value, but not for natural gas. In solid minerals, the EITI Report provided production volumes	the NSWG should ensure future EITI Reports provide disaggregated production values and values for all key minerals produced including crude oil and natural gas.	The IAs’ ToRs for both EITI reports have addressed this gap. The NSWG shall ensure that the gap is closed. NNPC monthly disclosure is already a step in the right direction

	for the eight most significant minerals by volume but with no values or pricing information.		
3.3: export data	Not Satisfactory: The EITI Reports provide crude oil and natural gas export volumes and oil export values, but not natural gas export values. They also provide the export values for the three largest solid mineral exports that accounted for roughly two thirds of solid mineral exports, but only export volumes for material companies rather than for total exports.	“The NSWG should ensure future EITI Reports provide export volumes and values for all key minerals exported including crude oil and natural gas”.	The IAs’ ToRs for both EITI reports have addressed this gap. The NSWG shall ensure that the gap is closed. NNPC monthly disclosure is already a step in the right direction
4.1: Comprehensiveness	Not satisfactory: The EITI report needs to include an overall assessment of the comprehensiveness of the EITI Report. NSWG may wish to undertake an oil and gas scoping study to consider options for defining materiality thresholds.	NSWG should ensure that future EITI Reports clearly include all revenue streams listed under requirement 4.1.b in the scope of reconciliation. In accordance with requirement 4.1.c, the NSWG should also ensure that the IA assesses the materiality of non-reporting companies and government entities as well as provide its opinion on the comprehensiveness and reliability of the EITI Report.	The NSWG shall endeavour to make sure that the EITI reports are assessed for their comprehensiveness
4.3: barter and infrastructure agreements	Not satisfactory: Existing of infrastructures provisions were not clearly defined in the EITI reports	The NSWG should assess the existence of infrastructure provisions during the scoping phase to ensure that companies’ disclosures are categorized according to strict definitions.	Not applicable to solid minerals. However, the IA’s ToR for the 2015 EITI oil & gas has addressed this Requirement.
4.4: transport revenues	Not satisfactory: No evidence of the NSWG’s assessment of the materiality of transportation revenues such as	NSWG should assess the materiality of any transportation revenues and disclose such revenues should they be assessed as material.	Not applicable to solid minerals. However, the IA’s ToR for the 2015 EITI oil & gas has addressed this Requirement.

	crude handling charges.		
4.6: direct subnational payments	Not satisfactory: no evidence that the NSWG considered the materiality of direct subnational payments prior to data collection	NSWG should assess the materiality of direct subnational payments and ensure that any material direct subnational payments are reconciled	The ToRs for the performance of the 2015 EITI reports to the IAs have addressed this gap and the NSWG shall endeavour to close this deficiency.
4.8: data timeliness	Not satisfactory: Failure to meet EITI reporting deadline	the NSWG should ensure that data in EITI reports be no older than the second to last complete accounting period	With the intended publication of both EITI 2015 reports by 31 December 2017, this Requirement would be fulfilled at the end of 2017.
4.9: data quality	Not satisfactory: That there was a lack of adequate data quality assurance mechanism in place in the preparation of the reports	That the NSWG should ensure compliance with the requirement	The ToRs for the performance of the 2015 EITI reports to the IAs have addressed this gap and the NSWG shall endeavour to close this deficiency.
5.2: social expenditures	Not satisfactory: Amongst other things the 2013 EITI Reports provided the general formula for calculating subnational transfer but not the actual formula used for calculating transfers to the individual states and LGAs	NSWG should assess the materiality of subnational transfers prior to data collection and ensure that the specific formula for calculating transfers to individual states and Local Government Areas be disclosed	The ToRs for the performance of the 2015 EITI reports to the IAs have addressed this gap and the NSWG shall endeavour to close this deficiency.
6.1: social expenditures	Not satisfactory: Applicable only to solid minerals: the 2013 EITI Report disclosed companies' unilateral disclosures of both mandatory and voluntary social expenditures, disaggregated between cash and in-kind payments, although the data was not disaggregated by project and the identity of beneficiaries was not disclosed.	The NSWG should agree a clear distinction between mandatory and voluntary social expenditures prior to data collection. Where beneficiaries of mandatory social expenditures are a third party, i.e. not a government agency, the NSWG should ensure that the name and function of the beneficiary be disclosed	The ToRs for the performance of the 2015 EITI reports to the IAs have addressed this gap and the NSWG shall endeavour to close this deficiency.

6.2: including quasi-fiscal expenditures	Not satisfactory: Not applicable to solid minerals but the oil & gas report should seek to provide all information on quasi-fiscal expenditures including share of subsidies absorbed by NNPC without compensation, penalty for late payment of NNPC oil sales, certain buyers' discretion in selecting the price at which they purchased NNPC oil and other expenditures such as pipeline security and maintaining strategic national reserves.	NSWG should agree on a reporting process on quasi-fiscal expenditures from state owned enterprises with a view to achieving a level of transparency commensurate with other payments and revenue streams, including subsidiaries of SOEs and JVs.	The ToRs for the performance of the 2015 EITI reports to the IAs have addressed this gap and the NSWG shall endeavour to close this deficiency
6.3: contribution to the economy	Not satisfactory: Contributions of the respective reports to the economy should be well spelt out in absolute and relative terms	The NSWG should ensure that the size of the oil and gas sector in absolute terms, the solid mineral sector's share of government revenues in relative terms, the value of oil and gas exports in absolute and relative terms and the size of solid minerals employment in absolute terms	The ToRs for the performance of the 2015 EITI reports to the IAs have addressed this gap and the NSWG shall endeavour to close this deficiency

Innovations in NEITI

Background

Apart from the requirements set for reporting in the EITI Standard, implementing countries are encouraged to think outside the box in reporting extractive news. NEITI continues to find ways to create new avenues of improving the reporting of the EITI process. The year 2016 witnessed milestone innovations in the implementation of the EITI principles. In 2016 NEITI can report the following innovations and enhancement of some of the old ones took place:

1. **Policy Brief** (available here: [Policy Briefs](#))

There are some matters of national urgency in the extractive sector that cannot be fully addressed in the EITI reports but all the same need the necessary attention of the government and the awareness of the citizens. In light of this need, NEITI decided to begin the publication of policy briefs in key areas affecting the extractive industry.

In 2016 two policy briefs were published:

- a. The inaugural brief in May 2016 focused on “The Need to Know Who Owns What in Nigeria’s Extractive Sector”. In other words, it focused on the beneficial ownership of extractive assets in Nigeria.



- b. The second policy brief was “Urgency of Petroleum Industry Bill” that was published in October 2016. It focused on the importance of passing a new law in place of the numerous statutes affecting operations in the oil & gas sector in Nigeria. These have led to a lot of uncertainties and a huge cost to the economy estimated at more than \$200b. The need to eradicate the opacity in the oil & gas sector in conformity with the EITI process was needed. The policy brief in line with previous NEITI position papers on several occasions sought to restructure the oil & gas sector through the PIB for better governance, efficiency and growth of the economy.



2. **Quarterly Review** (available here: [Quarterly Review](#))

The main theme of the 2012 – 2016 SP was titled “from transparency to accountability”. The theme embodied the desire for the various arms of government to account for the revenues allocated to them from the federation account (principally from the revenues obtained from the extractive industry).

The Quarterly Review analyses the Federation Account Allocation Committee (FAAC) recent disbursements to all tiers of government in 2016 and makes projections for the 2017. This is one of the tools designed to strengthen NEITI’s voice in revenue management and overall macro-economic governance.

Two Quarterly reviews were made by NEITI in October and December 2016.

3. **Occasional Paper Series** (available here: [Occasional Paper](#))

“For perhaps the first time, the public is kept abreast of developments in Nigeria’s oil and gas sector in terms of production and revenue figures, refined products supply and distribution, and remittances to government”. Culled from December 2016 Occasional Paper

To fully understand the import of the occasional Paper, it is necessary to reiterate in a portion of the preamble to the first Occasional Paper “Since August 2015, NNPC has been publishing Monthly Financial and Operations Reports, which, according to the corporation once renowned for opacity, is aimed at “... ensuring probity, transparency and accountability in the conduct of its business”.

This Occasional Paper is a review and an analysis of what is already publicly disclosed by NNPC but not yet verified by NEITI and not even covered by any of the ongoing NEITI audits. The first Occasional Paper covered the period January 2014 to September 2016.

It helps to bridge the gap between EITI reports. The Occasional Papers further builds on and ties into the NEITI Policy Brief and the NEITI Quarterly Review, the two-other policy and advocacy products introduced in 2016.

The policy briefs, quarterly review and occasional papers series as intervention tools have been very efficient and effective with a lot incisive and in-depth appraisal of the issues for the better understanding of the citizenry. This much was expressed at the inauguration of the CSSC in Kano on the 1st March 2017.

4. **Freedom of information portal** (available here: [FOI Portal](#))

NEITI is all about transparency. Not only does NEITI conduct the EITI reports and other relevant interventions tools in the field of transparency, NEITI also has benchmarked itself against other agencies through the Bureau of Public Service Reforms which also assisted in a setting a Freedom of Information portal under the Freedom of Information

Act 2011. The portal was established for Nigerians to seek for information about NEITI and its activities directly from NEITI as permitted by the Freedom of Information Act 2011.

5. BPSR Validation of NEITI's operations

The BPSR piloted the organisational Self-Assessment Tool (SAT) at the Nigeria NEITI from 10th - 11th August, 2016. The overall objective of the assessment was to enable NEITI understand its own strengths and weaknesses, and in a way to use the outcome of the assessment as a management tool to create continuous improvement in NEITI.

The specific objectives of the self-assessment were to:

- Assess how well NEITI had identified and responded to current Government's priorities;
- Assess how effective and efficient NEITI was in delivering on its core business;
- Assess NEITI's capability against the nine main domain areas;
- Identify the needs that should be addressed through specific actions;
- Identify human and other resources the organisation can use to effectively improve its performance;
- Generate information useful in planning and decision-making;
- Assist NEITI to identify priority areas for action and develop an action plan to address these areas; and
- Provide donors and other stakeholders, where necessary, with information about NEITI's performance.

BPSR's overall view of NEITI at the end of the validated assessment is that NEITI is "Strong" in two-thirds of the areas assessed and is a "Well-Performing" agency. Consequently, using a five-level rating system, BPSR agrees with NEITI that it is a Level 4 (Gold standard) organisation that 'Exceeds Expectations.'

6. New website

With the rising profile of NEITI and EITI in Nigeria, the need arose for a new and better proactive website to be introduced to take care of the huge demand for information on the EITI reports and other activities of the NEITI. On the 9th November, 2016, a website was launched sponsored by R2K.

7. Companies Forum (CF)

The CF that was formed and inaugurated in December 2015 continued to be a great source of regular and effective interactive link between NEITI (implementation of EITI) and the extractive industries companies in Nigeria.

The support of the extractive companies in both oil & gas and mining for this concept has been very impressive. The CF met three times in 2016 to discuss how companies can play a more effective role in the implementation of the EITI process in Nigeria other than just the filling and completion of reporting templates.

8. TUGAR ([Website](#))

Which is located within the NEITI Secretariat continues to generate coordinate data and, provide a coordinating platform and act as secretariat of the Inter-Agency Task Team of anti-corruption agencies-(ACA's).

TUGAR is set up to ensure data -policy nexus using results derived from tools such as research, surveys and studies. This facilitates coordinated data and synergy within the government anti-corruption initiatives on one hand and initiatives driven by the private sector and other non-state actors such as Civil Society Organizations, on the other hand.

TUGAR has sustained the activity of populating the national anti-corruption database with the Scoping Survey and Gap Analysis of the Public Finance Management System at the Federal level and across the 36 States. The final phase of the TUGAR scoping Survey covering the public finance management systems and frameworks in ten states of the federation namely Abia, Akwa Ibom, Borno, Edo, Gombe, Kebbi, Kwara, Oyo, Osun and Zamfara was carried out in 2015 - 2016. TUGAR also continues to conduct Corruption Risk Assessments and implement integrity plans in various sectors as a corruption prevention measure with the notable one being in the critical sea port sector.

STRENGTHS (IMPACT) AND WEAKNESS IN THE IMPLEMENTATION OF THE EITI PROCESS BY NEITI

The full impact of the activities of the NEITI is reflected in the benefits derived by Nigerians from the EITI process.

Strengths (Impact)

Public awareness: “knowledge is power”

The implementation of the EITI in Nigeria and its attendant ultimate objective is a fundamental tool in reversing the “resource curse in Nigeria. There is an increase for more accessible and friendly user information for citizens to hold both companies and government accountable: to ensure that companies make the appropriate payments and that for government use these revenues for the betterment of all Nigerians. In other words by placing data and information in the public domain, NEITI empowers Nigerians to demand for accountability in the revenues derived by the government

Also, the increasing public awareness and education has further resulted in massive public demands for reforms in the oil and gas sector and a key weapon in the continuous anti-corruption drive of the FGN.

The solid minerals sector has also come into play with the decline of oil & gas revenues and the rather urgent need to diversify the economy. The EITI solid minerals reports have become a veritable source of information for investors.

Economy.

Nigeria went into recession in the later part of 2016. However, with the impact of the implementation of EITI, Nigeria's potential for growth of the economy through extractive assets is expected to take off fully by the second quarter of 2017. The Anti-corruption drive of the FGN through the implementation of the EITI ethos of transparency and accountable, and recommendations from past NEITI's EITI reports for NNPC to be open in its operations and NNPC being more open now is a veritable source of ensuring better planning to attract investors to (in) Nigeria.

Oil & gas sector contribution in the economy.

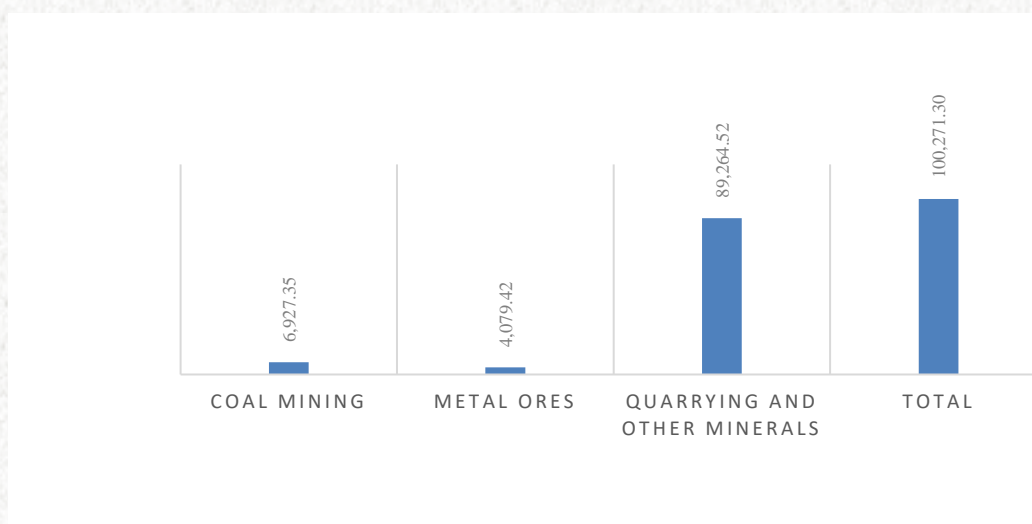
"According to National Bureau of Statistics Quarterly Report (Nigerian Gross Domestic Product Report of Q4 2014) Nigeria's GDP for 2014 was ₦67.152 Trillion (\$410.4 Billion), it represented an increase of 6.22% from 2013 GDP in real terms. The Oil and Gas sector contributed ₦7.01 trillion (\$42.8 Billion) representing 10.4% of the total GDP for 2014, compared with 2013 figure the GDP for Oil and Gas sector in 2014 declined by 1.32%. Available data gave a figure of 10.19 trillion as Gross Federally collected revenue in 2014, out of which oil & gas revenue contributed ₦6.8 trillion, representing 67% of the total" – page 36 2014 NEITI Oil & Gas report. www.neiti.gov.ng



Our responsibility as members of the NEITI National Stakeholders Working Group is to develop and establish policy targets on how the findings and recommendations of NEITI Reports can be implemented in a way that they leads to improved revenue generation to support national development, improve Nigeria's global rating and business environment for inflow of investments into the sector."
NEITI Board Chairman and Hon Minister Solid Minerals and Development, Dr. Kayode Fayemi.

Solid Minerals contribution to the economy

Total contribution to GDP from solid minerals in 2014 was ₦100,271.30 million giving a percentage contribution of 0.11% as shown below:



Better collaboration

NEITI activities have led to greater collaboration between the legislative, civil society, companies and government for better governance in the extractive industry sector various consultations were held with government agencies and the legislature to effectively respond to the challenges in the extractive industry.

The on-going restructuring of the state oil company, of the NNPC and the launching of the 7 Big Wins to grow Nigeria's Oil and Gas Industry were direct impacts of NEITI's interface with the government in 2016. The 7 Big Wins targeted seven critical areas: establishment of policy regulation frame work, aggressive improvement on business environment and investment drive as well as development of gas revolution infrastructure. Others are rehabilitation of refineries to free Nigeria from product importation, addressing the Niger Delta security and environmental issues, strengthening transparency and efficiency and broadening stakeholders' engagement.

The National Assembly on several occasions invited NEITI to make presentations on the findings and recommendation of NEITI reports with a view of providing a better framework for the implementations of the findings and recommendations: Such occasions included:

- i. Invited by the Senate to the public hearing on NNPC's product exchange and crude oil swap.
- ii. Presentation the 2013 NEITI Oil & Gas report to both the House of representative and the Senate in May 2016.
- iii. Presentation of the Oil & Gas 2013 report to the plenary session of the Senate in June 2016.
- iv. An ad hoc committee was set up by the Senate on the 23rd June 2016 with the ToR stated thus "In the extractive industry, the 2013 NEITI Oil & Gas report before us has provided crucial facts, information and data required by members of this committee to invite relevant stakeholders to give account and up-to-date account of what they have done with public resources entrusted to them with a view to ascertaining whether or not they have individually or collectively conformed with laid down procedures and accomplished the objectives of government".

In the same vain, NEITI is collaborating with the EFCC to ensure that governance issues arising from NEITI's reports bothering on criminal intentions and inferences of corruption are further investigated by the EFFC for possible prosecution. An ad hoc committee comprising members of both NEITI and EFFC staff was set up in 2016 to establish a framework (MoU) for trainings and cooperation between the two organisations.

Capacity building

Various capacity building programmes were conducted for stakeholders in the extractive industry. Capacity building exercises were also arranged for professional bodies and government agencies to educate them on the EITI implementation. NEITI's sponsorship of trainings for stakeholders is greatly affected by the lack of funds inspite of the very good assistance from development partners

Challenges (Weaknesses)

Lack of funds

Funding has always been one of the major challenges to NEITI in the achievement of its objectives. The NEITI budgetary allocation from the FGN is not sufficient to meet the planned activities of the WP, and as such NEITI depends on donor agencies' grants to supplement budgetary allocation. However, in many cases even donor funds are not easily accessible due to stringent policies and timing of the donor agencies.

Production of up to date (or as near) reports

Requirement 2.2 states that "EITI reports must cover no data older than the second to last accounting period". In other words, the report is two years after the fact (data) or event. The production of other real-time data through the internet means that by the time the EITI report is published the information contained therein has almost become obsolete or already reported through other means. Although the EITI reports are very comprehensive in reportage, nonetheless, there always seem to be playing catch-up with other reports on the extractive industry.

Consequently, NEITI's audits need to be as close to date as possible otherwise it would lose its relevance: to engage the public NEITI reports must be up to date.

However, it is pertinent to note that some of the intervention tools already deployed by NEITI address the issues partly; there is still lot to be done to bring real time data to the public domain. Obviously mainstreaming of reports by government agencies would also aid the provision of real time data.

Petroleum Industry Governance Bill (PIGB)

Presently there are about 19 statutes affecting operations in the oil & gas sector in Nigeria. This has led to a lot of uncertainties. The need to eradicate the opacity in the oil & gas sector in conformity with the EITI process has long been expressed in all the NEITI reports. NEITI has presented strong position papers on several occasions on the restructuring of the oil & gas sector and the need to remove the opacity.

The dependence on political will

"We need to have the political will. If you have a government that is not interested in change- in making things, then you are just wasting your time writing reports. So what we need to is to get the buy-in of government" Waziri Adio Executive Secretary NEITI – This Day newspapers of 28 June 2016

This principally comes to play with the remedial issues. The present government has reiterated time without number its intention to implement the findings of the EITI reports. The mere conduct of the report would not suffice to appreciate the impact of the EITI process in Nigeria. There

must implementation of the remediation issues. And for this to happen the political will of the government working either through the IMTT or otherwise should be established in no uncertain circumstances.

Review of the NEITI Act 2007

As earlier stated the operations of the NEITI are governed by the NEITI Act 2007 and the EITI Standard. However, in spite of the great gains achieved by NEITI since the Act was enacted, the NSWG has identified some gaps (conflicts with EITI Standard inclusive) in the Act which it is desirous of amending to ensure more effectiveness for greater impact of the EITI process in the future. Whilst the EITI Standard is evolving on a constant pace with technology and more demand for transparency and accountability, the Act on the other hand has lagged behind. And since technically, the Act is the legal mandatory existence of NEITI, with precedence over the EITI Standard, NEITI might consequently suffer one or two legal challenges in the application of the EITI Standard, if the Act is not amended.

TOTAL COST OF IMPLEMENTATION OF THE 2016 ACTIVITIES.

Background

The implementation of the EITI in Nigeria is funded by through budgetary allocations from the FGN and development partners (donors). The bulk of the funding is from the FGN: =N=1,271,295,283.00

Donor Financial Management

In 2016, NEITI received donor support from various agencies. Some of the supports were in-kind support from the WB, African Development and Natural Resources Governance Institute (NRGI). Only the NRGI funding of ₦11,694,067.00 was executed during the year.

Support not utilized during the year as a result of technicalities and procedural demands in accessing the funds were:

World Bank	- \$240,000.00
African Development Bank	- UA 146,010.31

Since these funds are still subsisting NEITI would endeavour to complete all necessary processes and procedures and ensure that the above donor funds are effectively utilized in 2017.

2016 Budget performance at 31st December 2016

The summarized budget performance (percentage spends to Budget and receipts) is follows:

ITEMS	BUDGET APPROPRIATED	SPENT (JAN-DEC 2016)	% SPENT TO BUDGET
	=N=	=N=	%
PERSONNEL	626,401,371.00	599,247,476.88	95.67%
OVERHEAD	265,315,412.00	191,925,172.72	72.34%
CAPITAL	379,578,500.00	10,615,195.45	2.80%
TOTAL	1,271,295,283.00	801,787,845.05	63.07%

BUDGET CATEGORY	RECEIPT (JAN-DEC 2016)	PAYMENTS (JAN-DEC 2016)	% PAYMENTS TO RECEIPTS
	=N=	=N=	=N=
PERSONNEL	624,564,778.38	599,247,476.88	95.95%
OVERHEAD	191,925,172.72	191,925,172.72	100.00%
CAPITAL	165,267,500.00	10,615,195.45	6.42%
TOTAL	981,757,451.10	801,787,845.05	81.67%

It is important to also state that the capital releases for NEITI under the 2016 budget did not come as at when due. However that the government extended the capital budget release to May, 2017, meant that NEITI could also roll over the activities under this budgetary head to 2017 also.

Governance

A new NSWG was appointed on the 20th February 2016. The old NSWG was dissolved by the FGN on the 16th June 2016. There was an interregnum of about 7 months.

Section 4 of the supplementary provisions of the Act mandates the NSWG to meet for “for not less than four times a year”. The NSWG met four times and also had two retreats on:

- i. Induction on the implementation of the EITI process in April 2016
- ii. Formulation of the SP for 2017 – 2021

The attendance of the NSWG members at the two meetings in 2015 was about 76% and the activities of the NSWG were directed by the NEITI Board Charter, EITI Code of Ethics and the Act.

Summary of NSWG meetings attendance 2016.

SN	NAMES	11 MARCH	3 APRIL	12 JULY	6 DECEMBER	% ATTENDANCE
1.	Kayode Fayemi (Chairman)					100
2.	Waziri Adio					100
3.	Mahmoud Isa Dutse/Proxy					100
4.	Ann Adaeze Onyekwena					100
5.	Gbenga Okunlola					100
6.	Sani Shehu					100
7.	Lawan Gana Lantewa					100
8.	Gbenga Onayiga					100
9.	Benard Verr					75
10.	Emmanuel Chiejina					75
11.	Kolawole Banwo					75
12.	Achese Igwe					75
13.	Hannatu Musawa					50
14.	Kachikwu/Baru/Proxy					25
15.	Bunmi Toyibo					25
Average attendance						80

Colour Chart:

	Present
	Absent

Staff Strength

The staff strength of the NEITI Secretariat in 2016 was 55

APR approval.

Dialogue of the 2016 AAR went beyond the NSWG.

A draft report of this 2016 APR was sent to the Chairman of the CSSC of the NEITI who is also a member of the NSWG. He further disseminated the draft report to other CSOs in line with the work plan sent to the EITI secretariat on the corrective measures recommended by the EITI secretariat in the 2016 EITI Validation report, for the engagement of the wider civil society.

It was also given to the Chairman of the CF in line with the Memorandum of Understanding with NEITI, for transmission to its members for their respective inputs. The NEITI secretariat also sent it to all members on the mailing list of the CF for their inputs.

The additions and comments of both the civil society organisations and companies were incorporated accordingly. The NSWG thereafter evaluated and analysed all the various inputs before finalisation of the draft for approval.

This APR 2015 was approved by way of a NSWG circular on the 30th June 2016.