# Annual Activity Report2016

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## 1. General Assessment of Years Performance

On behalf of the Iraqi EITI Stakeholders' Council and National Secretariat, we submit this Annual Progress Report, to elaborate to the Public our efforts of the implementation of the EITI in Iraq throughout the previous year.

The year 2016 has witnessed a tangible progress in the path of IEITI, where the coverage of revenues in both oil and gas sectors has been expanded, based on EITI standard which was formulated to achieve as much transparency as possible in the natural resources. Furthermore, IEITI report included more data and information than what is required by the standard, in order to present to the public the clearest image about the revenues of the natural resources and the mechanisms of its governance.

On behalf of the Stakeholders' Council

## Summary of Activities:

| No. | Activity | Impact | Goal achieved by work plan |
|---|---|---|---|
| 1 | 17/ 01/ 2016, Opening of bids to draft chapters of (KR and Mining) of 2014 IEITI report. | - Increase the reliability of the data and information about the total revenues and payments of the extractive sector.<br>- Data and information on KR and Mining are improved, creating better knowledge of the public on these chapters. | Publish IEITI Report for year 2014 |
| 2 | 24-25/ 02/ 2016. The National Secretariat and MSG Participated in EITI Global Conference in Lima, Peru, The gathering of implementing countries, EITI board and EITI International Secretariat, besides getting to know EITI updates and new standard, IEITI representatives had met delegates of other EITI implementing countries (United states, Britain, Germany, etc.) and delegates of International Organizations (WB, NRG, PWYP), while the representative of SOMO had participated in sessions on commodity trading. | - Enrich the dialogue with international community and EITI implementing countries sharing the experiences of these countries, which will assist in improving the track of EITI in Iraq.<br>- Application of new EITI 2016 standard. | Follow-up on the EITI recommendations for improvements of annual reports issued by the independent administrator |

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| 3 | 02/04/2016, Hold Workshop in SOMO about (The Impact of IEITI in raising the public debate). | - enrich the public debate on the mechanisms of pricing and selling of the Iraqi oil. | Organize work shop with regard to accountability and responsibility of parties related to publishing IEITI Report |
| 4 | 26/04/2016, For the first time in IEITI, Two reports (2014, 2015 reports) are issued in the same year. | Reduce the time gap for the IEITI reports issuance. | Publish IEITI Reports for year 2014 and 2015 |
| 5 | The report of 2014 and executive summary are issued as a soft copy on USB. | Ease of using data and information in IEITI report by the public and researchers. . | Publish IEITI Report for year 2014 |
| 6 | Number of meetings - for the team responsible for drafting the road map of beneficial ownership - was held; these meetings also included participation in EITI International Secretariat video conferences. | - Development of the quality of IEITI report through including beneficial owner data, by the percentage of discloser as => 10%.<br>- A road map of beneficial ownership is submitted to the Stakeholders' Council. | Follow-up on the EITI recommendations for improvements of annual reports issued by the independent administrator. |
| 7 | 18/08/2016, meeting with the deputy director general of (registration of companies) directorate to discuss the data of beneficial ownership for companies operating in Iraq. | - determine the companies that will be included in the beneficial ownership.<br>- better knowledge of the mechanisms of registering the companies in Iraq and the database of their owners. | Enhance and support mechanisms of accountability about the management of natural resources. |
| 8 | August 2016, Participation of members of the National Secretariat in a workshop in Amman, Jordan held by the independent administrator of 2015 report KPMG. | Capacity building for some of IEITI National Secretariat. | Capacity building for IEITI National Secretariat staff |
| 9 | 27/08/2016, an important workshop in Erbil on (finding solutions for KR participation in IEITI). The workshop was interesting in terms of the large | Increase the public awareness of KR citizens on and enrich the public debate, also, encourage the KRG to submit data for IEITI reports. | Capacity building and training for Civil Society on mechanisms of IEITI monitoring |

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| | attendance and the media coverage. | | and support, and putting a common understanding framework with the civil society |
| 10 | 29/08/2016, representatives of MSG and the National Secretariat held a workshop entitled "Transparency is The Most Important tool to Curb Corruption" In Sulaimania for Members of the provincial parliamen (including Dr.Shirko Jwdat, The chairman of the energy committee in Kurdistan Parliament), members of the provincial councils, Academics, civil society organizations. | Increase the public awareness of KR citizens on and enrich the public debate, also, encourage the KRG to submit data for IEITI reports. | Capacity building and training for Civil Society on mechanisms of IEITI monitoring and support, and putting a common understanding framework with the civil society |
| 11 | 18/10/2016, The National Secretariat held an important workshop on the impact of IEITI, in the Iraqi Parliament on, Where more than 22 members of the Iraqi Parliament attended (including IEITI champion Mr. Ibrahim Bahr Al-Oulum) and representatives of EITI board, EITI international secretariat, international and local civil society, IEITI MSG members and IEITI secretary general were the key speakers in this event, while the attendance included also experts, academics and media. | Enhance the dialogue between parliamentarians and civil society about the importance of EITI. | Organize work shop with regard to accountability and responsibility of parties related to publishing IEITI Report |
| 12 | 19/10/2016, Held a Workshop in Mansour Melia Hotel on pre-Validation self-assessment, participators of this event were EITI international secretariat, international civil society (PWYP), and IEITI MSG and national secretariat, local civil society representatives attended | Increasing the Knowledge of the about the mechanisms and requirements of the validation process. . | Organize work shop with regard to accountability and responsibility of parties related to publishing IEITI Report |

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| | the workshop and participated in the self-assessment exercise. | | |
| 13 | The Secretary General held a meeting with The MSG to discuss the results of the visit of his visit to Astana, Kazkhstan and his attendance to 35th session of the EITI board explaining the need to amend the new EITI standard into the work plan. | Increase the MSG understanding of the importance of mainstreaming EITI within the Iraqi Government system. | follow up with the EITI recommendations to improve EITI path in Iraq |
| 14 | 24/12/2016, a workshop was held for civil society, experts and academia in Missan governorate. | More understanding of the mechanisms of using information and data for IEITI reports to use it in accountability and improving the governance of the sector. | Organize work shop with regard to accountability and responsibility of parties related to publishing IEITI Report |
| 15 | 25/12/2016, a workshop was held for employees of Missan Oil Company and the operating companies in Missan Field in the oil center in Missan. | More understanding of the mechanisms of using information and data for IEITI reports to use it in accountability and improving the governance of the sector. | Organize work shop with regard to accountability and responsibility of parties related to publishing IEITI Report |
| 16 | 26/12/2016, a workshop was held for civil society, experts and academia in the United Businessmen Hall in Basrah. | More understanding of the mechanisms of using information and data for IEITI reports to use it in accountability and improving the governance of the sector. | Organize work shop with regard to accountability and responsibility of parties related to publishing IEITI Report |
| 17 | Held a workshop on 27/12/2016 for employee of SOC and worker companies in SOC Field in oil center in Al-Basrah. | More understanding of the mechanisms of using information and data for IEITI reports to use it in accountability and improving the governance of the sector. | Organize work shop with regard to accountability and responsibility of parties related to publishing IEITI Report |
| 18 | 28/12/2016, visit Basra Governorate Council and meet | Enhance the role of local governments in using IEITI | Organize work shop with regard |

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| | members of local government council. | deliverables in accountability and improving the financial management of the governorates. | to accountability and responsibility of parties related to publishing IEITI Report |
| 19 | Draft IEITI law through:<br>- form a committee from the MSG, legal experts and the legal consultant of IEITI, this committee hold meetings to prepare the draft.<br>- submit the draft law to the MSG.<br>- Form a committee to submit and explain the draft law to the parliamentarian committee of integrity. | Create the legal framework to IEITI within the Iraqi laws and regulations in force. | Clarify and enhance the laws and policies that support the governance of the sector. |

## The Stakeholders' Council Meetings:

1. The 37th meeting at the General Secretariat of the Council of Ministers' building, on 14/03/2016.
2. The 38th meeting at SOMO on 27/04/2016.
3. The 39th meeting at the General Secretariat of the Council of Ministers' building, on 08/06/2016 (Discussing the initial report of KPMG).
4. The 40th meeting at the General Secretariat of the Council of Ministers' building. on 05/10/2016.
5. The 41th meeting at the General Secretariat of the Council of Ministers' building on 19/12/2016.

## 2. Assessment of Performance Against Targets and Activities Set Out in The Work plan And Their Impacts

| No. | Goals according to work plan | Activity as required in the work plan | Assessment | Outcomes |
|---|---|---|---|---|
| 1 | Publish IEITI Report for year 2014 and 2015 | 1- 17/ 01/ 2017, Opening of bids to draft chapters of (KR and Mining) of 2014 IEITI report.<br>2- 26/04/2016, For the first time in IEITI, Two reports (2014, 2015 reports) are issued in the same year.<br>3- The report of 2014 and executive summary are issued as a soft copy on USB. | 1-Development in the mechanism of obtaining the data and information of KR and mining sectors from more reliable resources.<br>2-Success in publishing two reports within the timeline set by the MSG.<br><br>3- Facilitate access to the data by researchers. | 1-Issuing 2014 report in the first quarter of 2015.<br><br>2-Issuing 2015 report in the end of 2016.<br><br>3-Increasing the Public awareness. |
| 2 | Follow-up on the EITI recommendations for improvements of annual reports issued by the independent administrator | 24-25/ 02/ 2016. The National Secretariat and MSG Participated in EITI Global Conference in Lima, Peru, The gathering of implementing countries, EITI board and EITI International Secretariat, besides getting to know EITI | Fruitful meetings, rich with exchanged information. | Guarantee that the report is completely identical with the standard requirements.<br><br>2-Exchange experience with other countries has EITI to increase the knowledge about |

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| | | updates and new standard, IEITI representatives had met delegates of other EITI implementing countries (United states, Britain, Germany, etc.) and delegates of International Organizations (WB, NRG, PWYP), while the representative of SOMO had participated in sessions on commodity trading. | | different society. |
| 3 | Follow-up on the EITI recommendations for improvements of annual reports issued by the independent administrator. | Number of meetings - for the team responsible for drafting the road map of beneficial ownership - was held; these meetings also included participation in EITI International Secretariat video conferences on 26/06/2016 and on 20/09/2016. | Effective and deep discussions among the MSG about the mechanisms of approving on a beneficial ownership roadmap which is applicable to the Iraqi situation. | Issue clear and applicable beneficial ownership roadmap within the suggested timeline.<br><br>2-Commitment to timeline of EITI |
| 4 | Organize work shop with regard to accountability and responsibility of parties related to publishing IEITI Report | 02/04/2016, Hold Workshop in SOMO about (The Impact of IEITI in raising the public debate). | Participation of some of the previous ministers led to create an open dialogue between them and the attendees from academia, media and CS representatives about the mechanisms of selling and pricing of | Clarify the mechanisms of selling Iraqi crude oil to the attendees which increases their public awareness. |

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| | | | the Iraqi oil. | |
| 5 | Organize work shop with regard to accountability and responsibility of parties related to publishing IEITI Report | The National Secretary Held an Important workshop about The Impact of Transparency in The Iraqi Parliament on 18/10/2016. | more than 22 members of the Iraqi Parliament attended (including IEITI champion Mr. Ibrahim Bahr Al-Oulum) and representatives of EITI board, EITI international secretariat, international and local civil society, IEITI MSG members and IEITI secretary general were the key speakers in this event, while the attendance included also experts, academics and media. | 1- Expand parliamentarians' awareness about EITI in order to get their support for its implementation.<br>2-Adopt the idea to law of IEITI from many Parliamentarians.<br>3- Create the dialogue between the parliamentarians and the CS about the transparency in the extractive industries. |
| 6 | Capacity building for IEITI National Secretariat staff | 1- Participate some of National Secretariat staff in Workshop Held in Amman Which Had Been Set up By KPMG on August 2016. | Five of the staff participated in this workshop, | Develop the National Secretariat capacity |
| 7 | Capacity building and training for Civil Society on mechanisms of IEITI monitoring and support, and putting a common understanding framework with the civil society | 1- 27/08/2016, an important workshop in Erbil on (finding solutions for KR participation in IEITI). The workshop was interesting in terms of the large attendance and the media coverage.<br>2- 29/08/2016, representatives of MSG and the National Secretariat held a workshop entitled "Transparency is The Most Important tool to | Effective participation of ministers, parliamentarians and KR government, CS and media which created discussion atmosphere about participation of Kr in EITI. | 1- Increase public awareness in KR about EITI, and encouraging KRG to submit data for IEITI report.<br><br>2- form committees from the participators and local government of KR, to work on increasing the public awareness and pushing KRG to participate in IEITI. |

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| | | Curb Corruption" In Sulaimania for Members of the provincial parliamen (including Dr.Shirko Jwdat, The chairman of the energy committee in Kurdistan Parliament), members of the provincial councils, Academics, civil society organizations. | | |
| 8 | | 1- a workshop was held for civil society, experts and academia in Missan governorate.<br>2- 25/12/2016, a workshop was held for employees of Missan Oil Company and the operating companies in Missan Field in the oil center in Missan.<br>3- 26/12/2016, a workshop was held for civil society, experts and academia in the United Businessmen Hall in Basrah.<br>4- Held a workshop on 27/12/2016 for employee of SOC and worker companies in SOC Field in oil center in Al-Basrah. | Effective participation of different categories of Iraqi society in these cities. | The community in these cities understand the mechanism of using data and information of IEITI in accountability and improving the governance of the sector |

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| 9 | | 28/12/2016, visit Basra Governorate Council and meet members of local government council. | The meeting achieved a success in encouraging the local government to use IEITI reports' info and data in the accountability about the financial resources | Enhance the role of local governments in using IEITI deliverables in improving the financial managements to these governments. |

## 3. According to The Requirement 2-7/A The Annual Activity Report I Is Published at The Iraqi EITI Link According to The Work Plan of The Iraqi EITI as Shown Below:

| First: Iraqi Universities and Institutes | No. | Receipt Entity | No. of Distributed Reports |
|---|---|---|---|
| | 1 | University of Baghdad | 98 |
| | 2 | Al-Nahrain University | 49 |
| | 3 | Al-Mustansiriya University | 56 |
| | 4 | University of Baghdad \ Political Sciences College | 10 |
| | 5 | Al-Iraqia University | 49 |
| | 6 | University of Technology | 42 |
| | 7 | Al-Imam Al-SadiqUniversity | 28 |
| | 8 | Technology Institute | 70 |

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|---|---|---|---|
| | 9 | Sadr Al-Iraq College | 21 |
| | 10 | Madinat Al-Elm College | 28 |
| | 11 | Al-Rafidian College | 37 |
| | 12 | Al-Mansour College | 42 |
| | 13 | Al-Esraa College | 25 |
| | 14 | AL-Hikma College | 21 |
| | 15 | Baghdad College for Economical Science | 20 |
| | 16 | Al-Turath College | 25 |
| | 17 | Al-Farahidi College | 14 |
| | 18 | Dijla College | 35 |
| | 19 | Al-Ma'moon College | 28 |
| **Second: States Ministries and Oil Companies** | 20 | Ministry of Oil \ The Minister Office | 15 |
| | 21 | Deputy of The Ministry for Distribution | 15 |
| | 22 | Deputy of The Ministry for Refineries Affairs | 15 |
| | 23 | Deputy of The Ministry for Extractive affairs | 15 |
| | 24 | Deputy of The Ministry for Gas Industry | 15 |
| | 25 | South Oil Company and Oil Companies | 144 |
| | 26 | Ministry of Education | 28 |
| | 27 | Ministry of Transportation | 35 |
| | 28 | Ministry of Labour | 48 |
| | 29 | Ministry of Agriculture | 35 |
| | 30 | Ministry of Water Resources | 28 |
| | 31 | Ministry of Industry | 21 |
| | 32 | Ministry of Human Rights | 28 |
| | 33 | Ministry of Commerce | 28 |
| | 34 | Ministry of Reconstruction and Housing | 28 |
| | 35 | Ministry of Justice | 28 |
| | 36 | Ministry of Planning | 35 |
| | 37 | Ministry of Finance | 28 |
| | 38 | Ministry of Culture and Media | 28 |
| | 39 | Ministry of Higher Education | 42 |
| | 40 | Ministry of Telecommunication | 42 |
| | 41 | Ministry of Science and Technology | 35 |
| | 42 | Ministry of Youth and Sport | 21 |
| | 43 | Ministry of Municipalities and Public Work | 21 |
| | 44 | Ministry of Foreign Affairs | 49 |

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|---|---|---|---|
| | 45 | Ministry of Tourism and Antiquities | 28 |
| | 46 | Ministry of Migration and Displaced | 28 |
| | 47 | Ministry of Environment | 35 |
| **Third :Bodies, Institutions and Courts** | 48 | Supreme Judicial Council | 56 |
| | 49 | The Federal Supreme Court | 43 |
| | 50 | The Central Criminal Court | 77 |
| | 51 | Political Prisoners Foundation | 33 |
| | 52 | Martyrs Foundation | 50 |
| | 53 | Bait Al-Hikma Institution | 39 |
| | 54 | Commision of Integrity | 88 |
| | 55 | Al-Karkh Federal Court of Appeal | 41 |
| | 56 | Al-Rasafa Federal Court of Appeal | 35 |
| | 57 | National Olympic Committee of Iraq | 20 |
| | 58 | Iraqi National Intelligence Service | 64 |
| | 59 | Iraqi Hajj and Umrah Commission | 64 |
| | 60 | Central Bank | 64 |
| | 61 | Endowments of the Christian, Ezidean&SabianMandaean Religions Divan | 30 |
| | 62 | Media and Telcommunication Body | 39 |
| | 63 | National Security Advisory | 43 |
| | 64 | Federal Board of Supreme Audit | 38 |
| | 65 | Shiite Endowment Divan | 43 |
| | 66 | Sunni Endowment Divan | 13 |
| | 67 | General Secretariat of the Shiite holy shrines | 73 |
| | 68 | Turkmen Club | 60 |
| | 69 | Faily Kurds Institution | 54 |
| | 70 | Iraqi Engineers Union | 50 |
| | 71 | Dar al-Tarbiya Library | 44 |
| | 72 | Dar Al-Jawahiry Publishing House | 35 |
| | 73 | Dar Al-Kutub Al-I'lmiya Library | 30 |
| | 74 | Al-Nahdha Library | 54 |
| | 75 | Maktabat Adnan Library | 20 |
| | 76 | Al-Dhiaa' Al-Baghdady Library | 48 |
| | 77 | Al-Sharqiya Library | 60 |
| | 78 | Dar Al-Nubalaa' Library | 37 |

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| | 79 | Al-Nafa'is Library | 22 |
| | 80 | Dar Al-Doctor Library | 44 |
| | 81 | Hanash Library | 40 |
| | 82 | Sutoor Library | 40 |
| | 83 | Shanasheel Library | 33 |
| | 84 | Public Library | 32 |
| | 85 | Al-Maktaba Al-I'lmiya Library | 63 |
| **Fourth: Civil Society Organizations** | 86 | Rafidi Al-Iraq Al-Jadidi institution | 30 |
| | 87 | Akad cultural Institute | 45 |
| | 88 | Women's Organization for the good of women | 35 |
| | 89 | Al-Wid humanitarian Organization | 27 |
| | 90 | Al-Amal Al-JadidOrganiation | 30 |
| | 91 | Al-Amal Gathering Organization | 33 |
| | 92 | Hana Organization | 25 |
| | 93 | Protecting Environment Organization | 30 |
| | 94 | Women for Peace Organization | 40 |
| | 95 | Iraqi Center for International Judging | 37 |
| | 96 | Human Rights Organization | 40 |
| | 97 | Al-Ta'akhi Humanitarian Association | 30 |
| | 98 | Al-Tadhamun Association | 42 |
| | 99 | The Iraqi Student Organization | 55 |
| | 100 | Aware youth Thinking Gathering | 50 |
| | 101 | Noor Al-Haq Organization | 35 |
| | 102 | Adhwaa' Al-Marji'iya Organization | 25 |
| | 103 | Al-Manar Organization | 25 |
| | 104 | Individual Development Organization | 30 |

## 4. Assessment of Performance Against EITI Requirements

| Requirement | Progress |
|---|---|
| Requirement 2.4<br>Contracts | - The reports included all details about the round of licenses and the update of the data of all companies which operate in this round (national, international). 2015 report considered a full list for IOC's.<br>- 2015 report included an updated register. |
| Requirement 2.5<br>Beneficial ownership | There was a huge progress through approving Beneficial ownership road map from the MSG and published all details on the official website. |
| Requirement 4.4<br>Payment of Transportation | Not applicable.<br>But IEITI will add contextual data about The mechanism of obtaining revenues of transportation of oil pipelines companies and add contextual data about the payments that SOMO pay for passing the Iraqi oil to Jihan port as cost. |
| Requirement 5.2<br>Subnational Transfer | 2015 report explained how to calculate the allocated amount of production of a barrel of Iraqi oil, and the standard cubic meter of gas and the allocated amount of national government, also the amount of petrodollar in the two biggest regions which produce crude oil ( Kirkuk and Basrah). |
| Requirement 5.3<br>revenue and expenditure | The mechanism of revenues and expenditures for each region has been explained except for KR. |
| Requirement 6.1<br>Where material social expenditures by companies are mandated by law or the contract with the government that governs the extractive investment, implementing countries must disclose and, where possible, reconcile these Transactions. Where such benefits are provided in kind, it is required that | The report includes in Kind and cash expenditures for most oil companies and disclose about the beneficiary. Also the social expenditures of national companies, in order to increase the public awareness, the report also included the social expenditures of the national oil companies. |

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| implementing countries disclose the nature and the deemed value of the in kind Transaction. Where the beneficiary of the mandated social expenditure is a third party, i.e. not a government agency, it is required that the name and function of the beneficiary be disclosed. Where reconciliation is not feasible, countries should provide unilateral company and/or government disclosures of these Transactions. | |
| Requirement 7.4/a/ii<br>The final dates for the reports and the validation | Summary data of 2013 was published on 30/07/2016, while the summary data of 2014 was on 26/08/2016 as an excel form. Also The executive summary was published in 27/07/2016. |

## 5.Overview of The Multi-stake holder Group's Response to the Recommendation from Reconciliation and Validation, If Applicable:

| No. | Lesson Learned | Source | Procedure | Assessment |
|---|---|---|---|---|
| **1** | The rate of Materiality | 2014 report<br>2015 report | MSG recommended to fixed the materiality rate at 0.5% | Edit the materiality from 1% to 0.05% according to the MSG decision which caused the data included in the materiality to decrease from 50 billion dollars to 250 million dollars on 2015 report, and on report 2014 decrease from 70.9 billion dollars to 354 million dollars, this can increase transparency in the documentation of the reports. |
| **2** | Reporting Deadlines | 2014 report p116<br>2015 report p132 | Engaging with PwC firm (to produce 2014 Report) and KPMG firm (to produce 2015 Report) was made in an early stage which allowed more time to perform the reconciliation tasks and obtain variance justifications. | Early reporting deadlines and sending template at one time from the independent administrator to the entities gave enough time to The MSG, Civil Society and related researchers to discuss the report better. |
| **3** | Quality of The Reporting Templates | 2014 report p116<br>2015 report p132 | - MSG approved the necessity of contracting with the independent administrator early. | - More flexibility and creditable in the data of the report. |

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| | | | - The MSG decided to assign the independent administrator at an early stage to produce 2014 and 2015 report.<br>- MSG improved the types of the templates of obtaining documentation to the companies.<br>-Put a communication plan with the entities. | |
| **4** | Signatures | 2014 report p117<br>2015 report p134 | - This recommendation was adopted in the ToRs of 2014 and 2015 Report.<br>- MSG adopted the recommendations of the independent administrator on signing the given templates from the companies by the formal person in charge. | Future guidelines need to emphasize on the importance of signing off the submitted templates.<br>- the independent administrator still complains about not getting the templates signed by the decision makers in the reporting entities, but still, receiving those templates via the formal email of the company gives it credibility. |
| **5** | Auditor's report according to the international accounting standards | 2014 report p117<br>2015 report p133 | - MSG discussed the importance of applying the international accounting standards on the obtained data from the companies.<br>- There were serious | - It is recommended that buyers provide their audited financial statements to SOMO annually, Moreover, National Oil Companies need to be audited in accordance with International |

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| | | | attempts in applying International Accounting Standards such as the efforts of the Federal Board of Supreme Audit in enforcing the Standards and the efforts of Iraqi central bank.<br>-Get rid from the contradiction in Financial data in the report. | Accounting Standards and International Financial Reporting Standards<br>- This procedure contributed pushing the national and international companies to give their reports to the auditor according to the international accounting standards.<br>- Guarantee that the local standards get along with IFRS and understanding to certified basis. |
| **6** | Ministry of Electricity data | 2014 report p117 | Hold a meeting between the independent administrator and the national secretariat with the head of fuel department in Ministry of Electricity to improve the quality of the data submitted by the ministry. | Receiving more credible data and more details from Ministry of Electricity for 2015 report. |

## 5. Any Specific Strength and Weakness Identified in EITI Process

### Obstacle1

Lack of Resources in the North Area of Iraq: Iraq's low expectations toward the fine tuning of each year's report still the same since we had this great experience of IEITI. This was and still the same obstacle we try to overcome each time we reach, every year we create a plan with no huge success of improving our lack of information's obstacle in the KRG.

### Treatment

The independent administrator (KPMG) try to get the data from the ministry of natural resources, where a letter was sent from the independent administer (KPMG) on 22/8/2016. We had to send a letter to the EITI board on 21/9/2016 to explain that obstacle and the MSG decided to include data from reliable sources.

### Obstacle2

The second obstacle of IEITI for the 2015 was repeated according to the mining sector. There is an obvious weakness of issuing creative plans to improve our mining industries sector, this kind of obstacles is difficult since it is not achieved in the right way to be attached according to IEITI need in its reports. There are no external revenues from this sector.

## Treatment

The ministry of mining sell their production to the private sector to cover their consumption and there are Intangible revenues that made the MSG decide excluded them from the materiality.

- Also, most of the areas of minerals production is located within areas military encounters with the terrorists, which make it hard to implement the investment plans, so the MSG decided to depend on the contextual information of mining.

## Obstacle3

IOCs lack of communication and attendance. IEITI witnessed numbers of meetings and events, the implementation team is still facing the same obstacle every year which is concerned in the IoCs lack of attendance in IEITI events. This obstacle keeps making the MSG's internal system incomplete, considering that the IOCs are an important element in the complementary distribution of the council of the IEITI.

## Treatment

EITI should encourage the companies to attend and submit their candidates to the MSG through a representative of these companies in EITI board. IEITI have to hold many of workshops to encourage representative of companies to submit their candidates to attend the MSG meeting periodically. a workshop like this was indeed held in SOC's on December 2016.

## Obstacle4

The difficulty of ensuring IEITI'S funds through the year of 2015 and 2016**.**

## Treatment

- Having strong support from the government through IEITI champion to achieve the financial support.
- IEITI addressed the World Bank and the Iraqi Government (represented by Ministry of Oil) to get the needed fund for supporting EITI implementation.

## 7. Total Costs of Implementation

| No. | Activity | Cost as indicated in work plan for 3 yeras | Cost allocated for 2016 | Actual Cost | Comments |
|---|---|---|---|---|---|
| **1** | Consultant Salaries | $180,000 | $60,000 | $117,410 | |
| **2** | Staff Training | $75,000 | $25,000 | $2236 | |
| **3** | Office Equipment | $75,000 | $25,000 | 0 | |
| **4** | Workshops ( Training for Civil Society, MSG, Media), Report Dissemination Activities | $75,000 | $25,000 | $60,450 | |
| **5** | Production of IEITI report by Independent Reconciler | $900,000 | $300,000 | $179,864 | |
| **6** | Update and Develop Annual Cost Work Plan | - | - | - | These activities are undertaken by IEITI executive team |
| **7** | Advertising in Local Media, Newspapers | $300,000 | $100,000 | - | |
| **8** | Printing IEITI Materials | | | $1550 | |
| **9** | Hospitality of arrangements for local & international | $260,000 | $86,666 | $8595 | |

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| | figures | | | | |

## Staff of The IEITI

Contracts: 10
Ministry of Electricity (Inspector General Office) Employees (Appointed): 5 people
Ministry of Oil Employees (Appointed): 2 people

## 8. Any Additional Comment

No additional comment

## 9. Details of Member of MSG during The Period

### Recent MSG Meetings

**The 37th meeting at the General Secretariat Of The Council Of Ministers' building on 14/03/2016.**

1. Review, discuss and approve Mining and Kurdistan chapters prepared by Iraq Energy Institute for 2014 report.
2. Discuss and review the final draft of (ToRs) of 2015.
3. Discuss the financial report of the National Secretariat for years 2009 to 2014.
4. Discuss financing IEITI for years from 2016 to 2018.
5. Nominations for new MSG members to fill the seats of academia, media and private sector.
6. Upcoming IEITI events.
7. Other Topics.

**The 38th meeting at SOMO on 27/04/2016.**

1. Review and discuss the report presented by evaluation committee about the offers of 2015 report.
2. The champion of IEITI.
3. New nominations to occupy the seats of the Media Association, private sector and the academic.
4. Discuss the step of beneficial owner ship.

**The 39th meeting at The General Secretariat Of The Council Of Ministers' building on 08/06/2016.**

1. Review the inception report 2015 by KPMG.
2. Review and discuss the annual report of 2015.
3. New nominations to occupy the seats of the academics.
4. Other Topics.

**The 40th meeting at The General Secretariat Of The Council Of Ministers' building on 05/10/2016.**

1. Discuss The Preliminary Reconciliation report with KPMG Representatives.
2. Discuss Commission of Integrity's Letter, and Mr.Mansour Abdulmajeed's request of Exemption from The Council's Membership.

3. Discuss draft road map of beneficial ownership.
4. Approval of adding EITI impact in the updated work plan.
5. Outcomes and challenges of kurdistan region workshops.
6. Discuss KPMG letter about the challenges of disclosure for IEITI report.

**The 41th meeting at the General Secretariat Of The Council Of Ministers' building on 19/12/2016.**

1. Discuss the final version from 2015 report from KPMG.
2. Discuss and review the update work plan for 2016-2018.
3. Discuss the draft of beneficial ownership roadmap.
4. Discuss the preparations for pre-validation self-assessment for MSG.
5. Discuss the draft of IEITI law.
6. Other Topics.