Standard Terms of Reference for Independent Administrators

This document is a standard Terms of Reference (TOR) for Independent Administrator (IA) services in accordance with the EITI Standard, endorsed by the EITI Board on 16.01.2020. The TOR sets out the work to be undertaken by the IA hired to support the MSG in meeting the EITI Requirements. It is typically attached to the contract between the IA and the government.

EITI implementing countries are expected to disclose the information required by the EITI Standard through routine government and company reporting. To the extent possible, EITI Reports should collate and analyse information from primary sources in order to make this information more accessible and comprehensible. These disclosures are overseen by a multi-stakeholder group (MSG), cover all stages along the extractive industries value chain (Requirements 2-6), and should contribute to a wider public debate on the management of the sector. The IA should support the MSG in addressing any gaps in publicly accessible information and any stakeholder concerns about data quality.

**In accordance with the 2019 EITI Standard, the multi-stakeholder group (MSG) is required to agree a procedure to address data quality and assurance** based on this standardized procedure without any material deviations**.** Should the MSG wish to deviate from the standard procedure, approval from the EITI Board must be sought in advance.[[1]](#footnote-2)The standard procedure provides flexibility on who can act as an IA, as long as the IA is perceived by the multi-stakeholder group to be credible, trustworthy and technically competent. This includes both traditional consultancies as well as other organisations such as relevant government entities (such as the supreme audit institution), provided the MSG endorses the appointment.

There is also flexibility regarding the work that is undertaken by the IA. The only requirement of the standardised procedure is that an IA undertakes the reconciliation of material payments and revenues (Requirement 4). Without the need for prior Board approval, all other information covered in the EITI Standard (Requirements 2, 3, 5 and 6) can be systematically disclosed or disclosed in reports prepared by stakeholders other than the IA, including the national secretariat, the MSG or its working groups, relevant government institutions, companies or other consultants. In the disclosure of payments and revenues, the IA’s role can be further limited to essential aspects of the reconciliation process including: confirming the scope of reporting, performing the reconciliation, and providing an opinion on the comprehensiveness of the data.

* The TOR includes sections [bracketed and highlighted in blue] that should be completed by the MSG in order to adapt the TOR to the specific circumstances in the country.
* The TOR includes comment boxes to guide the MSG in completing each section.
* The TOR should be approved by the MSG.

The TOR is addressed to the IA and sets out the scope of its work. A *guidance note on MSG oversight of the EITI reporting cycle[[2]](#footnote-3)* is also available to guide MSGs and national secretariats on key issues to consider in overseeing the reporting process. Please contact the EITI International Secretariat for any questions about the standard TOR for IAs (secretariat@eiti.org).

Terms of Reference

**Independent Administrator for the [year] EITI Report, [country]**

Approved by the [MSG] on [date]

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# Background

The Extractive Industries Transparency Initiative (EITI) is a global standard for improving transparency and accountability in the oil, gas and mining sectors.

EITI implementation has two core components:

* Transparency: oil, gas and mining companies disclose information about their operations, including payments to the government, and the government discloses its receipts and other relevant information on the industry. The figures are reconciled by an Independent Administrator, and published annually alongside other information about the extractive industries in accordance with the EITI Standard.
* Accountability: a MSG with representatives from government, companies and civil society is established to oversee the process and communicate the findings of the EITI reporting, and promote the integration of EITI into broader transparency efforts in that country.

The EITI Standard encourages MSGs to explore innovative approaches to extending EITI implementation to increase the comprehensiveness of EITI reporting and public understanding of revenues and encourage high standards of transparency and accountability in public life, government operations and in business. The requirements for implementing countries are set out in the EITI Standard[[3]](#footnote-4). Additional information is available via [www.eiti.org](http://www.eiti.org) .

**The MSG should approve the terms of reference for the Independent Administrator, drawing on the objectives and agreed scope of the EITI as set out in the MSG’s workplan.** The MSG’s deliberations on these matters should be in accordance with the MSG’s internal governance rules and procedures (see Requirement 1.4.b). The EITI requires an inclusive decision-making process throughout implementation, with each constituency being treated as a partner.

**The Independent Administrator should be perceived by the MSG to be credible, trustworthy and technically competent.** The MSG and Independent Administrator should address any concerns regarding conflicts of interest. The EITI Report and associated data files prepared by the Independent Administrator will be submitted to the MSG for approval and made publicly available in accordance with Requirements 7.1 and 7.2.

The international EITI Board has developed these procedures to promote greater consistency and reliability in EITI reporting.

The EITI process should be used to complement, assess, and improve existing reporting and auditing systems. The Board recommends that the process rely as much as possible on existing procedures and institutions, so that the EITI process draws on, complements and critically evaluates existing data collection and auditing systems. In this way, the EITI process has the potential to generate important recommendations to strengthen other oversight systems.

The EITI requires an assessment of whether the payments and revenues are subject to credible, independent audit, applying international auditing standards. The expectation is that government and company disclosures as per Requirement 4 are subject to credible, independent audit, applying international auditing standards. The expectation is that disclosures as per Requirement 4 will include an explanation of the underlying audit and assurance procedures that the data has been subject to, with public access to the supporting documentation.

**EITI Implementation in[country]**

[…].

# Objectives and expectations of the assignment

On behalf of the government of [country] and [MSG], the [contracting party] seeks a competent and credible firm, free from conflicts of interest, to provide Independent Administrator services in accordance with the EITI Standard. The objective of the assignment is to support the [MSG] in strengthening disclosures in accordance with the EITI Standard, provide an assessment of the comprehensiveness and reliability of the disclosures, and support the [MSG] in agreeing recommendations for strengthening government systems and natural resource governance.

The Independent Administrator is expected to:

[- Produce a scoping study to inform the MSG’s decision on the scope of the [year/s] EITI Report.]

[- Produce an EITI Report and associated data files for [year/s] in accordance with the EITI Standard, and section 3, below.

**OR**  Contribute to an EITI Report for [year/s] in accordance with the EITI Standard and section 3, below].

[- Summarise any additional objectives and work to be undertaken by the Independent Administrator].

# Scope of services, tasks and expected deliverables

The work of the Independent Administrator has five conceptual phases (see figure 1). These phases may overlap and there may also be some iteration between the phases. EITI reporting is generally preceded by scoping work which is sometimes undertaken by the Independent Administrator (phase 0 in the figure), and sometimes undertaken by the MSG or other consultants.

The Independent Administrator’s responsibilities in each phase are elaborated below.

*Figure 1 – Overview of the EITI reporting process and deliverables*

**0.**

**Scoping Analysis**

**Scoping Study**

[Phase 0 - Scoping and scoping study

Objective: Scoping work aims to identify what EITI reporting should cover in order to meet the requirements of the EITI Standard. Scoping sets the basis for producing timely, comprehensive, reliable and comprehensible EITI reporting. It commonly involves looking at issues such as the fiscal period to be reported, the contextual information that should be part of the EITI Report, reviewing the types of assurances that are needed for ensuring that the data disclosed by reporting entities is credible, determining which revenue streams from oil, gas and mining are significant, and consequently which companies and government entities should be required to report. The scoping phase should help identify existing disclosures by government and company reporting entities and help inform recommendations for how to improve systematic disclosures in line with the EITI Standard. It is also an opportunity for the multi-stakeholder group to consider the feasibility of extending the scope of EITI reporting beyond the minimum requirements in order to address the objectives outlined in the EITI workplan. Scoping may also investigate likely gaps or issues that may be particularly challenging to include in the EITI Report with a view to identify options, solutions, and recommendations for an appropriate reporting methodology for consideration by the multi-stakeholder group.

The Independent Administrator is expected to undertake the following tasks during the scoping phase:

* …
* …]
* For the purpose of project-level reporting, propose:
	+ A definition of the term “project” that is consistent with the definition provided in Requirement 4.7;
	+ Produce an overview of the revenue streams that should be reported by project, classifying the revenue streams that are levied on a license/contract basis and should be reported as such as well as the revenue streams that are levied on a company basis and should be reported as such; and
	+ Draft corresponding reporting templates, drawing on the model reporting templates for project level reporting developed by the EITI.

In undertaking the above the Independent Administrator is expected to consult the EITI’s guidance note on project level reporting, and to make use of the template definitions in the guidance note[[4]](#footnote-5).

Phase 1 – Preliminary analysis and inception report

Objective: The purpose of the inception phase is to confirm that the scope of the EITI reporting process has been clearly defined, including the reporting templates, data collection procedures, and the schedule for publishing the EITI Report. In cases where the Independent Administrator is involved in scoping work, the inception phase will not be extensive. Where the Independent Administrator is not involved in scoping work, some work is required by the Independent Administrator to review prior scoping decisions and considerations taken by the MSG (1.1-1.2 below). The inception report thus ensures that there is a mutual understanding between the MSG and the Independent Administrator of the scope of the EITI Report and the work to be carried out.

The MSG’s proposal for the scope of the EITI Report, to be revised and confirmed with the Independent Administrator during the inception period, is set out in annex 1.

The Independent Administrator is expected to undertake the following tasks during the inception phase:

* 1. **Review the relevant background information, including the governance arrangements and tax policies in the extractive industries, the findings from any preliminary scoping work, existing disclosures by governments and companies, and the conclusions and recommendations from previous EITI Reports and Validations.** (A list of relevant documentation is provided as Annex 2).
	2. **The Independent Administrator should review the scope proposed by the MSG in annex 1 with a particular focus on the following:**
		1. Reviewing the comprehensiveness of the payments and revenues to be covered in the EITI Report as proposed by the MSG in Annex 1 and in accordance with EITI Requirement 4.
		2. Reviewing the comprehensiveness of the companies and government entities that are required to report as defined by the MSG in Annex 1 and in accordance with EITI Requirement 4.1.
		3. Supporting the MSG with identifying existing disclosures by companies and government entities reporting, collecting and maintaining information in accordance with the EITI Standard.
		4. Supporting the MSG with examining the audit and assurance procedures in companies and government entities participating in the EITI reporting process. This includes examining the relevant laws and regulations, any reforms that are planned or underway, and whether these procedures are in line with international standards. It is recommended that the EITI Report includes a summary of the findings, otherwise the MSG should make the results of the review of audit and assurance practices publicly available elsewhere.
		5. Providing advice to the MSG on **the reporting templates based on the agreed benefit streams to be reported and the reporting entities (1.1.1– 1.1.2 above)**. Sample templates are available from the International Secretariat. It is recommended that the templates include a provision requiring companies to report “any other material payments to government entities” above an agreed threshold. [Where the MSG decides to task the Independent Administrator to draft reporting templates for consideration and approval by the MSG, this should be indicated here.]
	3. **On the basis of 1.1 and 1.2 as applicable, produce an inception report that:**
		1. **Includes a statement of materiality (annex 1) confirming the MSG’s decisions on the payments and revenues to be covered in the EITI Report, including:**
		+ The definition of materiality and thresholds, and the resulting revenue streams to be included in accordance with Requirement 4.1(c).
		+ The sale of the state’s share of production or other revenues collected in-kind in accordance with Requirement 4.2.
		+ The coverage of infrastructure provisions and barter arrangements in accordance with Requirement 4.3.
		+ The coverage of transportation revenues in accordance with Requirement 4.4.
		+ Disclosure and reconciliation of payments to and from state owned enterprises in accordance with Requirement 4.5.
		+ The materiality and inclusion of direct sub-national payments in accordance with Requirement 4.6.
		+ The materiality and inclusion of sub-national transfers in accordance with Requirement 5.2.
		+ The level and type of disaggregation of the EITI Report, by individual project, company, government entity and revenue stream, in accordance with Requirement 4.7.
		+ The coverage of social expenditure and environmental payments in accordance with Requirement 6.1.
		+ [Any other aspects as agreed by the MSG].
		1. **Includes a statement of materiality (annex 1) confirming the MSG’s decisions on the companies and government entities that are required to report, including:**
	+ The companies, including SOEs, that make material payments to the state and will be required to report in accordance with Requirement 4.1(d).
	+ The government entities, including any SOEs and subnational government entities, that receive material payments and will be required to report in accordance with Requirement 4.1(d), 4.5 and 4.6.
	+ Any barriers to full government disclosure of total revenues received from each of the benefit streams agreed in the scope of the EITI report, including revenues that fall below agreed materiality thresholds (Requirement 4.1(d)).
		1. Includes a definition of the term ‘project’ and an overview of the revenue streams to be reported by project, confirming the MSG’s decision that the financial data should be disaggregated by project where levied by project.
		2. Based on the examination of the audit and assurance procedures in companies and government entities participating in the EITI reporting process (1.2.4 above), **confirms what information participating companies and government entities are required to provide to the Independent Administrator in order to assure the credibility of the data.**

The Independent Administrator should exercise judgement and apply appropriate international professional standards[[5]](#footnote-6) in developing a procedure that provide a sufficient basis for a comprehensive and reliable EITI Report. The Independent Administrator should employ his /her professional judgement to determine the extent to which reliance can be placed on the existing controls and audit frameworks of the companies and governments. Where deemed necessary by the Independent Administrator and the multi-stakeholder group, assurances may include:

* Requesting sign-off from a senior company or government official from each reporting entity attesting that the completed reporting form is a complete and accurate record.
* Requesting a confirmation letter from the companies’ external auditor that confirms that the information they have submitted is comprehensive and consistent with their audited financial statements. The MSG may decide to phase in any such procedure so that the confirmation letter may be integrated into the usual work programme of the company’s auditor. Where some companies are not required by law to have an external auditor and therefore cannot provide such assurance, this should be clearly identified, and any reforms that are planned or underway should be noted.
* Where relevant and practicable, requesting that government reporting entities obtain a certification of the accuracy of the government’s disclosures from their external auditor or equivalent.

The inception report should document the options considered and the rationale for the assurances to be provided.

* + 1. **Confirms the procedures for integrating and analysing non-revenue information in the EITI Report**. The inception report should incorporate table 1 below, confirming the division of labour between the Independent Administrator, the MSG or other actors in compiling, quality assuring and analysing this data, and how the information should be sourced and attributed.

*Table 1 – Non-revenue information to be provided in the EITI Report*

|  |  |  |
| --- | --- | --- |
| **Non-revenue information to be provided in the EITI Report[[6]](#footnote-7)** | **Data collection, quality assurances and analysis to be undertaken by the MSG/others** | **Data collection, quality assurances and analysis to be undertaken by the Independent Administrator** |
| Legal framework and fiscal regime in accordance with EITI Requirement 2.1. | … | … |
| Information about procedures and practice of allocating licenses in accordance with EITI Requirement 2.2.[[7]](#footnote-8), and license holders in accordance with EITI Requirement 2.3.[[8]](#footnote-9) |  |  |
| Any information requested by the MSG on contracts in accordance with EITI Requirement 2.4 [[9]](#footnote-10) |  | … |
| Any information requested by the MSG on beneficial ownership in accordance with EITI Requirement 2.5 [[10]](#footnote-11) |  | … |
| Information regarding state participation in the extractive industries, state-owned enterprises and any quasi-fiscal expenditures in accordance with EITI Requirement 2.6 and 6.2.[[11]](#footnote-12) |  | … |
| An overview of the extractive industries, including any significant exploration activities in accordance with EITI Requirement 3.1. |  | … |
| Production and export data in accordance with EITI Requirement 3.2 and 3.3. |  | … |
| Information about the distribution of revenues from the extractive industries in accordance with EITI Requirement 5.1. |  | … |
| Any further information further information requested by the MSG on revenue management and expenditures in accordance with EITI Requirement 5.3. |  | … |
| Information about the contribution of the extractive industries to the economy in accordance with EITI Requirement 6.3. |  | … |
| Any further information requested by the MSG on environmental impact of extractive activities in accordance with EITI Requirement 6.4. |  |  |
| [Add any other contextual information that the MSG has agreed to include in the EITI Report] |  | … |

* + 1. **Confirms the reporting templates based on the agreed benefit streams to be reported, the reporting entities, and the definition of project** (1.2.1 – 1.2.2 and 1.3.3 above).The Independent Administrator in collaboration with the national secretariat will draft the templates for the MSG’s approval. It is recommended that the templates include a provision requiring companies to report “any other material payments to government entities” and payments to non-government entities (including landowner entities) other than for the provision of goods and services (including employment) listed above an agreed threshold. **The Independent Administrator should confirm the key stages of its work as well as any procedures or provisions relating to safeguarding confidential information**. [The Independent Administrator should also develop guidance to the reporting entities on how to complete the reporting templates, and provide training to reporting entities].

Phase 2 – Data collection

Objective: The purpose of the second phase of work is to collect the data for the EITI Report in accordance with the scope confirmed in the Inception Report. The MSG and national secretariat will provide contact details for the reporting entities and assist the Independent Administrator in ensuring that all reporting entities participate fully.

The Independent Administrator is expected to undertake the following tasks during the data collection phase:

* 1. Distribute the reporting templates and collect the completed forms and associated supporting documentation directly from the participating reporting entities, as well as any contextual or other information that the MSG has tasked the Independent Administrator to collect in accordance with 1.3.4 above. [Where an alternative approach is proposed - e.g. where the national EITI secretariat assists with data collection, or where the data is collected through an existing reporting mechanism, there should be consultations with the Independent Administrator to ensure the integrity of the information transmitted to the Independent Administrator].
	2. Contact the reporting entities directly to clarify any information gaps or discrepancies.

Phase 3 – initial reconciliation

Objective: The purpose of this phase is to complete an initial compilation and reconciliation of the contextual information and revenue data with a view to identify any gaps or discrepancies to be further investigated.

* 1. The Independent Administrator should compile a database with the payment and revenue data provided by the reporting entities, disaggregated by each individual project, company, government entity and revenue stream in accordance with Requirement 4.7.
	2. The Independent Administrator should comprehensively reconcile the information disclosed by the reporting entities, identifying any discrepancies (including offsetting discrepancies) in accordance with the agreed scope and any other gaps in the information provided (e.g. assurances).
	3. [The Independent Administrator should identify any discrepancies above the agreed margin of error established in agreement with the MSG]

Phase 4 – investigation of discrepancies and draft EITI Report

Objective: The purpose of this phase is to investigate any discrepancies identified in the initial reconciliation, and to produce a draft EITI Report that compiles the contextual information, reconciles financial data and explains any discrepancies above the margin of error determined by the MSG, where applicable.

* 1. The Independent Administrator should contact the reporting entities to clarify the causes of any significant discrepancies or other gaps in the reported data, and to collect additional data from the reporting entities concerned.
	2. The Independent Administrator should submit a draft EITI Report to the MSG for comment that comprehensively reconciles the information disclosed by the reporting entities, identifying any discrepancies, and reports on contextual and other information requested by the MSG. The financial data should be disaggregated by each individual project, company, government entity and revenue stream in accordance with Requirement 4.7. The draft EITI Report should:
1. describe the methodology adopted for the reconciliation of company payments and government revenues, and demonstrate the application of international professional standards.
2. include a description of all revenue streams, related materiality definitions and thresholds (Requirement 4.1).
3. include an assessment from the Independent Administrator on the comprehensiveness and reliability of the (financial) data presented, including an informative summary of the work performed by the Independent Administrator and the limitations of the assessment provided.
4. indicate the coverage of the reconciliation exercise, based on the government's disclosure of total revenues as per Requirement 4.1(d).
5. include an assessment of whether all companies and government entities within the agreed scope of the EITI reporting process provided the requested information. Any gaps or weaknesses in reporting to the Independent Administrator must be disclosed in the EITI Report, including naming any entities that failed to comply with the agreed procedures, and an assessment of whether this is likely to have had material impact on the comprehensiveness of the report.
6. document whether the participating companies and government entities had their financial statements audited in the financial year(s) covered by the EITI Report. Any gaps or weaknesses must be disclosed. Where audited financial statements are publicly available, it is recommended that the EITI Report advises readers on how to access this information.
7. include non-revenue information as per Requirement 2,3,5 and 6 and other information requested by the MSG. The contextual information should be clearly sourced in accordance with the procedures agreed by the Independent Administrator and the MSG. Where information is already being systematically disclosed, the Independent Administrator should clearly state where the information is publicly accessible.
	1. Where previous EITI Reports have recommended corrective actions and reforms, the Independent Administrator should comment on the progress in implementing those measures. [The Independent Administrator should make recommendations for strengthening regular, timely and comprehensive disclosures by government entities and companies in the future, including any recommendations regarding audit practices and reforms needed to bring them in line with international standards, and where appropriate, recommendations for other extractive sector reforms related to strengthening the impact of implementation of the EITI on natural resource governance. The Independent Administrator is encouraged to collaborate with the MSG in formulating such recommendations.]

Phase 5 – final EITI Report

Objective: The purpose of this phase is to ensure that any comments by the MSG on the draft report have been considered and incorporated in the final EITI Report.

5.1 The Independent Administrator will submit the EITI Report upon approval to the MSG. The MSG will endorse the report prior to its publication and will oversee its publication. Where stakeholders other than the Independent Administrator decide to include additional comments in, or opinions on, the EITI Report, the authorship should be clearly indicated.

* 1. [The final EITI Report must be translated to the following languages: …]

5.3 The Independent Administrator should produce electronic data files[[12]](#footnote-13) that can be published together with the final Report.

* 1. Following approval by the MSG, the Independent Administrator is mandated to submit summary data from the EITI Report electronically to the International Secretariat according to the standardised reporting format available from the International Secretariat[[13]](#footnote-14).
	2. [The Independent Administrator shall take appropriate measures to ensure that the report is comprehensible. This includes ensuring that the report has high levels of readability, legibility and usability. The MSG may wish to request that the report be edited by a professional copy-editor and/or be designed by a professional graphical designer.]
	3. [The MSG may request that the Independent Administrator submit to the national secretariat all data gathered during reconciliation available, including the contact information of all institutions contacted during the reporting process.]

# Qualification requirements for Independent Administrators

The reconciliation of company payments and government revenues must be undertaken by an Independent Administrator applying international professional standards. It is a requirement that the Independent Administrator is perceived by the MSG to be credible, trustworthy and technically competent. Bidders must follow (and show how they will apply) the appropriate professional standards for the reconciliation / agreed-upon-procedures work in preparing their report.

The Independent Administrator will need to demonstrate:

* Expertise and experience in the oil, gas and mining sectors in [country].
* Expertise in accounting, auditing and financial analysis.
* A track record in similar work. Previous experience in EITI reporting is not required, but would be advantageous.
* [Add information about any other skills and competencies required].

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

# Reporting requirements and time schedule for deliverables

The assignment is expected to commence on [date], culminating in the finalisation of the EITI Report by [date]. The proposed schedule is set out below:

|  |  |
| --- | --- |
| Signing of contract | [date] |
| (If relevant) Phase 0: Scoping studies | [date] - [date] |
| => Scoping Study | [date] |
|  Phase 1: Preliminary analysis | [date] - [date] |
| => Inception report | [date] |
| Phase 2: Data collection  | [date] - [date] |
| Phase 3: Initial reconciliation  | [date] - [date] |
| Phase 4: Investigation of discrepancies | [date] - [date] |
| => Draft report | [date] |
| Phase 5: Final report | [date] - [date] |
| => Final report | [date] |

[Add any additional information regarding other deliverables requested by the MSG, including translations, trainings and whether the Independent Administrator should also be tasked with delivering a Summary report]

The schedule of payments shall be as follows:

[<x%> following contract signing

<x%> following delivery of the inception report

<x%> following delivery of the draft EITI report

<x%> following MSG approval and publication of the EITI report]

# Client’s input and counterpart personnel

[Add information about reporting lines, support to the Independent Administrator during the assignment, other logistical and administrative arrangements.]

**[Other comments]**

[The MSG may include additional commentary on the assignment not addressed above]

# Annex 1 – Statement of materiality

The purpose of this statement of materiality is for the Independent Administrator to understand the scoping work and associated decisions that have already been carried out by the multi-stakeholder group or by other consultants. The Independent Administrator confirms the joint understanding of the scope of the services in the inception report. Annex 2 lists relevant attachments, including any scoping studies undertaken in the past.

1. **Taxes and revenues to be covered in the EITI Report (Requirement 4.1)[[14]](#footnote-15)**

With regards to the revenue streams set out in Requirements 4.1-4.2 and 4.6, the multi-stakeholder group has agreed that the following revenue streams from the extractive sector are material and should be reconciled in the EITI Report:

*Table 1 – Material revenues to be reconciled*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Revenue stream** | **Estimated value and share of total extractive industry revenue** | **Government recipient** | **Levied by project or corporate entity** | **Additional commentary on work to be undertaken by the Independent Administrator as necessary.** |
| <list of revenue streams, taking into account common revenue streams set out in Requirement 4.1 > | <value>(<percentage>) | … |  | … |
| The materiality and inclusion of the state’s share of production collected in-kind (Requirement 4.2[[15]](#footnote-16)), where applicable |  |  |  |  |
| The materiality and inclusion of direct subnational payments (Requirement 4.6[[16]](#footnote-17)), where applicable.  |  |  |  |  |

The multi-stakeholder group has agreed that the revenue streams from the extractive sector listed in Table 2 should be unilaterally disclosed by the government in the EITI Report rather than reconciled with company figures. The reasons for unilateral disclosure rather than reconciliation should be documented by the MSG.

*Table 2 – Material revenues to be unilaterally disclosed by the government*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Revenue stream** | **Estimated value and share of total extractive industry revenue** | **Government recipient** | **Levied by project or corporate entity** | **Additional commentary on data sources and work to be undertaken by the Independent Administrator as necessary.** |
| … | <value>(<percentage>) | … |  | … |
|  |  |  |  |  |

The multi-stakeholder group has agreed that the following revenue streams from the extractive sector are immaterial and should not be reconciled or unilaterally disclosed by the government in the EITI report:

*Table 3 – Immaterial revenue streams from the extractive sector to be unilaterally disclosed and excluded from the scope of reconciliation*

|  |  |  |  |
| --- | --- | --- | --- |
| **Revenue stream** | **Estimated value and share (%) of total extractive industry revenue** | **Government recipient** | **Additional commentary on data sources and rationale for concluding that the revenue stream is immaterial** |
| … | <value>(<percentage>) | … | … |

1. **Approach to project level reporting**

The MSG should set out its agreed definition of the term “project” and the revenue streams to be reported by project[[17]](#footnote-18):

In [country], a project is defined as the operational activities that are governed by a single [contract, agreement, concession, license, lease, permit, title, etc.] and form the basis for payment liabilities with a government.

Where payments are attributed to a specific project – [list the payment types levied by project] - then the total amounts per type of payments shall be disaggregated by project. Where payments are levied at an entity level rather than at a project level – [list the payment types levied by company] – the payments will be disclosed at an entity level rather than at a project level.

1. **Additional benefit streams:**

With regards to the benefit streams set out in Requirements 4, the MSG has agreed the following:

*Table 4 – Additional benefit streams*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Benefit stream** | **Applicable/material?** | **Estimated value and share (%) of total extractive industry revenue** | **Government recipient** | **Additional commentary on data sources and work to be undertaken by the Independent Administrator as necessary.** |
| The materiality and inclusion of infrastructure and barter arrangements (Requirement 4.3) [[18]](#footnote-19) |  |  |  |  |
| The materiality and inclusion of mandatory social and environmental payments (Requirement 6.1(a, b))[[19]](#footnote-20) |  |  |  |  |
| The materiality and inclusion of voluntary social and environmental payments (Requirement 6.1(c))[[20]](#footnote-21) |  |  |  |  |
| The materiality and inclusion of transportation revenues (Requirement 4.4)[[21]](#footnote-22) |  |  |  |  |

1. **Reporting companies (Requirement 4.1.d)**

The MSG has agreed that any company making payments [equal to or above [insert threshold]] against the material revenue streams identified in table 1 are required to be included in the EITI Report:

*Table 5 – Companies to be included in the EITI Report*

|  |  |  |  |
| --- | --- | --- | --- |
| **Companies** | **Sector** | **Associated projects to be reported** | **Additional commentary on work to be undertaken by the Independent Administrator as necessary.** |
| … | … | … | … |
|  |  |  |  |

1. **Government - government transactions (Requirement 4)**

*Table 6 – Government to government transactions included in the scope of the EITI Report*

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Transactions** | **Applicable/material?** | **Financial flow** | **State-owned company** | **Government agency** | **Additional commentary on work to be undertaken by the Independent Administrator as necessary.** |
| The disclosure and reconciliation of payments to and from state-owned enterprises (Requirement 4.5) [[22]](#footnote-23) |  |  |  |  |  |
| **Transactions** | **Applicable/material?** | **Financial flow and revenue sharing formula** | **Government agency executing the transfer** | **Government agency receiving the transfer** | **Additional commentary on work to be undertaken by the Independent Administrator as necessary.** |
| The materiality and inclusion of mandatory sub-national transfers in accordance with Requirement 5.2 [[23]](#footnote-24) |  |  |  |  |  |

Annex 2 – Supporting documentation

Documentation on governance arrangements and tax policies in the extractive industries, including relevant legislation & regulations

* […]
* […]
* […]

EITI workplans & other documents

* […]
* […]
* […]

Findings from preliminary scoping work

* […]

Previous EITI Reports

* […]
* […]

Commentary on previous EITI Reports

* […]
* […]

Validation Reports

* […]
* […]

Other relevant documentation (e.g. annual activity reports)

* […]
* […]
1. A request from the should address: (i) the rationale for deviating from the standard procedure; (ii) whether there is routine disclosure of the data required by the EITI Standard in requisite detail; (iii) whether the financial data is subject to credible, independent audit, applying international standards, and (iv) whether there is sufficient retention of historical data. [↑](#footnote-ref-2)
2. See <https://eiti.org/document/guidance-note-on-msg-oversight-of-eiti-reporting-cycle> [↑](#footnote-ref-3)
3. <http://eiti.org/document/standard> [↑](#footnote-ref-4)
4. See <https://eiti.org/GN29> [↑](#footnote-ref-5)
5. For example, ISA 505 relative to external confirmations; ISA 530 relative to audit sampling; ISA 500 relative to audit evidence; ISRS 4400 relative to the engagement to perform agreed-upon procedures regarding financial information and ISRS 4410 relative to compilation engagements. [↑](#footnote-ref-6)
6. In preparing this information, the MSG may wish to use Part 2 of the EITI Summary data template, which contains a disclosure checklist for publicly accessible non-revenue information in line with the EITI Standard. [↑](#footnote-ref-7)
7. Guidance Note 4: Licence Allocations, <https://eiti.org/guide/license-allocations> [↑](#footnote-ref-8)
8. Guidance Note 3: Licence Registers, <https://eiti.org/guide/license-registers> [↑](#footnote-ref-9)
9. Guidance Note 7: Contract Transparency, <https://eiti.org/guide/contracts> [↑](#footnote-ref-10)
10. Template beneficial ownership declaration, <https://eiti.org/document/tools-to-include-beneficial-ownership-information-in-eiti-reporting> [↑](#footnote-ref-11)
11. Guidance Note 18: SOE participation in EITI Reporting, <https://eiti.org/GN18> [↑](#footnote-ref-12)
12. The files can be in CSV or Excel format and should contain the tables and figures from the print report. In accordance with requirement 7.2.b, the multi-stakeholder group is required to make the EITI Report available in an open data format (xlsx or csv) online. [↑](#footnote-ref-13)
13. The latest version of the summary data template can be found at: <https://eiti.org/document/eiti-summary-data-template> [↑](#footnote-ref-14)
14. Guidance Note 13: on defining materiality, reporting thresholds and reporting entities, <https://eiti.org/document/guidance-note-on-defining-materiality-reporting-thresholds-reporting-entities> [↑](#footnote-ref-15)
15. Guidance Note 26: Reporting on first trades in oil, <https://eiti.org/document/guidance-note-26-reporting-on-first-trades-in-oil> [↑](#footnote-ref-16)
16. Guidance Note 10: Sub-national reporting, <https://eiti.org/document/guidance-note-on-subnational-reporting> [↑](#footnote-ref-17)
17. In doing so, the MSG is advised to consult Guidance note 29 on project-level reporting[: https://eiti.org/document/guidance-note-29-on-projectlevel-reporting](https://eiti.org/document/guidance-note-29-on-projectlevel-reporting) [↑](#footnote-ref-18)
18. Guidance note 15: Infrastructure and barter provisions: <https://eiti.org/document/guidance-note-on-infrastructure-provisions-barter-arrangements> [↑](#footnote-ref-19)
19. Guidance note 17: Social expenditures: <https://eiti.org/document/guidance-note-17-on-social-expenditures> [↑](#footnote-ref-20)
20. Guidance note 17: Social expenditures: <https://eiti.org/document/guidance-note-17-on-social-expenditures> [↑](#footnote-ref-21)
21. Guidance note 16: Revenues from transportation of oil, gas and minerals: <https://eiti.org/document/guidance-note-on-transportation-revenues> [↑](#footnote-ref-22)
22. Guidance Note 18: SOE participation in EITI Reporting, <https://eiti.org/GN18> [↑](#footnote-ref-23)
23. Guidance Note 10: Sub-national reporting, <https://eiti.org/document/guidance-note-on-subnational-reporting> [↑](#footnote-ref-24)