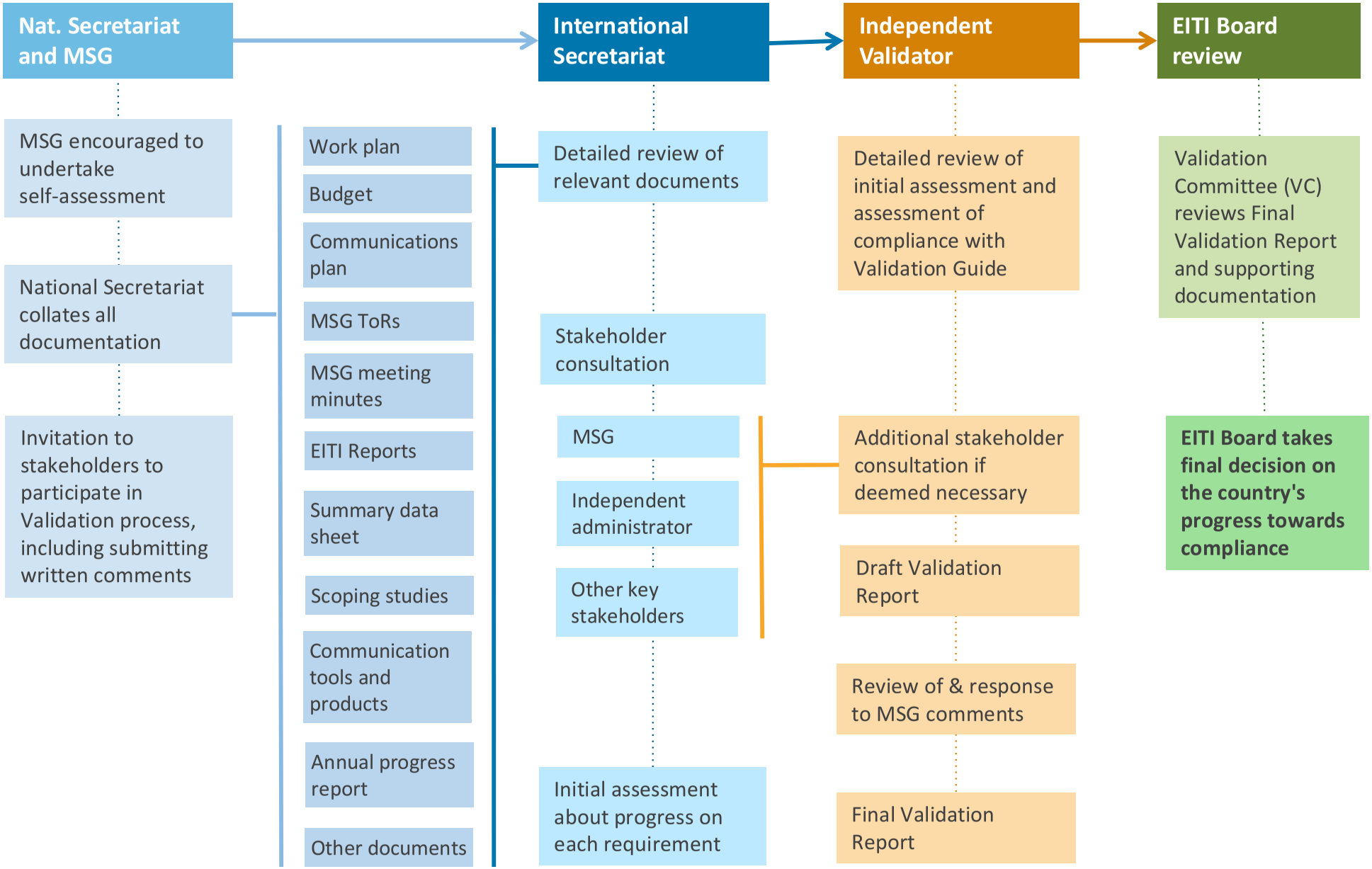
VALIDATION PROCEDURE



EITI Validation Procedure as of February 2017

Overview of EITI Validation

A four step process

Step 1

Prepare for Validation

Prior to the commencement of Validation, the MSG is encouraged to undertake a self-assessment of adherence to the EITI Standard.

A guidance note is available:

eiti.org/GN23

- The National Secretariat collates the documentation, including MSG minutes
- Stakeholders are invited to prepare any other documentation

Step 2

Data collection and stakeholder consultation

Step 3

Independent Validation

Step 4

Board review

Who is in charge of each step?

International Secretariat	Independent Validator	EITI Board

Details on each steps

Actions	Actions	Actions
Desk review including stakeholder consultation	Reviews the International Secretariat's initial assessment of compliance with the Validation Guide	Validation Committee (VC) reviews the final Validation Report and supporting documentation
Country visit including stakeholder consultation	Spot checks and additional consultation, as needed	EITI Board takes final decision on the country's progress towards compliance
An initial assessment of progress against requirements	Prepares a draft Validation Report **The MSG is invited to comment on the draft Validation Report.**	
	Having considered the MSG's comments, the Validator compiles a final Validation Report	

Role of the National Secretariat and MSG

- Help ensure that all interested stakeholders are informed about the process
- Encourage stakeholders to contribute through interviews and/or written submissions
- Receive a copy of the initial assessment report

- Respond to requests for confirmation and clarification, and provide additional information as requested
- Provide comments on the draft Validation Report
- The Validator will inform the MSG on how their comments were addressed in the final Validation Report

- Respond to any corrective actions established by the Board
- The MSG may also appeal the Board's decision as per requirement 8.8.

Validation schedule

Maximum period for each step, subject to discussion with the MSG

Step 1

Data collection and stakeholder consultation

Max: 12 weeks

Step 2

Independent Validation

Max: 8 weeks

Step 3

Board review

Varies

Deliverable for each step

Initial assessment

Validation Report

Decision by the International Board

Recommendations for MSGs

Extension requests

Must be endorsed by the MSG and be submitted prior to the commencement of Validation.

Complete work before Validation commences

Without prejudice to the ability of the Board to exercise their discretion to consider all available evidence, the Validation procedures specify that Validation "should not take into account actions undertaken after the commencement of Validation".

Written submissions

Stakeholders are encouraged to prepare written submissions which can be made available to the Secretariat, Validator and the EITI Board.

Confidentiality

The EITI will ensure appropriate protocols to ensure that stakeholders are able to freely express their views and that requests for confidentially are respected.

Further documentation and guidance

Overview of Validation: eiti.org/validation
Validation schedule and decisions: eiti.org/document/validation-schedule
Validation Procedures: eiti.org/document/validation-procedures
Validation Guide: eiti.org/document/validation-guide
Validation guidance note: eiti.org/GN23

Instructions:

1. With reference to the provisions in the EITI Standard and the Validation Guide, consider the **self-assessment questions** below.

2. Indicate the **MSG's response** to the self-assessment questions, backed up by references (MSG meeting minutes, EITI Report etc.) and/or explanations.

3. Based on the response, consider the **level of progress** in meeting the requirement. A definition of "satisfactory progress", "meaningful progress", "insufficient progress" and "no progress" is available in requirement 8.3.a of the 2016 EITI Standard.

4. Outline any **follow-up activities** or **remedial actions** ahead of validations, **timeframes** for completing these and indicate who is **responsible**.

Requirement 1: MSG oversight				
EITI provisions	**Self assessment questions**	**Response,** including reference to evidence, or explanation of rationale	**Level of progress** (satisfactory progress, meaningful progress, insufficient progress, no progress)	**Action points, timeframe and responsible party**
Government engagement EITI provisions: 1.1	1. Has the government issued a public statement of its commitment to implement the EITI? 2. Has the government appointed a senior individual to lead on the implementation of the EITI? Does the appointee have the confidence of all stakeholders, the authority and freedom to coordinate action on the EITI across relevant ministries and agencies, and be able to mobilise resources for EITI implementation ? 3. Are senior government officials represented on the MSG? 4. Are government representatives fully, actively and effectively engaged in the design, implementation, monitoring and evaluation of the EITI process?			

Company engagement EITI provisions: 1.2	**Company engagement** 1. Are company representatives fully, actively and effectively engaged in the design, implementation, monitoring and evaluation of the EITI process? 2. Is there an enabling environment for company participation in the EITI? Are relevant laws, regulations, and administrative rules as well as actual practice in implementation of the EITI conducive to company participation in the EITI process? 3. Are there any obstacles to company participation?			
Civil society engagement EITI provisions: 1.3	1. Are civil society representatives[1] able to engage in public debate related to the EITI process and express opinions about the EITI process without restraint, coercion or reprisal? 2. Are civil society representatives able to operate freely in relation to the EITI process? 3. Are civil society representatives able to communicate and cooperate with each other regarding the EITI process? 4. Are civil society representatives able to be fully, actively and effectively engaged in the			

[1] For purposes of this assessment, references to 'civil society representatives' will include civil society representatives who are substantively involved in the EITI process, including but not limited to members of the multi-stakeholder group. References to the 'EITI process' will include activities related to preparing for EITI sign-up; MSG meetings; CSO constituency side-meetings on EITI, including interactions with MSG representatives; producing EITI Reports; producing materials or conducting analysis on EITI Reports; expressing views related to EITI activities; and expressing views related to natural resource governance.

	design, implementation, monitoring and evaluation of the EITI process? 5. Are civil society representatives able to speak freely on transparency and natural resource governance issues, and ensure that the EITI contributes to public debate? 6. Is there an enabling environment for civil society participation in the EITI? Are relevant laws, regulations, and administrative rules as well as actual practice in implementation of the EITI conducive to civil society participation in the EITI process? Are there any obstacles to civil society participation? In assessing these questions, reference should be made to the civil society protocol.			
MSG functioning EITI provisions: 1.4	1. Did stakeholders ensure that the invitation to participate in the MSG was open and transparent? 2. When were the current MSG members appointed? For each stakeholder group, what was the process used to nominated MSG representatives? Did civil society and companies appoint their own representatives? 3. Do stakeholders consider that they are adequately represented ? How did the MSG agree on the number of MSG representatives from each stakeholder group? Does current membership reflect the diversity of each constituency? 4. Are civil society MSG members operationally			

	and in policy terms independent of government and companies? 5. Do MSG members have sufficient capacity to carry out their duties? 6. How does the MSG take decisions? Where can information about decision-making rules be found? Are decision-making rules followed? 7. **Does the MSG have** agreed Terms of Reference (TORs) for their work? 8. Do the TORs: - outline the role and responsibilities of MSG members, including outreach activities and liaison with constituency groups? - give the MSG a mandate to approve workplans, the appointment of the Independent Administrator including the Terms of Reference for the Independent Administrator's work, EITI Reports and annual progress reports? - include internal governance rules and procedures, including inclusive decision-making procedures, procedures for nominating and changing MSG members, information on the mandate and frequency of MSG meetings, and information about the MSGs per diem practices? 9. Is there sufficient advance notice of meetings and timely circulation of documents prior to their debate and proposed adoption ?			

	10. Does the multi-stakeholder group keep written records of its discussions and decisions? 11. Are there any parts of the TORs that are not followed in practice? 12. Has the MSG considered establishing a legal basis for the group?			
Work plan EITI provisions: 1.5	1. Does the MSG have an up-to-date workplan? 2. Does the workplan contain objectives for implementation that reflect national priorities for the extractive industries? What consultations were undertaken to agree the objectives? 3. Does the workplan contain measurable and time-bound activities to achieve the agreed objectives? 4. Does the workplan include actions to address any capacity constraints identified by the MSG? 5. Does the workplan include activities related to agreeing the scope of EITI reporting? 6. Does the workplan include activities aimed at addressing any legal or regulatory obstacles to implementation? 7. Does the workplan outline the MSG's plans for implementing the recommendations from Validation and EITI Reporting? 8. Does the workplan include costings and			

	funding sources? 9. Does the workplan include a timetable for implementation? Is the timetable followed? 10. Is the workplan widely available to the public? 11. In reviewingthe workplan, has the MSG considered extending the detail and scope of EITI reporting to address issues such as revenue management and expenditure, transportation payments, discretionary social expenditures, ad-hoc sub-national transfers, beneficial ownership and contracts, when reviewing the workplan?			

Instructions:

1. With reference to the provisions in the EITI Standard and the Validation Guide, consider the **self-assessment questions below**.

2. Indicate the **MSG's response** to the self-assessment questions, backed up by references (MSG meeting minutes, EITI Report etc.) and/or explanations.

3. Based on the response, consider the **level of progress** in meeting the requirement. A definition of "satisfactory progress", "meaningful progress", "insufficient progress" and "no progress" is available in requirement 8.3.a of the 2016 EITI Standard.

4. Outline any **follow-up activities** or **remedial actions** ahead of validations, **timeframes** for completing these and indicate who is **responsible**.

Requirement 2 – Contracts and licenses				
EITI provisions	**Self assessment questions**	**Response,** including reference to evidence, or explanation of rationale	**Level of progress** (satisfactory progress, meaningful progress, insufficient progress, no progress)	**Action points, timeframe and responsible party**
Legal framework EITI provision 2.1	1. Does the EITI Report[1] include a summary description of the fiscal regime, including the level of fiscal devolution, an overview of the relevant laws and regulations, and information on the roles and responsibilities of the relevant government agencies? 2. *Does the EITI Report include any information about reforms that are underway?			

[1] **The term 'EITI Report' in the context of a disclosure mechanism is used as shorthand for the information and data that should be disclosed in accordance with the EITI Standard. The data can be disclosed in the form of an EITI Report, or constitute publicly available information and data gathered or cross-referenced as part of the EITI process.**

* Such disclosures are encouraged, but not required and will not be considered in assessing compliance.

License allocations EITI provision 2.2	1. Does the EITI Report state whether any oil, gas, or mining licences/contracts were awarded during the financial year covered by the EITI Report? 2. If licenses were awarded, does the EITI Report disclose: - the process for awarding the license? - the technical and financial criteria used? - any non-trivial deviations from the stipulated licensing procedure? - the name of the applicants (for bidding rounds)? 3. * Does the EITI Report include any information about license allocations happening prior to the fiscal year covered by the EITI Report? 4. *Does the EITI Report include any additional information about the allocation of licenses, such as the efficiency and effectiveness of licensing systems?			
License registers EITI provision 2.3	1. Does the EITI Report provide a link to or include a register of licences/contracts pertaining to the companies covered by the EITI Report? 2. Does the register include: - the name of the license holder(s)? - coordinates of the license area? If coordinates are not provided, can stakeholders access these from the relevant government office without unreasonable fees or other restrictions? - date of application, award and duration of the license/contract? - commodity being produced?			

	3. Does the register include licenses held by companies not covered by the EITI reporting process? If not, does the EITI Report explain the gaps in publicly available information, barriers to provision of this information and the government's plans to overcome these barriers?			
Contracts EITI provision 2.4	1. * Does the country publicly disclose any contracts and licenses for oil, gas and mineral exploitation? 2. Does the EITI Report explain the government's policy on contract transparency, including relevant legal provisions, actual disclosure practices and any government reforms that are planned or underway? 3. Where contracts are disclosed, does the EITI Report provide an overview of the contracts and information on how these can be accessed?			
Beneficial ownership EITI provision 2.5	1. * Does the country have a publicly available register of beneficial owners? **Where a publicly available registry exists, does the EITI report include guidance on how to access this information?** 2. Does the EITI Report document the government's policy and MSG's discussion on the disclosure of beneficial ownership, including details of the relevant legal provisions, actual disclosure practices and any reforms that are planned or underway related to beneficial ownership? 3. Has the MSG published a roadmap including milestones and deadlines for disclosing beneficial ownership information, in accordance with requirements 2.5.(c-f) of the EITI Standard? *(Note*			

	that this requirement comes into force on 1 January 2017.) 4. *Has the country requested and have companies disclosed beneficial ownership information for inclusion in the EITI Report? Have gaps and weaknesses in reporting been disclosed, including naming any entities that failed to submit all or parts of the beneficial ownership information? 5. * Does information on the identity of the beneficial owner include the name of the beneficial owner, their nationality and country of residence? Does it identify any politically exposed persons? 6. * Has the MSG agreed an approach for participating companies to assure the accuracy of the beneficial ownership information provided? Have they agreed upon an appropriate definition of beneficial ownership in alignment with the definition provided in 2.5.f.i. of the EITI Standard? 7. * Do publicly listed companies, including wholly-owned subsidiaries, disclose the name to the stock exchange and a link to the stock exchange filings where they are listed? 8. Does the EITI Report disclose the legal owners and share of ownership?			
State-ownership EITI provisions 2.6	1. * Has the MSG discussed and documented its definition of SOEs taking into account national laws and governance structures? 2. Are there any state-owned enterprises engaged			

	in the extractive sector? If so, does the EITI Report disclose the prevailing rules and practices regarding the financial relationship between the government and state-owned enterprises? 3. Does the EITI Report document the government's and/or SOE(s)' level of ownership in mining, oil and gas companies operating within the country's oil, gas and mining sectors, including those held by SOE subsidiaries and joint ventures? 4. Does the report disclose any changes in the level of ownership during the reporting period ? 5. *Where changes to ownership have occurred, have the terms of the transactions been disclosed? If changes are not disclosed, has the MSG documented and explained the barriers to provision of this information and any government plans to overcome these barriers? 6. Does the EITI Report disclose details about any loans or loan guarantees provided by the government and/or SOEs to mining, oil and gas companies operating in the country?			
Timeliness, comprehensiveness, and reliablity	1. Has the MSG considered the timeliness, comprehensiveness and reliability of the above information related to contracts and licenses?			

Instructions:

1. With reference to the provisions in the EITI Standard and the Validation Guide, consider the **self-assessment questions** below.

2. Indicate the **MSG's response** to the self-assessment questions, backed up by references (MSG meeting minutes, EITI Report etc.) and/or explanations.

3. Based on the response, consider the **level of progress** in meeting the requirement. A definition of "satisfactory progress", "meaningful progress", "insufficient progress" and "no progress" is available in requirement 8.3.a of the EITI Standard.

4. Outline any **follow-up activities** or **remedial actions** ahead of validations, **timeframes** for completing these and indicate who is **responsible**.

Requirement 3 - Production and exports				
EITI provisions	**Self assessment questions**	**Response,** including reference to evidence, or explanation of rationale	**Level of progress** (satisfactory progress, meaningful progress, insufficient progress, no progress)	**Action points, timeframe and responsible party**
Exploration activities EITI provision 3.1	1. Does the EITI Report contain an overview of the extractive industries, including any significant exploration activities ?			
Production data EITI provision 3.2	1. Does the EITI Report disclose the production volumes and the value of production by commodity ? 2. Where relevant, is the data disaggregated by state/region? 3. * Does the EITI Report include sources of the production data and information on how the production volumes and values disclosed in the EITI Report have been calculated ?			
Export data EITI provision 3.3	1. Does the EITI report disclose export volumes and the value of exports by			

	commodity? 2. Where relevant, is the data disaggregated by state/region of origin ? 3. * Does the EITI Report include sources of the export data and information on how the export volumes and values disclosed in the EITI Report have been calculated ?			
Timeliness, comprehensiveness and reliability	1. Has the MSG considered the timeliness, comprehensiveness and relialibility of the above information related to production and exports?			

Instructions:

1. With reference to the provisions in the EITI Standard and the Validation Guide, consider the **self-assessment questions** below.

2. Indicate the **MSG's response** to the self-assessment questions, backed up by references (MSG meeting minutes, EITI Report etc.) and/or explanations.

3. Based on the response, consider the **level of progress** in meeting the requirement. A definition of "satisfactory progress", "meaningful progress", "insufficient progress" and "no progress" is available in requirement 8.3.a of the 2016 EITI Standard.

4. Outline any **follow-up activities** or **remedial actions** ahead of validations, **timeframes** for completing these and indicate who is **responsible**.

Requirement 4 - revenue collection				
EITI provisions	**Self assessment questions**	**Response,** including reference to evidence, or explanation of rationale	**Level of progress** (satisfactory progress, meaningful progress, insufficient progress, no progress)	**Action points, timeframe and responsible party**
Comprehensive disclosure of taxes and revenues EITI provision 4.1	1. Has the MSG agreed a materiality definition, including reporting thresholds? What options did the MSG consider and what is the rationale for the chosen materiality definition and thresholds? Are the definition and thresholds disclosed? Is a description of the material revenue streams disclosed? 2. Has the MSG considered all revenue streams listed in provision 4.1.b? Where the MSG has agreed to exclude certain revenue streams from the EITI Report, is the rationale for their exclusion documented? 3. Has the MSG identified the companies making material payments? Did these companies fully report all payments in accordance with the			

	materiality definition? 4. Has the MSG identified the government entities receiving material revenues and whether these government entities fully reported all receipts in accordance with the materiality definition? 5. Has the government fully reported all revenues, including any revenues below the materiality thresholds? 6. Did any companies fail to submit reporting templates, or fail to fully disclose all the payments in accordance with the template? If yes, does the EITI Report[1] documents include an assessment of the impact of the omission(s)on the comprehensiveness of the report? 7. Did any government entities fail to submit reporting templates, or fail to fully disclose all the revenues in accordance with the template? If yes, does the EITI Report documents include an assessment of the impact of the omission(s)on the comprehensiveness of the report? 8. Does the EITI Report include an assessment by the Independent Administrator with regards to the comprehensiveness of the EITI disclosures and coverage of the reconciliation?			
In-kind revenues EITI provision 4.2	1. Does the government collect any extractive revenues in-kind, and if so has the MSG considered the materiality of in-kind revenues? Where the MSG has concluded that in-kind			

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	revenues do not exist or are not material, what evidence has been consulted? 2. Where in-kind revenues exist and are considered material, does the EITI Report disclose the volumes sold and the revenues from the governement's share of production? Is this information disaggregated by individual buying company? 3. *Does the EITI Report include additional disclosures such as the type of product, price, market and sale volume, and/or a reconciliation of volumes sold and revenues received are reconciled ?			
Infrastructure provisions and barter arrangements EITI provision 4.3	1. Has the MSG considered the materiality of infrastructure provisions and barter arrangements? Where the MSG has concluded that infrastructure provisions and barter arrangements do not exist or are not material, what evidence has been consulted? 2. Where infrastructure provisions and barter arrangements exist and are considered material, does the EITI Report disclose the revenue flows or value transfers in accordance with provision 4.3 ?			
Transportation revenues EITI provision 4.4	1. Has the MSG considered the materiality of transportation revenues? Where the MSG has concluded that transportation revenues do not exist or are not material, what evidence has been consulted? 2. *Where transportation revenues exist and are considered material, does the EITI Report disclose: - a description of the transportation			

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	arrangements? - a definition of transportation payments and tariffs, and methodologies used to calculate them? - tariff rates and volumes of transported commodities? - revenues received by the government (or SOEs) from transportation of commodities? 3. * Where applicable, has the IA reconciled material payments and revenues associated with the transportation of oil, gas and minerals?			
Transactions between SOEs and government entities EITI provision 4.5	1. Does the SOE make payments to the government and/or collect material revenues on behalf of the state? If yes, has the MSG considered the materiality of any financial transfers between government entities and SOEs operating in the extractive sector? 2. Where such financial transactions exist and are material, are they disclosed in the EITI report? 3. Where the MSG has concluded that financial transactions between the government and SOEs do not exist or are not material, what evidence has been consulted?			
Subnational direct payments EITI provision 4.6	1. Has the MSG considered the materiality of direct subnational payments? Where the MSG has concluded that direct subnational payments do not exist or are not material, what evidence has been consulted? 2. Where direct subnational payments exist and are considered material, does the EITI Report disclose and reconcile payments to subnational			

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	governments and receipts?			
Level of disaggregation EITI provision 4.7	1. Is the financial data in the EITI Report disaggregated by individual company, government entity and revenue stream?			
Data timeliness EITI provision 4.8	1. Has the MSG agreed the accounting period covered by the EITI Report? 2. Has the MSG disclosed data that is is no older than the second to last complete accounting period? 3. * Has the MSG explored opportunities to disclose data as soon as practically possible, for example through continuous online disclosures or, where available, by publishing additional, more recent contextual EITI data than the accounting period covered by the EITI revenue data?			
Data quality EITI provision 4.9 and standard TOR for IA	1. Has an assessment of whether the payments and revenues are subject to credible, independent audit, applying international auditing standards been undertaken? 2. Has the MSG endorsed the appointment of a credible and trustworthy Independent Administrator to reconcile payments and revenues? 3. Are the TORs for the EITI Report agreed by the MSG and the Independent Administrator consistent with the standard TORs for EITI reports? 4. Have the MSG and the Independent Administrator agreed reporting templates? 5. Have the MSG and the Independent Administrator undertaken a review of the audit and assurance procedures in companies and government entities			

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	participating in EITI reporting ? Is a summary of the review of the audit and assurance procedures in companies and government entities participating in the EITI reporting process available in the EITI Report, or elsewhere? 6. Have the MSG and the Independent Administrator agreed on the assurances to be provided to the Independent Administrator by the participating companies and government entities to assure the credibility of the data? What are the types of assurances to be provided? What options did the MSG consider and what was the rationale for the agreed assurances? 7. Have the MSG and the Independent Administrator agreed on appropriate provisions for safeguarding confidential information? 8. Does the EITI report document whether reporting companies and government entities had their financial statements audited in the financial year(s) covered by the EITI report? Does the EITI Report identy any gaps? 9. Does the EITI Report describe the methodology adopted for the reconciliation of company payments and government revenues, and demonstrate the application of international professional standard? 10. Does the EITI Report 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			

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	of the assessment provided ? 11. Does the EITI Report include an assessment of whether all companies and government entities within the agreed scope of the EITI reporting process provided the requested information? Are any gaps or weaknesses in reporting to the Independent Administrator disclosed in the EITI Report, including the names of 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 ? 12. Does the EITI Report indicate the coverage of the reconciliation exercise, based on the government's disclosure of total revenues as per Requirement 4.1(d) ? 13. Does the EITI Report provide sources for the contextual information? 14. Where stakeholders other than the Independent Administrator have decide to include additional comments in, or opinions on, the EITI Report, is the authorship clearly indicated in the EITI Report? 15. Where previous EITI Reports have recommended corrective actions and reforms, does the Independent Administrator comment on the progress in implementing those measures ? 16. k) Does the Independent Administrator make recommendations for strengthening the reporting			

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	process 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 ? 17. Have electronic data files been published together with the EITI Report? Has summary data from the EITI Report been submitted electronically to the International Secretariat according to the standardised reporting format provided by the International Secretariat? 18. * Has the country, with Board approval, attempted to mainstream EITI implementation in accordance with the agreed upon procedure for mainstreamed disclosures?			
Timeliness, comprehensiveness and reliability	1. Has the MSG considered the timeliness, comprehensiveness and relialibility of the above information?			

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Instructions:

1. With reference to the provisions in the EITI Standard and the Validation Guide, consider the **self-assessment questions** below.

2. Indicate the **MSG's response** to the self-assessment questions, backed up by references (MSG meeting minutes, EITI Report etc.) and/or explanations.

3. Based on the response, consider the **level of progress** in meeting the requirement. A definition of "satisfactory progress", "meaningful progress", "insufficient progress" and "no progress" is available in requirement 8.3.a of the 2016 EITI Standard.

4. Outline any **follow-up activities** or **remedial actions** ahead of validations, **timeframes** for completing these and indicate who is **responsible**.

Requirement 5 - Revenue allocations				
EITI provisions	**Self assessment questions**	**Response,** including reference to evidence, or explanation of rationale	**Level of progress** (satisfactory progress, meaningful progress, insufficient progress, no progress)	**Action points, timeframe and responsible party**
Distribution of revenues EITI provision 5.1	1. Does the EITI report[1] indicate which extractive industry revenues are recorded in the national budget? Where rervenues are not recorded in the budget, does the EITI Report explain the allocation of these revenues? 2. * Does the EITI Report reference any national revenue classification systems or international data standards?			
Sub-national transfers EITI provision 5.2	1. Do constitutional, statutory and other mandatory revenue sharing requirements related to extractive industry revenue exist? Has the MSG considered the materiality of mandatory subnational transfers? Where the MSG has concluded that mandatory subnational transfers			

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	do not exist or are not material, what evidence has been consulted? 2. Where mandatory subnational transfers exist and are material, does the EITI Report disclose: - the revenue sharing formula? - the transfer amount calculated in accordance with the relevant revenue sharing formula? - the actual amount that was transfered? 3. * Does the EITI Report reconcile the mandatory transfers between subnational government entities and central government entities? 4. * Do ad-hoc subnational transfers related to extractive industry revenue exist? Does the EITI Report disclose or reconcile these transactions?			
Revenue management and expenditures EITI provision 5.3	1. *Does the EITI Report include a description of any extractive revenues earmarked for specific programmes or geographic regions, including a description of the methods for ensuring efficiency and accountability in their use? 2. * Does the EITI Report include a description of the country's budget and audit processes and links to publicly available information about budgeting and expenditure? 3. * Does the EITI Report disclose any further information related to the budget cycle, production and commodity price assumptions and revenue sustainability, resource dependence, and revenue forecasting?			
Timeliness, comprehensiveness and reliability	1. Has the MSG considered the timeliness, comprehensiveness and relialibility of the above information related to revenue management?			

Instructions:

1. With reference to the provisions in the EITI Standard and the Validation Guide, consider the **self-assessment questions** below.

2. Indicate the **MSG's response** to the self-assessment questions, backed up by references (MSG meeting minutes, EITI Report etc.) and/or explanations.

3. Based on the response, consider the **level of progress** in meeting the requirement. A definition of "satisfactory progress", "meaningful progress", "insufficient progress" and "no progress" is available in requirement 8.3.a of the 2016 EITI Standard.

4. Outline any **follow-up activities** or **remedial actions** ahead of validations, **timeframes** for completing these and indicate who is **responsible**.

Social and economic spending				
EITI provisions	**Self assessment questions**	**Response,** including reference to evidence, or explanation of rationale	**Level of progress** (satisfactory progress, meaningful progress, insufficient progress, no progress)	**Action points, timeframe and responsible party**
Social expenditures EITI provision 6.1	1. Do laws or contracts mandate companies to make social expenditures? If yes, has the MSG considered the materiality of mandatory social expenditures? Where the MSG has concluded that mandatory social expenditures do not exist or are not material, what evidence has been consulted? 2. Where mandated social expenditures exist and are material, does the EITI report disclose and where possible reconcile these transactions? 3. Where mandated material social expenditures are provided in-kind, does the EITI Report[1] disclose the nature and the			

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	deemed value of the transaction? 4. Where the beneficiary of mandated social expenditures is a third party, e.g. not a government agency, does the EITI Report disclose the name and function of the beneficiary? 5. * Do discretionary social expenditures exist? Does the EITI Report disclose these transactions?			
SOE quasi fiscal expenditures EITI provision 6.2	1. Does state-participation in the extractive sector give rise to material revenues? If so, has the MSG considered whether any quasi-fiscal expenditures are provided by SOEs or SOE subsidiaries? Where the MSG has concluded that quasi-fiscal expenditures exist do not exist or are not material, what evidence has been consulted? 2. Where quasi-fiscal expenditures exist and are material, has the MSG developed a reporting process for disclosure of quasi-fiscal expenditures in the EITI Report? Have the expenditures been disclosed accordingly ?			
Contribution of the extractive sector to the economy EITI provision 6.3	1. Does the EITI Report disclose information about the contribution of the extractive industries to the economy for the fiscal year covered by the EITI report, including: - size of the extractive industries in absolute terms and as a percentage of GDP, including an estimate of the informal sector activity? - total government revenues generated by the extractive industry in absolute terms and as a percentage of total government revenues?			

	- exports from the extractive industries in absolute terms and as a percentage of total exports? - employment in the extractive industries in absolute terms and as a percentage of the total employment? - key regions/areas where production is concentrated?			
Timeliness, comprehensiveness and reliability	1. Has the MSG considered the timeliness, comprehensiveness and relialibility of the above information?			

Instructions:

1. With reference to the provisions in the EITI Standard and the Validation Guide, consider the **self-assessment questions** below.

2. Indicate the **MSG's response** to the self-assessment questions, backed up by references (MSG meeting minutes, EITI Report etc.) and/or explanations.

3. Based on the response, consider the **level of progress** in meeting the requirement. A definition of "satisfactory progress", "meaningful progress", "insufficient progress" and "no progress" is available in requirement 8.3.a of the 2016 EITI Standard.

4. Outline any **follow-up activities** or **remedial actions** ahead of validations, **timeframes** for completing these and indicate who is **responsible**.

Requirement 7: Outcomes and impact				
EITI provisions	**Self-assessment questions**	**Response,** including reference to evidence, or explanation of rationale	**Level of progress** (satisfactory progress, meaningful progress, insufficient progress, no progress)	**Action points, timeframe and responsible party**
Public debate EITI provision 7.1	1. Has EITI implementation, including EITI Reports, been actively promoted and contributed to public debate? 2. Is the EITI Report[1] comprehensible and publicly accessible, including available online, in hard copies, and in appropriate languages? 3. Has the MSG agreed a clear policy on the access, release and re-use of EITI data ? 4. Has the MSG made the EITI Reports			

[1] **The term 'EITI Report' in the context of a disclosure mechanism is used as shorthand forthe information and data that should be disclosed in accordance with the EITI Standard. The data can be disclosed in the form of an EITI Report, or constitute publicly available information and data gathered or cross-referenced as part of the EITI process.**

* Such disclosures are encouraged, but not required and will not be considered in assessing compliance.

	available in open data format? 5. Have outreach events been undertaken to spread awareness of the EITI Report?			
Data accessibility EITI provision 7.2	1. *Has the MSG made any efforts to make EITI Reports machine readable, and to code or tag EITI Reports and data files so as to enable EITI data to be compared with other publicly available data ? 2. *Has the MSG produced a brief summary report? Has the MSG considered automated online disclosure of revenues and payments on a regular basis?			
Lessons learned and follow up on recommendations EITI provision 7.3	1. Have the government and MSG taken steps to act upon lessons learned, identify, investigate and address the causes of any discrepancies in EITI reporting, and respond to the recommendations made by the Independent Administrator?			
Outcomes and impact of EITI implementation on natural resource governance EITI provision 7.4.	1. What efforts has the MSG undertaken to review the outcomes and impact of EITI implementation on natural resource governance? 2. Has the MSG produced annual progress reports and do they include: - a summary of the EITI activities undertaken by the MSG? - an assessment of progress with meeting and maintaining compliance with the EITI Requirements, including			

	any steps to exceed the requirements? - * **an evaluation of** implementation of the beneficial ownership roadmap? - an overview of the MSG's responses to and progress made in addressing recommmendations from reconciliation and validation? Where the multi-stakeholder group has decided not to implement a recommendation, does the annual progress report explain why? - an assessment of progress with achieving the objectives set out in the workplan? - a narrative account of efforts to strengthen EITI implementation? 3. What opportunities have been given to stakeholders to provide feedback on the EITI process and the impact of the EITI, and have their view reflected in the annual progress report?			

Assessment card

EITI Requirements		LEVEL OF PROGRESS				
		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	**Inadequate progress**					

Legend to the assessment card

No progress. The country has made no progress in addressing the requirement. The broader objective of the requirement is in no way fulfilled.

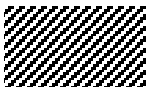
Inadequate progress. The country has made inadequate progress in meeting the requirement. Significant elements of the requirement are outstanding and the broader objective of the requirement is far from being fulfilled.

Meaningful progress. The country has made progress in meeting the requirement. Significant elements of the requirement are being implemented and the broader objective of the requirement is being fulfilled.

Satisfactory progress. The country is compliant with the EITI requirement.

Beyond. The country has gone beyond the requirement.

This requirement is only encouraged or recommended and should not be taken into account in assessing compliance.



The MSG has demonstrated that this requirement is not applicable in the country.

Satisfactory progress. In order for the EITI Board to conclude that a country has made satisfactory progress, Validation needs to demonstrate that all aspects of the requirement have been implemented and that the broader objective of the requirement has been fulfilled.

Meaningful progress. In order for the EITI Board to conclude that a country has made meaningful progress, Validation needs to demonstrate that significant aspects of the requirement have being implemented and that the broader objective of the requirement is being fulfilled.

Inadequate progress. In order for the EITI Board to conclude that a country has made inadequate progress, Validation needs to demonstrate that significant aspects of the requirement have not been implemented and that the broader objective of the requirement is far from fulfilled.

No progress. In order for the EITI Board to conclude that a country has made no progress, Validation needs to demonstrate that all or nearly all aspects of the requirement remain outstanding, and that the broader objective of the requirement is not fulfilled.

See also Requirement 8.3 (i) of the EITI Standard

Terminology

The use of the terms 'must', 'should', 'required' in the EITI Standard indicates that an issue is mandatory, and will be taken into account in the assessment of compliance with the EITI Standard.

The use of the term 'expected' in the EITI Standard indicates that the multi-stakeholder group should consider the issue, and document their discussions, rationale for disclosure/non-disclosure and any barriers to disclosure. Validation will consider and document the discussions by the multi-stakeholder group.

The use of the terms 'recommended', 'encouraged', 'may wish' and 'could' in the EITI Standard indicates that an issue is optional. Efforts by the multi-stakeholder group will be documented in Validation but will not be taken into account in the overall assessment of compliance with the EITI Standard.

The term 'EITI Report' in the context of a disclosure mechanism is used as shorthand for the information and data that should be disclosed in accordance with the EITI Standard. The data can be disclosed in the form of an EITI Report, or constitute publicly available information and data gathered or cross-referenced as part of the EITI process.

This booklet was prepared by the International Secretariat in March 2017.

Useful links on Validation :

Validation overview : eiti.org/validation
Validation Guide: eiti.org/document/eiti-validation-guide
Validation procedures: eiti.org/document/eiti-validation-procedures
Validation schedule and decisions: eiti.org/document/validation-schedule-decisions

For questions regarding Validation, please contact Sam Bartlett : sbartlett@eiti.org

The EITI (Extractive Industries Transparency Initiative) is a global standard that improves transparency and accountable governance of oil, gas and mineral resources. The standard is implemented by governments, in collaboration with companies and civil society.

Countries implementing the EITI disclose information on issues such as tax payments, licenses, contracts, production and national oil companies.

Extractive Industries Transparency Initiative

www.eiti.org
Twitter: @EITIorg