



Submitted by: Validation Committee on: 20 April 2018

Validation of Senegal

For decision For discussion For information

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| The Validation Committee recommends that the EITI Board agree that Senegal has made satisfactory progress in implementing the 2016 EITI Standard. In accordance with requirement 8.3.b, Senegal will be requested to undergo a re-Validation on *<*date of Board decision + 3 years*>*. |

validation of Senegal

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**Supporting documentation**

Validation report [[English](https://eiti.org/sites/default/files/documents/asi_validation_report_senegal_final_draft.pdf) | [French](https://eiti.org/sites/default/files/documents/fr_asi_validation_report_senegal_final.pdf)].

Comments on the draft Validation Report and initial assessment by the MSG [[English](https://eiti.org/sites/default/files/documents/en_commentaires_du_comite_national_itie_senegal_sur_le_rapport_de_validation-janvier_2018_-_version_finale_english.docx) | [French](https://eiti.org/sites/default/files/documents/commentaires_du_comite_national_itie_senegal_sur_le_rapport_de_validation-janvier_2018_-_version_finale.docx)].

Draft Validation report [[English](https://eiti.org/sites/default/files/documents/asi_validation_report_senegal_first_draft.docx) | [French](https://eiti.org/sites/default/files/documents/fr_asi_validation_report_senegal_first_draft.docx)].

Initial assessment by the International Secretariat [[English](https://eiti.org/sites/default/files/documents/senegal_valiation_draft_report_on_initial_data_collection_and_stakeholder_consultations_english.pdf) | [French](https://eiti.org/sites/default/files/documents/fr_senegal_validation_draft_report_on_initial_data_collection_and_stakeholder_consultations.docx)].

**Has the EITI competence for any proposed actions been considered?**

The Articles of Association mandate the Board to classify implementing countries as candidate countries or compliant countries (Article 5(2)(i)(a)). The EITI Standard ([Requirement 8.3](https://eiti.org/document/standard#r8-3)) addresses [EITI Validation deadlines and the consequences](https://eiti.org/document/standard#r8-3) following Validation.

**Financial implications of any actions**

The recommendation implies a re-Validation commencing in early 2021. The cost of re-Validations varies depending on the size of the country and the extractive industries. In this case, a revalidation is expected to cost circa 40 000 USD, including staff time, travel and the cost of engaging the Independent Validator.

**Document history**

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| Draft Board Paper reviewed by the Validation Committee | 26 January 2018 |
| Board Paper (for discussion) reviewed by the Board | 13 February 2018 |
| Updated draft Board Paper reviewed by the Validation Committee | 26 March 2018 |
| Validation Committee agreement on a Board Paper | 20 April 2018 |

# Board statement on the Validation of the Senegal

The Validation Committee recommends that the EITI Board issue the following statement.

*Following the conclusion of Senegal’s Validation, the EITI Board decides that Senegal has made satisfactory progress overall in implementing the EITI Standard.*

*The Board congratulates the Government of Senegal and the Multi-Stakeholder Group (MSG) on the progress made in improving transparency and accountability in the extractive industries, and for using the process to drive government reforms and generate a vibrant public debate on the nascent extractives sector. Senegal has made swift progress in its four years of EITI implementation, which have led to tangible impacts through government reforms and host communities’ greater awareness of their rights and entitlements. Validation has confirmed that Senegal has used the EITI to support reforms in oversight of the extractive industries and public financial management.*

*The Board recognises Senegal’s efforts to go beyond the requirements of the EITI Standard in areas of contract transparency, social expenditures, following up on recommendations and impacting public debate. The MSG has proved adept at balancing interests between equal partners and proactive in its dissemination, outreach and assessment of impact. The Board also takes note of Senegal’s exemplary work in publishing extractives contracts. The Board encourages the government to deepen the EITI’s contribution in enhancing extractives licence management, transparency of state-owned enterprises, beneficial ownership disclosure, and comprehensiveness and reliability of production figures. The Board welcomes the government’s commitment to entrench an enabling environment for EITI implementation in sector policies and legislations, and encourages the MSG’s efforts to move towards systematic disclosures of EITI data through government and company systems.*

*In making its decision, the Board takes special note of the Government of Senegal’s efforts to ensure accessible, regular disclosure of information on the sector to its citizens, not least through the Senegal EITI website.*

*The Board has determined that Senegal will have three years, i.e. until <date of Board decision + 3 years) before a re-Validation under the EITI Standard.*

*The Board’s decision followed a Validation that commenced on 1 July 2017. In accordance with the 2016 EITI Standard, an initial assessment was undertaken by the International Secretariat. The findings were reviewed by an Independent Validator, who submitted a draft Validation report to the MSG for comment. The MSG’s comments on the report were taken into consideration by the independent Validator in finalising the Validation report and the independent Validator responded to the MSG’s comments. The final decision was taken by the EITI Board.*

## Background

The Government of Senegal committed to implement the EITI on 2 February 2012 and enacted Prime Ministerial Decree 2013-881 in June 2013 establishing the National EITI Committee. Senegal was accepted as an EITI candidate in October 2013 at the EITI Board’s meeting in Abidjan.

The Validation process commenced on 1 July 2017. In accordance with the Validation procedures, an initial assessment [[English](https://eiti.org/sites/default/files/documents/senegal_valiation_draft_report_on_initial_data_collection_and_stakeholder_consultations_english.pdf) | [French](https://eiti.org/sites/default/files/documents/fr_senegal_validation_draft_report_on_initial_data_collection_and_stakeholder_consultations.docx)] was prepared by the International Secretariat. The Independent Validator reviewed the findings and wrote a draft Validation report [[English](https://eiti.org/sites/default/files/documents/asi_validation_report_senegal_first_draft.docx) | [French](https://eiti.org/sites/default/files/documents/fr_asi_validation_report_senegal_first_draft.docx)]. Comments from the MSG [[English](https://eiti.org/sites/default/files/documents/en_commentaires_du_comite_national_itie_senegal_sur_le_rapport_de_validation-janvier_2018_-_version_finale_english.docx) | [French](https://eiti.org/sites/default/files/documents/commentaires_du_comite_national_itie_senegal_sur_le_rapport_de_validation-janvier_2018_-_version_finale.docx)] were received on 3 February 2018. The MSG considered that Senegal had addressed the two corrective actions and provided supporting evidence. The Independent Validator reviewed the comments and responded to the MSG, before finalising the Validation report [[English](https://eiti.org/sites/default/files/documents/asi_validation_report_senegal_final_draft.pdf) | [French](https://eiti.org/sites/default/files/documents/fr_asi_validation_report_senegal_final.pdf)].

The Validation Committee reviewed the case on 26 January 2018 and presented a paper for discussion at the Board’s 39th meeting in Oslo on 13 February 2018. Following receipt of MSG comments and finalisation of the Validation report, the Validation Committee reviewed the case again on 26 March 2018. Based on the findings above, the Validation Committee agreed to recommend the assessment card and corrective actions outlined below.

The Committee also agreed to recommend an overall assessment of “satisfactory progress” in implementing the 2016 EITI Standard. Requirement 8.3.b of the EITI Standard states that:

**b) Consequences of compliance**

Where Validation verifies that a country has made satisfactory progress on all of the requirements, the EITI Board will designate that country as EITI Compliant.

EITI Compliant countries must maintain adherence to the EITI Principles and Requirements in order to retain Compliant status. Where a country has become EITI Compliant, but concerns are raised about whether its implementation of the EITI has subsequently fallen below the required standard, the EITI Board reserves the right to require the country to undergo a new Validation. Stakeholders may petition the EITI Board if they consider that Compliant status should be reviewed. This request may be mediated through a stakeholder’s constituency representative(s) on the EITI Board. The EITI Board will review the situation and exercise its discretion as to whether to require an earlier Validation or Secretariat Review. Subject to the findings of that assessment, the EITI Board will determine the country’s status.

Where a Compliant country is being re-validated and validation concludes that the country has not met all EITI requirements, the consequences set out in (c) below apply.

In accordance with Requirement 8.3.d.i, Senegal will be revalidated in three years:

**d) Timeframes for achieving compliance.**

(i) EITI Candidate countries are required to commence the first Validation within two and a half years of becoming an EITI Candidate. EITI Compliant countries are required to be re-validated every three years. In accordance with provision 8.5, a country may request an extension of this timeframe. A country may also request to commence Validation earlier than scheduled by the EITI Board.

## Assessment card

The Validation Committee recommends the following assessment:

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| **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) | | | |  |  |  |  |  |
| 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) | | | |  |  |  |  |  |



## Recommendations

The MSG is encouraged to consider the recommendations in the Validation Report and the International Secretariat’s initial assessment that could help Senegal make even greater use of the EITI as an instrument to support reforms, and to document the MSG’s responses to these recommendations in the next annual progress report.