**Mauritania 2016 Validation comparison matrix**

| **Requirement** | **International Secretariat’s initial assessment** ([source](https://eiti.org/sites/default/files/documents/mauritania_draft_report_on_initial_data_collection_and_stakeholder_consultations.pdf)) | **Comments from stakeholders on the Secretariat’s initial report (**[**source**](https://eiti.org/sites/default/files/documents/mauritania_msg_comments_on_draft_validation_report.pdf)**)** | **Independent Validator’s assessment** ([source](https://eiti.org/sites/default/files/2017.1.20_sdsg_validation_report_mauritania.pdf)) | **Comments from stakeholders on the Validation report (**[**source**](https://eiti.org/node/8536)**)** | **Next steps** |
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| [Requirement 1.3 - Civil society engagement](https://eiti.org/node/4922#r1-3)  In accordance with the [civil society protocol](https://eiti.org/standard/cso-protocol):  a) Civil society must be fully, actively and effectively engaged in the EITI process.  b) The government must ensure that there is an enabling environment for civil society participation with regard to relevant laws, regulations, and administrative rules as well as actual practice in implementation of the EITI. The fundamental rights of civil society substantively engaged in the EITI, including but not restricted to members of the multi-stakeholder group, must be respected.  c) The government must ensure that there are no obstacles to civil society participation in the EITI process.  d) The government must refrain from actions which result in narrowing or restricting public debate in relation to implementation of the EITI.  e) Stakeholders, including but not limited to members of the multi-stakeholder group must:  i. Be able to speak freely on transparency and natural resource governance issues.  ii. Be substantially engaged in the design, implementation, monitoring and evaluation of the EITI process, and ensure that it contributes to public debate.  iii. Have the right to communicate and cooperate with each other.  iv. Be able to operate freely and express opinions about the EITI without restraint, coercion or reprisal. | Civil society in Mauritania is able to engage in public debate without restraint, coercion or reprisal, and its representatives are able to operate freely in relation to the EITI process. With over 6000 registered NGOs, it is clear that there are no legal or regulatory barriers that would limit the space for civil society participation. Based on evidence in MSG meeting minutes and conversations with stakeholders, it appears that civil society is somewhat involved in the design, implementation, monitoring and evaluation of the EITI process. While significant aspects of this requirement have been fulfilled, including the lack of legal or operational barriers to civil society participation in EITI implementation, the overall objective of full, active and effective participation of civil society in the EITI process is in doubt.  Despite a favourable framework for civil society engagement, the impression from the stakeholder consultations is that civil society on the MSG does not in fact function as a link between the EITI and the broader constituency. Except in the area of dissemination, there is no evidence that the broader constituency is consulted in the design, implementation, monitoring or evaluation of the EITI process. However, this lack of consultation of the wider civil society constituency is not due to legal or regulatory barriers, but rather to weak capacities and lack of funding for civil society activities.  Despite their uneven engagement within the civil society constituency, MSG members representing civil society, such as the professional association of accountants, make important contributions in the design and review of EITI reporting. The recently-adopted Code of Conduct by civil society organisations is also likely to improve the quality of civil society participation, but robust implementation of consultation mechanisms will be needed to ensure effective coordination. Constituency issues related to coordination, selection procedures are reviewed under requirement 1.4 below.  Minutes of MSG meetings show that five to nine civil society representatives attend meetings regularly and provide input. On the other hand, five out of the 14 civil society representatives in the MSG do not participate in MSG meetings, but the secretariat did find evidence that their lack of participation has significantly affected the EITI process. MSG meetings appear to be quorate and decisions are taken by consensus. The MSG decision making procedures are reviewed under requirement 1.4 below. The International Secretariat’s initial assessment is that Mauritania has made satisfactory progress towards meeting this requirement. | The MSG’s comments on the initial assessment of Requirement 1.3 were that it considered Mauritania had made satisfactory progress, noting that “Adoption and implementation of the new Code of Conduct will allow better management of these recommendations.” | We disagree that Mauritania has made satisfactory progress and find that its progress is MEANINGFUL. Given financial and capacity constraints, CSOs are not fully and effectively engaged in the design, implementation, monitoring, and evaluation of the EITI process.  The Validator adds: “It is recommended that the CNITIE work with CSOs to undertake a capacity building needs assessment and that actions to address civil society capacity constraints are included in the workplan and implemented. Increased knowledge and understanding of extractive industries will strengthen the capacity of CSOs to engage in public debate”. | The MSG disagreed with the Validator and considered that Mauritania had made satisfactory progress in meeting Requirement 1.3.  “The Multi-stakeholder Group considers that the participation of civil society organizations (CSOs) in the process of implementing the EITI is effective in light of the following:  - The importance of their representativeness within the Multipartite Group (14 members / 30);  - Participation in meetings, debates, decisions and activities of the Multi-stakeholder Group;  - The delegation by the Multi-stakeholder Group to organize workshops to sensitize, train and disseminate EITI reports in the extractive regions.  However, the Multiparty Group recognizes the importance of building the capacity of CSOs by continuing the efforts already initiated for this purpose through the Technical and Financial Partners.  The adoption of the Code of Conduct by civil society will enhance the participation of civil society in the process of implementing the EITI.” | The Committee needs to make a recommendation on whether the Board’s assessment of requirement 1.3 should be “meaningful progress” or “satisfactory progress”.  If “meaningful progress”, the Committee should specify which provisions it considers to be breached, and recommend corrective actions. |
| [Requirement 4.3 – Infrastructure provisions and barter arrangements.](https://eiti.org/document/standard" \l "r4-3)  The multi-stakeholder group and the Independent Administrator are required to consider whether there are any agreements, or sets of agreements involving the provision of goods and services (including loans, grants and infrastructure works), in full or partial exchange for oil, gas or mining exploration or production concessions or physical delivery of such commodities. To be able to do so, the multi-stakeholder group and the Independent Administrator need to gain a full understanding of: the terms of the relevant agreements and contracts, the parties involved, the resources which have been pledged by the state, the value of the balancing benefit stream (e.g. infrastructure works), and the materiality of these agreements relative to conventional contracts. Where the multi-stakeholder group concludes that these agreements are material, the multi-stakeholder group and the Independent Administrator are required to ensure that the EITI Report addresses these agreements, providing a level of detail and transparency commensurate with the disclosure and reconciliation of other payments and revenues streams. Where reconciliation of key transactions is not feasible, the multi-stakeholder group should agree an approach for unilateral disclosure by the parties to the agreement(s) to be included in the EITI Report. | The International Secretariat’s initial assessment is that this requirement was not applicable to Mauritania in 2014. However, the MSG should ensure that adequate records be kept of its discussions on barter and infrastructure agreements to ensure that the basis for reporting such agreements be agreed in advance of reporting. The MSG is also encouraged to consider any barters or infrastructure agreements that were active in the year under review, rather than only ones that had been concluded in a specific year. | The MSG considered that “This requirement of the Standard is not applicable in Mauritania.” | We disagree that this requirement is not applicable. 4.3 requires the MSG and Independent Administrator to consider whether there are agreements in place that contain infrastructure or barter arrangements. Given that MSG meeting minutes do not reflect any such consideration, it cannot be determined whether the provision is or is not applicable. Progress is thus INADEQUATE. | The MSG disagreed with the Validator and considered that Requirement 4.3 was not applicable to Mauritania in 2014.  “Based on the mining and petroleum codes but also on practice, the MSG confirms the absence of barter agreements. This issue, which was widely debated in various meetings of the Multi-Party Group, is also mentioned in the minutes of the 31/01/2017 meeting.” | The Committee needs to make a recommendation on whether the Board’s assessment of requirement 4.3 should be “not applicable” or “inadequate progress”.  If “inadequate progress”, the Committee should specify which provisions it considers to be breached, and recommend corrective actions. |
| [Requirement 5.2 - Subnational transfers.](https://eiti.org/document/standard" \l "r5-2)  a) Where transfers between national and subnational government entities are related to revenues generated by the extractive industries and are mandated by a national constitution, statute or other revenue sharing mechanism, the multi- stakeholder group is required to ensure that material transfers are disclosed. Implementing countries should disclose the revenue sharing formula, if any, as well as any discrepancies between the transfer amount calculated in accordance with the relevant revenue sharing formula and the actual amount that was transferred between the central government and each relevant subnational entity. The multi-stakeholder group is encouraged to reconcile these transfers. Where there are constitutional or significant practical barriers to the participation of subnational government entities, the multi-stakeholder group may seek adapted implementation in accordance with Requirement 8.1.  b) The multi-stakeholder group is encouraged to ensure that any material discretionary or ad hoc transfers are also disclosed and where possible reconciled. | The International Secretariat’s initial assessment is that Mauritania has made inadequate progress towards meeting this requirement. While the 2014 EITI Report lists three types of payment flows earmarked for communes and refers to companies’ unilateral disclosures of such payments, it does not describe the statutory mechanism nor the barriers to implementation of such subnational transfers, nor the payments themselves. While perhaps not material, these payments are often those most directly witnessed by local communities. The MSG should ensure that future EITI Reports clearly describe the statutory process for subnational transfers and any challenges in implementation. The MSG may also wish to reconcile companies’ disclosures of these payments with the Treasury’s receipts. | The MSG agreed with the initial assessment of Requirement 5.2 that Mauritania had made inadequate progress, noting:  “- The MSG is committed to reviewing the nature of payments made to regional Government entities to ensure that these really are subnational payments within the meaning of EITI Standard 5.2;  - Come what may, the MSG is committed, in future EITI reports, to clearly describing the types and amounts of any revenue streams paid to regional entities (communes), the legal or regulatory basis for these payments and the procedures applying to them.  Note: Transfers between national and subnational entities are not linked to revenues generated by extractive enterprises and are not required by legislation. Indeed, all extractive revenues are paid to the Public Treasury.” | We agree with the International Secretariat’s analysis but disagree with its finding that Mauritania’s progress in meeting this requirement is inadequate, and find that it has made NO PROGRESS. There is no evidence that the nature of these payments were discussed and confirmed by the MSG, whereas it is documented in the EITI Report and noted by stakeholders that these are or may be sub-national transfers. If so, the MSG must determine whether these are material and ensure that these and the revenue-sharing formulas are disclosed. Going forward, the CNITIE has committed to reviewing the nature of these payments and to describing these in future EITI Reports. | The MSG disagreed with both the initial assessment and Validator and considered that Mauritania had made satisfactory progress towards meeting Requirement 5.2.  “The MSG confirms that all payments by extractive companies are collected centrally by the Treasury.  Extractive companies do not make any transfers to subnational entities. However, the MSG recommends to the State, in accordance with point 5.2 of the EITI Standard, the disclosure of any subnational transfers linked to extractive activity.” | The Committee needs to make a recommendation on whether the Board’s assessment of requirement 5.2 should be “inadequate progress” or “no progress”.  Either way, the Committee should specify which provisions it considers breached, and recommend corrective actions. |
| [Requirement 6.1 - Social expenditures by extractive companies.](https://eiti.org/document/standard" \l "r6-1)  a) Where material social expenditures by companies are mandated by law or the contract with the government that governs the extractive investment, implementing countries must disclose and, where possible, reconcile these transactions. Where such benefits are provided in kind, it is required that implementing countries disclose the nature and the deemed value of the in kind transaction. Where the beneficiary of the mandated social expenditure is a third party, i.e. not a government agency, it is required that the name and function of the beneficiary be disclosed. Where reconciliation is not feasible, countries should provide unilateral company and/or government disclosures of these transactions.  b) Where the multi-stakeholder group agrees that discretionary social expenditures and transfers are material, the multi-stakeholder group is encouraged  to develop a reporting process with a view to achieving transparency commensurate with the disclosure of other payments and revenue streams to government entities. Where reconciliation of key transactions is not possible, e.g., where company payments are in kind or to a non-governmental third party, the multi-stakeholder group may wish to agree an approach for voluntary unilateral company and/or government disclosures. | The International secretariat’s initial assessment is that this requirement was not applicable to Mauritania in 2014. It is encouraging that the MSG has made some attempt to include information on voluntary social expenditures in the 2013 and 2014 EITI Reports. Such efforts are only encouraged and are not taken into account in assessing compliance. In light of CSO demands for more information on social expenditures, the MSG may wish to consider clarifying the barriers to implementation of mandatory social expenditures and could consider including more consistent information on the identity of beneficiaries of voluntary social expenditures. It should also consider the case of the SNIM’s foundation, whose spending the MSG considers to be voluntary social expenditures but did not disclose through its EITI reporting (see Requirement 6.2). | The MSG considered it had made meaningful progress towards meeting Requirement 6.1. It stated that: “The MSG is committed to requiring companies to publish all mandatory social spending.” | We disagree that this requirement is not applicable, and find that Mauritania’s progress in implementing this provision is INADEQUATE. Contributions to an annual manpower training fee are reported to be mandatory – as may be other aspects of local content – thus, these should be disclosed together with the value thereof and the beneficiaries. There also appear to be long-term community or operating agreements with social expenditure provisions. | The MSG disagreed with both the initial assessment and the Validator and considered that Mauritania had made satisfactory progress towards meeting Requirement 6.1.  “Extractives companies contribute to the staff training fund of the line ministry. This contribution is effectively covered in EITI reports.  The MSG considers that the budget devoted to training under oil and mining contracts is not a social expenditure. This contribution is intended to strengthen the capacities of the State structures in charge of the extractive sector.” | The Committee needs to make a recommendation on whether the Board’s assessment of requirement 6.1 should be “not applicable” or “inadequate progress”.  If “inadequate progress”, the Committee should specify which provisions it considers to be breached, and recommend corrective actions. |
| [Requirement 6.2 - Quasi-fiscal expenditures.](https://eiti.org/document/standard" \l "r6-2)  Where state participation in the extractive industries gives rise to material revenue payments, implementing countries must include disclosures from SOE(s) on their quasi-fiscal expenditures. Quasi-fiscal expenditures include arrangements whereby SOE(s) undertake public social expenditure such as payments for social services, public infrastructure, fuel subsidies and national debt servicing, etc. outside of the national budgetary process. The multi-stakeholder group is required to develop a reporting process with a view to achieving a level of transparency commensurate with other payments and revenue streams, and should include SOE subsidiaries and joint ventures. | The International Secretariat’s initial assessment is that this requirement was not applicable to Mauritania in 2014. While the MSG appears to have considered the existence of quasi-fiscal expenditures and requested disclosures of such expenditures from the Treasury and SOEs in preparing the 2014 EITI Report, it appears that these SOEs did not undertake quasi-fiscal expenditures in the year under review. While we understand that SNIM undertakes significant non-commercial expenditures through its foundation, we take note of authorities’ views that these payments represent a form of voluntary social expenditures. | The MSG considered Mauritania had made meaningful progress towards meeting Requirement 6.2. “The MSG is committed in future EITI reports to reviewing quasi-fiscal expenditures to clearly differentiate these from social expenditures and to encourage companies to publish these two types of expenditures separately.” | “We disagree that this requirement is not applicable and find that Mauritania’s progress is MEANINGFUL. SNIM Foundation is either owned and/or controlled by SNIM, and it appears clear that social contributions were made. Most, but not all, appear to have been disclosed per 6.2.” | The MSG disagreed with the Validator and considered that Mauritania had either made satisfactory progress towards meeting this requirement, or that the requirement was not applicable to Mauritania in 2014. “In the absence of any contractual or compulsory nature, the Multipartite Group considers that the social expenses incurred by the SNIM (Foundation) are not quasi-fiscal within the meaning of Requirement 6.2 of the EITI Standard.  The Multipartite Group noted with satisfaction the publication by the SNIM Foundation of its social expenditure and would have liked the evaluation of compliance with this requirement to be inapplicable or satisfactory.” | The Committee needs to make a recommendation on whether the Board’s assessment of requirement 6.2 should be “not applicable” or “meaningful progress”.  If “meaningful progress”, the Committee should specify which provisions it considers to be breached, and recommend corrective actions. |
| [Requirement 6.3 - The contribution of the extractive sector to the economy.](https://eiti.org/document/standard" \l "r6-3)  Implementing countries must disclose, when available, information about the contribution of the extractive industries to the economy for the fiscal year covered by the EITI Report. It is required that this information includes:  a) The size of the extractive industries in absolute terms and as a percentage of Gross Domestic Product as well as an estimate of informal sector activity, including but not necessarily limited to artisanal and small scale mining.  b) Total government revenues generated by the extractive industries (including taxes, royalties, bonuses, fees, and other payments) in absolute terms and as a percentage of total government revenues.  c) Exports from the extractive industries in absolute terms and as a percentage of total exports.  d) Employment in the extractive industries in absolute terms and as a percentage of the total employment.  e) Key regions/areas where production is concentrated. | The International Secretariat’s initial assessment is that Mauritania has made satisfactory progress in meeting this requirement. The 2014 EITI Report expands on previous EITI Reports’ description of the contribution to the economy. It includes, in absolute and relative terms, the size of the extractive industries, their contribution to government revenue, exports and employment. The MSG has also gone beyond the basic EITI Requirements in disclosing detailed information on employment by mine and nationality, although not for oil and gas. This is an example of how the EITI Report can be used to disclose information that is meaningful and relevant to national debates. Analysis and modelling of data in Mauritania’s ten EITI Reports could be used to analyse and create open models of extractives revenues to highlight the link between lower global prices and government income to citizens. | The MSG considered Mauritania had made satisfactory progress towards meeting Requirement 6.3, noting: “Notwithstanding progress on this point, the MSG is committed to further improving the section of the EITI Report on the contribution of the extractive sector to the national economy.” | We disagree that Mauritania’s progress in implementing this provision has been satisfactory and is instead MEANINGFUL, noting that there is no estimate of the informal sector provided. The contribution of the extractive sector to Mauritania’s economy should be discussed more thoroughly, including any limitations there may be in obtaining estimates of the informal sector. The 2014 EITI Report states that there appeared to be no significant activity in the informal sector, thus, even estimated data on the scope or size of the sector is required under this provision. | The MSG disagreed with the Validator and considered Mauritania had made satisfactory progress towards meeting Requirement 6.3.  “The MSG confirms that data on the informal sector are not available. It should be noted that the gold panning activity did not start in Mauritania until April 2016. However, the Multipartite Group recommends that the State take into account the contribution of this new activity to the economy and its Publication in the statistical data on the national economy.  The MSG is also committed to publishing the available data on this contribution in future reports.” | The Committee needs to make a recommendation on whether the Board’s assessment of requirement 6.3 should be “meaningful progress” or “satisfactory progress”.  If “meaningful progress”, the Committee should specify which provisions it considers to be breached, and recommend corrective actions. |