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Board Paper 18-8

EITI International Secretariat Workplan 2012

For discussion

EITI International Secretariat Oslo, 5 October 2011

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EITI INTERNATIONAL SECRETARIAT WORKPLAN 2012

1 Executive Summary

2012 is set to be an exciting year for EITI implementation, outreach and policy development. **Firstly**, for implementing countries, the 2011 edition of the EITI Rules now emphasises regular and timely EITI reporting and sets a limit on the amount of time that a country can have the status of an EITI Candidate country. In order to meet these requirements, implementing countries will need to publish reconciliation reports covering more than 60 fiscal years by the end of 2012 or soon thereafter. Seven countries are required to publish reports covering three or more fiscal periods. A third of the EITI countries will be undergoing EITI Validation or a Secretariat review. Three countries¹ risk being delisted from the EITI if they are not found to be Compliant in their second Validation in 2012. **Secondly**, in addition to the recent announcement of the US to implement the EITI, and other commitments from several countries, it is expected that more countries will commit to EITI implementation. Intense efforts are required to assist countries in their discussions and preparations for implementing the EITI. Strengthening the EITI as the global standard in resource transparency also requires bringing more extractive companies and investors to support the EITI. **Finally**, a strategic review initiated by the Board in 2011 to guide the future of the EITI will require substantial work in 2012, including the development of proposals and recommendations for consideration at the 2013 EITI Global Conference. Facing these challenges will require ruthless prioritisation and efficient use of resources.

The role of the International Secretariat is to support the Board in making the EITI the accepted standard for transparency in the oil, gas and mining sectors, and it is responsible for the day-to-day running of the EITI Association. In 2012, the International Secretariat's activities will be focused on:

- Continuing support to implementing countries, in particular focusing on regular reporting and other aspects of the new Rules, and the agenda beyond compliance.
- Strengthening the EITI as a global standard through continued targeted outreach activities to countries, companies, investors and like-minded organisations and initiatives.
- Developing strategic and policy options, including proposals and recommendations for consideration at the 2013 EITI Global Conference.

This workplan reflects these key priorities and sets out the International Secretariat's core activities for 2012. The workplan is structured as follows: section 1 details the role of the Secretariat; section 2 considers the key priorities set out above; sections 3 to 5 provide details on the planned activities; and sections 6 to 8 address enabling and organisational activities such as communications, management, funding and monitoring. Each section of the workplan includes key action items and indicative resource requirements. The annexes to the workplan include:

- the International Secretariat organisational diagram (Annex A)
- updated Key Performance Indicators (Annex B)
- action items (Annex C)
- summary of allocation of staff time (Annex D)
- summary of country support for 2010 (Annex E)

¹ Gabon, the Republic of Congo and Sierra Leone.

The EITI International Secretariat concludes that it will increase in staff and other resources in 2012. Recruitment for a new regional director is already underway and a conference manager will be needed in 2012. Consideration will be given as to whether an additional full-time senior staff member is required. Overall, the budget is foreseen to grow by 10%, and the headcount will increase from the equivalent of 12 full-time staff to 15-16.

2 Role of the EITI International Secretariat

This section sets out the role of the EITI International Secretariat as established in its various core documents:

- Support to the Board in implementing its mandate and decisions: the EITI International Secretariat acts by developing policy, drafting papers, preparing agendas, overseeing translation of documents and making other practical arrangements for Board meetings. The International Secretariat also plays a key role in convening and supporting the deliberations of the Board committees and working groups, and ensuring effective communication and information exchange via board circulars.
- Support to implementing countries with a continued focus on providing explanations and guidance, facilitating lesson-learning, and promoting good practice to achieve compliance and strengthen EITI implementation in Compliant countries.
- Coordinating technical, political and financial support to mobilise technical and other support provided to implementers by the network of international agencies, civil society organisations, companies, and peers, operating in each country, and to promote its effectiveness.
- Outreach and advocacy activities: targeted outreach activities to countries, companies and investors.
- Communications and good practice: promote awareness of the EITI's objectives and activities.
- Stakeholder relationship management: while governments are primarily responsible for implementation, the success of the EITI relies on the engagement of all the other stakeholders – supporting governments, companies and civil society.

3 Key priorities for 2012

In supporting the Board to achieve the EITI Principles and Criteria, the International Secretariat will give **priority to strengthening EITI implementation** and effectiveness in the 35 implementing countries. In particular, emphasis will be given to **increasing the number of EITI Compliant countries**.

Table 1 highlights the increase in EITI Reporting expected in 2012 and the continuing demand for Validation and Secretariat reviews.

Table 1 – Overview of EITI activity in 2012

Number of implementing countries as of 1/1/2012	35
Of which	12
Compliant	
Candidate	
23	
Number of fiscal years covered in EITI Reports to date (since 2005)	81
Number of fiscal years in EITI Reports required in 2012	60
Validations conducted to date	
25	
Estimated number of Validations in 2012	8-10
Secretariat reviews conducted to date (in 2010 & 2011)	8
Secretariat reviews likely in 2012	8-10

Since 2005, 29 countries have produced EITI reconciliation reports covering 81 fiscal years of data. The 2011 edition of the EITI Rules emphasises regular and timely EITI reporting. The Secretariat estimates that in order to meet these requirements, implementing countries will need to publish reconciliation reports covering 60 fiscal years by the end of 2012 or soon thereafter. Seven countries are required to publish reports covering three or more fiscal periods. In short, the Secretariat expects that there will be a **large increase in the number of EITI Reports**. While the Secretariat does not formally approve or ratify EITI Reports, it has been demonstrated that **well-timed and targeted support from the Secretariat can significantly increase the quality of EITI Reports** and help address barriers to Compliance prior to Validation. This support is crucial, not least because the 2011 edition of the EITI Rules set a limit on the amount of time that a country can be a Candidate (see section 3).

Since 2009, 25 countries have completed Validation. Twelve are EITI Compliant and five are following a 'Secretariat Review' to verify corrective actions undertaken following Validation. In 2012, three countries (Gabon, the Republic of Congo and Sierra Leone) will be conducting their second Validation. Failure to achieve Compliance will result in delisting. A further four countries will be conducting Validation for the first time and the International Secretariat expects that a number of other countries will conduct Validations earlier than required. In addition, the Secretariat estimates that it will be tasked to conduct 8-10 Secretariat reviews. Collectively, this implies **a continuing high level of demand for Validation and Secretariat reviews**. The Secretariat also plays a key role in monitoring progress following Validation.

The **second priority in 2012** of the International Secretariat's 2012 work programme will be to continue to strengthen the EITI as the internationally accepted standard for resource revenue transparency. The International Secretariat, in consultation with the EITI Outreach and Candidacy Committee, will continue to play an active role in developing and implementing outreach strategies, building on lessons learned and best practices.

This includes supporting countries in their preparations for submitting candidacy applications in line with the EITI Requirements and ensuring that countries are adequately prepared for successful and timely implementation of the EITI. Consolidation of the EITI as global standard will also require strengthened collaboration and developing partnerships with organisations working towards similar objectives, such as the Natural Resource Charter. The International Secretariat will also continue reaching out to extractive companies and institutional investors not supporting the EITI.

The **third priority** will be to support strategic and policy development to ensure the EITI contributes more fully to improve the management of the natural resource wealth. In 2011 the EITI Board established a Strategy Working Group tasked with examining options and making recommendations regarding the strategic direction of the EITI for the next 3-5 years. The International Secretariat provides support to the working group. It is anticipated that the Board will commission further work in 2012 relating to the Principles, Criteria and scope of the EITI, the system for assessment and compliance, the communication and use of EITI reports, linkages with other governance reform programmes and technical assistance provision, governance and organisation.

4 Supporting the EITI implementing countries

As of September 2011, 35 countries were implementing the EITI with twelve having achieved Compliant status. 29 countries had published EITI Reports. Several Candidate countries were preparing to complete Validation while others were still working through the implementation phases. Some Candidate countries were newer to the process, and others were experiencing political instability. Even more than in previous years, the International Secretariat will provide guidance on the EITI Requirements throughout the implementation process. The International Secretariat has an important role in liaising with the EITI Board, the World Bank and other supporting countries and organisations to ensure that countries needing technical assistance receive it in a timely manner.

In practice, the Secretariat supports implementing countries by the following:

- Providing advice, guidance, and training on the EITI Rules and Requirements:
 - Directly to implementing countries.

- Through collaboration with partners in developing guidance materials (e.g. collaboration in 2012 with the World Bank to produce the new version of their EITI handbook).
- By working with partners in delivering targeted training to EITI stakeholders.
- Being available to stakeholders to explain the Rules during sign-up, implementation and Validation.
- Offering general and specialised training on implementation and Validation in line with the EITI Rules.
- Being a knowledge centre for best practice by gathering and disseminating lessons and good practice, and by facilitating peer learning.
- Conducting reviews to analyse and draw best practice for use by other stakeholders (scoping studies, MSG Terms of Reference, Terms of Reference for reconcilers, including reporting templates, EITI Reports, EITI Communications plans)
- Holding regular national coordinator meetings for mutual learning.
- Overseeing Validation processes and provide advice, guidance and training on validation objectives and procedures:
 - Reviewing Terms of Reference for validators.
 - Providing no objection to validator contracts.
 - Reviewing draft EITI Validation Reports.

4.1 Direct support to the implementing countries

All 35 EITI implementing countries, including the 12 that have achieved Compliant status, will need to publish reconciliation reports covering more than 60 fiscal years by the end of 2012 or soon thereafter. Countries that have completed their Validations will be acting on Validation recommendations and working on strengthening implementation. Several Candidate countries will be preparing to complete Validation and other Candidate countries are still working through the early implementation phases. The International Secretariat will continue to provide advice on the reporting process, promote stakeholder dialogue and coordinate technical assistance inputs to all countries according to their different stages in the implementation process.

The International Secretariat will:

Action 1 – Provide timely advice, guidance and training to the national coordinators and wider multi-stakeholder groups in all implementing countries throughout the process.

4.1.1 Training for implementing countries

The International Secretariat will continue its partnership with the German technical assistance provider GIZ to implement the next year of the training cycle for EITI countries which Germany has funded since 2008. In 2012, GIZ and the International Secretariat will continue offering courses to enable stakeholders to improve implementation and to inform newly interested countries about the EITI Requirements. The Secretariat will also continue to provide coordination between the various EITI-related training programmes offered by RWI, PWYP, the World Bank, PETRAD and others.

The International Secretariat will:

Action 2 - Provide support to GIZ and other providers of tailored courses on EITI implementation and communication for implementing and outreach countries.

4.1.2 Sharing experiences with national coordinators

The International Secretariat will continue to bring together the national coordinators from implementing countries to ensure training, peer-to-peer learning and sharing of experiences, with the aim that EITI implementation continues to be a key element of ensuring improved implementation and strengthening the EITI brand. It will also organise a national coordinators meeting and continue sending national coordinator circulars.

The International Secretariat will:

Action 3 – Bring together EITI national coordinators to consult and share on policy and plans in the run up to the Global Conference; enhance peer learning and collaboration; and to draw together best practice.

4.1.3 Regular and improved reporting

As of September 2011, a total of 29 EITI Reports have been produced by countries implementing the EITI. In accordance with the EITI's Rules, the scope and structure of EITI Reports are largely determined by the national EITI multi-stakeholder groups (MSG) to ensure local ownership of the EITI process. As a result, EITI Reports vary widely in terms of the sectors covered, aggregated or disaggregated data, regularity of the reporting cycle and the reporting currencies. The regularity of reporting also varies widely.

In 2012, countries will be implementing new provisions for reporting as defined in the 2011 edition of the EITI Rules, including regular reporting. It is expected that many countries will need support to conform to this Requirement, especially those needing to cover several years in their next reporting cycle.

The International Secretariat will:

Action 4 – Provide targeted assistance to countries in their preparations to comply with new reporting requirements.

Action 5 – Assess, internally, the quality of the EITI reconciliation reports to improve guidance to countries on their reporting processes. Compile basic information from EITI reconciliation reports in an internal database. Make this information available on the EITI website.

Action 6 – Encourage the use of valuable information in the EITI reconciliation reports for wider analysis and follow up of the extractive sector both in-countries and globally.

4.2 Coordinating technical, political and financial support

Implementation is the responsibility of national EITI stakeholders. Yet, technical and financial assistance is available from a large number of partners in the EITI movement such as the World Bank, regional development banks, and multilateral and bilateral donors. The success of the EITI in most countries relies on the engagement of all of these stakeholders, as well as the companies and civil society. The Secretariat seeks to ensure coordination between implementing countries and these assistance providers to ensure that EITI implementers have access to political, financial and technical support. The Secretariat closely follows in-country implementation and the findings of reporting and Validation processes to guide and inform this coordination. As a platform for the exchange of experience and information, the Secretariat welcomes a constant dialogue and collaboration with all partners.

For development agencies and technical assistance providers, the Secretariat's role will include:

- Using its networks and know-how to bring these agencies together and bring coordinating energy to the activities at the national level.
- Facilitating international roundtables of EITI technical assistance providers to keep stakeholders informed, build networks and come to an increasing joint understanding of each agency's comparative advantage.
- Sharing lessons learned in EITI implementation with other initiatives that seek to enhance transparency and accountability.

Internationally, engagement with these groups will take a number of forms: EITI materials, e-mails, telephone conversations, presentations and conferences and face-to-face meetings. The International Secretariat engages with key agencies regularly, specifically the World Bank, Publish What You Pay, the Revenue Watch Institute, and the Norwegian Oil for Development.

At the national level, most of the engagement takes place in capitals, but the International Secretariat uses its networks and know-how to bring these agencies together and bring coordinating energy to the activities.

Direct technical assistance and funding to support implementation is led by stakeholders other than the International Secretariat. The International Secretariat seeks to ensure coordination between implementing countries and technical and financial assistance providers to ensure that EITI implementers have access to political, financial and

technical support. Main providers are the World Bank, regional development banks, other international development agencies, bilateral agencies and international civil society organisations.

The International Secretariat will:

Action 7 - Engage with key international stakeholders that provide support to implementing countries to stimulate coordination and appropriate technical and financial interventions, improve the quality of technical assistance and share lessons learnt and best practice.

Resource requirements

Supporting the EITI implementing countries is anticipated to require ≈ 400% of one policy staff member's time and 100% of one "Administrative + Intern" staff member's time.

5 Outreach to countries, companies and investors

5.1 Efforts to attract new Candidate countries

Many key resource-rich countries are still not part of the EITI. Several countries are considering implementing the EITI and others could potentially implement the EITI, but have yet to be engaged in a dialogue on pondering EITI implementation. A great number of actors are involved in promoting the EITI in these countries and the International Secretariat may need to provide direct and usually high level advocacy, coordinate the efforts of others and encourage more peer and regional pressure.

The International Secretariat has therefore developed a set of Criteria for prioritising and maximising its outreach efforts:

- Risk of the resource curse – potentially high numbers of negatively affected people.
- Strategic importance for the EITI, e.g., major economy or particularly significant for the scope of the EITI.
- Government commitment to the EITI and likelihood of effective implementation.
- Comparative advantage of the International Secretariat over other partner institutions.

Based on these criteria, the International Secretariat has identified the following outreach priorities: Australia, Brazil, Chile, Colombia, Mexico, Papua New Guinea, the Philippines, South Africa, South Sudan and Uganda. The Secretariat is also intensifying outreach efforts in the Middle East and North Africa, particularly in Egypt and Libya.

The International Secretariat will:

Action 8 –Provide guidance and support to countries applying for candidacy and assessing candidate applications before they are submitted to the Outreach and Candidacy Committee and the Board.

Action 9 –Work closely with the Outreach and Candidacy Committee and other stakeholders in supporting and coordinating efforts to encourage resource rich countries to implement the EITI.

5.2 Outreach to companies and investors

Efforts need to continue to ensure that companies understand the importance and value of their support, in particular at the implementing country level. The International Secretariat will facilitate more peer discussion, support, training and best practice activities with supporting companies in 2012.

Institutional investors have provided support to the EITI from the beginning, encouraging new companies and investors to support the EITI and deepen engagement with the existing ones. In 2012, more work will need to be done to enlist many of the small- and medium-sized companies operating in EITI implementing countries. The International Secretariat has started to identify these companies to make it easier for investors to focus their

outreach and recruitment efforts. The International Secretariat will continue with this work in 2012 and will seek collaboration to identify new institutional investors that are not yet supporters of the EITI, for targeted outreach.

In addition to assisting implementing countries and coordinating providers of technical and financial support, the International Secretariat works with companies and investors in:

- Promoting understanding of the importance and value of company and investor support, in particular at the implementing country level. This involves facilitation of peer discussion, support, training and best practice activities with supporting companies.
- Enlisting oil, gas and mining companies operating in EITI implementing countries to become international-level EITI Supporting Companies.
- Collaborating with institutional investors to target companies and investors that have not yet become supporters of the initiative.

The International Secretariat will:

Action 10 — Provide more information and facilitate more peer discussion, support, training and best practice activities with supporting companies and institutional investors in 2012.

Resource requirements

Outreach to countries, companies and investors is anticipated to require ≈100% of one policy staff member's time and 10% of one "Administrative + Intern" staff member's time.

6 Support for strategy and policy development

In 2011, the EITI Board established a Strategy Working Group tasked with examining options and making recommendations regarding the strategic direction of the EITI for the next 3-5 years. The Secretariat provides support to the working group. It is anticipated that the Board will commission further work in 2012 relating to the Principles, Criteria and scope of the EITI, the system for assessment and compliance, the communication and use of EITI Reports, linkages with other governance reform programmes, and technical assistance provision, governance and organisation. It is expected that this work will culminate in proposals and recommendations for the consideration of stakeholders at the 2013 EITI Global Conference.

The International Secretariat will:

Action 11 - Provide support to the Board and the Strategy Working Group.

Resource requirements

Support to strategy and policy development is anticipated to require ≈100% of one policy staff member's time and 10% of one "Administrative + Intern" staff member's time.

7 Communications

EITI communications activities will follow implementation of the two-year Communications Strategy and the three strategic priorities set out earlier in this workplan: strengthening EITI implementation, strengthening EITI as an international standard, and supporting the development of EITI strategy and policy. Each of these priorities requires effective communications efforts. The following action points for 2012 derive from those strategic priorities.

7.1 Keeping stakeholders updated and informed, and explaining the EITI

The International Secretariat will develop its main communications channels including the EITI website, the newsletter and fact sheets. Priority will be given to improving accessibility for all stakeholders, taking into account certain technical limitations of target audiences in a range of regions. In order to maintain its role as a resource centre about transparency of natural resource revenues, the EITI website will be upgraded with improved accessibility and be multi-lingual.

Work will also continue on creating targeted messages to each stakeholder group and developing tools to easily and effectively organise and deliver these messages. The International Secretariat will continue to further increase its presence in the social media space, especially on Twitter, Facebook and GOXI. Other channels such as YouTube, Vimeo, Flickr, SoundCloud and SlideShare will be used when relevant.

The International Secretariat will handle incoming queries from the media, actively engage with targeted media, issue press releases on important news from the EITI and contribute articles to targeted publications.

The International Secretariat will:

Action 12 - Update the EITI website and social media channels, issue newsletter every two months, and update fact sheets.

Action 13 - Engage with media, issue press releases, and write articles for targeted publications.

7.2 Supporting implementation and increasing the effectiveness of the EITI Reports

The International Secretariat will undertake projects to ensure the availability and usefulness of the data from EITI Reports.

The International Secretariat will follow-up on communications activities and encourage the use of the EITI Communications guide with training activities, documents and toolkits. It will facilitate peer-learning through the network for national EITI communications managers and through training seminars in collaboration with GIZ. These efforts will focus on best practice in reaching stakeholders, especially citizens and communities with information.

The International Secretariat will:

Action 14 - Develop the network for national EITI communication managers and organise further training activities.

7.3 Demonstrating impact and presenting the case for the EITI

The International Secretariat will continue to collect, document and present stories, studies and other evidence of the impact the EITI is making. These efforts will build on the "EITI Progress Report 2009-2011" publication.

The International Secretariat will:

Action 15 - Develop materials demonstrating impact and plan for communicating these

Resource requirements

Communications is anticipated to require ≈120% of one policy staff member's time and 50% of one "Administrative + Intern" staff member's time.

8 Support to EITI Board

8.1 Board meetings

The International Secretariat will work with the Chair and Board to develop policy, draft papers specifically on policy guidance and recommendations, prepare agendas, provide activity reports, oversee translation of documents and make other practical arrangements for Board meetings. The Secretariat will organise at least three EITI Board

meetings in 2012 and provide the Board with the necessary support and documentation for all decisions taken both in Board meetings and through the mechanism of Board circulars.

The International Secretariat will:

Action 16 - Organise Board meetings and prepare Board circulars.

8.2 Committees support

Outreach and Candidacy Committee

In line with 4.1 above, the International Secretariat will:

- Keep the Committee apprised of progress in countries that are working towards making an application for EITI Candidate status.
- Assess applications for EITI candidacy.
- Keep the Committee informed of outreach efforts.
- Support the Committee's efforts to strengthen and coordinate strategies for outreach.

Rapid Response Committee

The Board's Rapid Response Committee (RRC) has proven to be important for the EITI's rapid responses to political developments. Facilitated and chaired by the International Secretariat, it is foreseen that the RRC will, also in 2012, have to respond quickly to cases in which civil society or other stakeholders in Candidate countries were excluded from playing a fully active role in participating in national EITI processes.

Finance Committee

In 2012, the International Secretariat will support the committee in the strategic management of the EITI's financial resources and the monitoring of the 2012 budget. It will provide annual accounts for the last accounting period and regular accounts updates throughout the year.

Governance Committee

In 2012, it is foreseen that the International Secretariat will support the Governance Committee in developing a number of policy papers. The International Secretariat will assist in the governance of the EITI Association by facilitating discussions on certain issues and the development of policies by the Governance Committee.

Nominations Committee

The International Secretariat will convene the Nominations Committee to facilitate the renewal of the Board membership before the 2013 Members Meeting.

Audit Committee

In 2012, the Secretariat will commission its auditor to provide audited accounts to the Board, convene the Audit Committee, ensure that it can review the 2011 audit report and recommend any appropriate corrective actions.

Validation Committee

The International Secretariat will provide support to the Validation Committee specifically by:

- Making recommendations on accredited validators.
- Reviewing the Terms of Reference for country Validations.
- Providing no objection to contracts for contract Validations.
- Reviewing draft Validation reports.
- Reviewing final Validation reports and making recommendations.
- Communicating the comments of the Validation Committee to the countries.

See separate section on validation for more detail.

The International Secretariat will:

Action 17 - Provide full support to the committees as requested and required.

8.3 Validation

Validation is the EITI's quality assurance mechanism and an essential feature of the EITI methodology. It supports continuous improvement in EITI implementation and safeguards the EITI by verifying that EITI implementation adheres to the agreed standards. The EITI Board uses the Validation Reports to determine whether a country has become EITI Compliant. Seven countries have Validation deadlines in 2012. Of these, three countries (Gabon, the Republic of Congo and Sierra Leone) will be conducting their second Validation. A further four countries will be conducting validation for the first time:

Country	Deadline
Afghanistan	09.08.2012
Iraq	09.08.2012
Guinea	31.08.2012
Chad	15.10.2012
Gabon	09.12.2012
Republic of Congo	09.12.2012
Sierra Leone	09.12.2012

The International Secretariat also expects a number of other countries will conduct Validations earlier than required. In addition, it estimates that it will be tasked to conduct 8-10 Secretariat reviews. The International Secretariat also plays a key role in monitoring progress following Validation.

The International Secretariat will:

Action 18 – Provide support to countries undertaking Validation.

Action 19 – Conduct Secretariat Reviews as requested by the EITI Board.

8.4 2013 EITI Global Conference

The EITI Global Conference is the highest governance body of the EITI and is due to meet in the first quarter of 2013. Experience shows that preparations need to begin at least one year in advance and should start with options to the Board on potential venues. Following these discussions, there will need to be intensive discussions with potential hosts and further recommendations to the Board.

The International Secretariat will:

Action 20 – Identify venues and explore with possible co-host countries for the 2013 EITI Global conference.

Action 21 – Prepare for the 2013 EITI Global conference.

Resource requirements

Support to EITI Board is anticipated to require ≈300% of one policy staff member's time and 120% of one "Administrative + Intern" staff member's time.

9 Management, funding and monitoring

9.1 Management of the International Secretariat

The International Secretariat currently has 11 full time staff (recruitment for a regional director for Asia is underway at the time of writing this workplan in October 2011 and is expected to be hired in 2011 or early 2012). Additional support is provided by one intern and four part-time staff members: one language coordinator; one strategic communications consultant; one special advisor; and one assistant to the Chair and (see organisation chart in Annex

A and staff allocation to work areas in Annex D). The International Secretariat has established internal routines for accounting, human resource management and staff performance appraisal. The accounting principles have been reviewed with the Finance Committee.

The International Secretariat has been able to keep its headcount and costs down by:

- Clear focus on workplan priorities.
- Working through partners with an emphasis on coordination and stakeholder management as well as use of advisers, consultants and researchers.
- Improved administrative routines and office systems.

The International Secretariat strives to ensure that it delivers the action items of the workplan and the Board minutes (see Annex C).

The staffing of the EITI was established at a time when there were far fewer implementing countries and has grown incrementally. Some countries need more intense support than was originally envisaged and in some cases this support can be especially time-consuming due to the size and complexity of the country (e.g. Nigeria, Indonesia and Iraq). Furthermore, the Validation process has taken up more staff time than expected. The International Secretariat is presently recruiting a further regional director to allow more time for technical analysis. Recruitment of a conference manager in 2012 will also be necessary. In addition, consideration will be given as to whether to recruit for one additional full-time senior staff member to meet these demands.

The EITI has an internship programme which has successfully brought through a series of highly talented young professionals. This has proven both effective for team performance and for building the EITI's wider network. It is envisaged that the International Secretariat will continue to employ at least one intern at all times.

The International Secretariat will:

Action 22 – Oversee the day-to-day management of the EITI Association

Action 23 - Review its Human Resource strategy to assess internal procedures to ensure maximum efficiency and effectiveness.

9.2 Funding of the International Secretariat

For 2012, the International Secretariat considers a budget of US\$4.15m as necessary and adequate to deliver this workplan. This excludes a reserve of US\$0.5m which is expected to be carried over from 2011 and carried through to 2013, but can be called upon in extreme circumstances. The details of this proposal are set out in the Board paper from the Finance Committee 18-7-C.

This is a US\$330,000 increase (10 %) from 2011. As well as allowing for exchange rate appreciation and inflation, the following significant additional costs are expected to be incurred:

- Increased staffing – the Secretariat is already recruiting for a new regional director and is likely to recruit an additional senior staff member in 2012. Other staff resources will also need strengthening during the course of the year, including the need for a Conference manager. In total, staff numbers are expected to increase from the present equivalent of 12 full time staff, to at least 15 by the end of 2012 – an increase of at least 25%. Additionally there are likely to be increased "other staff costs" and "office expenses".
- Increased implementation – as outlined earlier.
- Board meetings – this line has tended to be under-budgeted in the past.
- Increased communications work – see Communications section.

On the other hand, significant savings are expected on Conference costs (no Conference in 2012) and Chair's support (significantly smaller office).

Table 2: Expenditures (US \$)

Description	2008	2009	2010	2011	2012	2012
		Actuals		Budget	Proposed	Proposed increase
Implementation	211,899	167,449	206,902	200,000	250,000	25%
Outreach	125,366	103,034	148,594	150,000	150,000	0%
Board meetings	167,661	152,696	419,671	200,000	300,000	50%
Conference	35,126	401,829	219,192	500,000	150,000	-70%
Communications	104,339	77,375	95,254	100,000	125,000	25%
Chair's support	300,360	147,093	153,766	170,000	100,000	-41%
Project consultants	162,391	131,697	106,845	150,000	150,000	0%
Salary	1,276,726	1,266,475	1,397,076	1,500,000	2,000,000	33%
Other staff expenses	249,221	49,708	94,268	100,000	125,000	25%
Office expenses	275,391	166,576	179,275	200,000	250,000	25%
Reserve	--	--	500,000	500,000	500,000	0%
Contingency	--	--	0	50,000	50,000	0%
TOTAL EXPENDITURE (excluding reserve)	2,911,435	2,663,932	3,020,859	3,320,000	3,650,000	10%
TOTAL EXPENDITURE (including reserve)	2,911,435	2,663,932	3,520,859	3,820,000	4,150,000	9%

In line with the recommendations of the Revenue Review proposed to the EITI Board, revenues should be sought along the following formula:

1. Core contribution from the Government of Norway (US\$600,000).
2. Of the remaining requirement:
 - 2.1 50% from supporting countries and NGOs
 - 2.2 50% from the private sector including investors with a target of 2/3 from the oil industry and 1/3 from the mining and minerals industry

In practice, this will require:

- an 11% increase in funding from the supporting countries
- an 11% increase in support from companies

The Budget proposal paper from the Finance Committee at Board Paper 18-7-C explains how these targets are to be met.

Table 3: Revenue – 1 January 2008– 30 June 2011, in US\$

Source	2008	2009	2010	2011	2012	2012
	Actuals			Budget	Proposed Budget	Proposed Budget Annual Increase
Projected carry forward from 2010 to 2011						

1. Annual Reserve	--	--	500 000	500 000	500 000	0%
Core contribution, Government of Norway						
2. Government of Norway	500 000	560 000	602 654	600 000	600 000	0%
Supporting countries, International Development Agencies (IDAs) and NGOs (approximately 50% of remaining requirement)						
3. Civil society	130 109	0	0	75 000	75 000	0%
4. Supporting countries & IDAs	939 018	2 034 945	1 328 431	1 535 000	1 700 000	11%
Private sector (approximately 50% of remaining requirement)						
5. Investors	10 942	9 763	4 180	50 000	50 000	0%
6. Oil and Gas (2/3 after investors)	755 562	882 879	748 615	1 040 000	1 150 000	11%
7. Mining and Minerals (1/3 after investors)	274 436	441 440	129 960	520 000	575 000	11%
TOTAL REVENUES (excluding reserve)	2 610 067	3 929 027	2 813 840	3 820 000	4 150 000	9%

The International Secretariat will:

Action 24 – Seek continued funding from all contributors.

Action 25 – Where possible, seek multi-year agreements with supporting countries.

Action 26 - Advise companies of the changed guidance on voluntary contributions.

9.3 Monitoring and evaluation

The EITI will continue to monitor its performance and impact to:

- Benefit from experience.
- Improve delivery, planning and allocating resources.
- Demonstrate results.

The outcome indicators approved by the Board in 2010 are the key set of performance indicators that the International Secretariat is committed to monitor.

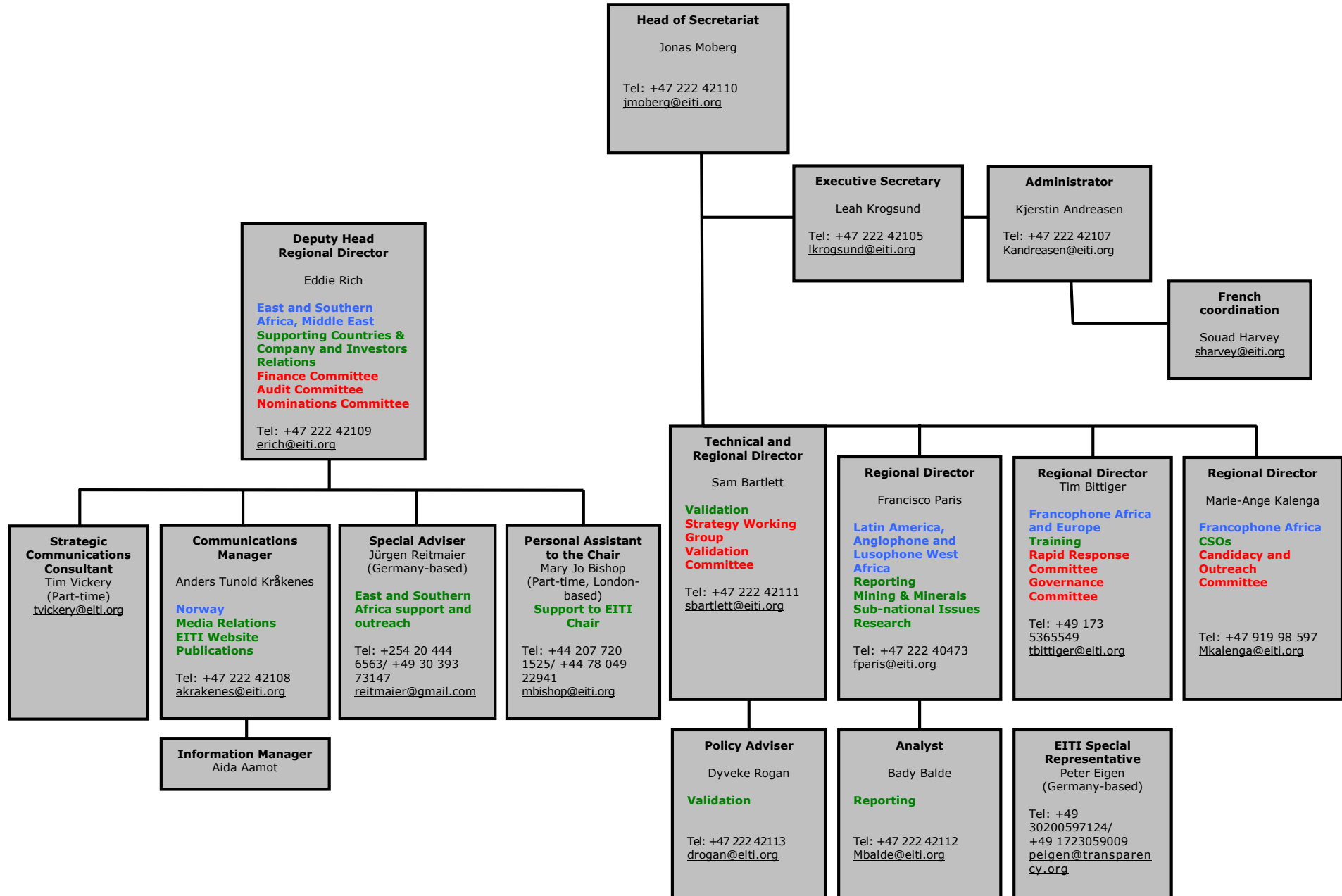
The International Secretariat will:

Action 27 – Monitor the outcome indicators set out by the Board in 2010.

Resource requirements

Management, funding and monitoring is anticipated to require ≈30% of one policy staff member's time and 150% of one "Administrative + Intern" staff member's time.

Annex A - EITI International Secretariat Organisational Diagram



Annex B - EITI International Secretariat Key Performance Indicators

Part I. Outcome Indicators

	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual(1)	2012 Target
1) No. of compliant countries	N/A	N/A	2	5	12	22
2) No. of implementing countries(2)	15	23	29	33	35	40
3) No. of supporting companies(2)	37	37	41	52	60	65
4) No. of supporting investors(2) (before 2010 measured in assets under management)	N/A	USD14trm	USD16trm	84	90	95
5) No. of supporting countries(2)	10	12	16	17	18	18
6) No. of countries that have submitted final validation reports(2)	N/A	N/A	2	17	26	34
7) Communication and awareness raising						
• Visits to EITI website (<i>per month</i>)	5300	6000	8700	10140	12900	16000
• Articles published about the EITI (<i>per year</i>) (3)	9	14	12	25	17	30
• References of EITI in articles, news items and blogs (<i>per year</i>) (4)	1031	1231	1532	2200	2570(8)	2900
• Subscribers to EITI 's newsletter	N/A	N/A	1700	2000	2350	2500
8) Reporting						
• No. of EITI reports	19(5)	7	17	10	16	34(6)
• Percentage of implementing countries reporting	41%	33%	74%	34%	48%	97%
• Companies participation (7)	N/A	N/A	N/A	N/A	N/A	85%

(1) Until 5 October 2011

(2) Cumulative

(3) Include FT, The Economist, Le Monde, Le Figaro

(4) Include references to "EITI" in english sites and "ITIE" in french sites

(5) Cumulative 2003-2007

(6) All EITI implementing countries, except Yemen, are expected to produce reports in 2012 covering in many cases more than 1 year. It is also expected that reports become an annual exercise thereafter.

(7) Percentage of target companies that actual report in individual reconciliation reports

(8) Extrapolated

Part II. Agency effectiveness indicators

Agency effectiveness (Resources)

	2010 (USD)	%	2011 (USD) ²	%
Support to implementing countries	678 383	22	629 021	22
Outreach activities	201 080	7	110 642	4
Board meetings and Chairman support	776 843	26	357 943	13
Rel. Stakeholders (Conference, NCs)	312 367	10	925 582	32
Rel. Companies and Investors	68 855	2	57 270	2
Communication	356 903	12	288 694	10
Training	18 319	1	14 890	1
Management and administration	608 153	20	472 033	17

² January-June 2011³ January- 5 October 2011

Outputs

	2010	2011 ³
Website & Publications		
News items	51	46
Tweets	72	183
Blogs	8	12
Newsletter	3	4
Regular publications	25	21
Videos	0	5
Progress report	1	1
Validations reports reviewed	15	7
Reconciliation reports reviewed	10	16
Meetings		
Donors roundtables	1	1
National coordinators meeting	1	0
Board meetings	4	4
People trained	150	150
Countries visited		
Implementing	26	23
Outreach activities	7	13
Disclosure of Revenues		
No of EITI Reports	10	16
No of EITI Reports (disaggregated)	6	8
Sector coverage	N/A	N/A
Regularity of EITI disclosure	34 %	48 %
Companies participating in reporting	N/A	N/A

Annex D - Summary of allocation of staff time

Policy Staff		Administrative		Work Plan Element	Policy Staff	Administrative	Total
Moberg	100 %	Krogsund	100 %	Supporting the EITI implementing countries	400 %	100 %	500 %
Rich	100 %	Andreasen	100 %	Outreach to countries, companies and investors	100 %	10 %	110 %
Bartlett	100 %	Harvey	70 %	Supporting strategy/policy development	100 %	10 %	110 %
Paris	100 %	Bishop	20 %	Communications	120 %	50 %	170 %
Kalenga	100 %	Conf.mgr^^	50 %	Support to the Board (incl. Validation and Conference)	300 %	120 %	420 %
Kråkenes	100 %	Intern (Info.mgr)	100 %	Management, funding and monitoring	30 %	150 %	180 %
Bittiger	100 %			Total	1050 %	440 %	1490 %
RD Asia	100 %						
Other^^	50 %						
Balde	100 %						
Rogan	100 %						
Senior Advisers							
Eigen							
Reitmaier							
Vickery							
Total							
(Staff years)	10,50	-	4,40				
			14,90				

^^ Recruitment in 2nd Semester 2012