



Terms of Reference

Independent Administrator for the 5th EITI Report, Myanmar

Approved by the MSG on 26th March 2019

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1 Background

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

EITI implementation has two core components:

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

The EITI Standard encourages MSGs to explore innovative approaches to extending EITI implementation to increase the comprehensiveness of EITI reporting and public understanding of revenues and encourage high standards of transparency and accountability in public life, government operations and in business. The requirements for implementing countries are set out in the EITI

Standard¹. Additional information is available via www.eiti.org.

It is a requirement that the MSG approves the terms of reference for the Independent Administrator (requirement 5.2), drawing on the objectives and agreed scope of the EITI as set out in the MSG’s workplan. The MSG’s deliberations on these matters should be in accordance with the MSG’s internal governance rules and procedures (see requirement 1.3.g). The EITI requires an inclusive decision-making process throughout implementation, with each constituency being treated as a partner.

It is a requirement that the Independent Administrator be perceived by the MSG to be credible, trustworthy and technically competent (Requirement 5.1). The MSG and Independent Administrator should address any concerns regarding conflicts of interest. The EITI Report prepared by the Independent Administrator will be submitted to the MSG for approval and made publicly available in accordance with Requirement 6.

These terms of reference include “agreed-upon procedures” for EITI reporting (see section 4) in accordance with EITI Requirement 5.2. The international EITI Board has developed these procedures to promote greater consistency and reliability in EITI reporting. The EITI process should be used to complement, assess, and improve existing reporting and auditing systems. The Board recommends that the process rely as much as possible on existing procedures and institutions, so that the EITI process draws on, complements and critically evaluates existing data collection and auditing systems. In this way, the EITI process has the potential to generate important recommendations to strengthen other oversight systems.

EITI Implementation in Myanmar

Myanmar applied for EITI Candidacy Status in December 2012, under the Government of President U Thein Sein, and established the MEITI Leading Authority under the leadership of the President Office Minister, who was designated the EITI National Champion. The Centre for Economic and Social Development of the Myanmar Development Resources Institute (CESD) was designated the MEITI National Coordination Office.

The Myanmar MSG was established in January 2014, consisting of 21 members: six representatives from government, six company representatives, and nine civil society representatives. The MSG laid out four overarching objectives for MEITI:

1. To contribute to broader reform of resource governance in Myanmar
2. To create enabling environment for EITI
3. To prepare and facilitate the process for implementing EITI
4. To increase the accessibility of data on natural resources in Myanmar

In early 2015, a National MEITI Office, staffed by civil servants, was established in the Fiscal Policy, Strategy, and EITI Division, under the Budget Department of the Ministry of Finance. However, CESD continued to share responsibility for EITI implementation with this Division. Myanmar’s first EITI report was successfully produced in January 2016. In accordance with MSG’s decision Myanmar

¹<http://eiti.org/document/standard>

applied for an extension on the deadline for the second report until March 2018 and the validation process until July 2018.

Following elections in November 2015, a new government took office in Myanmar on the 1st of April 2016. On December 19th, 2016 a new MEITI Leading Committee was formed, Union Minister for Planning and Finance was appointed as the Chair of the EITI Leading Committee, and Renaissance Institute was designated as the MEITI National Coordinator. On 17th January 2017, the Government of the Union of Myanmar signed a Grant Agreement with the World Bank for funding support to cover implementation of the MEITI Work Plan for 2017 to 2019.

A new MEITI Multi-Stakeholder Group (MSG) was established on 23rd of March 2017, comprising seven Government representatives, seven private sector representatives and nine civil society representatives. Myanmar's second and third EITI reports for 2014-2015 and 2015-2016 financial years were successfully produced in March 2018. The first Myanmar EITI reports for forestry sector covering 2014-2015 and 2015-2016 financial years were completed in January 2019. Validation process for Myanmar has been started since July 2018 and assessment report was provided on January 2019. MSG provided comments on the assessment report to the International EITI Secretariat on mid of February 2019. The MSG approved these Terms of Reference on the 26th March 2019.

The MSG Technical and Reporting Sub-Committee is responsible for overseeing the procurement of the Independent Administrator to conduct the scoping and reconciliation process, on behalf of, and in collaboration with, the MSG.

2 Objectives of the assignment

The MSG has agreed that the 5th report shall cover the Oil and Gas, Mining, Gems and Jade, and Pearl Sectors for the fiscal year 2017-2018 and the Forestry Sector for the fiscal years 2016-2017 and 2017-2018. The 5th EITI report shall be completed by March 31st 2020. To meet the EITI standard on beneficial ownership reporting, the MSG has agreed to include disclosures of all beneficial owners in the sectors. On behalf of the government of the Union of Myanmar, the MSG and the Fiscal Policy, Strategy and EITI Division, Budget Department of the Ministry of Planning and Finance seeks a competent and credible firm, free from conflicts of interest, to provide Independent Administrator services in accordance with the EITI Standard.

The objective of the assignment is to:

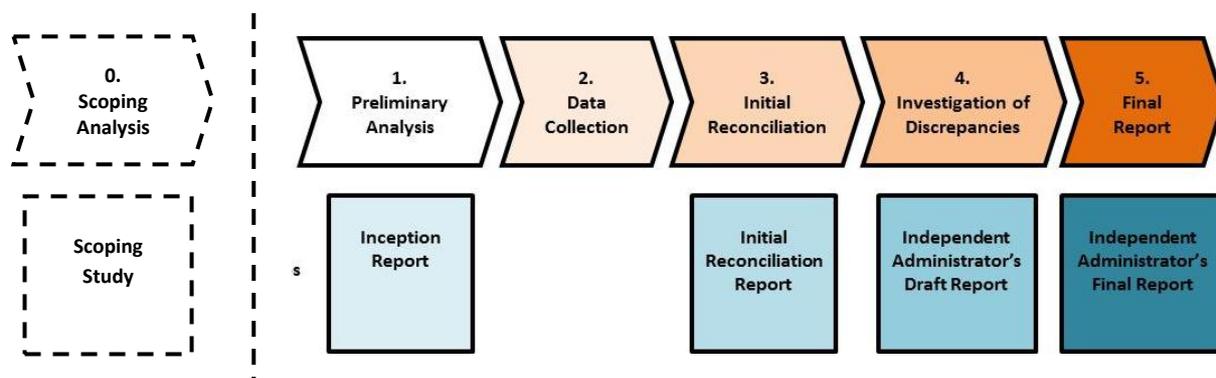
- (i) Produce updated scoping study for the fiscal year 2017-2018 covering the Oil and Gas, Mining, Gems and Jade, Pearl Sectors and for the fiscal years 2016-2017 and 2017-2018 for the Forestry Sector to inform the MSG's decisions on the scope of the EITI Report.
- (ii) Produce the 5th EITI Report in accordance with the EITI Standard and section 3, below covering the period of 2017-2018 for the Oil and Gas, Mining, Gems and Jade, Pearl Sectors; and 2016-2017 and 2017-2018 for the Forestry Sector.

3 Scope of services, tasks and expected deliverables

The work of the Independent Administrator has five conceptual phases (see figure 1). These phases may overlap and there may also be some iteration between the phases. EITI reporting, in the case of Myanmar, will be preceded by scoping work which is also to be undertaken by the Independent Administrator (phase 0 in the figure).

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

Figure 1 – Overview of the EITI Reporting process and deliverables



Phase 0 - Scoping and scoping study

Objective: Scoping work aims to identify what the EITI Report should cover in order to meet the requirements of the EITI Standard. Scoping sets the basis for producing a timely, comprehensive, reliable and comprehensible EITI Report. It commonly involves looking at issues such as the fiscal period to be reported, the contextual information that should be part of the EITI Report, reviewing the types of assurances that are needed for ensuring that the data submitted by reporting entities are credible, determining which revenue streams from Oil and Gas, Mining, Gems and Jade and Pearls, and Forestry are significant, and consequently which companies and government entities should be required to report. It is also an opportunity for the MSG to consider the feasibility of extending the scope of EITI reporting beyond the minimum requirements in order to address the objectives outlined in the EITI work plan. Scoping may also investigate likely gaps or issues that may be particularly challenging to include in the EITI Report with a view to identify options, solutions, and recommendations for an appropriate reporting methodology for consideration by the MSG.

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

1. Review the relevant background documents, including the previous MEITI Scoping Studies, Inception Report (s), EITI Reconciliation Report (s) and any changes to legal, regulatory, notifications, contracts and fiscal regimes, in order to provide the MSG with appropriate options and recommendations for expansion of scope of each annual report. This will include:
 - 1.1 The comprehensiveness of the payments and revenues covered in the previous year's report.

- 1.2 The comprehensiveness of the companies and government entities that reported in the previous year.
- 1.3 Supporting the MSG with examining the audit and assurance procedures in companies and government entities participating in the EITI reporting process. This includes examining the relevant laws and regulations, any reforms that are planned or underway, and whether these procedures are in line with international standards. It is recommended that the EITI Report includes a summary of the findings, otherwise the MSG should make the results of the review of audit and assurance practices publicly available elsewhere. For the production of the 5th EITI report covering the period of 2017-2018 for oil, gas and mining and Gems and Jade and Pearls and the period of 2016-17 and 2017-18 for the Forestry Sector, in line with the recommendations of the previous reports the Independent Administrator should analyse opportunities for expansion of scope related to:
- 1.4 **The Oil and Gas Sector:**
- The Independent Administrator should present that where the sale of the state's share of production or other revenues collected in kind is material, the government, including state-owned enterprises, are required to disclose the volumes sold and revenues received as prescribed under requirement 4.2.
- 1.5 **The Mineral Sector**
- The Independent Administrator should consider including the information such as the volume and value of each sale operation, the date, the type of mineral sold, the identity of the buying company, the incoterms, the individual price of sell and the market/destination of the sale regarding the first trade of the State's share of production.
- 1.6 **The Gems and Jade Sector:**
- The Independent Administrator should review and include in the scope of the report all available revenue and non-revenue data from the Ministry of Natural Resources and Environmental Conservation and the Customs Department, Gems and Jade companies and gem trade centers. In determining the scope, the IA should apply the same test of comprehensiveness prescribed under requirement 4.1 The IA will present options for a comprehensive coverage and reconciliation of revenue streams that will ensure compliance with the EITI Standard. The IA will also propose options regarding a timetable for complete compliance covering incremental reporting until all data gaps are addressed.
 - The Independent Administrator should review all available contextual information and data and recommend potential scope of reporting on the informal Gems and Jade sector.

- The Independent Administrator shall conduct a ground survey of areas selected by MSG to validate the data such as production data, CSR, licencing and tax payment from reporting entities.

1.7 **Forestry Sector:**

- The Independent Administrator should include a detailed institutional and regulatory review of the Forestry Sector.
- The Independent Administrator should identify governance challenges and transparency gaps in the Forestry Sector and assess the relevance of the application of the EITI Standard to address these issues. The restructuring of Myanmar Timber Enterprise which covers regular statistical reports including key financial indicators including revenues collected, profit margins, cash flow from forestry activities, gross investment, as well as transfers to the Government.
- The Independent Administrator should examine the legal and administrative barriers to reporting on the Forestry Sector through the MEITI process and make recommendations on how future reporting on the Forestry Sector could be mainstreamed.
- The Independent Administrator should compare Myanmar Customs Department's export data with international trade data from other sources.

1.8 **Revenue Management:**

- The Independent Administrator should consider the feasibility of reconciling revenues collected by SOEs from companies with the transfers made by SOEs to the MoPF.
- The Independent Administrator should consider the feasibility of providing complete reporting on the 'Other Accounts' held by State Owned Economic Enterprises in the Extractives Sector, including policy and procedures on oversight mechanisms, payments to, expenditures of and balances brought forward and the balance at the end of the reporting period, including Opening and Closing bank statements.
- The Independent Administrator should develop a detailed list of all the operation in the extractive sectors of the Military holding companies (UMEHL and MEC) and their subsidiaries, and disclose all related financial flows.
- The Independent Administrator should explore the distribution of revenues from the extractive industries whether cash or in kind, are recorded in the national budget and the allocation of these revenues.

1.9 **Production**

The Independent Administrator should consider including production in the reconciliation process.

1.10 **Discretionary Social Expenditures**

The Independent Administrator should consider the feasibility of covering all discretionary social expenditures disaggregated by project and beneficiary.

The Independent Administrator shall explore and probe quasi legal status CSR Funds at national and sub national entities. (e.g. Magway Case and MGJEA CSR Funds Case)

1.11 Transportation Revenues

The Independent Administrator should consider transportation revenues in the reconciliation scope.

1.12 Beneficial Ownership

The Independent Administrator should work together with Beneficial Ownership Taskforce to ensure complete reporting on all the BO of all the companies included in the 5th reconciliation report.

1.13 Licensing

The Independent Administrator should consider the full disclosure of information related to the award or transfer of licenses pertaining to the companies covered in the EITI Report, including: a description of the process for transferring or awarding the license; the technical and financial criteria used; information about the recipient (s) of the license that has been transferred or awarded, including consortium members where applicable; and any non-trivial deviations from the applicable legal and regulatory framework governing license transfers and awards.

The Independent Administrator should assess whether it is feasible to include information on the legal framework, licensing, production and revenue allocations that is more recent than the financial data.

1.14 Contract Disclosure

The Independent Administrator should explore full contract disclosure by all extractive companies covered in the recommended scope of the report. The Independent Administrator should consider the feasibility of piloting data collection on the contract disclosure of extractive companies operating in each of the extractive sectors to be covered in the report.

1.15 Down Stream Section Revenue

The Independent Administrator should consider the feasibility of breakdown revenue. Downstream activities are business activities that focus on transportation, storage, power generation, petrochemical industry, service and refining.

1.16 Employment Data

The Independent Administrator should provide data on the employment on the extractive industries in absolute terms and as a percentage of the total employment.

1.17 **Project level Reporting**

The Independent Administrator should seek to reconcile revenue streams for all the extractive sectors at project level.

1.18 **State participation**

The Independent Administrator should explore state participation in the extractive industries covering progress on best practice governance frameworks and transparency in financial reporting such as publishing audited financial statements showing fiscal revenue and expenditure clearly to the public.

1.19 **Export**

The Independent Administrator should explore whether export volume and value can be reconciled by providing IE and HS codes of companies to Myanmar Customs Department which can extract these data through MACCS.

2. The Independent Administrator should propose methodology to investigating discrepancies as part of the scoping phase.

3. The Independent Administrator should provide draft reporting templates for the 5th MEITI Report for consideration and approval by the MSG.

4. The Independent Administrator should update the proposed schedule for production of 5th MEITI Report.

Phase 1 – Preliminary analysis and inception report

Objective: The purpose of the inception phase is to confirm that the scope of the EITI reporting process has been clearly defined, including the reporting templates, data collection procedures, and the schedule for publishing the EITI Reports. In case of Myanmar, The Inception Report represents the conclusion of the Scoping Analysis. The inception report thus ensures that there is a mutual understanding between the MSG and the Independent Administrator of the scope of the EITI Report and the work to be carried out.

1.1 The Independent Administrator should produce an inception report that:

1.1.1 Includes a statement of materiality (Annex 1) confirming the MSG's decisions on the payments and revenues to be covered in the EITI Report, including:

- The revenue streams to be included
- The definition of materiality and thresholds applicable to each sector.
- The definition of materiality and thresholds, and the resulting revenue streams to be included in accordance with Requirement 4.1 (b).
- The sale of the state's share of production or other revenues collected in-kind in accordance with Requirement 4.2.

- The coverage of infrastructure provisions and barter arrangements in accordance with Requirement 4.3.
- The coverage of transportation revenues in accordance with Requirement 4.4.
- Disclosure and reconciliation of payments to and from state owned enterprises in accordance with Requirement 4.5.
- The materiality and inclusion of direct sub-national payments in accordance with Requirement 4.6.
- The materiality and inclusion of sub-national transfers in accordance with Requirement 5.2.
- The coverage of social expenditure in accordance with Requirement 6.1.
- The level and type of disaggregation of the EITI Report in accordance with Requirement 4.7.
- Materiality threshold for beneficial ownership disclosures

1.1.2 **Includes a statement of materiality (Annex 1) confirming the MSG’s decisions on the companies and government entities that are required to report, including:**

- The companies, including SOEs that make material payments to the state and will be required to report in accordance with Requirement 4.1 (c).
- The government entities, including any SOEs and sub-national government entities, that receive material payments and will be required to report in accordance with Requirement 4.1 (c-d), 4.5 and 4.6.
- Any barriers to full government disclosure of total revenues received from each of the benefit streams agreed in the scope of the EITI report, including revenues that fall below agreed materiality thresholds (Requirement 4.1 (d)).
- Companies that should be included in the scope of beneficial ownership disclosure

1.1.3 Based on the examination of the audit and assurance procedures in companies and government entities participating in the EITI reporting process (1.2.3 above), **confirms what information participating companies and government entities are required to provide to the Independent Administrator in order to assure the credibility of the data in accordance with Requirement 4.9.**

The Independent Administrator should exercise judgement and apply appropriate international professional standards² in developing a procedure that provide a

² For example, ISA 505 relative to external confirmations; ISA 530 relative to audit sampling; ISA 500 relative to audit evidence; ISRS 4400 relative to the engagement to perform agreed-upon procedures regarding financial information and ISRS 4410 relative to compilation engagements.

sufficient basis for a comprehensive and reliable EITI Report. The Independent Administrator should employ his /her professional judgement to determine the extent to which reliance can be placed on the existing controls and audit frameworks of the companies and governments. Where deemed necessary by the Independent Administrator and the multi-stakeholder group, assurances may include:

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

Based on the BO roadmap, the Independent Administrator should also recommend options to the MSG on how to assure data credibility for BO disclosures.

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

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

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

The Independent Administrator will complete the table below following the scoping study for each report.

Non-revenue information to be provided in the EITI Report	Work to be undertaken by the Independent Administrator	Work to be undertaken by the MSG/others
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Legal framework and fiscal regime in accordance with EITI Requirement 2.1.	Yes	...
An overview of the extractive industries, including any significant exploration activities in accordance with EITI Requirement 3.1.	Yes	
Information about the contribution of the extractive industries to the economy in accordance with EITI Requirement 6.3.	Yes	
Production and export data in accordance with EITI Requirement 3.2 and 3.3	Yes	
Information regarding state participation in the extractive industries in accordance with EITI Requirement 2.6 and 6.2. ³	Yes	
Information about the distribution of revenues from the extractive industries in accordance with EITI Requirement 5.1.	Yes	
Any further information requested by the MSG on revenue management and expenditures in accordance with EITI Requirement 5.3.	Yes	
Information about license holders in accordance with EITI Requirement 2.3 ⁴ , and the	Yes	

³ Guidance Note 18: SOE participation in EITI Reporting, https://eiti.org/files/GN/Guidance_note_18_SOEs_EN.pdf

⁴Guidance Note 3: Licence Registers, <https://eiti.org/guidance-notes-and-standard-terms-reference#GN3>

allocation of licenses in accordance with EITI Requirement 2.2. ⁵		
Any information requested by the MSG on beneficial ownership in accordance with EITI Requirement 2.5 ⁶	Yes	
Any information requested by the MSG on contracts in accordance with EITI Requirement 2.4 ⁷ or 3.12	Yes	
Contextual information and an assessment of the value of the informal Gems and Jade Sector.	Yes	

- 1.1.5 **Confirms the reporting templates, as well as any procedures or provisions relating to safeguarding confidential information.** At the direction of the MSG, the Independent Administrator should develop guidance to the reporting entities, and should provide training on how to complete the reporting templates including the BO reporting templates.

Phase 2 – Data collection

Objective: The purpose of the second phase of work is to collect the data for the EITI Report in accordance with the scope confirmed in the Inception Report. The MSG and national coordinator will provide contact details for the reporting entities and assist the Independent Administrator in ensuring that all reporting entities participate fully. Data will be provided, in both Myanmar and English language and it will be the responsibility of the Independent Administrator to translate this data as required. Should it not be possible to provide data in digital format, the IA shall take responsibility for digitizing this data.

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

- 2.1 Distribute the reporting templates including BO templates and collect the completed forms and associated supporting documentation directly from the participating reporting entities, as well as any contextual or other information that the MSG has

⁵ Guidance Note 4: Licence Allocations, <https://eiti.org/guidance-notes-and-standard-terms-reference#GN4>

⁶ Template beneficial ownership declaration, <https://eiti.org/files/Template-beneficial-ownership-declaration-form.doc>

⁷ Guidance Note 7: Contract Transparency, <https://eiti.org/guidance-notes-and-standard-terms-reference#GN7>

tasked the Independent Administrator to collect in accordance with 1.3.4 above.

- 2.2 Contact the reporting entities directly to clarify any information gaps or discrepancies.
- 2.3 Conduct ground survey of areas selected by MSG to validate the data such as, production data, CSR, licencing and tax payment from reporting entities.

Phase 3 – Initial Reconciliation

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

- 3.1 The Independent Administrator should compile a database with the payment and revenue data provided by the reporting entities.
- 3.2 The Independent Administrator should comprehensively reconcile the information disclosed by the reporting entities, identifying any discrepancies (including offsetting discrepancies) in accordance with the agreed scope and any other gaps in the information provided (e.g. assurances).
- 3.3 The Independent Administrator should identify and investigate discrepancies on all revenue streams above the 3% in the Oil and Gas sector and 5 % margin of error in the Mining, Gems and Jade and Pearl sectors agreed by the MSG.

Phase 4 – Investigation of Discrepancies and Draft EITI Report

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

- 4.1 The Independent Administrator should contact the reporting entities to clarify the causes of any significant discrepancies or other gaps in the reported data, and to collect additional data from the reporting entities concerned.
- 4.2 The Independent Administrator should submit a draft EITI Report to the MSG for comment that comprehensively reconciles the information disclosed by the reporting entities, identifying any discrepancies, and reports on contextual and other information requested by the MSG. The financial data should be disaggregated to the level of detail agreed by the MSG and in accordance with requirement 4.7. The draft EITI Report should:
 - a) describe the methodology adopted for the reconciliation of company payments and government revenues and demonstrate the application of international professional standards.
 - b) include a description of all revenue streams, related materiality definitions and

thresholds (Requirement 4.1).

- c) include an assessment from the Independent Administrator on the comprehensiveness and reliability of the (financial) data presented, including an informative summary of the work performed by the Independent Administrator and the limitations of the assessment provided.
- d) indicate the coverage of the reconciliation exercise, based on the government's disclosure of total revenues as per Requirement 4.1 (d).
- e) include an assessment of whether all companies and government entities within the agreed scope of the EITI reporting process provided the requested information. Any gaps or weaknesses in reporting to the Independent Administrator must be disclosed in the EITI Report, including naming any entities that failed to comply with the agreed procedures, and an assessment of whether this is likely to have had material impact on the comprehensiveness of the report (Requirement 5.3 (d)).
- f) document whether the participating companies and government entities had their financial statements audited in the financial year (s) covered by the EITI Report. Any gaps or weaknesses must be disclosed. Where audited financial statements are publicly available, it is recommended that the EITI Report advises readers on how to access this information (Requirement 5.3 (e)).
- g) include non-revenue information as per Requirement 2, 3, 5 and 6 and other information requested by the MSG. The contextual information should be clearly sourced in accordance with the procedures agreed by the Independent Administrator and the MSG (1.3.4).

4.3 Where previous EITI Reports have recommended corrective actions and reforms, the Independent Administrator should comment on the progress in implementing those measures (Requirement 5.3 (e)). The Independent Administrator should make recommendations for strengthening the reporting 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. The Independent Administrator is encouraged to collaborate with the MSG in formulating such recommendations. Initially, these recommendations will be for the MSG only, then, subject to their approval, can be included in the final report.

4.4 The Independent Administrator is encouraged to make recommendations on strengthening the template Terms of Reference for Independent Administrator services in accordance with the EITI Standard for the attention of the EITI Board.

Phase 5 – Final EITI Report

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

- 5.1 The Independent Administrator will submit the EITI Reports upon approval to the MSG. The MSG will endorse the reports prior to its publication and will oversee its publication by the national coordinator. Where stakeholders other than the Independent Administrator decide to include additional comments in, or opinions on, the EITI Reports, the authorship should be clearly indicated.
- 5.2 The Independent Administrator should produce electronic data files⁸ that can be published together with the final Report.
- 5.3 Following approval by the MSG, the Independent Administrator is mandated to submit summary data from the EITI Report electronically to the International Secretariat according to the standardised reporting format available from the International Secretariat (Requirement 5.3 (b))⁹.
- 5.4 The Independent Administrator shall take appropriate measures to ensure that the report is comprehensible. This includes ensuring that the report is appropriately designed and laid out and has high levels of readability, legibility and usability.
- 5.5 The Independent Administrator submit to the national secretariat all data gathered during reconciliation available, including the contact information of all institutions contacted during the reporting process.

4 Qualification requirements for Independent Administrators

The reconciliation of company payments and government revenues must be undertaken by an Independent Administrator applying international professional standards (requirement 5.1). It is a requirement that the Independent Administrator is perceived by the MSG to be credible, trustworthy and technically competent (ibid). Bidders must follow (and show how they will apply) the appropriate professional standards for the reconciliation / agreed-upon-procedures work in preparing their report.

The Independent Administrator will ideally demonstrate:

- A minimum of 7 years of expertise and experience in the Oil and Gas, Mining, Gems and Jade, Pearl and Forestry Sectors in Myanmar or in Asia Region.
- A minimum of 10 years of expertise in accounting, auditing and financial analysis.
- A track record in similar work. Experience as an EITI Independent Administrator or work of a similar nature within the last 5 years.
- Registration in Myanmar and being in line with the Myanmar Accountancy Council Law

⁸ The files can be in CSV or Excel format and should contain the tables and figures from the print report.

⁹ The latest version of the summary data template can be found at: <https://eiti.org/document/eiti-summary-data-template>

- A Local partner must have sufficient staff and capacity for full cooperation and coordination both for IA and NCS. This includes fluent Myanmar and English language skills as well as expertise in accounting and extractives to analyse data in Myanmar and support the MEITI reporting entities.
- Regional and local knowledge in South East Asia and Myanmar in particular will be an advantage.
- They must have availability of staff with appropriate skills to complete the required task on schedule.

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

5 Reporting requirements and time schedule for deliverables

The assignment is expected to commence on **15th July 2019**, culminating in the finalisation of the EITI Report by **25th March 2020**. The proposed schedule is set out below:

Signing of contract	[30 th June]
=> Scoping Study	[15 th July] - [Aug 15 th]
Phase 1: Preliminary analysis	[16 th Aug] - [Sept 15 th]
=> Inception report/template training	[Sept 16 th]
Phase 2: Data collection	[Sept 16 th] - [Nov 15 th]
Phase 3: Initial reconciliation	[Nov 16 th] - [Dec 15 th]
Phase 4: Investigation of discrepancies	[Dec 16 th] - [Jan 15 th]
=> Draft report	[1 st Feb, 2020]
Pre-Final report	[1 st March, 2020]
Phase 5: Final report	[March 16 th] - [March 24 th]
=> Final report	[March 25 th]

The schedule of payments shall be as follows:

- 10% following contract signing
- 30% following delivery and acceptance of the Scoping Study outputs
- 30% following delivery and acceptance of the draft EITI report

30% following MSG approval and publication of the EITI report

6 Client's input and counterpart personnel

HE. U Maung Maung Win, Deputy Minister, Ministry of Planning and Finance, Republic of the Union of Myanmar is responsible for contracting. The MSG will oversee the work of the Independent Administrator.

The Independent Administrator will report to MSG or Technical and Reporting Sub-committee and will be supported by the National Coordinator and the MEITI Office in MOPF.

Annex 1 – Statement of materiality

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

1. Taxes and revenues to be covered in the EITI Report (Requirement 4.1)¹⁰

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

Table 1 – Material revenues to be reconciled

Revenue stream	Estimated value and share of total extractive industry revenue	Government recipient	Additional commentary on work to be undertaken by the Independent Administrator as necessary.
<list of revenue streams, taking into account common revenue streams set out in Requirement 4.1 >	<value> (<percentage>)

¹⁰ Guidance Note 13: on defining materiality, reporting thresholds and reporting entities, https://eiti.org/files/Guidance%20note%20on%20defining%20materiality_0.pdf

The materiality and inclusion of the state's share of production collected in-kind (Requirement 4.2 ¹¹ , where applicable			
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The MSG has agreed that the revenue streams from the extractive sector listed in Table 2 should be unilaterally disclosed by the government in the EITI Report rather than reconciled with company figures. The reasons for unilateral disclosure rather than reconciliation should be documented by the MSG.

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

Revenue stream	Estimated value and share of total extractive industry revenue	Government recipient	Additional commentary on data sources and work to be undertaken by the Independent Administrator as necessary.
...	<value> (<percentage>)

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

Table 3 – Immaterial revenue streams from the extractive sector to be excluded from the EITI Report

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

¹¹ Guidance Note 18: SOE participation in EITI Reporting, https://eiti.org/files/GN/Guidance_note_18_SOEs_EN.pdf

2. Additional benefit streams:

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

Table 4 – Additional benefit streams

Benefit stream	Applicable/material?	Estimated value and share (%) of total extractive industry revenue	Government recipient	Additional commentary on data sources and work to be undertaken by the Independent Administrator as necessary.
The materiality and inclusion of infrastructure and barter arrangements (Requirement 4.3) ¹²				
The materiality and inclusion of <u>mandatory</u> social payments (Requirement 6.1(a)) ¹³				
The materiality and inclusion of <u>voluntary</u> social payments (Requirement 6.1(b)) ¹⁴				

¹² Guidance note 15: Infrastructure and barter provisions: <https://eiti.org/guidance-notes-and-standard-terms-reference#GN14>

¹³ Guidance note 17: Social expenditures: <https://eiti.org/guidance-notes-and-standard-terms-reference#GN17>

¹⁴ Guidance note 17: Social expenditures: <https://eiti.org/guidance-notes-and-standard-terms-reference#GN17>

The materiality and inclusion of transportation revenues (Requirement 4.4) ¹⁵				
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3. Reporting companies (Requirement 4.1)

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

Table 5 – Companies to be included in the EITI Report

Companies	Sector	Additional commentary on work to be undertaken by the Independent Administrator as necessary.
...

4. Government - government transactions (Requirement 4)

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

Transactions	Applicable/material?	Financial flow	State-owned company	Government agency	Additional commentary on work to be undertaken by the Independent Administrator as necessary.
The disclosure and reconciliation of payments to and from state-owned enterprises					

¹⁵ Guidance note 16: Revenues from transportation of oil, gas and minerals: <https://eiti.org/guidance-notes-and-standard-terms-reference#GN16>

(Requirement 4.6) ¹⁶					
Transactions	Applicable/material?	Financial flow and revenue sharing formula	Government agency executing the transfer	Government agency receiving the transfer	Additional commentary on work to be undertaken by the Independent Administrator as necessary.
The materiality and inclusion of mandatory sub-national transfers in accordance with Requirement 5.2 ¹⁷					

5. Beneficial Ownership disclosures:

¹⁶ Guidance Note 18: SOE participation in EITI Reporting, https://eiti.org/files/GN/Guidance_note_18_SOEs_EN.pdf

¹⁷ Guidance Note 10: Sub-national reporting, <https://eiti.org/files/Guidance-note-10-Subnationalreporting.pdf>