Consultation on Validation
Response by the D-EITI Secretariat

1. Should effort and progress in meeting the requirements over time be taken into account in validation?

Yes, effort and progress over time should be taken into account. While it is obvious that a minimum of requirements should be met in order for a country to be found compliant, validation should acknowledge efforts of implementing countries to go beyond the core requirements of the EITI Standard, e.g. presenting EITI data in more accessible and useful formats.

2. Should validation encourage reporting that go beyond the EITI requirements?

A country should always focus on properly implementing the mandatory EITI requirements first. If these are met, an expansion beyond the EITI Standard should be considered and yes, validation should generally encourage this step. Especially in the case of G7 and OECD countries, going beyond the EITI requirements could prove the political will and ownership in implementing the EITI Standard. Broadening the scope of both the contextual information as well as the reconciliation of payments and revenues could make developed countries deliver lessons learned in the governance of their extractive sectors and hence serve as role models for the international EITI community. At the same time, by these means, G7 and OECD countries could enhance their credibility in the process.

3. Should the timeframe for countries to achieve compliance be the same for all implementing countries? If so, should the timeframe be a fixed number of years as at present?

Yes, the timeframe should be the same for all countries. On the one hand, the deadline of a fixed number of years creates a motivation for countries to produce timely reports. If this deadline was to be abolished, countries might lack the incentive to deliver. On the other hand, if the deadline proves too loose, the country in question should be incentivized to make the most of time and go beyond the minimum requirements of the standard. An incentive to do so could be granted through a gradation system for compliant countries (compare response to question 11).

4. Should progress and direction of travel matter for how much time countries are given to achieve compliance?

A certain deadline for validation should be fixed. This will keep countries motivated to comply with the requirements necessary in a certain amount of time. At the same time, any progress beyond the requirements should be encouraged.

5. To what extent should the local context in which the EITI is being implemented be taken into account during validation?
The local context of a country should be taken into account to the extent possible. Federal political structures, for instance, might imply particular challenges for the implementation of the EITI. Also strong legislative systems (that generally support good governance, also in the extractive sector, while at the same time hindering the implementation of the EITI) should be taken into account. Advanced legislation regarding taxpayer confidentiality and general data protection, for example, makes EITI implementation difficult in G7 and OECD countries. In European countries, the harmonization of the EITI with the EU Transparency and Accounting Directives also needs to be considered, in order to avoid additional bureaucracy and double reporting mechanisms. The ultimate goal of the EITI— to enhance sector governance with a view to improving living standards of a country’s citizens— should always be the purpose of implementation. Obviously, this should not lead to a diluting of the EITI Standard. The requirements of the EITI need to be adhered to by any country found to be compliant with the Standard.

6. Should EITI requirements continue to be assessed as met or unmet?  
A certain amount of requirements needs to be met (and assessed accordingly) in order for a country to be found compliant with the EITI Standard. This will guarantee a forward momentum and a minimum level of impact of the implementation process. A quantitative assessment of the level and progress of implementation, especially any progress beyond the basic requirements, could additionally be described in a narrative section of the validation report and be acknowledged accordingly (also compare response to question 11).

7. Should there be more disaggregated assessments, showing which requirements are met and which requirements are unmet, including the level of progress in meeting each requirement?  
See above (response to question 6).

8. Should the consequences of not reaching compliance status be removed? I.e. countries are allowed to stay members of the EITI as long as they make progress towards meeting requirements?  
If the requirements of the Standard are not met, a country should not be found compliant. Instead, the country in question could remain an EITI candidate country for an unlimited amount of time, until the core requirements are assessed as sufficiently adhered to. An ultimate delisting of the country should be prevented in order to encourage further work and progress.

9. How can validation measure progress or direction of travel towards meeting a requirement?  
A country should adhere to the minimum requirements in order to be granted candidate and/or compliant status. A gradation system of compliance (compare response to question 11) could incentivize further progress.
10. Should validation take place more frequently to measure progress, for example at the end of each EITI reporting cycle, or is the current frequency of every 3 years adequate?

The current frequency is adequate. Countries should be encouraged, however, to make the most of time and try to go beyond the Standard. A gradation system of compliance (compare response to question 11) could serve as an incentive.

11. Should the concept of “Candidate” and “Compliant” be replaced, and if so with what?

The status of candidate and compliant country should remain. In the case of compliant countries, a gradation system with the following three nuances could be introduced:

* All minimum requirements have been met.

** The minimum requirements have been exceeded. Implementation of the EITI is a dynamic process. The country is actively working on improving the good governance of its extractive sector.

*** A country has successfully integrated requirements into government systems and serves as best practice regarding the governance of its extractive sector.

If a country has reached the *** status, modifications regarding the overall process could be made. Validation could take place less frequently, an adapted implementation (e.g. regarding the frequency of published reports) could be pursued, etc.

12. What terminology could be suitable to indicate the various degrees of progress in meeting EITI Requirements? Are the current concepts of “limited progress” and “meaningful progress” appropriate?

See above (question 11).

13. How can Validation incentivize countries to continue to progress and innovate both before and after reaching compliance status?

By a gradation system (compare response to question 11).

14. Should multi-stakeholder groups and/or local and international experts on extractive sector governance have a greater role in Validation?

The validator already contacts multi-stakeholder-groups as well as any relevant stakeholder in the local context prior to his/her assessment of the national EITI process. The assessment of any relevant (international) expert should of course be taken into account.

15. Should the International Secretariat have a greater role in carrying out Validation assessments? What are the risks and benefits of this approach? What should be done to mitigate conflicts of interest?
The International Secretariat delivers valuable guidance during the implementation process. If the Secretariat was also responsible of validation, this could create a conflict of interest which should be avoided. The validator needs to remain independent.