ICMM Submission to the EITI Validation Consultation (September 2015)

1. **Should effort and progress in meeting the requirements over time be taken into account in validation?**  
   Yes, effort and progress should be taken into account. However, given that ICMM-member companies believe that validation should remain pass/fail, effort and progress should only be taken into account if a country is very close to passing. If a country has not met a large number of important requirements, effort and progress are largely irrelevant.

2. **Should validation encourage reporting that goes beyond the EITI requirements?**  
   If a country is compliant, the country could be encouraged to report beyond EITI requirements, where the necessary consensus exists within a national multi-stakeholder group. However, activities beyond the EITI requirements should not be mandatory or to the detriment of the required reporting.

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, as a global standard, all countries should aspire to achieve compliance within the same, fixed timelines. However, if a country is administratively and/or geographically complex and approaches the Board prior to validation with a request to delay validation, the Board may grant that request.

4. **Should progress and direction of travel matter for how much time countries are given to achieve compliance?**  
   Again, it depends on how close a country is to achieving compliance. If a country is within a few months of achieving compliance it would seem harsh to not give that country a chance to achieve compliance. It is, however, worth noting that the Standard already provides a degree of flexibility.

5. **To what extent should the local context in which the EITI is being implemented be taken into account during validation?**  
   If a country is very close to achieving compliance but has not met a few of the more minor requirements, local context could be taken into account. For example, if the validation process identifies specific corrective actions that can be successfully implemented within a designated time frame, then extra time to achieve compliance may be granted by the Board.

6. **Should EITI requirements continue to be assessed as met or unmet?**  
   Yes, this provides clarity and certainty for all EITI stakeholders and is fundamental to the perceived objectivity of the process.
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?**

   Yes, this would be helpful to show the Board how close the country is to compliance and where greater efforts by the country may be required. As stated above, if the country is very close to achieving compliance in all requirements, a disaggregated assessment may, depending on circumstances, allow the Board to designate the country compliant or give it more time to achieve compliance.

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?**

   The consequences of not reaching compliance status should be modified, providing that substantial progress towards meeting the requirements is evident from validation. However, if a country is making no progress whatsoever towards meeting the requirements, the Board may decide to delist that country.

9. **How can validation measure progress or direction of travel towards meeting a requirement?**

   Each requirement should be assessed by means of a ranking of ‘no progress’, ‘limited progress’, ‘substantial progress’, ‘requirement met’ and ‘requirement exceeded’. Each one of those labels would be scored from 0-5 with 0 equating to ‘no progress’. In this way, one could see whether progress was being made from validation to validation on both an aggregated and disaggregated level.

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 of every 3 years is adequate. Validations are a particularly expensive element of the EITI process and so their number should not be increased without good reason.

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

    A country that is currently ‘compliant’ has met the minimum EITI requirements but may still have major governance and corruption problems. ‘Compliant’ could therefore be changed to ‘EITI certified’ or something similar. The term ‘candidate’ should remain, along with a clear distinction between the two statuses.

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?**

    The terms ‘no progress’, ‘limited progress’, ‘substantial progress’, ‘requirement met’ and ‘requirement exceeded’ could be used. ‘Requirement met’ would mean that the country was on course to meet all EITI requirements while ‘requirement exceeded’ would mean that the country was on course to go beyond the minimum EITI requirements.
13. **How can Validation incentivize countries to continue to progress and innovate both before and after reaching compliance status?**

Introducing greater detail and clarity into the validation process will encourage countries to progress even if they haven’t been deemed compliant. In addition, if the terminology ‘requirement exceeded’ is used, it will show that the country has done more than simply meet the minimum required by the EITI Standard and is stretching to become truly transparent and accountable. Lastly, annual awards for innovation and/or impact on governance of the extractive sector should be considered. Case studies should also be used more frequently, as should peer learning.

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

Other groups may be able to play a role but the final sign-off (prior to the Board decision) should be with a truly independent third party i.e. neither the MSG nor the EITI Secretariat.

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?**

No, the Secretariat cannot lend support and advice to implementing countries while also having a role in validation. Validations in their current form are expensive and not always particularly effective so other options for validation should be considered, however, it would be inappropriate for the Secretariat to take a greater role. Even if the risk of a conflict of interest was mitigated, perceived conflict of interest risks would almost certainly remain. It is imperative that the Secretariat is perceived to be entirely impartial.

If you would like clarification on any of the points made in this submission, please don’t hesitate to contact ICMM.

**ICMM Executive, September 7 2015**