Integrating non-fiscal impacts into cost-benefit analyses of extractive industry projects

September 2018
POSITIVE LINKAGES

- Horizontal linkages
- Consumption linkages (Induced Employment)
- Knowledge linkages
- Employment
- Spatial linkages
- Upstream linkages (Indirect Employment)
- Downstream linkages (Indirect Employment)
- Fiscal linkages

Impact on EI’s core operations

VALUE CHAIN

EI project
(Direct Employment)
NEGATIVE IMPACTS

- Environment
- Social dynamics & corruption
- Health
- Economics & livelihoods
- Infra. & services

EI project
Quantifying upstream impacts

## Value created in 2014

<table>
<thead>
<tr>
<th>Industry</th>
<th>Location</th>
<th>Direct impact</th>
<th>Indirect impact</th>
<th>Direct and indirect impact</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anglo American</td>
<td></td>
<td>21%</td>
<td>7%</td>
<td>43%</td>
<td></td>
</tr>
<tr>
<td>BP</td>
<td></td>
<td>2%</td>
<td>2%</td>
<td>87%</td>
<td></td>
</tr>
</tbody>
</table>

### Employment multipliers vary significantly

<table>
<thead>
<tr>
<th>Industry</th>
<th>Location</th>
<th>Direct impact</th>
<th>Indirect impact</th>
<th>Direct and indirect impact</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mining</td>
<td>Tanzania</td>
<td>1.0</td>
<td>6.87</td>
<td>7.87</td>
<td>Ernst &amp; Young (2013) [44]</td>
</tr>
<tr>
<td>Gold mining</td>
<td>Tanzania</td>
<td>1.0</td>
<td>2.61</td>
<td>3.61</td>
<td>ICMM (2014) [46]</td>
</tr>
<tr>
<td>Cooper mining</td>
<td>Zambia</td>
<td>1.0</td>
<td>3.25</td>
<td>4.25</td>
<td>Oxford Policy Management (2009) [54]</td>
</tr>
<tr>
<td>Gold mining</td>
<td>Tanzania</td>
<td>1.0</td>
<td>2.28</td>
<td>3.28</td>
<td>Minerals Council of Australia (2013) [61]</td>
</tr>
<tr>
<td>Gold mining</td>
<td>Mali</td>
<td>1.0</td>
<td>1.92</td>
<td>2.92</td>
<td>Dungan, P., Murphy, S. (2014) [52]</td>
</tr>
<tr>
<td>Gold mining</td>
<td></td>
<td>1.0</td>
<td>2.84</td>
<td>3.84</td>
<td>World Gold Council (2011) [46]</td>
</tr>
<tr>
<td>Medium gold mines</td>
<td>South America</td>
<td>1.0</td>
<td>2.84</td>
<td>3.84</td>
<td>World Gold Council (2011) [46]</td>
</tr>
</tbody>
</table>

| Median value              |          | 6.0           | 7.0             |                            |                                             |
Quantifying downstream beneficiation impacts

Creation of about 2,000 employment opportunities
Quantifying shared-use infrastructure impacts

While sharing is generally beneficial, the associated costs vary substantially between projects.

Costs/benefits of a range of shared infrastructure projects

1= low, 2= medium, 3= high

<table>
<thead>
<tr>
<th>Inf. class</th>
<th>Rail</th>
<th>Port</th>
<th>Pipelines</th>
<th>Water</th>
<th>Power</th>
<th>Power</th>
<th>Power</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type of industry</td>
<td>Bulk</td>
<td>Bulk</td>
<td>Gas</td>
<td>Bulk</td>
<td>Bulk</td>
<td>Base</td>
<td>Precious</td>
</tr>
<tr>
<td>Number of projects assessed</td>
<td>7</td>
<td>4</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

SOURCE: Vale Columbia Center; McKinsey Global Institute analysis
Quantifying GHG impacts

CamIron Project

- 1,740 sqkm concession
- 580km railway line & port
- 35mtpa of iron ore
- 18 million tons of CO2 over project life

Carbon offset of CamIron CO2 footprint

Proposal to protect Forest Management Unit 10034 - 164,000 ha of intact forest from logging by leasing area for $6/Ha per year

If the concession remains unlogged, offset 4.5 million tons of CO2
Quantifying environmental risks

- Around 300 tailing dam failures have been reported between 1915-2016

- Overtopping is failure mechanism in 30-40% of cases

- Calculated hazard rating based on:
  - Dam height
  - Tailings stored
  - Distance traveled
  - Impacted area
Summing up

- Focus on fiscal aspects important particularly in the oil sector

- Non-fiscal positive linkages to extractive industry investments often reviewed/negotiated separately, but may be of key importance to both parties

- Negative externalities, risks and opportunity costs are not priced into project appraisals. However, these externalities are particularly relevant for impacted regions

- There is a need to provide stakeholders with tools to be able to integrate non-fiscal impacts of extractive industry investments in sector & project appraisals.

- Probaltistic impact assessments improve with more data from existing case studies.

- Such tools could also help improve risk monitoring.
EITI reporting on artisanal and small-scale mining

Priorities for strengthening extractive sector governance,
Oslo, 5-7 September 2018
Overview of the session

- EITI and the ASM, a brief recap.
- Potential outcomes, results and impact: *Panning for data: artisanal and small-scale mining (ASM) in EITI countries*
- *Connecting local ASM activities with multi-level regulatory frameworks* OECD presentation
- EITI country case studies: Ethiopia, Myanmar and DRC
- Q&A session and next steps.
ASM can mean many things....
Artisanal/informal is more complex
Key governance challenges and potential

• Mineral smuggling can in some cases finance conflicts, illegal activities, lost revenues, harm to the environment....

• We also recognize that millions of people depend on this sector for their livelihood.

• Those people are often the poorest and most vulnerable.

Women make up > 40% of the estimated 8 million artisanal and small-scale miners in Africa.
EITI potential role in ASM

A space for dialogue

A national multi-stakeholder group (government, industry & civil society) in each country decides how their EITI process should work.

A source of reliable data

Key information about the governance of the sector is reported annually alongside recommendations for improving sector governance.
Coverage of ASM information in EITI reporting: key findings

• While many of the countries with significant ASM sector wish to use the EITI to address challenges related to ASM, few EITI countries have clear objectives for how to do so.

• Engagement by key ASM stakeholders in the EITI process is important for the EITI to be an effective platform for addressing ASM issues.

• There are diverse practices among EITI countries on disclosure of information related to the legal and regulatory framework for ASM.

• Disclosure of production figures, estimates of volumes and values of exports and government revenues from ASM are limited.

• Disclosure of estimates of employment figures are often based on old studies.
Panning for data: ASM in EITI countries

- Increasing transparency in the sector
- Contributing towards the formalisation of the sector
- Sparking public debate and providing platforms for discussion

Source: https://eiti.org/document/panning-for-data
Ethiopia: Efforts undertaken on ASM

- More people than previously estimated are likely to be involved in ASM activities: Difference between government estimate (300,000-350,000 people) and report estimate (about 1.26 million people)
- The majority of ASM is informal: About 94% of the artisanal and small-scale miners are non-licensed
- Lack of oversight and poor management of licensed areas
- Gaps in the legal framework and significant need to improve enforcement of regulations related to ASM
- Significant potential for the government to improve its take of royalty from ASM production: Only 36% of potential royalties were collected in 2014
- Lack of consistent information about prices
Ethiopia: EEITI study on ASM

Table 9: Collectable and Actual Collected Royalty on the Use of Artisan Mining (Gold and Opal) estimated for 2014/15, in Birr

<table>
<thead>
<tr>
<th>Regions</th>
<th>Actual Collected Royalty (a)</th>
<th>Collectable Royalty (b)</th>
<th>Loss to the government (c = a-b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Oromia</td>
<td>7,888,153</td>
<td>35,892,000</td>
<td>28,003,847</td>
</tr>
<tr>
<td>2 BGR</td>
<td>340,519</td>
<td>4,260,000</td>
<td>3,919,481</td>
</tr>
<tr>
<td>3 SNNPR</td>
<td>13,692,148</td>
<td>21,512,000</td>
<td>7,819,852</td>
</tr>
<tr>
<td>4 Tigray</td>
<td>Na</td>
<td>50,544,000</td>
<td>Na</td>
</tr>
<tr>
<td>5 Amhara</td>
<td>274,966</td>
<td>1,968,000</td>
<td>1,693,034</td>
</tr>
</tbody>
</table>

Source: (a) from Woreda/zonal offices of Revenues; (b) Own calculation, based on estimated volume of artisan gold production (Table 6) and average individual income from the opal mining per annum (Table 8).

Source: https://eiti.org/document/ethiopia-eiti-study-on-artisanal-smallscale-mining-asm-sector
Myanmar: Context

- Access to the lucrative gem-producing concessions is highly regulated with little room for formal ASM to take place.

- However, Myanmar’s gem-producing areas have many subsistence ‘wastepickers’ who are free to search mining company waste dumps for any valuable gem materials that may have been overlooked. This is unregulated.

- Gemstone value chain is slightly different. Rough trading and jewelry trading are hugely important.
Myanmar: Where EITI could contribute

- Mapping gemstone producing areas where ASM takes place
- Determining how material are the payments from the ASM sector and how material revenues could be reflected in the report
- Include revenues from trading in the scope of the EITI process
- Subnational Myanmar EITI processes could help in data gathering and formulation of policies
The Democratic Republic of Congo

Tableau 4.3.2 : Flux financiers du secteur minier artisanal en 2013 et 2014

<table>
<thead>
<tr>
<th>Type de flux financiers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Avis de mise en recouvrement (AMR A)</td>
</tr>
<tr>
<td>Avis de mise en recouvrement (AMR B)</td>
</tr>
<tr>
<td>Impôt sur les bénéfices et profits (IBP)</td>
</tr>
<tr>
<td>Impôt professionnel sur les Rémunérations (IPR)</td>
</tr>
<tr>
<td>Impôt exceptionnel sur la Rémunération des Equatris (IER)</td>
</tr>
<tr>
<td>IBP sur prestation des personnes physiques non résidantes en EDC</td>
</tr>
<tr>
<td>Redevance pour agrément des comptoirs d’achat - de vente des substances minérales (or et de diamant).</td>
</tr>
<tr>
<td>Redevance pour acheteur supplémentaire.</td>
</tr>
<tr>
<td>Caution des comptoirs de l’or et de diamant, des pierres de couleur et autres substances autorisées (exploitations d’un comptoir d’or, de diamant et de cassitérite)</td>
</tr>
<tr>
<td>Quote parti du Trésor dans la taxe rémunératoire.</td>
</tr>
<tr>
<td>Droit d’enregistrement des drages extractrices.</td>
</tr>
<tr>
<td>Droits pour extension permis de recherche à d’autres substances.</td>
</tr>
<tr>
<td>Taxe Autorisation d’exportation des produits miniers autres que l’Or et le Diamant.</td>
</tr>
<tr>
<td>Taxe sur l’autorisation d’exportation des matières minérales à l’état brut.</td>
</tr>
<tr>
<td>Taxe sur l’autorisation de minage temporaire.</td>
</tr>
<tr>
<td>Frais de rémunération des services rendus par le SASESMC.</td>
</tr>
<tr>
<td>Autorisation de traitement ou de transformation des substances.</td>
</tr>
<tr>
<td>Taxe d’extraction des matériaux de construction.</td>
</tr>
<tr>
<td>Taxe rémunérotaire de 1% de la valeur à répartir entre les différents services intervenant pour les comptoirs.</td>
</tr>
<tr>
<td>Droits de la carte d’exploitation artisanale des substances minérales précieuses et semi-précieuses</td>
</tr>
<tr>
<td>Carte de creusoir (Or, Diamant, Hétérogénite, Cuivre, Cassitérite, Collan) ;</td>
</tr>
<tr>
<td>Carte de négociant (or, diamant, hétérogène, cassitérite, cuivre, collan) ;</td>
</tr>
<tr>
<td>Carte de fondateur (Hétérogénite, Cassitérite, Cuivre).</td>
</tr>
<tr>
<td>Taxe sur autorisation d’achat de Cassitérite.</td>
</tr>
<tr>
<td>Taxe sur l’autorisation d’achat des substances minérales autres que l’Or et le Diamant.</td>
</tr>
<tr>
<td>Amandes transactionnelles</td>
</tr>
<tr>
<td>Redevance annuelle caution et frais dépôt pour agrément comptoir.</td>
</tr>
<tr>
<td>Autorisation de transformation des produits de l’exploitation artisanale.</td>
</tr>
</tbody>
</table>

Source : Divisions Provinciales des Mines

# The Democratic Republic of Congo

**Tableau 14 : Production totale de l’or brut en kilogramme au 1er semestre 2018**

<table>
<thead>
<tr>
<th></th>
<th>Production Industrielle</th>
<th>Production Artisanale</th>
<th>Cumul</th>
</tr>
</thead>
<tbody>
<tr>
<td>Janvier</td>
<td>3 007,36</td>
<td>17,14</td>
<td>3 024,50</td>
</tr>
<tr>
<td>Février</td>
<td>2 600,26</td>
<td>15,02</td>
<td>2 615,28</td>
</tr>
<tr>
<td>Mars</td>
<td>2 898,16</td>
<td>11,40</td>
<td>2 909,56</td>
</tr>
<tr>
<td>1er Trimestre</td>
<td>8 505,78</td>
<td>43,56</td>
<td>8 549,34</td>
</tr>
<tr>
<td>Avril</td>
<td>2 594,39</td>
<td>27,92</td>
<td>2 622,31</td>
</tr>
<tr>
<td>Mai</td>
<td>3 227,45</td>
<td>39,52</td>
<td>3 266,97</td>
</tr>
<tr>
<td>Juin</td>
<td>3 475,57</td>
<td>34,18</td>
<td>3 509,75</td>
</tr>
<tr>
<td>2e Trimestre</td>
<td>9 297,41</td>
<td>101,62</td>
<td>9 399,03</td>
</tr>
<tr>
<td>1er semestre</td>
<td>17 803,19</td>
<td>145,17</td>
<td>17 948,36</td>
</tr>
</tbody>
</table>


Priorities for strengthening extractive sector governance
Oslo, 5-7 September 2018
The Democratic Republic of Congo

The Democratic Republic of Congo: Where EITI could contribute

- Compile what is already systematically disclosed by government agencies and partner organisations to make EITI reporting more comprehensive (legal framework, fiscal regime, licenses, overview of specific challenges and characteristics, production, exports, share compared to the industrial sector, contribution to the economy, social and environmental impact)

- Describe the different supply chains, including actors involved, highlighting specific challenges in collecting data and reporting on each commodity

- Create an inventory of local, national, regional and global initiatives working on mapping ASM, due diligence guidelines, responsible sourcing, etc...

- Provide a local hub and coordinating platform for these initiatives, including discussing policies for reform and formalisation of the sector
Questions for discussion

• Can the EITI do anything about these challenges?

• Should the EITI do anything on ASM?

• If so what?
Possible next steps?

- Conduct pilot projects with a country for comprehensive ASM disclosures, adding a due-diligence component to it (Burkina Faso with the OECD?)

- Support EITI implementing countries that wish to disclose more data about their ASM sector, including through:
  - Supporting the development of fully-costed work plans that identify clear objectives for how to use the EITI to cover ASM
  - Encouraging countries with significant ASM activities to consider undertaking scoping of ASM to help determine the extent to which the ASM sector is material
  - Innovative and thematic reporting


- Collaborate with global and regional actors to explore opportunities for EITI to contribute to ongoing efforts to improve transparency and accountability of ASM
EITI and beneficial ownership transparency

EITI partners retreat, 6 September 2018
Overview of implementation support

- Linking to national reforms - Indonesia
- Bringing together stakeholders (including inter-government collaboration) - Mongolia
- Establishing legal and institutional frameworks (draft legislation/regulations) - DRC
- Beneficial ownership data collection (reporting templates and EITI reporting) - Myanmar
- Company guidance and outreach - Zambia
- Establishing public registers – Kyrgyz Republic
- Capacity building on analysis of BO data - Kazakhstan
Indonesia

Progress on beneficial ownership reforms:
• Presidential Regulation and Ministerial Decree
• OGP commitment to disclose BO data

Need for support:
• Making the BO register publicly accessible
• Data verification mechanisms for the register
• Outreach to companies
• Linking with PEP’s asset disclosure practices

Targets:
• BO disclosures by 2019
• Arrangement with the Anti-corruption Commission on reporting obligations for PEPs
Myanmar

Progress on beneficial ownership reforms:
• BO Task Force created
• BO pilot
• Plans to include BO information in the mining cadastre

Results of BO pilot:
• Disclosed 31 natural persons holding 5% or more of the shares or voting rights, directly or indirectly, or exercise control over the respective participating companies via other means
• A majority of the participating companies provided additional information on their beneficial owners, such as date of birth, identity number, country of residence, residential or service address
• Only 2 were declared PEPs
• Of these 17 companies, however, 4 participants disclosed ownership information only up to the level of their legal owners.
Myanmar

Support needs:

• Better definition of BO within the Myanmar context (e.g. what to do with government holdings in private companies?)
• Data verification mechanisms
• Capacity-building in understanding BO concept and in providing information
• How to host BO data in the license register
• Support for legal reforms
• Securing political commitment
• Use of BO data
Kyrgyz Republic

Progress on beneficial ownership reforms:
• Adopted new Law on Subsoil Use (May 2018)
• Draft regulation on BO with support from EBRD
• OGP commitment to disclose BO data (*suggested*)
• Signed MoU with OpenOwnership

Need for support:
• Establishing BO register/transforming license register
• Data verification mechanisms for BO register
• Workshops on BO for companies
• Linking with PEP’s asset disclosure practices
• Capacity building for civil society

Targets:
• BO disclosures through public register by 2020
• Verification procedures in place
Beneficial ownership legal survey

- Scope: 16 jurisdictions
- Examination of key provisions:
  - Legal source
  - Competent authority
  - BO definition
  - Level of detail
  - Data verification
  - Reporting entities
  - Requirements for updating
  - Sanctions
  - Public access
Beneficial ownership legal survey

Some preliminary findings:

- While most laws identify one agency as competent authority, other laws do not identify this at all, or refers to various agencies, resulting in fragmented regulation.
- Majority contain definition for BO but some do not specifically refer to natural persons.
- Thresholds range from 5% to 25% of shares, voting rights, capital, or share in profits.
Beneficial ownership legal survey

• **Countries are not covering disclosures of owners who are politically exposed**
  - Only 2 countries refer to close associates (Ghana and Malawi)
  - PEPs are only mentioned in Ghana, Ukraine and the EU Directive
Beneficial ownership legal survey

- **Data verification mechanisms are not detailed** and some are not specific to BO data
- **Few have explicit provisions on public access:** EU (subject to exemptions) Ghana, Kyrgyz Republic, Ukraine (subject to exemptions), UK
- **Some allow conditional access** (upon payment of fee, request, only to public authorities)
Key messages:

• It is possible to implement beneficial ownership disclosure when there is political commitment
• Technical and financial support will be critical for progress
• At the current rate, the majority of implementing countries are not likely to meet the EITI Requirement by 2020
Next steps

• Targeted support to EITI countries where funds are available (EBRD and DFID priority countries)

• **Supporting improved BO disclosures:** Targeting Cameroon, DRC, Ghana, Indonesia, Kyrgyz Republic, Mongolia, Myanmar, Senegal, Zambia

• **Facilitating peer learning:** Regional events in Africa (October), Asia (February 2019), LAC?

• Improving guidance on establishing legal frameworks, data collection and verification

• Expand our network and reach to stakeholders
CONTRACT TRANSPARENCY

Lessons from validation and country opportunities
EITI’s contribution to contract transparency debate

• Creating a forum for debate
• Facilitating disclosures
• Providing access to contracts
• Supporting legal reform enabling contract transparency
Key Findings from Validation

• The EITI has significantly influenced the contract transparency debate in implementing countries.
• Validation has highlighted several benefits of contract transparency for many stakeholders.
• Limited use of contracts for analysis.
Key Findings from Validation

• There appears to be little focus on the EITI’s encouragement of contract transparency in Validation.

• There continues to be a discrepancy between policy and practice in countries that provide for full disclosure.

• Validation has shown a need for clarification of the meaning of confidentiality clauses.
Challenges during Validation

• **Accessibility:** A survey of the initial assessments and EITI Reports shows that little attention has been given to data accessibility and the format in which contracts are disclosed.

• **Conflicting sources and outdated information:** Validation revealed that there is often lack of clarity on which government agency is responsible for publishing contracts and challenging in keeping contract databases up to date.
Challenges during Validation

• Confidentiality clauses: Validation has highlighted a need to interrogate the confidentiality of the contracts in further detail.

• Commercial sensitivity: The question of commercially sensitive information in contracts was not frequently cited by EITI Stakeholders as a reason not to disclose contracts.

• Fear of instability: In some countries, governments officials seem to fear public criticism or instability if contracts were to become public.
Need for Country Support

• Identifying opportunities for reforms (e.g. ongoing legal amendments, revision of model contracts)
• Formulating key messages and arguments, language for legal provisions
• Engaging key people
• Creating platforms for disclosure (extractives hub, contract portals)
• Identifying commercially sensitive information, what could be redacted?
• Use of contracts
Next steps:

1. Joint projects/activities?
2. Priority countries?
3. Targets for the Global Conference
4. Side event for the Global Conference
5. Other suggestions?
Thank you!

www.eiti.org
@EITIorg
Draft Agenda

Tuesday 30 October 2018

09:00  41-1 Welcome by the Chair and adoption of the agenda
       Board Paper 41-1-A Draft agenda
       Board Paper 41-1-B Board meeting participant list

09:10  41-2 Report from the Secretariat
       Board Paper 41-2-A Implementation Progress Report
       Board Paper 41-2-B Outreach Progress Report

10:10  41-3 Report from the World Bank

10:30  Break

10:45  41-4 Report from the Implementation Committee
       (The following is an indicative list only, subject to further consideration by the Committee)
       Board Paper 41-4-A How EITI can improve its engagement with state-owned enterprises
       Board Paper 41-4-B Update on commodity trading transparency
       Board Paper 41-4-C Options for clarifications to the EITI Standard

12:00  Lunch

13:00  41-5 Report from the Validation Committee
       (The following is an indicative list only, subject to further consideration by the Committee)
       Board Paper 41-5-A Validation of Afghanistan – for decision
       Board Paper 41-5-B Validation of Ethiopia – for discussion
       Board Paper 41-5-C Validation of Nigeria – for discussion
       Board Paper 41-5-D Validation of Papua New Guinea – for decision
       Board Paper 41-5-E Validation of Seychelles – for decision

15:00  41-6 Report from the Governance and Oversight Committee
       (Papers TBC)
15:30    Session ends

Wednesday 31 October 2018

09:00    41-6 Report from the Governance and Oversight Committee continued.

09:30    41-7 Report from the Finance Committee
        Board Paper 41-7-A 2018 Q3 Accounts and full year forecast
        Board Paper 41-7-B Draft 2019 Work plan
        Board Paper 41-7-C Draft 2019 Budget

10:15    41-8 EITI Global Conference

10:45    41-9 Any other business

11:00    Coffee

11:15    41-10 Report from the Nominations Committee and the Chair (closed session)

12:00    Close

12:00    Lunch
EITI GLOBAL CONFERENCES

2019 GLOBAL CONFERENCE

- Systematic EITI disclosures
- Beneficial ownership transparency
- Contract transparency, SOE and commodity trading, subnational implementation, ASM, gender, local content, license allocation, CSO engagement.

Project-level and environmental reporting.
Strengthening systematic disclosures related to State-Owned Enterprises (SOEs) and Commodity Trading

EITI Partner Retreat, Norway
September 2018
EITI & STATE-OWNED ENTERPRISES

State of play in State-Owned Enterprises (SOE) transparency
Overview of 2018 activities

- Review of lessons learned from EITI Validation
- Mapping of SOE governance challenges, frameworks and opportunities for EITI to contribute further
- Establishment of EITI SOE transparency network
- Targeted country support (DRC, Myanmar, Ukraine)

➢ Recommendations for how EITI can contribute to SOE transparency in at Board meeting in Dakar in October
Challenges of State-Owned Enterprises

• Over 146 SOEs in the upstream oil, gas or mineral sectors worldwide
• Around 80% of the world’s oil reserves and 24% of its mine production controlled by NOCs
• Nine of the 81 SOEs assessed in the 2017 Resource Governance Index (RGI) achieved above 75/100
• 58% of national oil companies and 72% of national mining companies measured in RGI do not disclose enough quality, timely information
• Over 80% of countries Validated under the EITI Standard and who have SOEs achieved less than “satisfactory progress” in SOE-related EITI Requirements
EITI Requirements related to SOEs

2.6 State participation.

Where state participation in the extractive industries gives rise to material revenue payments, implementing countries must disclose:

a) An explanation of the prevailing rules and practices regarding the financial relationship between the government and state-owned enterprises (SOEs), e.g., the rules and practices governing transfers of funds between the SOE(s) and the state, retained earnings, reinvestment and third-party financing. For the purpose of EITI reporting, a SOE is a wholly or majority government-owned company that is engaged in extractive activities on behalf of the government. Based on this, the MSGs is encouraged to discuss and document definition of SOEs taking into account national laws and government structure.

b) Disclosures from the government and SOE(s) of their level of ownership in mining, oil and gas companies operating within the country’s oil, gas and mining sector, including those held by SOE subsidiaries and joint ventures, and any changes in the level of ownership during the reporting period. This information should include details regarding the terms attached to their equity stake, including their level of responsibility to cover expenses at various phases of the project cycle, e.g., full-paid equity, free equity, carried interest. Where there have been changes in the level of government and SOE(s) ownership during the EITI reporting period, the government and SOE(s) are expected to disclose the terms of the transaction, including details regarding valuation and revenues. Where the government and SOE(s) have provided loans or loan guarantees to mining, oil and gas companies operating within the country, details on these transactions should be disclosed.

4.5 Transactions related to State-owned enterprises (SOEs).

The multi-stakeholder group must ensure that the reporting process comprehensively addresses the role of SOEs, including material payments to SOEs from oil, gas and mining companies, and transfers between SOEs and other government agencies.

6.2 Quasi-fiscal expenditures.

Where state participation in the extractive industries gives rise to material revenue payments, implementing countries must include disclosures from SOE(s) on their quasi-fiscal expenditures. Quasi-fiscal expenditures include arrangements whereby SOE(s) undertake public social expenditure such as payments for social services, public infrastructure, fuel subsidies and national debt servicing, etc. outside of the national budgetary process. The multi-stakeholder group is required to develop a reporting process with a view to achieving a level of transparency commensurate with other payments and revenue streams, and should include SOE subsidiaries and joint ventures.
### Priorities for strengthening extractive sector governance

Oslo, 5-7 September 2018

---

### Common SOE-related challenges identified in Validation

<table>
<thead>
<tr>
<th>Categories</th>
<th>Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>MSG oversight</td>
<td>Government engagement (#1.1)</td>
</tr>
<tr>
<td></td>
<td>Industry engagement (#1.2)</td>
</tr>
<tr>
<td></td>
<td>Civil society engagement (#1.3)</td>
</tr>
<tr>
<td></td>
<td>MSG governance (#1.4)</td>
</tr>
<tr>
<td></td>
<td>Work plan (#1.5)</td>
</tr>
<tr>
<td>License and contracts</td>
<td>Legal framework (#2.1)</td>
</tr>
<tr>
<td></td>
<td>License allocations (#2.2)</td>
</tr>
<tr>
<td></td>
<td>License register (#2.3)</td>
</tr>
<tr>
<td></td>
<td>Policy on contract disclosure (#2.4)</td>
</tr>
<tr>
<td></td>
<td>Beneficial ownership (#2.5)</td>
</tr>
<tr>
<td></td>
<td>State participation (#2.6)</td>
</tr>
<tr>
<td>Monitoring production</td>
<td>Exploration data (#2.1)</td>
</tr>
<tr>
<td></td>
<td>Production data (#3.2)</td>
</tr>
<tr>
<td></td>
<td>Export data (#3.3)</td>
</tr>
<tr>
<td>Revenue collection</td>
<td>Comprehensive coverage (#4.1)</td>
</tr>
<tr>
<td></td>
<td>In-kind revenues (#4.2)</td>
</tr>
<tr>
<td></td>
<td>Loan agreements (#4.3)</td>
</tr>
<tr>
<td></td>
<td>Financial transactions (#4.5)</td>
</tr>
<tr>
<td></td>
<td>Direct financial payments (#4.6)</td>
</tr>
<tr>
<td></td>
<td>Disaggregation (#4.7)</td>
</tr>
<tr>
<td></td>
<td>Data timeliness (#4.8)</td>
</tr>
<tr>
<td></td>
<td>Data quality (#4.9)</td>
</tr>
<tr>
<td>Revenue allocation</td>
<td>Distribution of revenue (#5.1)</td>
</tr>
<tr>
<td></td>
<td>Subnational transfers (#5.2)</td>
</tr>
<tr>
<td></td>
<td>Revenue generation and expenditure (#5.3)</td>
</tr>
<tr>
<td>Socio-economic contribution</td>
<td>SOE quasi-fiscal expenditure (#6.2)</td>
</tr>
<tr>
<td></td>
<td>Economic contribution (#6.4)</td>
</tr>
<tr>
<td></td>
<td>Public debate (#7.1)</td>
</tr>
<tr>
<td></td>
<td>Data accessibility (#7.2)</td>
</tr>
<tr>
<td></td>
<td>Follow up on recommendations (#7.3)</td>
</tr>
<tr>
<td>Outcomes and impact</td>
<td>Outcomes and impact of implementation (#7.4)</td>
</tr>
</tbody>
</table>
Common SOE-related challenges identified in Validation

Validation results for Requirement 2.6

• **Biggest challenges**: SOE definitions, financial relations, loans and guarantees, reconciliation of SOE transactions, quasi-fiscal expenditures.
Mapping of SOE transparency and governance norms and guidelines

- Options for deepening EITI support for SOEs: certification, new standard, building on existing requirements of the Standard, international forum, technical assistance...

*Table 3. Topics covered by a subset of guidelines and standards covered in this report*

<table>
<thead>
<tr>
<th>Document</th>
<th>Context / legal framework</th>
<th>Mandate / objectives</th>
<th>Corporate structure</th>
<th>Shareholdings</th>
<th>Partnerships</th>
<th>Board / corporate governance</th>
<th>Commercial activities</th>
<th>Non-commercial activities</th>
<th>Contracts</th>
<th>Risk factors</th>
<th>Finances</th>
<th>Performance</th>
<th>Transfers to/from treasury</th>
<th>Social and environmental impacts</th>
</tr>
</thead>
<tbody>
<tr>
<td>EITI</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PEFA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GIFT</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OECD</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>World Bank</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NRGI</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GRI</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IMF Code</td>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Examples of country SOE work

• Study on QFEs, self-funded, based on IMF methodology.
Examples of country SOE work

- Review of SOEs’ AFS, funded by DfID, Secretariat-executed.
Opportunities for more targeted SOE engagement

• Incentivising strengthened SOE disclosures (e.g. SOE certification)
• Piloting ‘systematic’ SOE disclosures, building on existing disclosures
• Supporting development of disclosure policies
• Strengthening SOE Requirements in EITI Standard
• Convene network and encourage peer learning
EITI & COMMODITY TRADING

State of play in disclosures of first-trade sales by State-Owned Enterprises (SOEs).
Transparency of the “first trade” in commodity trading is crucial for improving accountability.
Timeline

• **2013**: Adoption of the EITI Standard including requirement on sale of state’s share of production or in-kind revenues

• **2015**: Creation of the EITI Commodity Trading Working Group

• **2016**: Adoption of a refined Standard, development of reporting templates and Guidance Note 26.

• **2017**: Targeted effort in commodity trading transparency in a select group of implementing countries (Albania, Cameroon, Chad, Ghana, Indonesia, Nigeria)

• **2018**: Evaluation of the targeted effort and consultation on the definition of key terms.
EITI Requirement 4.2 aims to ensure transparency in how governments are selling oil, gas and minerals:

- “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. The published data must be disaggregated by individual buying company”

- Disclosure of “the type of product, price, market and sale volume” encouraged

- Reconciliation of volumes sold and revenues with buying companies encouraged
### 1. What oil is being sold?

<table>
<thead>
<tr>
<th>Name of seller</th>
<th>Oil grade and quality (e.g. API) - cargo by cargo disclosures only</th>
<th>Date of Sale - (Bill of lading date - cargo by cargo disclosures only)</th>
<th>Type of state-owned oil sold (e.g. profit oil)</th>
<th>Contract # / p/o # / invoice #</th>
</tr>
</thead>
<tbody>
<tr>
<td>NNPC</td>
<td>46.6</td>
<td>13.09.2013</td>
<td>NNPC share of TUPNI Akpo profit oil</td>
<td>COS/09/080/2013</td>
</tr>
<tr>
<td>NNPC</td>
<td>41.33</td>
<td>18.10.2013</td>
<td>NNPC equity lifting from NAOC JV</td>
<td>COS/10/092/2013</td>
</tr>
</tbody>
</table>

### 2. Who is buying the product?

<table>
<thead>
<tr>
<th>Buyer</th>
<th>Beneficial owner of buyer</th>
<th>Incoterms</th>
<th>Load port, terminal or depot</th>
</tr>
</thead>
<tbody>
<tr>
<td>Voyage Oil and Gas Ltd.</td>
<td>info not available</td>
<td>FOB</td>
<td>Akpo terminal</td>
</tr>
<tr>
<td>Sahara Energy Resource Ltd.</td>
<td>info not available</td>
<td>FOB</td>
<td>Brass terminal</td>
</tr>
</tbody>
</table>

### 3. What return did the country receive from the sale?

<table>
<thead>
<tr>
<th>Volumes sold (barrels)</th>
<th>Revenues received</th>
<th>Price information: Official selling price</th>
<th>Price information: Pricing Option</th>
<th>Contract type</th>
</tr>
</thead>
<tbody>
<tr>
<td>996 400</td>
<td>$108 682 294.00</td>
<td>$109.09</td>
<td>Deferred</td>
<td>Term</td>
</tr>
<tr>
<td>320 588</td>
<td>$35 333 285.83</td>
<td>$110.21</td>
<td>Prompt by Default</td>
<td>Term</td>
</tr>
</tbody>
</table>

### Additional information

<table>
<thead>
<tr>
<th>Fees, charges and credits</th>
<th>Forex rate</th>
<th>Payment receipt date</th>
<th>Payment account</th>
<th>Destination (Sellers only)</th>
</tr>
</thead>
<tbody>
<tr>
<td>-$25,00</td>
<td>n/a</td>
<td>15.10.2013</td>
<td>NNPC-CBN JP Morgan Dollar Crude Oil Account</td>
<td>INDIA</td>
</tr>
<tr>
<td>0,00</td>
<td>n/a</td>
<td>18.11.2013</td>
<td>NNPC-CBN JP Morgan Dollar Crude Oil Account</td>
<td>GHANA</td>
</tr>
</tbody>
</table>
Guidance for countries reporting on the sale of the state’s share of oil
Results so far:

1. More detailed information on commodity trading by SOEs is being published often for the first time.
2. The buyer selection process is becoming more transparent.
3. Countries are making significant progress in disclosing the value of “unconventional sales” such as e.g. swaps or oil-backed loans for future purchases of crude oil.
## Results: More granular commodity trading data

### Annexe 13 : Etat de commercialisation des parts d’huile de l’État et de la SNH fonctionnement

- **Détails des exportations**:

<table>
<thead>
<tr>
<th>Société</th>
<th>N° / Ref. Cargaison</th>
<th>Date d’expédition / Cargaison</th>
<th>Poids / Volume</th>
<th>Unité</th>
<th>Champs</th>
<th>Prix unitaire (USD)</th>
<th>Décote / Brent USD</th>
<th>Valeur totale (en USD)</th>
<th>Valeur totale (en FCFA)</th>
<th>Entité acheteur</th>
<th>Pays du destinataire de l’expédition/cargaison</th>
</tr>
</thead>
<tbody>
<tr>
<td>SNH Mandat</td>
<td>681/LS</td>
<td>02/01/2015</td>
<td>474 119 60 000</td>
<td>BARRILS</td>
<td>LOKELE DISSONI</td>
<td>42 389</td>
<td>5 470</td>
<td>20 097 430</td>
<td>2 543 340</td>
<td>REPSOL</td>
<td>Espagne</td>
</tr>
<tr>
<td>SNH Mandat</td>
<td>1931/KSO2</td>
<td>17/01/2015</td>
<td>852 698 25 000</td>
<td>BARRILS</td>
<td>D1</td>
<td>45 359</td>
<td>2 50</td>
<td>38 677 529</td>
<td>1 133 975</td>
<td>CEPSA</td>
<td>Chine</td>
</tr>
<tr>
<td>SNH Fonct</td>
<td>17/01/2015</td>
<td>5 000</td>
<td>45 359</td>
<td>2 50</td>
<td>22 535 929 032</td>
<td>128 380 884</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SNH Mandat</td>
<td>682/LS</td>
<td>28/01/2015</td>
<td>481 395 65 582</td>
<td>BARRILS</td>
<td>LOKELE DISSONI</td>
<td>41 659</td>
<td>6 20</td>
<td>20 054 434</td>
<td>2 732 081</td>
<td>ADRIA</td>
<td>Norvège</td>
</tr>
<tr>
<td>SNH Mandat</td>
<td>1932/KSO3</td>
<td>08/02/2015</td>
<td>913 468 25 000</td>
<td>BARRILS</td>
<td>D1</td>
<td>55 532</td>
<td>2 60</td>
<td>50 726 705</td>
<td>1 332 768</td>
<td>GLENCORE</td>
<td>Inde</td>
</tr>
<tr>
<td>SNH Fonct</td>
<td>08/02/2015</td>
<td>5 000</td>
<td>55 532</td>
<td>2 60</td>
<td>29 832 074 496</td>
<td>277 860</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SNH Mandat</td>
<td>684/LS</td>
<td>18/03/2015</td>
<td>520 315 38 390</td>
<td>BARRILS</td>
<td>LOKELE DISSONI</td>
<td>48 674</td>
<td>7 25</td>
<td>25 325 812</td>
<td>1 888 595</td>
<td>GLENCORE</td>
<td>Inde</td>
</tr>
<tr>
<td>SNH Mandat</td>
<td>1935/KSO6</td>
<td>24/03/2015</td>
<td>882 423 17 000</td>
<td>BARRILS</td>
<td>D1</td>
<td>53 674</td>
<td>2 25</td>
<td>47 363 172</td>
<td>2 891 395 041</td>
<td>CEPSA</td>
<td>Inde</td>
</tr>
<tr>
<td>SNH Fonct</td>
<td>24/03/2015</td>
<td>4 000</td>
<td>53 674</td>
<td>2 25</td>
<td>214 690</td>
<td>123 613 100</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SNH Mandat</td>
<td>685/LS</td>
<td>17/04/2015</td>
<td>594 177</td>
<td>BARRILS</td>
<td>LOKELE DISSONI</td>
<td>53 213</td>
<td>6 55</td>
<td>31 617 941</td>
<td>19 178 850 941</td>
<td>ADRIA</td>
<td>France</td>
</tr>
<tr>
<td>SNH Mandat</td>
<td>1937/KSO8</td>
<td>22/04/2015</td>
<td>942 399 25 000</td>
<td>BARRILS</td>
<td>D1</td>
<td>58 293</td>
<td>1 47</td>
<td>54 935 285</td>
<td>1 457 325</td>
<td>GLENCORE</td>
<td>Portugal</td>
</tr>
<tr>
<td>SNH Fonct</td>
<td>22/04/2015</td>
<td>5 000</td>
<td>58 293</td>
<td>1 47</td>
<td>34 432 759 930</td>
<td>291 465</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SNH Mandat</td>
<td>1938/KSO9</td>
<td>06/05/2015</td>
<td>970 765 12 500</td>
<td>BARRILS</td>
<td>D1</td>
<td>62 418</td>
<td>1 90</td>
<td>60 593 210</td>
<td>720 225</td>
<td>CEPSA</td>
<td>Espagne</td>
</tr>
<tr>
<td>SNH Fonct</td>
<td>06/05/2015</td>
<td>2 500</td>
<td>62 418</td>
<td>1 90</td>
<td>35 848 917 383</td>
<td>156 045</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SNH Mandat</td>
<td>1939/KSO10</td>
<td>21/05/2015</td>
<td>970 363 12 500</td>
<td>BARRILS</td>
<td>D1</td>
<td>62 418</td>
<td>1 90</td>
<td>60 589 118</td>
<td>720 225</td>
<td>GLENCORE</td>
<td>Inde</td>
</tr>
<tr>
<td>SNH Fonct</td>
<td>21/05/2015</td>
<td>2 500</td>
<td>62 418</td>
<td>1 90</td>
<td>36 146 478 507</td>
<td>156 045</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SNH Mandat</td>
<td>1941/KSO11</td>
<td>11/06/2015</td>
<td>960 075 17 000</td>
<td>BARRILS</td>
<td>D1</td>
<td>60 195</td>
<td>1 49</td>
<td>57 791 715</td>
<td>1 023 315</td>
<td>UNIPEC</td>
<td>Chine</td>
</tr>
<tr>
<td>SNH Fonct</td>
<td>11/06/2015</td>
<td>3 500</td>
<td>60 195</td>
<td>1 49</td>
<td>34 348 406 651</td>
<td>123 040 118</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: 2015 EITI Report Cameroon, p.219 *Priorities for strengthening extractive sector governance*  
*Oslo, 5-7 September 2018*
Buyer selection process more transparent

Table 54 – Summary of Auctions organized 2013 – 2015

<table>
<thead>
<tr>
<th>Auction year</th>
<th>Quantity in ton</th>
<th>Auction starting price</th>
<th>Winning bid</th>
<th>Non-winning applicants</th>
<th>Access to procedure</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>30,000</td>
<td>Brent/1.65 $/bbl. + K equivalent to Brent x 60.61% $/bbl. + K</td>
<td>Liana Sh.a. (NUIS L31731005C) with $/bbl. + K = 0.1 $/bbl.</td>
<td>No other applicants</td>
<td>Filed in the Albpotrol archive</td>
</tr>
</tbody>
</table>

Source: 2015 EITI Report Albania, p.136
Better overview of the oil revenues

Due to current organization of the oil sector main revenue stream allocated to the State budget are royalty, profit tax and revenue generated from its direct investment in Albpetreol.

Increased reporting on “unconventional”

### Priorities for strengthening extractive sector governance

Oslo, 5-7 September 2018

Source: 2015 EITI Report Chad, p.165

--

**SITUATION DE LA DETTE GLENCORE SHT II AU 31.12.2015**

<table>
<thead>
<tr>
<th>No</th>
<th>BL</th>
<th>Date de chargement</th>
<th>Baril net chargé</th>
<th>Brent date</th>
<th>Décote</th>
<th>Prix de vente</th>
<th>Valeur de cargaison</th>
<th>Principal</th>
<th>Intérêts</th>
<th>Quotient-part Transportation cost</th>
<th>Quotient-part Cash Call</th>
<th>Total retourné</th>
<th>Capital restant dû</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0571</td>
<td>05/01/2015</td>
<td>949 871</td>
<td>46,526</td>
<td>-11,05</td>
<td>35,476</td>
<td>33 697 623,60</td>
<td>0,00</td>
<td>14 358 997,00</td>
<td>7 738 426,60</td>
<td>11 400 000,00</td>
<td>33 697 623,60</td>
<td>1 356 250 000</td>
</tr>
<tr>
<td>2</td>
<td>0579</td>
<td>04/03/2015</td>
<td>950 362</td>
<td>47,142</td>
<td>-10,85</td>
<td>36,292</td>
<td>34 490 537,70</td>
<td>0,00</td>
<td>0,00</td>
<td>7 490 537,70</td>
<td>27 000 000,00</td>
<td>34 490 537,70</td>
<td>1 356 250 000</td>
</tr>
<tr>
<td>3</td>
<td>0587</td>
<td>28/04/2015</td>
<td>949 985</td>
<td>54,943</td>
<td>-9,50</td>
<td>45,443</td>
<td>43 170 168,36</td>
<td>0,00</td>
<td>14 501 564,00</td>
<td>13 668 604,35</td>
<td>15 000 000,00</td>
<td>43 170 168,36</td>
<td>1 356 250 000</td>
</tr>
<tr>
<td>4</td>
<td>0595</td>
<td>26/06/2015</td>
<td>949 796</td>
<td>61,555</td>
<td>-8,00</td>
<td>53,535</td>
<td>50 864 425,19</td>
<td>1 641 803,00</td>
<td>22 382 391,00</td>
<td>1 390 231,19</td>
<td>25 000 000,00</td>
<td>50 864 425,19</td>
<td>1 354 608 197</td>
</tr>
<tr>
<td>5</td>
<td>0603</td>
<td>25/08/2015</td>
<td>950 067</td>
<td>46,283</td>
<td>-7,35</td>
<td>38,933</td>
<td>36 988 958,51</td>
<td>0,00</td>
<td>0,00</td>
<td>25 488 958,51</td>
<td>11 500 000,00</td>
<td>36 988 958,51</td>
<td>1 354 608 197</td>
</tr>
<tr>
<td>6</td>
<td>0613</td>
<td>07/11/2015</td>
<td>950 226</td>
<td>47,532</td>
<td>-7,95</td>
<td>39,582</td>
<td>37 611 845,53</td>
<td>0,00</td>
<td>30 974 924,00</td>
<td>0,00</td>
<td>6 366 921,53</td>
<td>37 611 845,53</td>
<td>1 354 608 197</td>
</tr>
<tr>
<td>7</td>
<td>0620</td>
<td>31/12/2015</td>
<td>907 935</td>
<td>34,245</td>
<td>-10,05</td>
<td>24,195</td>
<td>21 967 487,33</td>
<td>0,00</td>
<td>0,00</td>
<td>5 175 820,65</td>
<td>16 791 666,67</td>
<td>21 967 487,33</td>
<td>1 354 608 197</td>
</tr>
</tbody>
</table>

---

**Annexe 16 : Détail des contrats de préfinancement (déclaration de Glencore Energy UK) :**

<table>
<thead>
<tr>
<th>Les parties à l’accord</th>
<th>Montant total</th>
<th>Date de l’accord</th>
<th>Période de remboursement</th>
<th>Taux d’intérêt</th>
<th>Montant non remboursé au 31/12/2015</th>
<th>Montant remboursé au cours de l’année</th>
<th>Toute mise à jour du calendrier de remboursement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Glencore Energy UK et SHT</td>
<td>Jusqu'à 600 million USD</td>
<td>Date de Prépairement 7 Mai 2013</td>
<td>1) Premier tirage : le 13 mai 2013 USD 291 590 000 (c.-à-d. 300 000 000 USD moins les déductions contractuelles) ; 2) Deuxième tirage : 14 août 2013 145 775 000 USD (soit 150 000 000 USD de moins déductions contractuelles)</td>
<td>Mai 2013 - Août 2015</td>
<td>L + 6,62%</td>
<td>Un montant de 93 659 622 USD restant impayé avant la restructuration de SHT 1 et de SHT 2 le 15 décembre, date à laquelle les deux sociétés ont été fusionnées</td>
<td>85 691 581 USD</td>
</tr>
<tr>
<td>Glencore Energy UK et SHT</td>
<td>1 450 million USD</td>
<td>30 Avril 2014 : 255 000 000 USD (soit 262 116 535 moins de déductions contractuelles)</td>
<td>1) mai 2014 - 31 avril 2018</td>
<td>L + 6,60%</td>
<td>1 446 257 799 USD (le montant inclut 93 659 522 du premier prêt fusionné avec le 2ème prêt après la restructuration)</td>
<td>57 804 944 USD</td>
<td>Au 31 décembre 2015, la date d’échéance a été prolongée de quatre ans</td>
</tr>
</tbody>
</table>


Indonesia commodity trading report

- Prices of LNG sold show great variation. Sales of identical gas from the same field or terminals to different customers can vary by as much as 400% within a single month
- Even with the same customer, variations can be observed
- More than 99% of the production is sold to the refinery units of the national oil company Pertamina
Oil and cash flows in Indonesia

- SKK Migas
- Government of Indonesia oil share
- Pertamina (NOC)
  - Seller appointment agreement
  - Sales purchase agreements
- Export
- Ministry of Finance accounts
- Other domestic refineries
- Pertamina refineries
- Destination
- Seller
- $ $ pays

Oslo, 5-7 September 2018
Ongoing consultation to clarify key terms

What is “first trade”? Indonesia, Mozambique
- Who is the seller/buyer? Albania, Mauritania, Mozambique
- What about sale of equity oil? Kazakhstan, Norway

Chinguetti (Petronas, SMHPM (SOE))
- Crude to Vitol
- Crude to BP
- BP (buyer 1)

Vitol (private company appointed through competitive bidding to market Chinguetti equity and profit oil)
- Crude to Sarab
- Sarab (buyer 2)

SMHPM
- $ to Treasury

Treasury

AlbPetrol
- Crude to TPD
- $ to AlbPetrol

TPD (private company appointed through competitive bidding to market AlbPetrol equity and profit oil)
- Transactions between TPD and Fier not disclosed

Fier Refinery

Priorities for strengthening extractive sector governance
Oslo, 5-7 September 2018
Potential next steps for reporting of first-trade sales

• Supporting target effort countries with implementation and follow-up on findings
• Event in Switzerland in early 2019 to evaluate outcomes of targeted efforts
• Updating guidance reflecting results of consultations and Board decision
• Consider potential for expanding to sale of gas and minerals
• Potentially supporting analysis of data disclosed and support civil society in using the data
The case for systematic disclosure and rethinking EITI Reporting

EITI Partners retreat
Oslo, September 2018
Guyana commits to implement the EITI

May 7, 2010
Timeline

- May 2010. PM Commitment
  ... scoping study
  ... scoping study v2
  ... scoping study v3
- Dec 2015 – Ministerial Commitment
- Dec 2015 – Stakeholder workshop
- July 2016 – Stakeholder workshop
- Oct 2016 – Stakeholder workshop
- Nov 2016 – Stakeholder workshop
- Feb 2017 - MSG formation
- July 2017 - 2017-2020 Work plan (@ USD 575k)
- Aug 2017. Candidature Application
- Oct 2017. Admitted as EITI Candidature
- (18 months!)
- April 2020. First Validation.

9 years
no new information
Guyana’s EITI Report (a prediction)

- Published in April 2019, covering 2016 data
- A unique overview of the oil, gas and mining sectors in 2016
- Data ≈ 20 revenue streams (3 account for 90% of revenues)
- Data on ≈ 40 companies (projects) (5 account for 90% of revenues)
- A focus on reconciliation (with few discrepancies)
- Cursory treatment of underlying audit and assurance systems
- No IA commentary on the reliability of the data
- Limited public interest
- Questions about Impact and Value for money
- Calls to “use the EITI data”
A better way! (Argentina)

• 2016. Government Interest
• 2018. Government Commitment
• 2018. Consultations:
  - **Exploring Demand.** “what information is needed?”
  - **Reviewing Supply.** “what information is disclosed today? (Systematic disclosure)
    - Timely? Disaggregated? Reliable? Open data?
• 2019. A costed EITI work plan that focuses on addressing stakeholder demands and addressing information gaps (“mainstreaming”)
  - Strengthening systems (and routine auditing and assurance)
  - EITI Reporting as an interim measure, bring all the data together.
Feb 2018
Encouraging systematic disclosure

Summary

The 2016 EITI Standard enables implementing countries to disclose the information required by the EITI
Systematic disclosure ... refers to the desired end-state, where the EITI’s disclosure requirements are met through routine and publicly available company and government reporting. This could include, public financial reporting, annual reports, information portals, and other open data and freedom of information initiatives.

This should include an explanation of the underlying audit and assurance procedures that the data has been subject to, with public access to the supporting documentation.

Mainstreaming refers to the process for realising this goal, which may include interim measures, pilots, and other capacity building activities.”
**Systematic disclosure is the default expectation**, with EITI Reports to be used where needed to address any gaps and concerns about data quality.

In taking this decision, the Board recognises that implementing countries face challenges in fully mainstreaming EITI implementation. In some countries, this transition will require substantial reforms and sustained political, technical and financial support. Not all countries will be able to transition to systematic disclosure at the same speed.

**Multi-stakeholder groups should consider the opportunities and priorities.**
“It was recognised that an international structure was required to channel advice and financial support and to exchange lessons learnt. However, such a structure should be light touch and designed with an eye on the ultimate goal for EITI to be ‘mainstreamed’, with its criteria and principles becoming the normal way of working in all the relevant extractive industries within three to five years.”
Challenges

- Excitement from some; hostility from others
- Improves the EITIs linkages to other reform efforts
- Funding and technical assistance
- Concerns about data quality?
- What is the role of the MSG?
- Validation of mainstreamed EITI implementation
Each concession in the map can be clicked to access a performance dashboard or satellite image.
Mainstreaming

Systematic Disclosure
Ghana

New Petroleum register. Comprehensive data on:

- License allocation (2.2),
- Register of licenses (2.3)
- Contract transparency (2.4).
Colombia

- Projects paid using royalties

- 5.1 Distribution of extractive industry revenues.
Thank you!

www.eiti.org
@EITIorg

Author: Sam Bartlett
Date: 06 September 2018
Occasion: EITI partners retreat
Email: sbartlett@eiti.org - Telephone: +47 22 20 08 00
Address: EITI International Secretariat, Skippergata 22, 0154 Oslo, Norway
CSO challenges in mainstreamed environment

EITI Partners retreat, 5-7 September 2018
Challenges

- Lack of trust to their governments to keep the quality of data and provide unlimited access (seeing mainstreaming an easy way out for the governments and companies);
- Lack of single format of data released;
- Data quality and reliability:
- Uncertain role of MSGs in the mainstreamed set up and a fear that multi-stakeholder platform will be lost;
Challenges

• A fear that when approving mainstreaming requests, the Board can overrule civil society on a local and international level;

• Lack of capacity to analyse the data and lack of understanding where to look for it;

• Uncertainty of CSO role when the EITI is mainstreamed;

• Lack of access to electricity and internet.
How CSOs can address raising challenges

- Civil society needs to have an active role in systematic disclosure processes: overseeing feasibility studies, defining MSG role, designing work plans, following the application process.
- Civil society needs to build its own technical capacity on overseeing systematic disclosure, using multiple databases and analysing the data.
- Civil society needs to undertake regular checks on systematically-disclosed data.
- Civil society needs to leverage the open data policy which should lead to having access to government and company data.
Domestic Resource Mobilisation (DRM) and the EITI

EITI Partners retreat
Oslo, September 2018
Timeline

- How much tax was paid?
- What systems / procedures are in place to ensure that the correct amount of tax is paid?
- Was the correct amount of tax paid?
- Is this fair?
Discussion outline

1. Our purpose
2. Our approach
3. User and helpdesk data
4. Upcoming developments, including mobile access to EITI data
5. What’s next for the Extractives Hub?

Extractives Hub
Some discussion questions

1. How might the Extractives Hub evolve to better meet user needs over the next three to five years?

2. How could the Extractives Hub do more to support the transparency/accountability agenda?

3. Where should the Extractives Hub be hosted or should it be an independent entity? If the latter, how can it be supported?
To support decision makers and governments with the information they need to manage extractives sector resources to the benefit of citizens.
A user-centric approach

Who is the user?

How do they consume information?

What are the barriers to users accessing information?

How do we shift these barriers over time?

Continually testing new ideas, incorporating feedback, remaining contemporary…
User data: website

- 50,000 sessions
- 30,000 unique users
- 177 countries
User data: Registered users

- 1,775 registered users
- 27% government
<table>
<thead>
<tr>
<th>Country</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nigeria</td>
<td>13</td>
</tr>
<tr>
<td>Sierra Leone</td>
<td>8</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>7</td>
</tr>
<tr>
<td>Kenya</td>
<td>7</td>
</tr>
<tr>
<td>Afghanistan</td>
<td>6</td>
</tr>
<tr>
<td>Uganda</td>
<td>4</td>
</tr>
<tr>
<td>Zambia</td>
<td>3</td>
</tr>
<tr>
<td>Liberia</td>
<td>2</td>
</tr>
<tr>
<td>Rwanda</td>
<td>2</td>
</tr>
<tr>
<td>Lebanon</td>
<td>1</td>
</tr>
<tr>
<td>Somalia</td>
<td>1</td>
</tr>
<tr>
<td>South Sudan</td>
<td>1</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>1</td>
</tr>
<tr>
<td>Sector growth and development</td>
<td>Policy and legislation</td>
</tr>
<tr>
<td>------------------------------</td>
<td>------------------------</td>
</tr>
<tr>
<td>Investment promotion</td>
<td>Policy review</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>NOC development</td>
<td>Legislative review</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue Management</td>
<td>Regulation review</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial modelling</td>
<td>Capacity, training and research</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Fiscal review/comparison</td>
<td>Capacity building</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
EITI data for mobile
What is next for the Extractives Hub?

We anticipate that user needs will change significantly over the next 3-5 years, as access to technology and information increase, but that the Hub will have a role to play as a *trusted* provider of customised information and short-term consultancy, *informing decisions by providing quick answers to specific questions*.

Next steps (short to medium term)

1. 2019 onwards – Create a multilingual resource for sector stakeholders, starting with a Hub designed for Francophone Africa.

2. Include energy transition resources on the site to encourage the responsible transition from oil and gas led development to alternative energy sources.

3. Continued evolution to keep pace with communications trends and improved access, technology and skills.
Thank you!
Discussion questions…

1. How might the Extractives Hub evolve to meet user needs over the next three to five years?

2. How might the Extractives Hub better support the transparency/accountability agenda?

3. Where should the Extractives Hub be hosted or should it be an independent entity? If the latter, how can it be supported?
FROM DISCLOSURE TO DEVELOPMENT (D2D)
AN INITIATIVE FUNDED BY THE BHP FOUNDATION

September 7, 2018
EITI, Oslo

Alla Morrison, Program Manager
amorrison@ifc.org
**Program objectives:** to improve utility of natural resource industry data for development impact

**Structure:** joint WB/IFC program led by IFC

**Funding:** $2.5 million over 2 years

**What do we hope to achieve?** Move the needle to enable the various stakeholders to effectively re-use NR data for purposes that are relevant to them
### D2D: WHAT Stakeholders Are TELLING US

<table>
<thead>
<tr>
<th>WHAT WE HEARD</th>
<th>CHALLENGE</th>
<th>WHAT IT MEANS FOR D2D</th>
</tr>
</thead>
<tbody>
<tr>
<td>“It’s not about identifying a universal problem but in helping define specific problems to solve for specific users.”</td>
<td>FOCUSING ON USERS</td>
<td>• Focus on users and their information needs from the outset</td>
</tr>
<tr>
<td>“Are we even measuring things the community cares about (e.g., wells vs. cows)?”</td>
<td></td>
<td>• Crowd in infomediaries, subject matter experts, the private sector, civil society, media.</td>
</tr>
<tr>
<td>“Nurturing a data culture at the local level needs more attention.”</td>
<td>IDENTIFYING TARGET GROUPS</td>
<td>• Drill down to the “critical” tiers of suppliers and users – those who are essential for addressing mismatches in data supply and demand</td>
</tr>
<tr>
<td>“We need to go beyond the “usual suspects” to uncover currently underserved groups.”</td>
<td></td>
<td>• Sharpen country focus and target communities</td>
</tr>
<tr>
<td>“We should focus on getting actionable information out that is helpful to all stakeholders, including local citizens, government and private sector.”</td>
<td>ACCOMMODATING DIFFERENT USER NEEDS</td>
<td>• Understand what exists and where the gaps are</td>
</tr>
<tr>
<td>“Information alone won’t lead to change.”</td>
<td>BUILDING TRUST</td>
<td>• Explore methodologies, such as guiding principles, to help drive meaningful and actionable data disclosure</td>
</tr>
<tr>
<td>“We must disclose in a way that is accessible and understandable for the particular stakeholder and context. Without trust, it is meaningless.”</td>
<td></td>
<td>• Make the process inclusive and emphasize participation. Consider using the WBG to establish common priorities. Commit to ongoing sharing of results.</td>
</tr>
<tr>
<td>“The civil society space is closing, and there’s a lack of civic space to use data for accountability.”</td>
<td>ADAPTING TO NEW CIVIC ROLES</td>
<td>• Select pilot countries/communities with existing and active civil society</td>
</tr>
<tr>
<td>“It’s a difficult political climate in which to engage.”</td>
<td></td>
<td>• Engage proactively with civic actors, and support their broader development.</td>
</tr>
<tr>
<td>“The political will to make data available and to develop sound policies is not always there.”</td>
<td>ADDRESSING POLITICAL WILL</td>
<td>• Leverage various initiatives such as EITI, OGP, and others and seek out new partnerships to help deliver D2D. Build the business case for government</td>
</tr>
</tbody>
</table>

---

**FOCUSING ON USERS**
- Focus on users and their information needs from the outset
- Crowd in infomediaries, subject matter experts, the private sector, civil society, media.
- Include local CSOs in advisory committee

**IDENTIFYING TARGET GROUPS**
- Drill down to the “critical” tiers of suppliers and users – those who are essential for addressing mismatches in data supply and demand
- Sharpen country focus and target communities

**ACCOMMODATING DIFFERENT USER NEEDS**
- Understand what exists and where the gaps are
- Explore methodologies, such as guiding principles, to help drive meaningful and actionable data disclosure

**BUILDING TRUST**
- Make the process inclusive and emphasize participation. Consider using the WBG to establish common priorities. Commit to ongoing sharing of results.

**ADAPTING TO NEW CIVIC ROLES**
- Select pilot countries/communities with existing and active civil society
- Engage proactively with civic actors, and support their broader development.

**ADDRESSING POLITICAL WILL**
- Leverage various initiatives such as EITI, OGP, and others and seek out new partnerships to help deliver D2D.
- Build the business case for government
D2D will help improve the utility of quantitative and qualitative natural resources (NR) data disclosures by improving disclosure in pilot countries, providing global public good knowledge products, and contributing to global dialogue on the harmonization of reporting requirements and standards.

D2D will study the application of NR data for informational purposes or action to demonstrate best practices of effective re-use of disclosed government and private-sector data.

Better disclosure and effective re-use of NR data will enable a fact-based public discourse on ethical, political, and socio-economic challenges.

Data-driven policies and implementation, increased trust, and stakeholder engagement will help curb corruption and promote the equitable sharing of NR benefits.

---

### Purposeful Transparency

**Data Disclosure**

- User Engagement
- The Demonstration Effect
- Research and Support to Pilot Countries

**Data Re-Use**

- Intermediaries
- Capacity to Use

**Research and Support to Pilot Countries**

---

### Innovative Solutions

**Data Re-Use**

- Trust in Data
- Context Insights

**Info Champions**

---

### Intermediate Outcomes

- Engaged Communities
- Empowered Civil Society
- Informed Policymakers

**Reduced Mistrust and Conflict**

---

### Long-Term Outcomes

**Data-driven Public Discourse**

- Civic Space
- Political Will

**Better Use of NR for Economic and Social Development**

---

### Notes

A. For example, guidelines, assessment methodologies, and case studies.

B. Research will include building an evidence base of successful use cases, identifying barriers to effective data re-use, and studying mandatory and voluntary disclosure practices.

C. Engagement between data providers and users is critical to building trust in the data and ensuring the data provided are what the end user needs and has the capacity to understand.

D. The demonstration effect of data re-use will help create a positive feedback loop for better disclosure.

E. Accurate, timely, verifiable, and trusted data are critical inputs into a constructive public exchange of facts and reasons by proponents of competing positions.

F. Civic space and political will are preconditions for data re-use to result in effective public discourse and ultimately affect engagement and policies.
Research:
- Evidence base of effective NR data re-use
- Assessment of national NR data ecosystems (4 pilot countries)
- Effective infomediaries
- Barriers to data re-use by communities and civil society
- IFC clients experience

Convening & knowledge sharing:
- National working groups on NR data for development impact
- Knowledge products and exchange among countries
- Global dialog on NR data disclosure and re-use challenges

Innovation:
- Test innovative approaches in the pilot countries: Ghana, Mongolia, Peru (public/private sector interventions)
D2D: CROSS-REGION APPLICATIONS & LESSONS

Peru/Colombia: Revenue Management
Provide technical assistance to:
• municipalities to improve investment process and become transparent, effective, accountable, responsive to citizens
• local leaders to enhance capacity to engage in municipal planning decisions and demand accountability

Mongolia: Water Stewardship
• Establish industry-led voluntary code of practice on responsible water management, including:
  • disclosure of water risks, water use and water recycling data
  • universal portal for raw data access
  • accessible annual reports for communities to monitor
• Trained communities, local government, and companies on water data collection

Ghana: Local Economic Development
Enhance economic development by:
• increasing access to information and local participation in supply chain, especially women;
• improving capacity of formal and informal entrepreneurs;
• convening regional development partners and create opportunities for communities to participate in decisions

CONDUCT NR DATA ECOSYSTEM ASSESSMENTS ➔ TEST TARGETED INTERVENTIONS
• Capture lessons from government transparency websites and IFC’s experience in the field
• Link to open data opportunities
• Track local CSO action based on new access to information

• Partner with local NGOs and media to disclose water monitoring info in an accessible format for communities
• Convene a national multi-stakeholder working group
• Support open data implementation
• Support collaborative design -- sub-national revenue distribution application
International Anti-Corruption Conference 2018
Presented by: Frode Neergaard

EITI meetings, Oslo, 6-7 September 2018
Format of IACC

Organised by Transparency International, IACC Council and a host country (Denmark)

Over 1,200 participants

3 days

Purpose: Push forward the global agenda on anti-corruption
IACC 22-24 October 2018

Anti-corruption in Development Cooperation & SDGs

**IACC sessions**
- Plenary
- Workshops
- Film festival

**High-level segment**
- Around 40 OECD and non-OECD countries, int org., private sector
- National / organisational commitments

**North/South dialogue between parliamentarians**

**Youth involvement**
- Young journalists
- Social entrepreneurs
High-level segment

Invitations sent to:

- **OECD countries:** Sweden, Norway, Finland, Canada, France, Finland, Netherlands, UK, Germany, USA, Ireland, Australia

- **Non-OECD countries:** Afghanistan, Argentina, Burkina Faso, Colombia, China, Nigeria, Sri Lanka, Tunesia, Tanzania, Singapore, Georgia, Ukraine, South Africa, Ghana, South Korea, Kenya, Ethiopia

- **Organisations:** UNDP, UNODC, UNOPS, UN Global Compact, OECD-DAC, World Bank, the African Development Bank, the Asian Development Bank, IMF, OSCE, AIIB, EITI, EU, AU, OGP

- **Private enterprises**
Themes for the high-level segment

Strengthening international cooperation on anti-corruption in relation to development cooperation

• Tax
• Anti-money laundering
• Beneficial ownership
• Transparency
• Infrastructure and procurement
• And more..
IACC 2018: Expected Outcomes

• Joint statement

• National and organisational commitments

• Not necessarily new commitments.

• Focus on **implementation** of past commitments: “Now is the time to act”

• Follow-up mechanism – at country level
Data Analysis Tools

Erica Westenberg
Robert Pitman

6 September 2018
Data analysis key to transition from transparency to accountability

<table>
<thead>
<tr>
<th>Across the value chain/EITI Standard</th>
<th>Cross-cutting Issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Contracting/subcontracting</td>
<td>• Civic space</td>
</tr>
<tr>
<td>• Licensing/BO</td>
<td>• Mainstreaming</td>
</tr>
<tr>
<td>• Payments/revenues</td>
<td>• Open data</td>
</tr>
<tr>
<td>• SOEs</td>
<td>• Corruption risks</td>
</tr>
<tr>
<td>• Commodity trading</td>
<td>• Sustainability</td>
</tr>
<tr>
<td>• Revenue management/local impacts</td>
<td>• Gender impacts</td>
</tr>
</tbody>
</table>
Contract Transparency

- Global tracker on host government practice and policy
- Research products (redactions coming next)
Contract Transparency

- Resourcecontracts.org global repository and country sites
- National level advocacy support
- Support and training on using the contracts
Mainstreaming transparency & monitoring in contracting

• Guide on good practices in contracting transparency (with OCP)

• Support to gov’t & civil society on monitoring contractual obligations (e.g. Mexico)
Embedding BO transparency & analysis in licensing

• Customizable template provisions on including BO disclosure & corruption risk screening in licensing rules

• TA to gov’t & civil society while designing new licensing/contracting processes (e.g. Ghana)
Unlocking EITI revenue data for multi-year & cross-country analysis

• Resourcedata.org enables analyzing payment/revenue trends across multiple years, countries & companies
Linking EITI data & mandatory payment data

- Resourceprojects.org enables tracking mandatory payment data + tools like new GW guide

- Capacity development on using payment data to inform national policy debates (e.g. Nigeria)
Linking EITI project data & economic modelling

• Publicly available economic models

• Timely transition to project-level reporting critical for EITI data to be useful in modelling
Mainstreaming transparency & data analysis in SOE operations

- Guide on incorporating transparency best practices within SOEs
- TA w/ SOEs in Ghana, Guinea, Myanmar & Tanzania
NRGI National Oil Company Database

What?
• A compilation of a data on 74 National Oil Companies using published financial statements and EITI reports.
• 80+ data variables on operational & financial data:
  ▪ Exploration and production
  ▪ Revenues and expenditures
  ▪ Transfers to treasury

When?
• Currently finalizing data clean-up and web tool for publication in early 2019

Why?
• Taking advantage of growing information available and further demonstrating its value for public discourse
• Enhancing knowledge of role of NOCs globally and in-country
• Improving citizens’ ability to benchmark performance
Global trends and tendencies example: NOCs occupy large fiscal space, with significant variation.
Tool for in-country analysis example, comparison against peers

Caveats apply! Variance in geology, fiscal regime, etc. But valuable as a point of comparison and a basis for questions about the value NOCs are delivering.
Commodity trading transparency

• Guide on commodity trading transparency & data analysis on relevance to NOCs

• Supporting EITI “targeted effort” on trading transparency

• Facilitating linkages between EITI and other global trading-related initiatives (e.g. OECD)
Looking forward

• Subcontracting
• Non-fiscal costs & benefits/sustainability
• Gender
• Blockchain
• Engaging ESG investors
• Impact of transparency on civic space
Connecting local ASM activities with multi-level regulatory frameworks
Artisanal and small-scale mining (ASM) in the world

- ASM is a major source of mineral resource production in the world
- 20+ million artisanal miners globally
- 100+ million people depending for their livelihood - 30%+ are women
- ASM is largely informal, and is associated with low levels of safety measures, health care or environmental protections
- ASM can however be a huge driver of inclusive growth in developing countries

Artisanal and small scale mining proportion of world production of various metals in 2011

<table>
<thead>
<tr>
<th>Metal</th>
<th>ASM share (%)</th>
<th>ASM production (tonnes)</th>
<th>Total world production (tonnes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tantalum</td>
<td>26</td>
<td>205</td>
<td>790</td>
</tr>
<tr>
<td>Tin</td>
<td>25</td>
<td>88,500</td>
<td>354,000</td>
</tr>
<tr>
<td>Gold</td>
<td>25</td>
<td>681</td>
<td>2,724</td>
</tr>
<tr>
<td>Tungsten</td>
<td>&gt;4</td>
<td>&gt;4,320</td>
<td>72,000</td>
</tr>
<tr>
<td>Iron ore</td>
<td>&lt;=4</td>
<td>&lt;79,720,000</td>
<td>1,993,000,000</td>
</tr>
<tr>
<td>Lead</td>
<td>3</td>
<td>140,100</td>
<td>4,670,000</td>
</tr>
<tr>
<td>Zinc</td>
<td>1</td>
<td>129,460</td>
<td>12,964,000</td>
</tr>
<tr>
<td>Copper</td>
<td>0.5</td>
<td>80,175</td>
<td>16,035,000</td>
</tr>
</tbody>
</table>
OECD Guidance and artisanal and small-scale mining (ASM)

☑ ASM has a **key role, can drive sector-wide changes** in responsible sourcing

☑ The Guidance enables **market access** through **collaborative efforts** of all actors involved

☑ **Detailed Appendix on ASGM** provides roadmap to create economic and development opportunities for artisanal miners

☑ **All stakeholders** (e.g. governments, industry, civil society) encouraged to use the suggested measures in the Appendix

OECD Secretariat released in May 2016 an **“ASM FAQ”** to clarify expectations of the Guidance with regard to responsible ASM engagement by int’l private sector
OECD DDG Appendix: roadmap for a responsible ASGM sector
(p.114 of the document)

- **Formalisation and legalisation:**
  - Provide technical assistance, e.g. equipment, geological data and information
  - Assist ASM to obtain mining rights and licenses
  - Facilitate dialogue where illegal mining exists, encourage good faith engagement, consider revenue-sharing agreements, or mediated disputes as a last report

- **Provide financial support**, including capital, revenue-sharing agreements

- **Promote competitive marketing of ASM Gold**

- **Foster international cooperation on ASM issues**, including through donor programmes, among mining and custom authorities to enable better understanding and access for ASM gold
OECD Implementation Programme - Focus on ASM activities

- **World Bank – OECD ASM Centre of Excellence** - Connecting donors with ASM projects, incorporating OECD standards in World Bank projects, creation of one-stop shop for ASM data

- **Support to on-the-ground responsible supply chain programs** – e.g. CRAFT Code Committee, international Tin Supply Chain initiative; “Just Gold” in DRC; Fairmined, etc.

- **Artisanal and small-scale mining Frequently Asked Questions** to promote responsible investment in ASM sector

- **Cooperation and technical assistance with the ICGLR and Colombia** on ASM formalisation regulation best practices including **Gold baseline assessments (Colombia and DRC) focusing on ASM supply chains**
Supporting the implementation of the Minamata Convention

1. **Awareness-raising**
   - Sensitization of governments in gold producing countries (ex: in the Great Lakes region of Africa)
   - Introduction to the Convention and implementing tools to other stakeholders (private sector; CSOs) through outreach activities (including trainings and workshops)

2. **Cooperation with the Global Environment Fund** to identify and promote innovative formalisation projects on the ground, in particular in conflict-affected and high-risk areas (ex: in West Africa and Latin America)

3. **Increase visibility of responsible ASGM** with international buyers (gold refiners in particular) through our implementation programme
OECD Secretariat contacts

Tyler.Gillard@oecd.org
Hannah.Koep-Andrieu@oecd.org
Louis.Marechal@oecd.org
Rashad.Abelson@oecd.org
Luca.Maiotti@oecd.org

http://mneguidelines.oecd.org/
http://www.oecd.org/corporate/mne/mining.htm
OECD’s role is to clarify due diligence expectations in line with the Guidance and to convene global stakeholders to foster convergence and avoid duplication of efforts.
Addressing conflict and serious human rights abuses in mineral supply chains

- Exploitation and trade of mineral resources is a source of growth, but can be associated with significant adverse impacts, including
  - Serious human rights impacts (e.g. child labour, forced labour)
  - Money-laundering, conflict/terrorist financing & sanctions violations
  - Bribery
- Global issue (Africa, Asia, Latin America, Europe)
- Affects all mineral resources (tin, tantalum, tungsten, gold, cobalt, precious stones, coal, oil & gas, etc.)
- For mining, affects to different extent ASM and LSM

Example: artisanal gold from the Democratic Republic of the Congo
- Informally and/or illegally mined
- Estimated annual output: ~15 tonnes (low estimate)
- 98% estimated to be smuggled out; 65% of mines recorded presence of illegal armed groups
- Estimated market value: $570 million
OECD Due Diligence Guidance for Responsible Mineral Supply Chains

Objective

✓ To provide clear, practical guidance for companies to ensure responsible operations and sources of supply:

➢ No support to non-state armed groups, No “serious abuses”
➢ Prevent & mitigate support to public security forces, bribery, tax evasion, money-laundering and fraud in supply chains
➢ Strengthen internal controls, due diligence systems, engagement with suppliers (e.g. supplier upgrading)

Method and scope

✓ 5-step risk-based due diligence process, applies to all mineral resources & all companies throughout the entire mineral supply chain that potentially contribute to conflict, serious abuses, bribery, tax evasion and money laundering through mining or mineral sourcing practices

Principles

✓ Progressive improvements over time and good faith and reasonable efforts promoting constructive engagement with suppliers
✓ Global scope - intended to enable investment and trade in conflict-affected and high-risk areas, i.e. no blacklists, no embargoes, no protectionism
Responsible mineral supply chains
Global support for OECD Due Diligence Guidance (2011)

**Political**
- OECD Council Recommendation (2011)
- EU Parliament; CSR strategy + Commissioners statement on raw materials
- China-OECD Programme of Work

**Industry & Consumer**
- Consumer campaigns and civil society (e.g. Amnesty Int’l, Global Witness, Human Rights Watch, PAC, Enough Project)
- Industry: EICC (electronics), AIAG (automotive), AIA (aerospace) LBMA, RJC & WGC (gold & jewellery), CCCMC (China), and DMCC (Dubai)
  - OECD-benchmarked industry audits cover ~85-90% of total refined gold production
  - OECD-benchmarked industry audits cover ~93% Ta, ~75% Sn, ~60% W production

**Legal & regulatory**
- Section 1502 of U.S. Dodd-Frank Act conflict minerals reporting
- EU regulation on responsible mineral supply chains
- Legal requirement in DRC, Rwanda, Burundi & Uganda
- Conflict Minerals Bill in Canada
- Relevant legislation on modern slavery & child labour (e.g. UK & US)
- AQSIQ China national standard & decrees (forthcoming)
Countries
Technical support & research for country implementation

Activities
- EU countries (*launch*)
- Monitoring Adherents (*launch*)
- China (*cont’d*)
- India (*launch*)
- Colombia (*cont’d*)
- West Africa (*cont’d*)
- Central Africa (*cont’d*)

Capacity
Assess alignment & boost capacity on due diligence

Activities
Alignment assessment for CFSI, LBMA, RJC, DMCC & iTSCi
- Assisting London Metals Exchange to develop standard for listed companies
- Training programmes in producing countries
- Measuring cost/benefit analysis of due diligence

Impacts
Assess & enhance impact of responsible mineral sourcing efforts

Activities
Scoping framework & indicators for measuring results
- OECD-World Bank platform for artisanal & small-scale mining
- Law enforcement coordination (FATF, WCO, national authorities)

Beyond 3TG
Support implementation of OECD Guidance beyond 3TG

Activities
Portal for Supply Chain Risk Information (BETA version)
- Demand-driven support to programmes & initiatives to implement OECD Guidance
Increasing engagement / cooperation with other international organisations

Law enforcement / customs

Formalisation of ASM & combating child labour

Transparency / government capacity building initiatives
Responsible mineral supply chains

*Highlights - last 20 months*

**Policy & law**
- EU – Input to EU institutions on EU regulation for responsible mineral supply chains
- China – Advice to Chinese authorities & industry to support alignment of national standards with OECD Guidance, Responsible Cobalt Initiative
- India – fostered Government & industry commitments, Guidelines under development
- Colombia – Government commitment, exchange of letters, changes underway

**Reports & Tools**
- Colombia gold baselines: [Overview](#), [Antioquia](#), [Chocó](#)
- [Alignment assessment pilot tool & methodology](#) & report
- [Practical actions to address worst forms of child labour](#)
- [Frequently Asked Questions on ASM](#)
- [Portal for Supply Chain Risk Information](#) (Risk Portal)

**Outreach Events**
- [Latin American Workshop on Responsible Mineral Supply Chains](#), 1-2 December 2016, Bogotá, Colombia
- [Workshop on sustainable development of artisanal & small-scale mining in West Africa](#), 1-3 March 2017, Abidjan, Côte d'Ivoire
- West Africa Forum, Ouagadougou, 3 November 2017, Burkina Faso

**Cooperation & partnerships**
- Partnerships with World Bank (ASM) ; initial engagement with Interpol, FATF & WCO (Law Enforcement)
- Partnership with Autorite de Liptako & GIABA (Law Enforcement)
- Initial participation in Kimberley Process Certification Scheme for diamonds
- Engagement with London Metals Exchange
For further information on the OECD’s work on Responsible Business Conduct

OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas

FAQ on sourcing gold from artisanal and small scale miners

Gold industry and sector initiatives for the responsible sourcing of minerals (2014)

Mineral supply chain and conflict links in Eastern Democratic Republic of Congo

Report on due diligence in Colombia's gold supply chain

OECD Council report on the implementation of the due diligence guidance
OGP & EITI: advancing collaboration

September 6, 2018
179 Action Plans
3000+ Civil Society
3196 Commitments
79 National Governments
20 Local
9 Multilateral Partners
The numbers – OGP & EITI

36 commitments

22 countries

40% have extractives commitments

13% natural resource commitments - starred
Countries leveraging OGP

- Joining/ Committing to EITI: Eg. Ukraine, Tunisia
- EITI requirements: Eg. Philippines
- Shared thematic priorities: Eg. Beneficial ownership
What next?

More on BOT
- More countries
- Better implementation coordination, including with partners

Emerging
- SOEs
- Contract transparency
- Environmental disclosures

Cross-cutting
- Gender
- Civic space

Engagement at the country level
- OGP 2018-2019 action plans
- Peer learning events
- Partners

Cross-cutting Engagement at the country level
OGP country engagement

- Meeting OGP point of contact/Minister
- Assist in drafting specific commitments – EITI roadmaps, reports
- MSFs – participate in OGP co-creation processes
- Connect relevant ministries
- Co-create knowledge resources & tools
- High level political engagement
OGP strategic highlights
Thank you

tonu.basu@opengovpartnership.org
@TonuBasu
Sharing the Norwegian Experience

Marte Briseid / Per Landberg
Oil for Development Secretariat
Norad
Operative Goal

“Economically, environmentally and socially responsible management of petroleum resources, safeguarding the need of future generations”.

Theory of Change

Poverty reduction

Responsible management of petroleum resources

1. Legal and regulatory framework
2. Institutional capacity
3. Transparency and accountability
Norwegian institutions engaged in OfD

- Min. of Foreign Affairs
- Min. of Petroleum & Energy
- Min. of Climate & Environment
- Min. of Finance
- Min. of Transport
- Min. of Labour & Social Affairs
- Norad / OfD Secretariat
- Norwegian Petroleum Directorate
- Norwegian Environment Agency
- Oil Taxation Office
- Norwegian Coastal Administration
- Petroleum Safety Authority
- Embassies
- Consultants
- Consultants
- Local NGOs
- Norwegian NGOs
- International NGOs
- UNEP
- The Tax Administration
- IMF
- Consultants
- Auditor General of Norway
- Norwegian institutions engaged in OfD
The four OfD programme components

- Resource management
  - Legal and Regulatory frameworks
  - Resource mapping
  - Data management
  - Resource extraction, enhanced recovery
  - Strategic environmental impact assessments
  - Initiatives to promote transparency

- Revenue management

- Environment management

- Safety management
The four OfD programme components

- Resource management
- Revenue management
  - Petroleum fiscal regimes
  - Sovereign Wealth Fund issues
  - Macroeconomic and fiscal frameworks
  - Revenue administration
  - Initiatives to promote transparency
- Environment management
- Safety management
The four OfD programme components

- Resource management
- Revenue management
- Environment management
- Safety management

- Legal frameworks
- Environmental sensitivity mapping
- Environmental impact assessments
- Emergency preparedness and oil spill response plans
- Compliance monitoring
- Initiatives to promote transparency
The four OfD programme components

- Resource management
- Revenue management
- Environment management
- Safety management

- Safety legislation and non-legal safety standards
- Disaster prevention
- HSE legislation and institutionalization
- Three-party cooperation between trade unions, employer unions and the authorities
- Initiatives to promote transparency
OfD portfolio status  June 2018

Request
- Benin
- Senegal

Mapping

Planning
- Kenya
- Myanmar
- South-Sudan
- Tanzania
- Colombia
- Somalia

Execution
- Angola
- Cuba
- Ghana
- Iraq
- Lebanon
- Mosambik
- Sudan
- Uganda
Transparency and accountability

*The authorities are transparent in their management of the petroleum sector, and the public holds the authorities accountable*

- Initiatives to promote transparency integrated in the institutional cooperation programs
- Supplemented by civil society support
  - Global Witness
  - NRGI
  - World Wildlife Foundation
  - Oxfam America
  - Norwegian Church Aid
  - Norwegian People’s Aid
  - Embassy-managed grants
Open Financial Modelling: The Next Stage of Contract Transparency

September 2018
anton.ruehling@openoil.net
Contracts: complex interlocking financial web

Illustration 4-1  Fiscal design

DAVID JOHNSTON © 94

OpenOil.net  CC BY-SA 4.0
Gov’t revenues: which terms bring most money over project life?

<table>
<thead>
<tr>
<th>Fiscal parameters</th>
<th>Royalty</th>
<th>Cost recovery limit</th>
<th>Government share of profit oil</th>
<th>Income tax rate</th>
<th>Depreciation of development costs (years)</th>
<th>State participation (from development)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>3.00%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>12.00%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>5.00%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. Royalty 80% Cost recovery limit 30% Government share of profit oil 30% Income tax rate 5 Depreciation of development costs (years) 10% State participation (from development)

2. Royalty 80% Cost recovery limit 18% Government share of profit oil 30% Income tax rate 5 Depreciation of development costs (years) 5% State participation (from development)

3. Royalty 40% Cost recovery limit 20% Government share of profit oil 30% Income tax rate 5 Depreciation of development costs (years) 10% State participation (from development)
Answer: same amount of money, different revenue streams
Financial Modelling Use-Cases

THE EXTRACTIVE POLICY CYCLE AND FINANCIAL MODEL

- **Design Fiscal Frameworks**: Simulates the revenues impacts of different fiscal options.
- **Framing Model Contracts**: Appraises impact of contract clauses on short- medium- and long-term tax collection.
- **Negotiating Contracts, Agreements and Concessions**: Generate real time scenarios of proposed terms and conditions to inform negotiating stance.
- **Fiscal Forecasting**: Projects revenues generated at project or sector level for aggregation into national budget forecast.
- **Revenue Administration and Auditing**: Tax gap analysis to highlight 'risk areas' deserving closer investigation.

FINANCIAL MODEL FOR EXTRACTIVE PROJECTS
In EITI: next-level reconciliation

- Move from: what has been paid to what should have been paid
- The litmus of public interest financial modelling: is the model itself published?
- EITI countries with projects modelled:
  - Afghanistan, Ghana, Tanzania, (Guyana), Kyrgyzstan, Colombia, Mongolia, Cote d’Ivoire, Indonesia, Malawi, (Nigeria), (Philippines)
- Other EITI MSGs engaged:
  - Zambia, Senegal, Albania, Trinidad & Tobago
- Other countries with financial models published or coming:
  - Lebanon, Kenya, Argentina, Brazil, Ireland
- EITI convening power: standardisation can massively accelerate institutional capacity
NEITI: 1993 PSC contract review

2008 Switch to 2005 PSC terms: Gov’t Revenues

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,250</td>
<td>1,429</td>
<td>1,885</td>
<td>2,245</td>
<td>2,648</td>
<td>2,789</td>
<td>3,326</td>
<td>1,590</td>
<td>1,460</td>
<td>1,158</td>
<td>19,781</td>
</tr>
</tbody>
</table>

Nigeria offshore: indicative gains from 2005 PSC
Guyana: Fiscal Regime Comparison

Fiscal Regime Comparison: frontier offshore oil

<table>
<thead>
<tr>
<th>Field</th>
<th>Government Take (LoP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>MR-Chinguetti</td>
<td>63%</td>
</tr>
<tr>
<td>Ghana</td>
<td>64%</td>
</tr>
<tr>
<td>Guinea</td>
<td>64%</td>
</tr>
<tr>
<td>Guyana Stabroek</td>
<td>52%</td>
</tr>
<tr>
<td>LB-Block13</td>
<td>72%</td>
</tr>
<tr>
<td>PNG</td>
<td>65%</td>
</tr>
<tr>
<td>SN-Cayar</td>
<td>71%</td>
</tr>
<tr>
<td>SN-StLouis</td>
<td>71%</td>
</tr>
</tbody>
</table>

450m barrel field size, EIA Reference price
EGPS update

Oslo, September 2018

Sven Renner
Manager
EGPS – The Extractives Trust Fund
The World Bank
EGPS Financials

Berlin, June 2018
EGPS donors and funds (in M US$)

*by June 2018

<table>
<thead>
<tr>
<th>Government</th>
<th>paid*</th>
<th>committed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>10.21</td>
<td>10.21</td>
</tr>
<tr>
<td>European Commission</td>
<td>2.67</td>
<td>5.63</td>
</tr>
<tr>
<td>Canada</td>
<td>4.56</td>
<td>4.56</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>3.7</td>
<td>3.7</td>
</tr>
<tr>
<td>Norway</td>
<td>3.51</td>
<td>3.51</td>
</tr>
<tr>
<td>Switzerland</td>
<td>2.59</td>
<td>2.59</td>
</tr>
<tr>
<td>Finland</td>
<td>2.42</td>
<td>2.42</td>
</tr>
<tr>
<td>Belgium</td>
<td>1.31</td>
<td>2.32</td>
</tr>
<tr>
<td>Netherlands</td>
<td>1.29</td>
<td>2.02</td>
</tr>
<tr>
<td>Germany</td>
<td>0.63</td>
<td>0.95</td>
</tr>
<tr>
<td><strong>total</strong></td>
<td><strong>32.89</strong></td>
<td><strong>37.9</strong></td>
</tr>
</tbody>
</table>
EGPS cash flow

mUS$ 50

27th June 2018

38.00M US$
36.16M US$
-31.74M US$*
4.43M US$**

* commitments incl. overheads
** available funds
EGPS allocation 2015 - 2018

allocation in K$

P1: 59%
P2: 0%
P3: 7%
P4: 34%
EGPS cumulated allocation 2015 – 2018 (Rd’s 1 through 6)

Pillar1: 17.52M US$  59.5 %
Pillar2: 5.83M US$  19.8 %
Pillar3: 1.83M US$  6.2 %
Pillar4: 4.27M US$  14.56 %

29.49M US$  100%
“soft earmarking” for Pillar1, expressed per AA, in MUS$

Germany  0.63
Switzerland  2.61
Norway  3.51
UK  1.62

Σ 8.37 MUS$

EGPS cumulated allocation 2015 – 2018 (Rd’s 1 through 6)

Pillar1:  17.52M US$  59.5 %
Pillar2:  5.83M US$  19.8 %
Pillar3:  1.83M US$  6.2 %
Pillar4:  4.27M US$  14.56 %
EGPS funds called since Jan 2018 (in MUS$)

<table>
<thead>
<tr>
<th>Country</th>
<th>Amount</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>EU</td>
<td>2.91</td>
<td>(called)</td>
</tr>
<tr>
<td>Germany</td>
<td>0.32</td>
<td>(called)</td>
</tr>
<tr>
<td>UK</td>
<td>1.33</td>
<td>(received)</td>
</tr>
<tr>
<td>UK</td>
<td>0.29</td>
<td>(received)</td>
</tr>
<tr>
<td>Belgium</td>
<td>0.49</td>
<td>(received)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5.34</strong></td>
<td>(called+received)</td>
</tr>
</tbody>
</table>
EGPS Portfolio – round 6

Berlin, June 2018
**EGPS proposed pipeline: Africa**

<table>
<thead>
<tr>
<th>Project</th>
<th>RE/BE</th>
<th>Development Objective</th>
<th>Budget (KUS$)</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chad Mainstreaming EITI</td>
<td>RE</td>
<td>To contribute to implementation of the 2016 EITI Standard and the mainstreaming of EITI reporting.</td>
<td>400</td>
<td>Evidence of urgent demand, clear proposal structure. Activities may change subject to the findings of the September 2018 validation.</td>
</tr>
<tr>
<td>Senegal EITI Support</td>
<td>RE</td>
<td>Maintaining the dynamism of the EITI process in Senegal in a post validation context by consolidating the achievements and ensuring the sustainability of the initiative.</td>
<td>250</td>
<td>High relevance; country was just validated and achieved Satisfactory Progress.</td>
</tr>
</tbody>
</table>
## EGPS proposed pipeline: Europe & Central Asia

<table>
<thead>
<tr>
<th>Project</th>
<th>RE/BE</th>
<th>Development Objective</th>
<th>Budget (KUS$)</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mongolia Study of the impacts of targeted procurement and local content policy</td>
<td>BE</td>
<td>To quantify the impact favorable local content and local procurement policies have when government and mining operators work together on sustainable development.</td>
<td>75</td>
<td>Relevant topic, Oyu Tolgoi is one of the few successful cases of citizen engagement and establishment of a supply industry through a mining project. Good value for money.</td>
</tr>
<tr>
<td>Tajikistan EITI Support</td>
<td>RE/BE</td>
<td>To support continued EITI implementation in Tajikistan</td>
<td>375</td>
<td>Evidence of demand, strong government buy-in (as reported by EITI IS). Conventional approach: funding for reporting, stakeholder training, mainstreaming and BO support unspecific, outcome indicators to be specified.</td>
</tr>
</tbody>
</table>
EGPS proposed pipeline: Latin America & Caribbean

<table>
<thead>
<tr>
<th>Project</th>
<th>RE/BE</th>
<th>Development Objective</th>
<th>Budget (KUS$)</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dominican Republic EITI Support</td>
<td>RE</td>
<td>Contributing to implementation of the 2016 EITI Standard and mainstreaming of EITI reporting.</td>
<td>300</td>
<td>Relevant, evidence of demand and CMU support, clear proposal. Second grant. Recipient track record has been good.</td>
</tr>
<tr>
<td>Ecuador EITI Support</td>
<td>RE</td>
<td>Assisting the Government of Ecuador on increasing transparency and accountability in the extractives sector.</td>
<td>390</td>
<td>Relevant newcomer support, strong government commitment, potentially high impact. Ecuador is expecting a mining boom.</td>
</tr>
<tr>
<td>LAC Region Improving Tax Administration and</td>
<td>BE</td>
<td>Strengthening institutional capacity in mining tax collection and administration through both a regional and country-focused programmatic approach</td>
<td>260</td>
<td>Relevant topic, strong demand in the region, aligns with GEEX priorities, potentially high impact.</td>
</tr>
<tr>
<td>Revenue Mobilization</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## EGPS proposed pipeline: Global (I)

<table>
<thead>
<tr>
<th>Project</th>
<th>RE/BE</th>
<th>Development Objective</th>
<th>Budget (KUS$)</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>ELLED CoP: driving change and bridging the knowledge-operations gap</td>
<td>BE</td>
<td>Further expand the reach and influence of the ELLED CoP.</td>
<td>120</td>
<td>High relevance and demand for the Bank to drive knowledge and innovation in local content, interaction of CS, industry and govt’s. Second phase.</td>
</tr>
<tr>
<td>Closing the Gender Gap in Extractives (P164671)</td>
<td>BE</td>
<td>To provide operational support to Task Teams to close the gender gap in our future operations.</td>
<td>280</td>
<td>Relevant topic, tested approach to streamline gender aspects into TA projects.</td>
</tr>
<tr>
<td>ASM Global Platform and Global Database</td>
<td>BE</td>
<td>To provide the global community of practitioners implementing ASM formalization solutions with a platform to share best practices and to optimize on-the-ground financing partnerships.</td>
<td>350</td>
<td>High relevance, massive leverage (US$22.5 million GEF money); high impact. It is the third ASM activity under EGPS. Good track record and good perspective for external long-term funding.</td>
</tr>
<tr>
<td>Project</td>
<td>RE/BE</td>
<td>Development Objective</td>
<td>Budget (KUS$)</td>
<td>Comments</td>
</tr>
<tr>
<td>---------------------------------------------------------------</td>
<td>-------</td>
<td>-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>--------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Review of cadastral systems and licensing processes</td>
<td>BE</td>
<td>Review through comparative technical and institutional assessment, of a &quot;best practice benchmarking guide&quot; for the implementation of computerized cadastres.</td>
<td>320</td>
<td>Relevant topic, clear proposal, evidence for demand in client countries. Feeds into the BO discussion</td>
</tr>
</tbody>
</table>
### EGPS post review

<table>
<thead>
<tr>
<th>Project</th>
<th>Budget</th>
<th>Justification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uganda National Content Development for the Oil Sector</td>
<td>$30,000</td>
<td>Supervision top-up. CMU that allocated additional 60K Bank Budget for operations.</td>
</tr>
<tr>
<td>Iraq Gas-to-Power Technical Assistance</td>
<td>$100,000</td>
<td>Operation top-up. Implementation for Gas Market Reform Framework. Additional 350K were allocated by the MENA MDTF, adding up to the required $450,000.</td>
</tr>
<tr>
<td>Iraq EITI Support</td>
<td>$50,000</td>
<td>Supervision top-up. Project supervision is provided by the Baghdad team.</td>
</tr>
</tbody>
</table>
EGPS Mid-Term Review

Berlin, June 2018
MTR: Goal and Scope

to assess the EGPS performance against its objective and results framework and identify potential for adjustment within the constraints of the current Concept Document and Administrative Agreements.

to assess the demand for a continuation of the program (beyond its current closing date of October 2020) and provide recommendations as to the structure and operation for the upcoming phase.
MTR Approach: OECD DAC criteria

1. **Relevance**: relevance to the client countries (by responding to challenges in producing countries), to global processes, (Agenda 2030, Paris agreement, etc.), alignment with donor priorities. The MTR will provide recommendations on how to manage potential disconnects.

2. **Effectiveness**: of the current results framework, effectiveness of the Program Secretariat and its interaction with the SC, its structure and staffing and funding level, its processes and principles for project selection

3. **Efficiency**: Visibility and communication, financial and operational efficiency (overheads and lead times)

4. **Impact**: broadly, the MTR will assess if the EGPS is under way to achieve its objectives. It will also assess the program’s innovation potential and track record.

5. **Sustainability**: financial sustainability
EGPS end disbursement date extension

EGPS end of program: October 31\textsuperscript{st} 2020
Current end disbursement date: April 30\textsuperscript{th} 2020

With a minimum duration of 1 year and a 6 month margin for project preparation, the last EGPS project approval will be made no later than October 2018.

Option 1: Donors want to revisit the Administration Agreement
Discussion of required changes, preparation of revisited AA’s, signature approx. June 2019 (no round 7 before June 2019)

Option 2: Maintaining the current AA’s
Preparation of AA amendments for an extension by 5 yrs., signature before October 2018 for a seamless operation.
Information Exchange with EITI IS

Information to be made available to the EITI Board by the EGPS Program Secretariat through the WB observer at the EITI Board

a) Project-by-project approval and disbursement status (tracking table)
b) EGPS state of funding including funding forecasts
Information Exchange with EITI, operational level

Joint missions and sharing mission announcements and briefing notes, aide memoires and back to office reports.

a) EGPS secretariat will request TTLs to jointly meet with MSGs, EITI champions and “friends of EITI” where and when possible and coordinate joint missions where there is an EITI overlap.

b) TTLs are also encouraged to share with the IS aide-memoires and reports that refer to EITI, if not confidential and under the information disclosure policy as “for official use only” – i.e. not to be circulated outside the IS team.

c) EITI Country Managers will alert TTLs about all upcoming missions and, where appropriate, seek to do them jointly. CM will exchange with TTLs before and/or after the mission and share back-to-office reports.

d) EITI Country Managers will share country assessments in the Implementation Progress Report plus any other key Board papers.
Information Exchange with EITI IS and CMs

Interaction between EGPS, project leads and the EITI IS

a) Tri-annual (January – June – September) staff meetings between project leads, EGPS Secretariat and the IS on key EITI policy and implementation issues. Topics will be suggested by both sides

b) An annual in-person meeting in Washington to do the above in more detail and allow more face-to-face interaction.
TF management

EGPS

Pillars 1-4

projects

Trustee level

Window level

project level
TF management

Allocation = freezing funds

As opposed to disbursement

- EGPS
- Pillars 1-4
- projects

Trustee level
Window level
project level
TF management

Allocation
• On rolling basis
• Via call for proposals

Selection criteria
• Readiness for implementation, CMU support
• Value for money, Leverage of funds
• Ownership, Sustainability
TF management

WB Social and environmental safeguards

- Forests
- Natural habitats
- Indigenous peoples
- Physical-cultural resources
- Involuntary resettlement
- Safety of dams
- Projects in international waterways
- Projects in disputed areas
TF management – TF’s < 2M US$

Avoid social and env. safeguard triggers

WB fiduciary safeguards (RETF)
  • Financial management
  • Procurement
  • Grievance mechanisms

Lead times
  • 6 months (RETF)
  • 4 months (BETF)
TF management

Delays (RETF)

- Financial management safeguards
- Procurement, grievance mechanisms
- Approval processes in the Bank (CMU)
- Signature of grant agreement by the client