The case for systematic disclosure and rethinking EITI Reporting

EITI Partners retreat
Oslo, September 2018
May 2010

Georgetown, Guyana
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.
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 EITI's 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 dash board or satellite image.
Mainstreaming
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!

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