

This note has been issued by the EITI International Secretariat to provide guidance to implementing countries on meeting the requirements in the EITI Standard. Readers are advised to refer to the EITI Standard directly, and to contact the International Secretariat to seek further clarification. Contact details can be found at www.eiti.org.

Preparing for Validation

Guidance note 23 – Chapters 4 and 5 of the 2019 EITI Standard

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For further information about EITI Validation, please contact Alex Gordy (agordy@eiti.org) at the EITI Secretariat.

1. Overview of EITI Validation

Validation is an essential feature of EITI implementation. It provides stakeholders with an impartial assessment of whether EITI implementation in a country is consistent with the provisions of the EITI Standard. The Validation report also addresses the impact of the EITI, the implementation of activities encouraged by the EITI Standard, lessons learnt in EITI implementation, as well as any concerns stakeholders have expressed and recommendations for future implementation of the EITI.

Validation is one of the key tools that the EITI Board uses to verify whether implementing countries are delivering on their commitments. Through Validation, countries receive recognition for their efforts and progress. Where EITI implementation is inadequate or has stalled, the findings from Validation can lead to suspension and delisting. Validation recognises and incentivises good implementation.

The Validation Guide¹ provides guidance on assessing progress towards meeting the EITI Requirements and a template for the Validation report. In some cases, there is specific evidence that the EITI Board must assess to ensure that a provision has been satisfied. In other cases, there are different approaches that a country might take to address an EITI provision, and the guide provides examples of the types of evidence that the EITI Board might consider.

In accordance with Article 4 of Chapter 4 of the 2019 EITI Standard, compliance with each individual EITI Requirement will be indicated by applying one of the following designations:

Outstanding progress. In order for the EITI Board to conclude that a country has made outstanding progress, Validation needs to demonstrate that all aspects of the requirement, including ‘expected’, ‘encouraged’ and ‘recommended’ aspects, have been implemented and that the broader objective of the requirement has been fulfilled through systematic disclosures in government and company systems.

Satisfactory progress. In order for the EITI Board to conclude that a country has made satisfactory progress, Validation needs to demonstrate that all aspects of the requirement have been implemented and that the broader objective of the requirement has been fulfilled.

Meaningful progress. In order for the EITI Board to conclude that a country has made meaningful progress, Validation needs to demonstrate that significant aspects of the requirement have been implemented and that the broader objective of the requirement is being fulfilled.

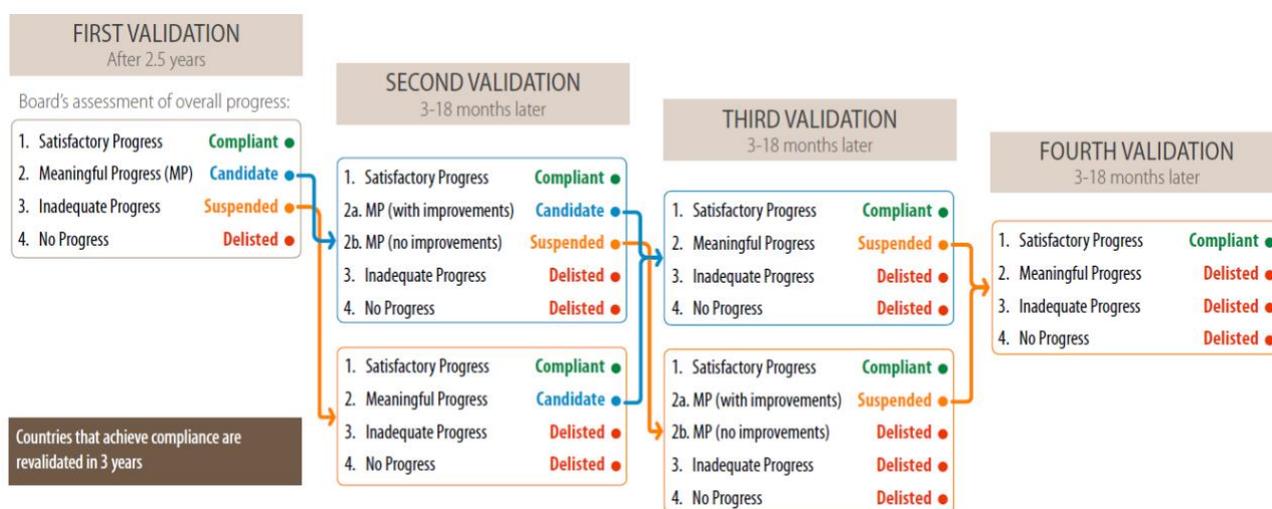
Inadequate progress. In order for the EITI Board to conclude that a country has made inadequate progress, Validation needs to demonstrate that significant aspects of the requirement have not been implemented and that the broader objective of the requirement is far from fulfilled.

¹ previously the “Standard Terms of Reference for Validators”, available here: <https://eiti.org/document/validation-guide>

No progress. In order for the EITI Board to conclude that a country has made no progress, Validation needs to demonstrate that all or nearly all aspects of the requirement remain outstanding, and that the broader objective of the requirement is not fulfilled.

Drawing on this assessment, the EITI Board will assess overall compliance with all requirements in the EITI Standard. Where Validation verifies that a country has made satisfactory progress on all of the requirements, the EITI Board will designate that country as EITI compliant. The consequences of non-compliance vary depending on the circumstances (see [Article 6 of Chapter 4](#) of the 2019 EITI Standard). Figure 1 illustrates the scenarios.

Figure 1 – Validation scenarios



In addition to the assessment of the requirements, **Validation also documents efforts to go beyond the EITI Requirements.** This will include efforts by multi-stakeholder group to address ‘encouraged’ or ‘recommended’ aspects of the EITI Standard. It will also include efforts by the multi-stakeholder group to successfully achieve any work plan objectives that fall outside the scope of the EITI Standard, but that have been identified by the multi-stakeholder group to be necessary objectives for the EITI to address national priorities for the extractive sector. These efforts will be documented in the Validation process but will not be taken into account in assessing compliance with the EITI Standard. Efforts to address the ‘encouraged’ and ‘recommended’ aspects of the EITI Standard can lead to an assessment of “outstanding progress” where all ‘required’ aspects of the requirement have been addressed.

2. How Validation is carried out: Validation procedure

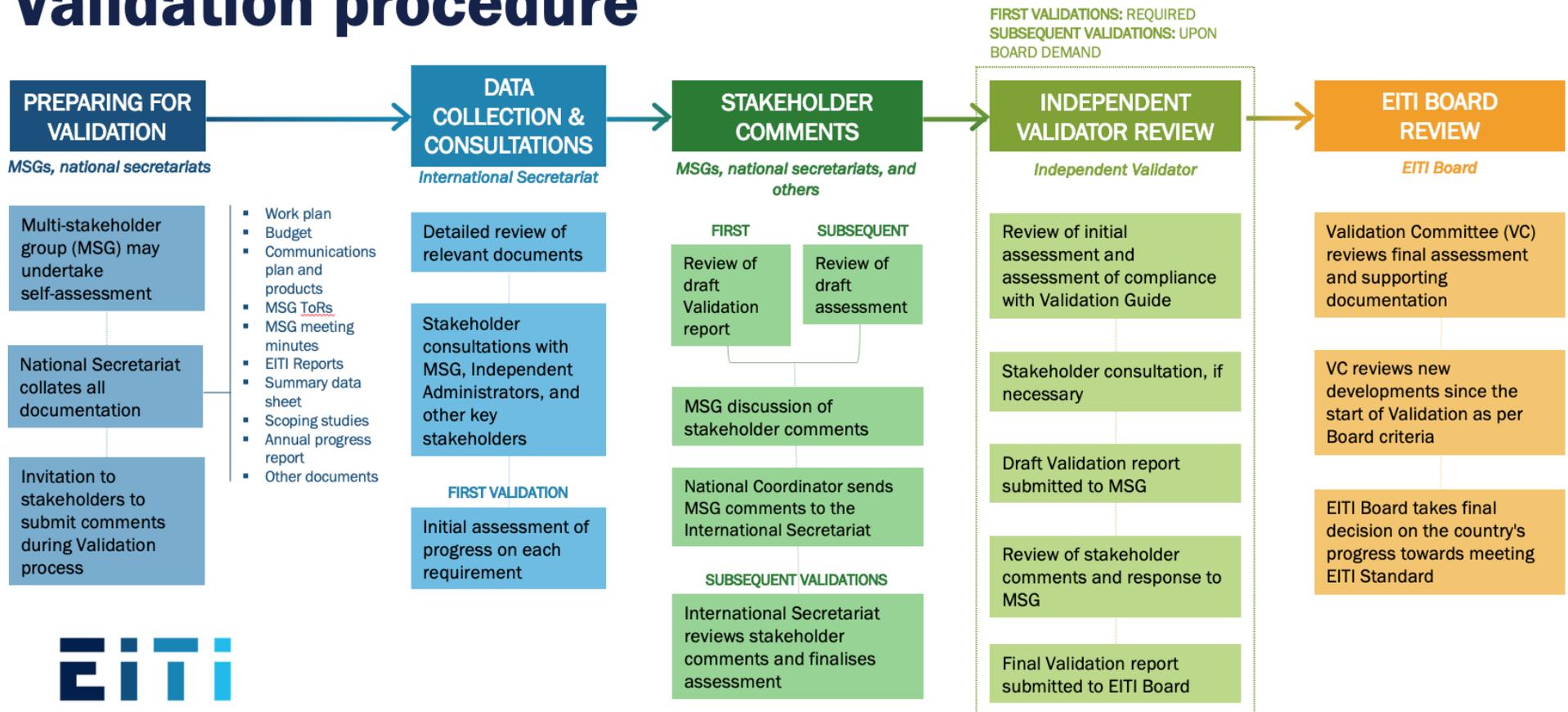
The EITI Validation procedure lays out how countries are validated. Given the multi-stakeholder nature of the EITI and the importance of dialogue, the Validation procedure emphasises *stakeholder consultation*.

Validation is carried out in five stages.

2.1 Overview of the Validation procedure

Figure 1: The five stages of Validation

Validation procedure



The overview below is a summary. For the full procedure, consult the document “EITI Validation Procedure”.²

1. Preparation for Validation

Prior to the commencement of Validation, the multi-stakeholder group (MSG) is encouraged to undertake a self-assessment of adherence to the EITI Standard. The Validation Guide includes a provision that: “where the MSG wishes that Validation pays particular attention to assessing certain objectives or activities in accordance with the MSG work plan, these should be outlined upon the request of the MSG”. The national secretariat should collate the documentation and other sources that demonstrate compliance, including MSG minutes. Stakeholders are also invited to prepare any other documentation they consider relevant and to submit it to the International Secretariat at the commencement of Validation. Section 3 of this guidance note provides advice to the MSG on how to prepare for Validation.

2. Initial data collection and stakeholder consultation

This work is undertaken by the EITI International Secretariat. The International Secretariat reviews the relevant documentation and consults stakeholders. This will include meetings with the multi-stakeholder group, the Independent Administrator and other key stakeholders, including stakeholders that are represented on, but not directly participating in, the multi-stakeholder group. The Board maintains a standardized procedure for data collection.³ Based on the desk review and consultations, the International Secretariat will prepare a report making an initial evaluation of progress against requirements in accordance with the Validation Guide. In second and subsequent Validations, the assessment will focus on the corrective actions determined in the preceding Validation, any requirements previously assessed as “satisfactory progress” where there is evidence of back-sliding, and any requirements where there is evidence to support an assessment of “beyond satisfactory progress”. The report will not include an overall assessment of compliance.

3. Independent Validation

The EITI Board will appoint Independent Validators, who will report to the Board via the Validation Committee. In first Validations, the Validator assesses whether the Secretariat’s initial validation has been carried out in accordance with the Validation Guide. In second and subsequent Validations, the Board will consider whether independent Validation is required on a case-by-case basis. The Validator will amend or comment on the Secretariat’s report as needed and request further evidence or clarifications where necessary. The Validator then prepares a short Validation report for submission to the Board. This will include the Validator’s assessment of compliance with each provision, but not an overall assessment of compliance. The multi-stakeholder group will be invited to comment on the Validation report.

4. Stakeholder comments

The MSG is invited to provide comments on the draft Validation report (first Validations) or the draft Secretariat assessment (subsequent Validations) within three weeks from receiving the document in the local working language. The national secretariat compiles MSG comments in one file and submits these to the International Secretariat. In exceptional circumstances,

² <https://eiti.org/document/validation-procedures>

³ <https://eiti.org/document/validation-procedures>

stakeholders may contact the International Secretariat directly to provide comments. The Independent Validator (in first Validations) or the Secretariat (in subsequent Validations) reviews all submissions from stakeholders received within the assigned 3-week period and provide a response to the MSG.

5. Board Review

The Validation Committee will review the Validator's assessment and any feedback from the MSG. The Validation Committee will then make a recommendation to the EITI Board on the country's overall progress on meeting the EITI Requirements.

The Board can exercise its discretion to consider developments and information disclosed after the commencement of Validation where the following four criteria are met:

- *Multi-stakeholder group support*: The proposal to consider developments and information disclosed after the commencement of Validation has the support of the multi-stakeholder group. Where there are reasonable grounds for not submitting the information via the MSG, the Board can decide to consider representations that are not endorsed by the MSG.
- *Specific and verifiable*: The information is specific, detailed, substantiated and clearly sourced, and can be quickly and independently verified. Non-specific information, including on planned actions, will not be considered.
- *Material significance*: The information has the potential to materially impact the assessment of individual requirements and/or render the proposed corrective actions redundant.
- *Timely*: The proposal to consider developments and information disclosed after the commencement of Validation is presented to the Validation Committee within a reasonable timeframe, allowing sufficient time for verification and discussion. The Validation Committee and Board will not consider representations made a short notice prior to Board decisions.

The Validation Committee may request the Independent Validator to review information disclosed after the commencement of Validation or to undertake additional consultations. In second and subsequent Validations, the Committee may refer the Secretariat assessment to an Independent Validator.

The EITI Board will make the final determination of whether the requirements are met or unmet, and on the country's overall compliance in accordance with Article 6, Chapter 4 of the EITI Standard⁴.

The initial assessment, Validation report and associated stakeholder comments are considered confidential until the Board has reached a decision. Once the Board has reached a decision, they will

⁴ <https://eiti.org/document/eiti-board-oversight-of-eiti-implementation#a6>

be made publicly available. The Validation Committee will consider stakeholders' requests for comments to be treated confidentially.

2.2 How the International Secretariat conducts the initial assessment

The International secretariat's work is conducted in three phases:

1. **Desk Review.** Prior to visiting the country, the Secretariat will conduct a detailed desk review of the available documentation relating to the country's compliance with the EITI Standard, including but not limited to:
 - The EITI work plan and other planning documents such as budgets and communication plans;
 - The MSG's Terms of Reference, and minutes from MSG meetings;
 - EITI Reports, and supplementary information such as ToR for the Independent Administrator, summary data, summary reports and scoping studies;
 - Communication materials, including reports of outreach and disseminations activities;
 - Annual progress reports or other documents documenting the outcomes and impact of EITI implementation; and
 - Any other information of relevance to Validation, including systematic disclosures of EITI data through government and company systems.

This work will include initial consultations with stakeholders, who will be invited to submit any other documentation they consider relevant.

Without prejudice to the ability of the Board to exercise their discretion to consider all available evidence, the Secretariat should not take into account actions undertaken after the commencement of Validation.

2. **Stakeholder consultations.** The Secretariat will meet with the MSG, the Independent Administrator and other key stakeholders, including stakeholder groups that are represented on, but not directly participating in, the MSG. Where practicable, the Secretariat should interview stakeholders in the regions hosting extractive industry operations to gain a better understanding of the impact of the EITI.

In addition to meeting with the MSG as a group, the Secretariat will meet with its constituent parts (government, companies and civil society) either individually or in constituency groups, with appropriate protocols to ensure that stakeholders are able to freely express their views and that requests for confidentiality are respected.

Local interpreters (where needed) should be hired on the basis of trust and competency in order to preserve impartiality as well as accuracy of the statements collected.

The Secretariat should seek and accept written statements and other materials of relevance, again ensuring that requests for confidentiality are respected.

3. **Reporting on progress against requirements.** Based on the desk review and stakeholder consultations, the International Secretariat will prepare a report making an initial evaluation of progress against requirements in accordance with the Validation Guide. The report will not include an overall assessment of compliance.

In first Validations, the report is submitted to the Independent Validator. The National Coordinator (NC) and the MSG receive a copy. Comments on the facts are welcome but NC and the MSG are encouraged to defer any major commentary until they receive the Validator's draft report. In second and subsequent Validations, the draft Secretariat assessment is submitted directly to the MSG for comments.

2.3 How the Validator conducts their review

In first Validations, the Validator, reporting to the EITI Board via the Validation Committee, assesses whether the Secretariat's initial validation has been carried out in accordance with the Validation Guide.⁵ In second and subsequent Validations, the Board will consider whether independent Validation is required on a case-by-case basis.

Applying appropriate professional standards, this is expected to include:

- A detailed review of the International Secretariat's report assessing progress against requirements in accordance with the Validation Guide, and the relevant source documentations.
- A risk-based approach for spot checks, including reviewing additional source documentation and direct consultations with stakeholders, which may include group consultations and/or individual consultations, with appropriate protocols to ensure that stakeholders are able to freely express their views and that requests for confidentiality are respected.

In most cases the Validator's work will not require field visits. In exceptional circumstances, for example where the Validation is particularly complex or contentious, the Board may request that the Validator undertakes a field visit. In such cases, a budget and contract for this work will be agreed separately.

For each country, the Validator will:

1. Amend or comment on the Secretariat's report
2. Prepares a short summary (the Validation Report) for submission to the Board.

⁵ <https://eiti.org/document/eiti-validation-guide>

2.4 Stakeholder comments

In addition to consultations with a broad and representative cross-sample of stakeholders engaged in EITI implementation in preparing the Secretariat's assessment, the Validation procedure provides for an opportunity for stakeholder comments on the draft assessment. The MSG is invited to provide comments on the draft Validation report (in first Validations) or the draft Secretariat assessment (in subsequent Validations) within three weeks from receiving the document in the local working language.

The national secretariat should compile MSG comments in one file and submit these to the International Secretariat. The national secretariat is encouraged to attach to the comments the minutes of the MSG meeting(s) where the comments were discussed and agreed.

In exceptional circumstances, stakeholders may contact the International Secretariat directly to provide comments.

The Independent Validator (first Validations) or the Secretariat (subsequent Validations) is expected to review all submissions from stakeholders received within the assigned 3-week period and provide a response to the MSG. The Validator and the Secretariat are expected to give weight to comments agreed by the MSG over comments from individual stakeholders or constituencies. However, possible limitations to the ability of stakeholders to have their position reflected in the MSG's submission should be taken into account. The Validator or the Secretariat may request further information from stakeholders as considered necessary.

2.5 Validation timelines

The Validation procedure specifies the following timeframe:

Milestone	Timeline
Commencement of Validation	Validation deadline
Desk review	Max. 6 weeks
Completion of country mission	+ 3 weeks
Compilation of initial assessment	+ 3 weeks
Translation of initial assessment	+ 3 weeks
Validator review and draft Validation report (first Validations)	+ 3 weeks
MSG comment period	+ 3 weeks
Validator Review (Response to MSG and final Validation report)	+ 2 weeks
Review by the Validation Committee	

Validation Committee recommendation to the EITI Board	Depends on Validation Committee schedule
-------------------------------------------------------	------------------------------------------

The timeframe for each stage of the Validation procedure varies depending on translation requirements. The timeframe for the final decision by the Board will depend on the schedule of EITI Board meetings. In some cases, the Board may consider taking a decision on a Validation via Board circular between Board meetings.

The overview of Validation decisions and upcoming schedule can be found here:

<https://eiti.org/document/validation-schedule-decisions>

3. How MSGs and National Secretariats can prepare for Validation

The National Secretariat and MSG are advised to take their Validation deadline into account when agreeing their annual work plans. As the deadline for the commencement of Validation approaches, the International Secretariat will contact the National Secretariat and the MSG to discuss the Validation schedule and procedures. MSGs have often found it useful to conduct “pre-validation” assessments as described below. Validation is also an opportunity and catalyst for MSG members to reach out to their constituencies, seek their views on the EITI process, and encourage them to participate in the Validation process. All stakeholders are encouraged to prepare and collate documentation that will be relevant to Validation.

3.1 Conduct a Validation self-assessment

MSGs have often found it useful to conduct “pre-validation” assessments ahead of Validation. In some cases this has identified corrective actions that can be taken prior to Validation⁶.

The usual approach to the self-assessments is to make an assessment of progress against each requirement following the Validation Guide. The guide includes a template for Validation reports, which can be used to present the findings. In some cases, the MSG has mandated the National Secretariat – or a trusted intermediary - to undertake these assessments. In other cases, the MSG has conducted the self-assessments, with sub-groups considering different aspects and reporting back to the MSG.

The International Secretariat has prepared self-assessment templates to support this work. The objective of the templates is to examine potential implementation gaps, identify remedial actions, and to identify evidence and documentation that is relevant to Validation.

The pre-Validation self-assessment booklet can be found here:

<https://eiti.org/document/prevalidation-selfassessment-booklet>

⁶ MSGs should note that without prejudice to the ability of the Board to exercise their discretion to consider all available evidence, the Secretariat should not take into account actions undertaken after the commencement of Validation.

Table 1: Example Template for self-assessment on progress against each requirement

MSG oversight				
EITI provisions	Self-assessment questions	Progress	Evidence & rationale	Action Points
Government engagement EITI provisions 1.1; 1.2; 1.3 a-e; 1.3.f.iii.	Has the government issued a public statement of its commitment to implement the EITI?	Satisfactory	Speech by HE President X on 20 December 2010	Secretariat to check that speech is online
	Has the government appointed a senior individual to lead on the implementation of the EITI?	Satisfactory	Vice Minister Y appointed by decree EITI Champion on 14.01.11.	None
	Are senior government officials represented on the MSG?	Satisfactory	List of MSG reps show the government represented by...	None
	Are government representatives fully, actively and effectively engaged in the design, implementation, monitoring and evaluation of the EITI process?	Satisfactory	MSG meeting minutes Participation in EITI events	None

3.2 Prepare documentation

The national secretariat is advised to ensure that all documentation is prepared and compiled *in advance*. A key element is documentation of MSG decisions. This should include:

- The EITI work plan and other planning documents such as budgets and communication plans;
- The MSG's Terms of Reference and other governing documents;
- Minutes from multi-stakeholder group meetings;
- EITI Reports, and supplementary information such as ToR for the Independent Administrator, summary data, summary reports and scoping studies;
- Communication materials, including reports of outreach and disseminations activities;
- Annual progress reports or other documents documenting the outcomes and impact of EITI implementation; and
- Any other information of relevance to Validation, including any documentation relating to EITI implementation from EITI stakeholders such as constituency nominations procedures, pertinent press releases, links to government websites and minutes from relevant

parliamentary, industry or civil society committees, among others. Examples of articles or reports critical of government or industry management in the extractives are particularly relevant to demonstrating freedom of expression and association.

MSG members and other interested stakeholders are also invited to prepare documentation for consideration during the Validation process.

3.3 Complete the preparatory work *before* Validation commences

Without prejudice to the ability of the Board to exercise their discretion to consider all available evidence, the Validation procedures specify that Validation “should not take into account actions undertaken after the commencement of Validation”. By undertaking pre-Validation self-assessments well ahead of the commencement of Validation allows MSGs to identify any outstanding gaps and formulate quick fixes to publish missing information online. This work can also form the basis of the MSG’s work on embedding EITI reporting into routine government and company systems.

3.4 Help organise stakeholder consultations for Validation missions

National secretariats and MSGs have often found it helpful to plan stakeholder consultation missions by the International Secretariat well ahead of time. At a minimum, MSGs should organise meetings with the following sources:

- Relevant government officials, including but not limited to the EITI Champion, government representatives on the MSG, representatives of relevant agencies not represented on the MSG (e.g. Auditor General, Customs, etc.).
- Relevant company representatives including but not limited to MSG members and their constituents (other mining, oil and gas companies).
- Relevant civil society, including but not limited to MSG members, representatives of relevant NGOs not directly involved in the MSG, grassroots mining activists, etc.
- Development partners, including but not limited to donors having supported EITI implementation, the World Bank, IMF, etc.
- The Independent Administrator for the most recent EITI Report, and if possible previous Independent Administrators and other EITI-related consultants.
- Media representatives including journalists, editors and stringers for international agencies on extractives or public finance issues.

March 18, 2019

Monday

08:30 AM – 09:30 AM	Albeiti Secretariat
Venue:	Albeiti Offices, Bulevardi "Zhan Dàrk", Ish Godina e ME, Kati i V, Tirana
Remarks:	Confirmed
Focal Point:	Emiliana Kola, +355672051804
Interpreter:	Yes
10:00 AM – 11:00 AM	MR. ILIR BEJTJA, Chairman of EITI Albania MSG/ Deputy Minister of Energy and Industry
Venue:	MIE Rr. Abdi Toptani, Tirana 1000
Remarks:	Confirmed
Focal Point:	Emiliana Kola, +355672051804
Interpreter:	No
11:30 AM – 13:30 PM	MSG MEETING
Venue:	MIE offices, Bulevardi "Abdi Toptani", Tirana
Remarks:	Confirmed
Focal Point:	Emiliana Kola, +355672051804
Interpreter:	Yes
14:00 PM – 17:00 PM	Meeting with CSOs representatives (Anila Hajnaj, Sami Neza, Ola Mitre, Lorenc Gordani, Kushtrim Simoni and representative of NGOs they represent)
Venue:	Rruga "Vllazën Huta", Vila Park 5/21
Remarks:	Confirmed



Figure 3: Example of stakeholder consultations schedule in Albania (2019)

The MSG is also invited to suggest additional sources focusing on key aspects of implementation that it seeks to highlight. National secretariats and MSGs are encouraged to:

- Publish an announcement of Validation on the national EITI website and relevant national dissemination channels (e.g. the press), inviting any stakeholder to contact the International Secretariat and including relevant contact details. Stakeholders are encouraged to prepare written submissions which can be made available to the Secretariat, Validator and the EITI Board.
- Prepare a list of stakeholders and suggested agenda for the International Secretariat to review during the first week of Validation. The Validation Guide provides the structure of questions to be covered during stakeholder consultations, although not all questions will be relevant for all stakeholders.
- Consider appointing a member of the national secretariat to act as focal person for logistical support during the country mission of stakeholder consultations.

3.5 Coordinate MSG feedback

Following completion of the International Secretariat's initial assessment and the independent Validator's draft Validation report (in first Validations) or the draft Secretariat assessment (in subsequent Validations), the MSG will receive these documents with a period of three weeks to comment. MSGs

have often tasked their national secretariats with circulating the draft reports for comment, consolidating all comments and sending a single set of comments to the independent Validator.

While the MSG is invited to provide comments on the initial assessment and draft Validation report (in first Validations) or the draft Secretariat assessment (in subsequent Validations), any constituency is also welcome to submit comments independently of the MSG.

4 Early Validation and extension requests

The Board has agreed that implementing countries may seek an early Validation. Any such requests should be endorsed by the MSG and submitted to the International Secretariat.

[Article 7 of Chapter 4](#) of the 2019 EITI Standard addresses eligibility for an extension of the Validation deadline. The EITI Board will apply the following tests in assessing any extension requests:

1. The request must be made in advance of the deadline and be endorsed by the multi-stakeholder group.
2. The multi-stakeholder group must demonstrate that it has been making meaningful progress towards meeting the deadline and has been delayed due to exceptional circumstances. In assessing meaningful progress the EITI Board will consider:
 - i. The EITI process, in particular the functioning of the multi-stakeholder group and clear, strong commitment from government.
 - ii. The status and quality of EITI reporting, including meaningful progress in meeting the requirements for timely reporting as per Requirement 2 and efforts to address recommendations for improving EITI reporting.
3. The exceptional circumstance(s) must be explained in the request from the multi-stakeholder group.
4. No extensions will be granted which would increase the maximum candidature period.

The key tests in assessing extensions is whether the multi-stakeholder group has made meaningful progress towards meeting the deadline, and whether the delays are due to exceptional circumstances. In previous cases, the Board has typically looked at how the government and MSG have worked to overcome barriers to meeting deadlines and considered achievements in implementation to date. The Board has also looked at whether the delays are caused by unforeseen challenges beyond the control of the MSG.

Board decisions on extension requests for Validation

- Tanzania (<https://eiti.org/BD/2019-32>)
- Mali (<https://eiti.org/BD/2019-7>)

5. List of resources

- Validation schedule and decisions overview: <https://eiti.org/document/validation-schedule-decisions>
- Validation Procedure: <https://eiti.org/document/eiti-validation-procedures>
- Validation Guide: <https://eiti.org/document/eiti-validation-guide>
- Pre-Validation self-assessment booklet: <https://eiti.org/document/prevalidation-selfassessment-booklet>
- Infographics on Validation: <https://eiti.org/document/infographics-on-validation-process-procedures>
- The extension requests submitted to the Board can be requested from the International Secretariat (secretariat@eiti.org).
- Board decisions (all): <https://eiti.org/board-decisions>