Outline for a revised Validation model

Presentation to support consultations, June 2020

The global standard for the good governance of oil, gas and mineral resources.
EITI Validation review

- Launched by the EITI Board in October 2019.
- Scope:
  1. Measuring compliance and impact;
  2. Resourcing and roles;
  3. Structure, timing and consequences of Validation
  4. Reviewing the Validation of the civil society protocol
- Objectives:
  - Introducing a Validation model that “encourages continued progress, reflects each country’s priorities and enhances the impact of EITI implementation, while upholding the integrity of the EITI Standard”.
  - Ensuring “financial sustainability, the timely execution of Validations and sufficient resources for implementation support”.
Progress to date

■ EITI Board established a Validation review working group in October 2019.

■ Public consultation with stakeholders from December 2019 to February 2020.

■ Working group discussed options for a revised Validation model in March-April 2020.

■ Working group developed a draft outline for a revised Validation model, reflecting feedback from stakeholders.
Key features of the proposed model

- Focus on MSG ownership and encouraging systematic disclosures.
- Validation to consist of three components: (1) Transparency, (2) Stakeholder engagement, and (3) Outcomes and impact.
- MSG to collate data and documentation, International Secretariat’s Validation team to review (no Independent Validator).
- Encouraging continuous progress, rather than demanding full compliance within a certain period.
- Possible numerical score for each component.
Key steps of the proposed model

<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
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<tbody>
<tr>
<td>1</td>
<td>MSG to collate data and documentation, with support from the International Secretariat’s country team.</td>
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<td>2</td>
<td>International Secretariat’s Validation team to assess information.</td>
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<td>3</td>
<td>MSG to provide feedback and possible additional information.</td>
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<td>4</td>
<td>Board to review and agree an outcome for each component.</td>
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Focus on implementation

- The MSG and national secretariat would have an increased role in collating data for the Validation based on Board-approved templates.
- Support available from the International Secretariat, the Independent Administrator and/or a local consultant.

This approach would help the MSG to:

- Ensure stakeholder engagement
- Monitor systematic disclosures of data
- Assess the outcomes and impact of implementation
Revised approach to assessments

- The assessment of individual requirements to focus on whether the objective of the requirements has been met.

- Nomenclature to be clarified (e.g. «satisfactory progress», «meaningful progress»).

- Each individual requirement would be assigned a numerical score.

- Each of the three components would be assigned a numerical score that represents the average scores of individual requirements.
Effectiveness and sustainability indicators

1. EITI implementation addresses nationally relevant extractive sector governance challenges.
2. Extractive sector data is disclosed systematically through routine government and corporate reporting.
3. There is an enabling environment for citizen participation in extractive sector governance, including participation by affected communities.
4. Extractive sector data is accessible and used for analysis, research and advocacy.
5. EITI has informed changes in extractive sector policies or practices.

→ 0-2 points for each indicator. Added to the overall score of the “Outcomes and impact” component.
Example of Validation outcome

- **Stakeholder engagement**
  - High
  - 86%

- **Transparency**
  - Moderate
  - 72%

- **Outcomes and impact**
  - Very high
  - 93%
Consequences of Validation: Focus on progress

First Validation

Overall score >45
- 6-36 mths Progress
- 12-24 mths No progress

Overall score <45
- 12-24 mths Progress
- 6-36 mths No progress

Subsequent Validation

Progress
- 6-36 mths
- 12-24 mths

No progress
- 6-36 mths

= Suspension
= Delisting
Questions

- Do you think the proposed model would encourage impactful implementation and support you in meeting the EITI Standard?
- Are there any elements in the proposed model that are not acceptable? What changes would you propose?
- What aspects should be considered in the further development of the model?
- Should there be an overall score in addition to the scores for each component?
Next steps

- Working group to refine the outline for a revised Validation model based on feedback. Consultations to be completed by the end of July. New model presented to the EITI Board for decision in October.

- Working group to start developing a revised Validation Guide and Validation procedure reflecting the new model, as well as transitional arrangements.

- Implementing country representatives on the working group are Ian Mwiinga and Awa Marie Coll-Seck.