Extractive Industries Transparency Initiative (EITI)

Validation of São Tomé and Príncipe
Report on initial data collection and stakeholder consultation by the EITI International Secretariat

15 December 2016
Validation of São Tomé and Príncipe: Report on initial data collection and stakeholder consultation

Abbreviations

ANP  National Petroleum Agency
EEZ  Exclusive Economic Zone
FONG  Federation of NGOs
GRIP  Records and Public Information Office
JDA  Joint Development Authority
JDZ  Joint Development Zone
MoU  Memorandum of Understanding
MSG  Multi-stakeholder group
STP  São Tomé and Príncipe
TOR  Terms of Reference
Validation of São Tomé and Principe: Report on initial data collection and stakeholder consultation

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Executive Summary

São Tomé and Príncipe (STP) was first admitted as an EITI candidate in 2008. The candidature ended in 2010 when the Board rejected a request for voluntary suspension and delisted STP. The main impediment was the inability to cooperate with Nigeria on reporting on activities in the Joint Development Zone (JDZ). At the time, oil exploration was only taking place in the JDZ. STP reapplied for candidature in 2012, committing to strengthening collaboration with Nigeria. By then, exploration had already begun also in the Exclusive Economic Zone (EEZ). STP has published two EITI Reports, one for the period 2003-2013, and the other for 2014. Both reports cover both the JDZ and the EEZ. According to several stakeholders consulted, EITI had increased public understanding about the management of the JDZ and informed discussion about revisiting its management. While it has been a challenge to sustain engagement in the process due to the currently small contribution of the sector, stakeholders emphasise that the need to manage expectations regarding revenue from petroleum is even greater.

On 1 June 2016, the EITI Board agreed that the Validation of STP should commence on 1 July 2016, with the International Secretariat carrying out initial data collection and stakeholder consultation. This report presents the International Secretariat’s findings and initial assessment. The International Secretariat has applied the Board-approved Validation Guide in the initial assessment of STP’s compliance with the EITI Standard. While the assessment has not yet been reviewed by the MSG nor been quality assured, the International Secretariat’s preliminary assessment is that there has been satisfactory progress with the majority of requirements, but only meaningful progress with respect to requirements 1.4, 1.5, 2.2., 2.3, 4.9, 7.3 and 7.4. The areas of concern relate to MSG governance, the work plan, license allocations and registers, adherence to the EITI’s reporting procedures to ensure reliable data, follow up on recommendations from EITI reporting and the availability of the Annual Progress Report.

Overall conclusions

São Tomé and Príncipe was first admitted as an EITI candidate in February 2008. Progress was slow. The main barrier to implementation was the lack of effective collaboration with the Joint Development Authority (JDA) responsible for the administration of the Joint Development Zone (JDZ) shared with Nigeria. At that time, all exploration activity was in the JDZ. In April 2010, the EITI Board rejected São Tomé and Príncipe’s request for voluntary suspension and delisted São Tomé and Príncipe. In May 2012, São Tomé and Príncipe re-applied for EITI candidate status and was admitted in October 2012. The first EITI Report covering 2003-2013 was published in December 2014, and the most recent report covering 2014 was published in October 2015.

Exploration in São Tomé and Príncipe’s exclusive economic zone (EEZ) commenced in 2011 and the two reports seek to cover both the JDZ and EEZ. There continues to be challenges in securing the full participation of the Joint Development Authority (JDA), in particular related to information on licensing. The multi-stakeholder group (MSG) submitted an adapted implementation request to address the persistent challenges in engaging the JDA that administers the JDZ with Nigeria. The request was approved by the Board in December 2015, and the Board’s decision was that STP-EITI should continue to attempt to include the JDZ in its reporting, while the Board recognises that STP does not have authority over the JDA or companies based in Nigeria. The failure to disclose comprehensive information should not for this reason reflect negatively on São Tomé and Príncipe in future Validations.

While there were some signature bonuses in previous years (as outlined in the first EITI Report), the
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Revenues from the EEZ and JDZ in recent years have been limited to a few one-off payments.

The situation in the oil sector has an effect on the EITI process. Expectations for the oil sector were high when exploration started. As hopes have waned, so has stakeholder and public interest in the sector, which has impacted MSG engagement. The composition of the MSG is largely the same as it was in 2012 when STP became a candidate country. MSG meetings have been sporadic, and the process has relied heavily on external support. The government has committed limited funding for implementation. Activities have mainly been covered from a grant from the EITI-MDTF. The African Development Bank (AfDB) has funded outreach activities.

That said, there is continued interest in ensuring that the public understands the outlook for the sector, and in embedding transparency in government systems. Government, industry and CSOs were united in their view that the EITI process is useful, indeed essential in São Tomé and Príncipe. Four impacts of EITI implementation were highlighted:

- Raising public awareness (and managing expectations) about activities in the oil sector and the prospects for oil discoveries and government revenues;
- The EITI has encouraged government agencies to improve public financial management systems, including moves toward mainstreaming disclosures. The government has as of 2016 started disclosing National Oil Account movements on the Records and Public Information Office (GRIP) website;
- Increasing public understanding about the management of the JDZ and informed discussion about revisiting its management;
- Increasing collaboration among government agencies and civil society.

A scoping study on including fisheries in EITI reporting is underway, and there are also expectations that this can help make EITI more relevant and contribute more to public debate.

Recommendations

Based on the initial data gathering and stakeholder consultations, the International Secretariat makes the following overall recommendation for improving implementation in STP. Detailed recommendations are provided in the assessment tables throughout the report.

1. The MSG should consider reviewing its membership to ensure greater industry and civil society engagement and liaison with wider constituencies; The MSG may also consider involving CSOs that work on issues related to public accountability and budget monitoring in the EITI process and should make efforts to ensure that members have the capacity to liaise with their constituencies.
2. The MSG should continue its revision of the TORs for the MSG and continue improving record-keeping of MSG decisions.
3. The MSG should ensure that work plans are agreed and made publically available in a timely manner and that these are kept up to date. The MSG should agree a work plan for 2017 which outlines activities that are clearly linked to the objectives and which is developed in consultation with wider stakeholders. The MSG should also ensure that the work plan is agreed. 
4. The MSG should consider opportunities to mainstream EITI disclosures,¹ as government agencies are increasing adopting this approach in order to meet their EITI reporting obligations. This has the potential to reduce the cost of EITI implementation and provide more timely and useful data. Considering the current volume of revenue from the sector and reliance on external funding, there are legitimate concerns that the EITI is not viable in its current form. The EITI Report 2014 notes the opportunities for disclosing information on the sector, in particular non-revenue data, more regularly and comprehensively directly by government agencies such as the Ministry of Finance and Public Administration, the NPA and GRIP to avoid that the data is dispersed over several sources.

5. The MSG should continue to address the issue of coverage in the JDZ. While securing the full engagement of the JDA is problematic and outside the control of the government and MSG, ongoing efforts to engage the JDA are recommended to ensure that the EITI Report provides a comprehensive overview of the oil sector in São Tomé and Príncipe. The MSG should work with the Nigeria- São Tomé and Príncipe Joint Development Authority to disclose information on any licenses awarded or transferred in the Joint Development Zone in the year(s) under review.

6. The MSG should ensure the Independent Administrator adheres to the requirements for a credible assurance process applying international standards (in accordance with EITI Requirement 4.9). The EITI requires a clear indication of whether all companies and government entities within the agreed scope of the EITI reporting process provided the requested information, and disclosure of any gaps or weaknesses in reporting to the Independent Administrator, including naming any entities that failed to comply with the agreed procedures.

7. The MSG should continue their efforts to increase transparency regarding social payments, including building CSO capacity to monitor the selection and execution of social projects. There is a need for clearer guidelines and better monitoring of social projects (e.g. the selection of beneficiaries for education scholarships funded by companies).

8. The MSG may wish to consider ensure that forthcoming EITI Reports comment on whether full contracts are made available by GRIP. Although not a requirement, the MSG may wish to consider that the EITI reporting monitors and continues to comment on the discrepancy between the government’s policy for publishing contracts and actual practice, as practiced in some other implementing countries.

9. The MSG should clarify the government policy on beneficial ownership disclosure, actual disclosure practices and any planned or ongoing reforms and describe this in forthcoming EITI Reports.

10. That the MSG might want to elaborate on how sub-national revenues from oil are shared among the municipalities in forthcoming EITI Reports.

11. The MSG should use future Annual Progress Reports as a self-assessment tool to monitor progress with achieving work plan objectives and to document the impact of the EITI Reports. Annual Progress Reports should be made publically available in a timely manner.

### Figure 1 – assessment card

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Introduction

Overview and background of EITI implementation

STP was first admitted as an EITI candidate in 2008. The candidature ended in 2010 when the Board rejected a request for voluntary suspension and delisted STP. The main impediment was the inability to cooperate with Nigeria on reporting on activities in the JDZ. At the time, oil exploration was only taking place in the JDZ. STP reapplied for candidature in 2012, committing to strengthening collaboration with Nigeria. By then, exploration had already begun also in the Exclusive Economic Zone.

The situation in the oil sector has had an effect on the EITI process. Expectations for the oil sector were high when exploration started. As hopes have waned, so has stakeholder and public interest in the sector, which has reflected on MSG engagement. The composition of the MSG is largely the same as it was in 2012 when STP became a candidate country. MSG meetings have been sporadic, and the process has relied heavily on external support. The government has committed limited funds for implementation. Activities have mainly been covered from a grant from the EITI-MDTF. The African Development Bank has funded outreach activities.

Objectives for Implementation and Progress in Implementing the Work plan

The overarching objectives of the EITI in STP have been to enable transparency in oil sector and to create a friendly business climate. The 2016 work plan outlines more specific objectives based on experiences and findings related to EITI reporting. These include monitoring revenues from the sector and implementation of social projects, improving inter-agency collaboration and dialogue with ANP and supporting their projects, increasing cooperation with the JDA and contributing to improved management of the JDZ, and to raise public awareness on petroleum resource management.

History of EITI Reporting

Following the transition to the EITI Standard in 2013, the EITI Board set 26 October 2014 as the deadline for the first EITI Report. The report, covering 2003-2013, was eventually published on 2 December 2014, ahead of the Board’s decision that STP was ineligible for an extension to the deadline. A separate report on the JDZ was published simultaneously. EITI implementation has been characterised by delays. The 2013 Annual Activity report was published 6 months after the deadline on 31 December 2014 and the implementation of activities defined in the work plan has been constantly delayed. The launch of the first EITI Report was not held until May 2015, six months after publication. While the 2014 Annual Activity Report was published by the deadline, the 2015 Annual Progress Report was not published as of November 2016. The work of the Nigeria-STP EITI sub-committee has been challenging with only two meetings held in three years: an in-person meeting in 2012 and a teleconference in 2014.

The 2003-2013 EITI Report was not comprehensive. Many of the companies that had left the JDZ by the time of data collection did not submit data on payments to the JDA. STP began preparations to publish the 2014 EITI Report ahead of Validation scheduled for 1 October 2015 to ensure Validation was based on a comprehensive report. The report was published on 8 October, and covers mainly the EEZ as there were no financial flows in the JDZ in 2014 and thus no reporting companies. The report attempts, however, to fill gaps in JDZ license information left by the 2003-2013 Report. The timely publication of the 2014 Report is accompanied by other recent signs of increased dynamism; and was followed by a series of outreach
activities around the country conducted in May and August 2015. STP-EITI has also been in discussions with wider stakeholders regarding expanding the scope to fisheries and has been developing a scoping study to be published by the end of the year.

Summary of engagement by government, civil society and industry

STP-EITI is located at the Ministry of Finance and Public Administration and is chaired by the Minister. Under the minister, STP-EITI has received continued support by the government. There appears to be interest by all stakeholders in ensuring that the public understands the outlook for the sector and in embedding transparency in government systems. Government, industry and civil society were found to be united in their view that the EITI process was important in São Tomé and Príncipe. One of the impacts highlighted by stakeholders is that EITI had increased public understanding about the management of the JDZ and informed discussion about revisiting its management. It is of course a challenge to sustain the engagement due to the currently small contribution of the sector, while stakeholders believe that the need to manage expectations regarding revenue from petroleum is even greater.

Key features of the extractive industry

São Tomé and Príncipe (STP) is located in the oil-rich Gulf of Guinea, but so far the results of oil exploration have been disappointing. The island nation with a population of less than 200,000 continues to rely on external aid and agriculture, with no production in the extractive sector.

Petroleum exploration is taking place in two distinct maritime zones. The establishment of the Joint Development Zone (JDZ) with Nigeria in 2001 was the result of a maritime dispute between the two countries. In the Abuja Declaration, the countries agreed to divide all costs and benefits deriving from the zone following a 60/40 split in Nigeria’s benefit. The Joint Development Authority (JDA) was established to manage the zone. JDA is an independent entity based in Abuja that is accountable to an inter-ministerial council. The first two licensing rounds held in the JDZ attracted interest from major international oil companies and resulted in over USD 300m worth signature bonus payments. Due to disappointing exploration results, large companies left zone with Total being the last to leave in 2013. Smaller operators remain and in 2015, new companies entered the block previously controlled by Total. Practically all revenue the JDA has collected so far was generated in 2003-2005. The JDA continues to run on an average annual budget of USD 12m despite diminished activity, which has sparked criticism in both São Tomé and Príncipe and Nigeria.

STP also has a fully controlled Exclusive Economic Zone (EEZ). The first licensing round for exploration rights in the EEZ was held in 2010. The EEZ has not attracted the same interest as the JDZ did in mid-2000s, but seven blocks have been awarded. Oranto has conducted seismic studies and the results are being analysed. In 2015, new actors have entered the EEZ. Kosmos acquired rights to Block 11 from EHRC, and Galp announced in October that it had reached agreement on exploration in Block 6.

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Explanation of the validation process (objectives, timeline, ToR, etc.)

The EITI International Board agreed at its 33rd Board meeting in Oslo, Norway that fifteen countries, including STP would undergo Validations starting 1 July 2016.

1. Validation is an essential feature of the EITI process. It is intended to provide all stakeholders with an impartial assessment of whether EITI implementation in a country is consistent with the provisions of the EITI Standard. The Validation report will, in addition, address the impact of the EITI in the country being validated, 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. The Validation process is outlined in chapter 4 of the EITI Standard.

2. Validation procedure. In February 2016 the EITI Board approved a revised Validation system. The new system has three phases:
   1. Data collection undertaken by the International Secretariat
   2. Independent quality assurance by an independent Validator who reports directly the EITI Board
   3. Board review.

In May 2016, the Board agreed the Validation Guide, which provides detailed guidance on assessing EITI Requirements. The Board also established detailed Validation procedures, including a standardised procedure for data collection and stakeholder consultation by the EITI International Secretariat and standardised terms of reference for the Validator. As previously, there are extensive opportunities for stakeholder participation, as set out below.

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”. Apart from the issues related to reporting from the JDA raised in the 2015 Adapted Implementation request, the MSG in STP did not request any issues for particular consideration.

3. Data collection by the International Secretariat. In accordance with the Validation procedures, International Secretariat’s work was conducted in three phases:

   1. Desk Review. In the period 28 July – 23 August 2016, the Secretariat conducted a detailed desk review of the available documentation relating to the country’s compliance with the EITI Standard, including:
      - The EITI work plan and other planning documents such as budgets and communication plans;
      - The multi-stakeholder group’s Terms of Reference, and minutes from multi-stakeholder group meetings;
      - EITI Reports, and supplementary information such as summary reports and scoping studies;

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4 See also https://eiti.org/validation
5 https://beta.eiti.org/document/validation-guide
6 https://beta.eiti.org/document/validation-procedures
• Communication materials;
• Annual progress reports; and
• Other information of relevance to EITI implementation and Validation.

This work included initial consultations with stakeholders, who were invited to submit any documentation they considered relevant. In accordance with the Validation procedures, the Secretariat did not take into account any actions undertaken after the commencement of Validation on 1 July 2016.

2. Country visit. The country visit took place from 7-9 September 2016. The International Secretariat met with the MSG and its members and other key stakeholders, including stakeholder groups that are represented on, but not directly participating in, the NSC.

In addition to meeting with the NSC as a group, the Secretariat met with its constituent members (government, companies and civil society) either individually or in constituency groups, with appropriate protocols to ensure that stakeholders were able to freely express their views. Requests for confidentiality have been respected.

The list of stakeholders consulted was prepared by members of the NSC, with inputs and suggestions from the national and the International Secretariat. The International Secretariat’s view is that the report covers views of the key stakeholders engaged in the EITI process.

3. Reporting on progress against requirements. Based on these consultations, the International Secretariat has prepared this report - making an initial evaluation of progress against requirements in accordance with the Validation Guide. In accordance with the Validation procedures the report does not include an overall assessment of compliance. The report will be made available to MSG for comment prior to quality assurance by the Independent Validator.

The International Secretariat’s team comprised: Sam Bartlett, Eddie Rich and Ines Marques.

4. Independent Validation. In accordance with the EITI Standard, the EITI Board will appoint a Validator, who will report to the Board via the Validation Committee. The Validator will assess whether the Secretariat’s initial data gathering has been carried out in accordance with the Validation Guide. This will include: a detailed desk review of the relevant documentation for each requirement and the Secretariat’s initial evaluation for each requirement, and a risk-based approach for spot checks, and further consultations with stakeholders. The Board may request that the Validator undertake spot checks on specific requirements. The Validator will amend or comment on the Secretariat’s report as needed. The Validator then prepares a short summary (the 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 MSG will be invited to comment on the Validation Report.

5. Board Review and decision. The final stage in the process is the review by the EITI Board. 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 compliance with the EITI Requirements. 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 provision 8.3.a.ii of the EITI Standard. There is an appeal process, as per requirement 8.8.

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7 At the time of writing, the procurement process was ongoing, see [https://eiti.org/node/7118](https://eiti.org/node/7118)
Part I – MSG Oversight

1. Oversight by the MSG

1.1 Overview

This section relates to government oversight of the EITI process, stakeholder engagement and the environment for implementation of EITI in country, the governance and functioning of the multi-stakeholder group (MSG), and the EITI work plan.

1.2 Assessment

Government oversight of the EITI process (# 1.1)

Documentation of progress

Ahead of re-applying for EITI candidature, the Prime Minister issued an order (Despacho no. 03/2012), which constitutes an unequivocal and public statement of the Government of STP’s intention to implement the EITI. The EITI Champion is the Minister of Finance and Public Administration, who also chairs the MSG. Current Minister dos Ramos was also Minister of Finance in 2012 when STP became an EITI candidate for the second time. Under his leadership, the office of the National Coordinator has moved to the Ministry of Finance. Minister dos Ramos participated in the Berne Board meeting as an observer to express his commitment to the EITI, attended the EITI Global Conference 2016 in Lima, and arranged time to meet with the International Secretariat both during the pilot and the initial assessment for Validation mission to STP.

Minister dos Ramos appears to have the confidence of all stakeholders, the authority and freedom to coordinate action on the EITI across relevant ministries and agencies, and he is able to mobilize resources for EITI implementation. Other government representatives on the MSG are technical level officials from the ANP, the treasury and from the autonomous region of Principe.

The government is fully engaged in EITI implementation. Government institutions have submitted the required information for EITI reporting. Information from government agencies was more readily available for the second EITI Report. This is likely a result of stakeholders becoming more familiar with the reporting process and of improvements in information management. ANP, the oil sector regulatory agency, noted that because of the EITI, they now ensured that information was readily available upon request. EITI has thus contributed to internal government ‘house-keeping’. ANP is developing a new website and considering integrating on the site information on e.g. licenses. The Ministry of Finance and the Central Bank have started publishing National Oil Account transactions on a monthly basis on the website of the Records and Public Information Office (GRIP). GRIP operates under the auspices of the Parliament and is responsible for making public information available. There is potential to disclose most or all information required by the EITI through the GRIP and ANP websites.

A workshop was held for parliamentarians in May 2015, but the parliament has not, apart from this, been an active stakeholder in the process. This appears to be at least partly due to the governing party increasing its

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majority in the parliament in the 2014 elections.

The national budget includes funds for EITI, but none have been disbursed in 2015. Funds must be requested by the national secretariat for a specific purpose. Since November 2015, the National Coordinator has been housed at the Ministry of Finance, which facilitates access to the Minister of Finance. The Ministry of Finance is covering costs related to the office, such as internet access and stationary. MSG meetings are also held in government facilities, and the government covers the travel costs of the MSG member from the island of Príncipe. Most activities and the salary of the National Coordinator, who alone constitutes the national secretariat, have been covered from an EITI-MDTF grant. The 2016 budget is expected to include some funding for the EITI, although reliance on external funding is expected to remain high. It is worth noting that of the annual state budget, roughly 90% is funded by partners so the country as a whole is highly dependent on external assistance.

**Joint Development Authority**

The JDA was established to manage the Nigeria-STP JDZ. It collects revenues from oil companies operating in the JDZ and transfers them to the governments of Nigeria (60%) and STP (40%), or holds a part for its own operating costs. The majority of STP’s oil revenue to date derives from signature bonus payments made in the mid-2000s by companies operating in the JDZ. The JDA is established under international law and is accountable to an inter-ministerial council that approves its budget. The head office is located in Abuja, Nigeria. A Nigeria-STP EITI joint sub-committee was established in 2012, of which the JDA is a participant. The JDA also participates in STPs EITI reporting and provided information on, for example, its own budget and expenditure and recent developments in the zone for the 2014 report. License information provided by the JDA on JDZ licenses has, however, been incomplete. The Government of STP has minority control over the JDA (40%) so the government lacks the authority to ensure that the JDA complies with reporting requirements. More recently, there have been discussion in Nigerian media regarding mismanagement of the JDZ, following a petition calling on the Nigerian government to enforce rule of law in JDA operations.\(^9\) A change of management in the JDA could lead to the agency overlooking or engaging less with the EITI process, in which case the STP-EITI MSG and the STP government would have limited means to ensure compliance with reporting requirements. According to the 2004 Abuja Declaration, the JDA is required to publish on its website information about revenues and licenses. The provision is not being complied with, and there is limited information about JDZ activities on the JDA website.\(^10\)

**Stakeholder views**

A representative from ANP noted that there was more collaboration between the ANP and civil society than before, and that there was now more contact both informally and through the media. A civil society representative commended the level of political commitment to the EITI despite there not being any production in the country, which signals that the government believes transparency will be important if there is a significant discovery.

A civil society representative not on the MSG raised the issue that the EITI in STP is very linked to the government, which might affect the work of the MSG.

Stakeholders in STP reported that under its current management, the JDA has been helpful and participated

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in data collection willingly. One stakeholder commented that there seemed to have been some issues with trust between the JDA and the STP government, and that it had been easier to get information from JDA through EITI rather than directly through the government.

Initial assessment

Evidence such as meeting minutes and consultation with stakeholders indicate that government is fully, actively and effectively engaged in the design, implementation, monitoring and evaluation of the EITI process. Government representatives are taking part in outreach and efforts to promote public debate. The International Secretariat’s initial assessment is that STP has made satisfactory progress in meeting this requirement.

The Secretariat recommends that the Nigeria-STP EITI sub-committee is revived to ensure that the JDA is fully engaged in the EITI, and to ensure that STP EITI and Nigeria EITI’s reporting on the JDA is streamlined. The Government of STP may also wish to use the next meeting of the inter-ministerial council to raise the issue of JDA’s non-compliance with the Abuja Declaration’s provisions on transparency.

Company engagement (# 1.2)

Documentation of progress

There is a small but growing presence of oil companies in STP. Currently, three companies have offices in São Tomé: Equator, Oranto, and Sinoangol. Kosmos and Galp are expected to open offices shortly following the acquisition of rights in the EEZ. The oil industry has one representative on the MSG, who has regularly participated in meetings. For the 2014 Report, all reporting companies submitted the requested information. This represented an improvement compared to the first reporting exercise, where company submissions were delayed.

There does not appear to be any evidence that legal or practical factors that either encourage or inhibit company participation exist, apart from the fact that there are few companies engaged in the extractive sector (this is also indicated in the Annual Progress Report 2015, p. 24). The Petroleum Law requires publication of revenues received by the government, however, with regards to contract disclosure, certain contracts have confidentiality clauses which prohibits their publication (see more details under #2.4).

No companies operating in the JDZ participated in the 2014 Report as no payments had been made. Company disclosure on payments related to the JDZ was not comprehensive in the 2003-2013 Report. This was largely because many of the companies had abandoned the zone several years earlier. Total was represented on the STP-EITI MSG and the sub-committee with Nigeria EITI when STP became a candidate country in 2012. In early 2014, Oranto was invited to replace Total on the MSG following Total’s decision to retreat from the JDZ.\(^\text{11}\) Oranto is active in the EEZ, not in the JDZ. Companies operating in the JDZ tend to be based in Nigeria, which may complicate future reporting efforts.

Stakeholder views

Representatives of all three companies present in STP were consulted. Stakeholders from the oil industry highlighted the importance of transparency and their commitment to the EITI process. EITI was considered to benefit the country and contribute to a stable business environment, and EITI reporting was considered to help create a level playing field for companies. Transparency and the dissemination of information about the

\(^{11}\) Minutes of the MSG meeting on 30 January 2014.
oil sector were considered positive for managing expectations, and participation in EITI reporting was considered beneficial for reputational reasons. A company representative referred to STP-EITI as functioning as an “open window” to the oil sector for the public.

One company representative suggested that EITI should do more with regards to dissemination to increase public awareness about how the sector works to help manage expectations regarding the contribution of the sector. The potential to provide more transparency and awareness among the population with regards to what happens between the government and companies was highlighted, with the expectation that this could increase trust between stakeholders and the public.

The stakeholder consultations indicate that there is limited consultation within the constituency on matters related to the EITI, but all company representatives stated that they could approach the industry MSG member if they had concerns or questions. Engaging other companies is of importance especially because all companies are in exploration phase and unpromising results (or more attractive exploration opportunities) could lead them to abandon the EEZ. More broad-based representation would help ensure continuity in such cases. Company representatives suggested that, to enable companies to better prepare for the reporting process, they should be involved from the beginning and be informed well ahead of requests for information. Representatives on the MSG noted that as part of the review of the MSG’s TORs, company membership will be extended. The national secretariat is in the process of notifying the companies operating in the sector about the intent of extended company representation. One of the companies that was notified during the stakeholder consultations expressed interest in participating in the process beyond reporting and possibly as a member of the MSG.

Initial assessment

The International Secretariat’s initial assessment is that STP has made satisfactory progress in meeting this requirement. There does not appear to be any legal barriers to company disclosure, and stakeholders have not expressed concerns about companies being unable to report to, or engage with, the MSG, and the companies with presence in the country are actively and effectively engaged in the EITI process. The MSG is working on extending company representation as part of the review of their TORs.

Civil society engagement (# 1.3)

The Secretariat identified no political barriers to civil society participation, but low capacity and lack of resources are a challenge for effective civil society participation. There is no evidence suggesting that civil society representatives are not able to discuss the EITI publically or within the EITI, and no indication that fear of reprisal would have led to self-censorship or affected how civil society disseminated EITI-related information. There is no evidence to suggest that legal or administrative barriers have prevented the full participation of civil society or communication between civil society MSG members and the wider constituency. The participation of civil society in the implementation of EITI and absence of legal, administrative or political obstacles for civil society participation is highlighted in the Annual Progress Report 2015 (p. 23). The 2015 Freedom in the World assessment of STP notes that “freedom of expression is guaranteed and respected” and “NGOs are free to operate, but the effectiveness of domestic organizations is limited by lack of funding”. The overall status of STP is assessed as ‘free’.12

The three civil society members on the MSG regularly participate in MSG meetings, and all interviewed stakeholders indicated that MSG members were able to express their views freely. Civil society has taken

part in all outreach activities as a partner, including outreach events around the country and workshops for stakeholders, including parliamentarians. There is no indication that civil society would not be able to freely advocate on issues related to natural resource governance. Civil society representatives on the MSG also appear to be engaged with the design and implementation of EITI processes. For instance, one of the civil society representatives (Association of Female Lawyers) has been leading in the ongoing process of reviewing/redrafting the Terms of reference for the MSG.\textsuperscript{13}

However, civil society’s contribution to defining the objectives for the EITI and engagement with the wider constituency appears to be low. The Secretariat’s assessment is that this largely due to low capacity and understanding about the potential of the EITI and the role of the work plan, rather than coercion or dismissal. The Annual Progress Report 2015 points to the need for continued capacity building efforts for civil society organisations to strengthen their participation in the EITI process (p. 24). It also points to the absence of CSOs specifically dedicated to transparency issues as a weakness of EITI implementation in STP, as this would have strengthened MSG discussions (p. 33). Civil society organisations do not have funds contributed specifically for EITI activities and it seems that information from EITI reports is not made use of in advocacy and outreach activities related to good governance more generally. The European Union is supporting a network of NGOs that focuses on transparency and good governance, especially in government expenditure, however, the engagement of this network on EITI issues is limited.

Considering the small population of STP and the size of the extractive sector, there is potential for civil society to establish a stronger link between the EITI and their other activities to promote transparency and accountability. There is a civil society organisation (CSO) network on transparency and accountability, whose activities are mainly funded by the European Union. This network could potentially be used to involve more civil society actors in the EITI. The EITI Reports contain revenue management information that goes beyond the EITI Requirements, and the MSG could become a platform for dialogue on budget transparency beyond extractive revenue. The case for a wider, multi-sectorial MSG becomes stronger if the fisheries sector is included in EITI reporting, as is currently under consideration. With funding that could be used for EITI-related activities, civil society could play a more active role in monitoring the execution of social projects, a challenge identified by the EITI Reports. In addition to financial resources, contact with international civil society could contribute to a deepened understanding of how to analyse EITI data and use it for advocacy.

Stakeholder views

Civil society representatives on the MSG did not express any concerns about their ability to discuss the EITI publically or within the EITI, and expressed that they were satisfied with the platform the MSG provides to engage with government and company representatives. Both civil society actors and the National Petroleum Agency (ANP) stated that due to the EITI, there was now closer collaboration between ANP and civil society, and that ANP had helped civil society build knowledge on the oil sector.

Consultation with stakeholders suggested that many members of civil society considered there to be great value in making information on the petroleum sector available through EITI reporting, while it was less clear how much CSOs actually use the data from the reports. Civil society actors both on the MSG and beyond echoed the need for further training and knowledge-building, noting the lack of capacity on the petroleum sector within civil society and the expectation that the EITI would improve this. One civil society

\textsuperscript{13} Minutes of MSG meeting on 29 April 2016
representative highlighted that civil society participation had ensured that the information published is considered more credible by the public.

A civil society representative not on the MSG noted that EITI could do more to communicate the environmental consequences of exploration.

Initial assessment

The International Secretariat’s initial assessment is that STP has made satisfactory progress in meeting this requirement.

MSG governance and functioning (#1.4)

Documentation of progress

**NSC composition and membership**

The MSG consists of nine members and a chair. The following three government agencies are represented: The National Petroleum Agency, the Treasury and the Autonomous Region of Principe. Civil society is represented by the Federation of NGOs (FONG), the Association of Female Lawyers and Webeto, an NGO working on transparency. The oil industry is represented by Oranto. The MSG also has a representative from the media and the Chamber of Commerce. The group is chaired by the Minister of Finance and Public Administration.

**Companies:** Industry was originally represented by Total, but was replaced by Oranto after Total left the JDZ in 2013. This was following an invitation from the Ministry of Finance to the companies operating in the country to be represented on the MSG, which was accepted by Oranto.

**Civil society:** Ahead of the re-application for candidature in 2012, the government invited FONG, a civil society umbrella organisation to organise a meeting for electing civil society representatives for the MSG. According to civil society MSG members, the invitation was directed to organisations that were working on related topics. The organisations present at the meeting elected the representatives they considered most suitable for the MSG. The interviewed stakeholders reported no interference by the government in the selection process. The organisations selected in 2012 continue to represent civil society on the MSG, although two of the members participating from these CSOs have changed. FONG was invited to join the MSG after the approval of STP’s candidature application following the EITI Board’s request to strengthen civil society representation. There does not appear to be any mechanisms for civil society members to consult with the wider constituency.

**Terms of reference (TORs)**

The MSG TOR were approved in April 2012, ahead of EITI candidature. The TORs outline the roles and responsibilities of the MSG, but do not make direct reference to approval of EITI Reports and annual activity reports, which is likely to be due to the fact that the TORs were written before the EITI Standard was adopted (1.4.g.iv). There is a reference to presenting regular activity reports. The TORs mentions as the principle function of the MSG elaborating the EITI work plan and monitoring its execution. The MSG is also mandated to monitor activities by the JDZ sub-committee. Setting the scope of EITI reporting, approving the Independent Administrator’s TORs and contracting the Independent Administrator are mentioned as the MSG’s responsibilities (§4) (1.4.g.iv-v).

The TORs include internal governance rules and procedures (1.4.g.viii). The MSG meets every two months or more often if needed. Meetings should be called and the agenda shared at least a week in advance.
Validation of São Tomé and Principe: Report on initial data collection and stakeholder consultation

(1.4.g.vii). Decisions are taken by consensus, or if not possible, by absolute majority. Minutes are to be approved in the following meeting and published on the STP-EITI website (1.4.g.viii). MSG members have the right to express their opinions in a free and independent manner (§7). According to the TOR, the duration of the mandate of MSG members is 2 years, and renewable for another 2 years (§3). Membership will be considered as terminated if there are three unjustified consecutive absences or absence from more than 50% of the meeting held in one year. There is no reference to a process for nominating or changing group members, except that resigning members should notify the Chair (§3). In practice, organisations whose representatives have changed have notified the MSG by a letter.

Developing a communications strategy and contracting an expert to help the MSG implement the strategy and disseminate the results of EITI reports is included in the MSGs tasks (§4) (1.4.g.ii). This was done in August 2015. The TORs do not address the MSG’s capacity to carry out their duties (1.4.g.i). There are clear gaps in especially civil society’s capacity to fully participate in the MSG’s work. This is mainly due to the lack of financial resources. Civil society and industry have however participated in the outreach activities organised by the MSG and the national secretariat and funded by the World Bank and AfDB.

The TORs has gaps concerning liaison with constituencies and nominating and changing MSG members. There is no reference in the MSG TORs to members’ responsibility to liaise with their constituencies (1.4.g.iii), and there appears to be limited consultation with wider stakeholders during the EITI reporting cycle. Significant concerns relate to the rules and procedures set out in the TORs not being followed. The MSG met only six times between April 2012, when the first MSG meeting took place, and April 2014. If the provisions of the TORs had been followed, twice as many meetings would have been held. This may have contributed to the delays experienced in the preparation of the first EITI report and the lack of engagement of MSG members in the reporting process. MSG meetings have however become more frequent, and in 2015 the MSG met six times and held two extraordinary meetings, while in 2016 four meetings had been held by the time of the initial assessment mission in September 2016.

The requirement for keeping written records of the MSG’s discussions and decisions has at times been overlooked (1.4.g.viii). Minutes were not made available for meetings after May 2014. Minutes of the remaining meetings record discussions but do not clearly document the MSG’s decisions. There is has therefore been limited timely documentation on the MSG’s approval of the TOR for EITI Reports, the appointment of the Independent Administrator, the work plan and the annual activity report. Minutes for meetings held in 2015 are included in the 2015 Annual Progress report (p. 4-8), while separate minutes for meetings held in 2016 were provided by the national secretariat for the initial assessment. Despite the MSG ToR including a provision on the publication of minutes, only the minutes from the first MSG meeting are available on the website of the Ministry of Finance.

There does not appear to be any policy on providing per diems for MSG members. The possibility of financially compensating MSG members for their daily participation in the MSG working groups was discussed at a meeting on 12 February 2015, and is part of the ongoing discussions related to renewing the TORs for the MSG.

The Annual Progress Report 2015 highlights the review of the TORs for the MSG and the improvement of the internal rules and procedures for STP-EITI as key to improve impact (APR, p. 24).

Stakeholder views

According to testimonies from stakeholders from government, industry and civil society, MSG engagement has improved in the past year. Meetings have been more regular and there have been more activities,
especially related to outreach. Interviewed stakeholders were satisfied with the functioning of the MSG. Interviewed stakeholders from all sectors identified the need to broaden company representation on the MSG and to strengthen communication among the company constituency. Otherwise, stakeholders were content with the current structure of the MSG and the representation of each sector.

Civil society members indicated that the wider constituency was only engaged following the publication of EITI Reports, and work plans and annual activity reports were only discussed within the MSG. According to civil society representatives, there are no CSOs in STP receiving funding specifically for EITI or extractive industries related activities.

Initial assessment

The International Secretariat’s assessment is that sub-requirements 1.4.a-e are met. It is recommended that the MSG continues to seek to engage with actors in the JDZ and address the obstacles that potential non-compliance by these actors could raise.

The International Secretariat’s assessment is that STP has made meaningful progress in meeting sub-requrement 1.4.f-g. There has been progress since the pilot validation in December 2015 identified these issues and a review of the TORs has commenced. It is recommended that the MSG proceeds with the revision of its TORs, and in this process reconsiders the number of participants from each constituency, addresses the requirement that MSG members liaise with their constituencies and any capacity constraints MSG members face in fulfilling their responsibilities. The MSG should ensure that written records are kept of its discussions and decisions and that the TORs are followed.

Work plan (#1.5)

Documentation of progress

The 2016 work plan was approved over email with no-objection in April 2016. The previous 2014-15 work plan was updated for 2015 and approved by the MSG in March 2015.14

Publicly accessible work plan

Previous work plans have been published on the website of the Ministry of Finance, although the 2016 work plan does not seem to be available online. The draft 2016 work plan was discussed at the MSG meetings held on 29 March 201615. The issues discussed at these meetings which caused the delays in approving the work plan were related to the costings of the activities.

Objectives for implementation

The overarching objectives of the work plan are to enable transparency in oil and fisheries sector and to create a friendly business climate, while the work plan includes more specific objectives related to monitoring revenues from the sector including (i) the implementation of social projects, (ii) improving inter-agency collaboration and dialogue with ANP and supporting their projects, (iii) increasing cooperation with the JDA and contributing to improved management of the JDZ, and (iv) to raise public awareness on petroleum resource management. Compared to the 2015 work plan, which according to the International Secretariat’s assessment did not appear to be a tool for agreeing the national objectives for EITI

14 Minutes of the MSG meeting on 12 March 2015, as outlined in the Annual Progress Report 2015 (p. 4).

15 Minutes of the MSG meeting, 29 March 2016.
implementation, the objectives for the 2016 objectives seem to be more in line with EITI Principles and national priorities for the petroleum sector. There are clear links between the work plan objectives and findings from EITI Reports, for instance related to monitoring of social payments and gaps in JDZ reporting.

**Measurable and time-bound activities**

Activities are time-bound and measurable, although not clearly linked to the objectives. The work plan starts with listing some high-level objectives, while in the table outlining the actual planned activities that follows, the objectives included are more limited. For example, the list includes the “monitoring of social payments and implementation of projects”, while the activities do not adequately reflect this objective (although it is implicitly linked to the production of the next report which will include reporting on these payments). Similarly, there are some activities that are not linked to any of the objectives (or at least the link is not explained); The example of the activities related to the objective of disclosing beneficial owners (developing the beneficial ownership roadmap) is not derived from the list of the key objectives. Compared to the 2015 work plan, there appears to have been made an effort to broaden the objectives and to build on the findings of the first EITI reports. However, more can be done to ensure that there is a clear link between the objectives and activities of the work plan, in particular the link between reporting activities and the broader objectives, to ensure that it adequately reflect the priorities of the constituencies for EITI implementation and can guide the MSG and national secretariat in their daily work.

**Activities aimed at addressing any capacity constraints**

The objective and related activities outlined in the work plan are aimed specifically at strengthening the capacity of the MSG and the national secretariat. These include expanding secretariat staff to include more staff with policy and financial expertise, as well as supportive and administrative staff. It also includes workshops for civil society/media, government and company representatives as well as short courses on relevant topics. Activities more implicitly related to capacity building such as participation in EITI International Board meetings and exchanges with other implementing countries are also planned.

**Activities related to the scope of EITI reporting**

The work plan includes activities related to the scope of EITI reporting, such as the expansion of EITI to the fisheries sector and a scoping study as part of the production of the 2015 EITI Report.

**Activities aimed at addressing any legal or regulatory obstacles identified**

With regards to legal and regulatory barriers, the work plan outlines as an objective to ensuring that the JDA complies with the Abuja Declaration commitments on transparency, with activities such as reactivating the JDZ sub-committee with Nigeria and convene a meeting with the JDA. There seem to have been no regulatory barriers for disclosure by government agencies.

**Plans for implementing the recommendations from Validation and EITI reporting**

The work plan does not include any general activities related to follow-up on report recommendations. However, many of the objectives and activities reflect, seem to derive from and build on report findings and recommendations. For instance, the monitoring of JDA’s compliance with the Abuja Declaration, monitoring of social payments and social project implementation were recommended in the 2014 report, while the need for a review of the MSGs TORs and improved capacity building of the national secretariat were highlighted in the pilot Validation in 2015.

**Costings and funding sources**
The work plan is almost fully costed: activities such as the development of the beneficial ownership roadmap and the annual progress report were not costed. These documents have so far been prepared by the national secretariat. The total cost of the work plan is EUR 337,830, of which 84% is covered by AfDB while about 9% is funded by the Government of Timor-Leste through a Memorandum of Understanding between the two governments. The remaining 6% is covered by the Government of STP, and a footnote explains that this is almost half of the total contribution by the government towards EITI implementation in the country (the total government funding was about EUR 45,000 in 2015).

The work plan includes a timetable for completion for each activity.

While the MSG minutes suggest that MSG members have discussed the work plan and provided detailed input to the document, there does not appear to have been any consultations with wider stakeholders on the content of the work plan.

Stakeholder views

Representatives on the MSG explained that the national secretariat had drafted the work plan and that it had been analysed by MSG members, with significant input from CSO members. One civil society representative on the MSG commented that they were content with their contribution to the work plan and that this was constantly improving.

Initial assessment

The International Secretariat’s initial assessment is that STP has made meaningful progress towards meeting this requirement.

The current work plan does not seem to have been made publically available, and there have been delays in agreeing the work plans covering the last couple of years. While there has been a documented effort to make clearer links between the work plan objectives and the government’s priorities for the extractive sector, the links between these objectives and the planned activities could be made stronger. The MSG is encouraged to consult with wider stakeholders in agreeing the scope of objectives and activities in the work plan.

Table 1 - Summary assessment table: MSG oversight

<table>
<thead>
<tr>
<th>EITI provisions</th>
<th>Summary of main findings</th>
<th>International Secretariat’s initial assessment of progress with the EITI provisions (to be completed for ‘required’ provisions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government oversight of the EITI process (#1.1-1.2)</td>
<td>The government is fully committed to the EITI under the lead of the Minister of Finance.</td>
<td>Satisfactory progress</td>
</tr>
<tr>
<td>Company engagement (#1.2)</td>
<td>Industry representative engaged and there are no political barriers to their participation. Further engagement with companies operating in the JDZ is</td>
<td>Satisfactory progress</td>
</tr>
<tr>
<td>Civil society engagement (#1.3)</td>
<td>Both civil society and there are no legal or practical barriers to their participation. Financial resources would facilitate deeper and wider civil society engagement.</td>
<td>Satisfactory progress</td>
</tr>
<tr>
<td>----------------------------------</td>
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<td>----------------------</td>
</tr>
<tr>
<td>MSG governance and functioning (#1.4)</td>
<td>Stakeholders are content with the structure and functioning of the MSG, although the need for stronger industry representation was identified by all. The MSG ToR are outdated and not fully followed. The MSG needs to improve record-keeping of its decisions and liaison with wider constituencies. The completion of the new ToRs for the MSG is recommended. Capacity constraints should be addressed.</td>
<td>Meaningful progress</td>
</tr>
<tr>
<td>Work plan (#1.5)</td>
<td>The 2016 work plan does not seem to have been made publically available, and there have been consecutive delays in agreeing the last work plans. While the links between the work plan objectives and the government’s priorities for the extractive sector have been made clearer, the connection between the objectives and the planned activities could be more explicit.</td>
<td>Meaningful progress</td>
</tr>
</tbody>
</table>

International Secretariat’s recommendations:
1. The MSG should continue its revision of the TORs for the MSG and continue improving record-keeping of MSG decisions.
2. The MSG may also consider involving CSOs that work on issues related to public accountability and budget monitoring in the EITI process.
3. The MSG should make efforts to ensure that members have the capacity to liaise with their constituencies.

Part II – EITI Disclosures

2. Award of contracts and licenses

2.1 Overview

This section provides details on the implementation of the EITI requirements related to the legal framework for the extractive sector, licensing activities, contracts, beneficial ownership and state-participation.

2.2 Assessment

Legal framework (#2.1)

Documentation of progress

An overview of the legal framework is provided (pages 10 and 33-35), and full legislation is attached as an annex to the Report (Annex II). The model Production Sharing Agreement in the EEZ and JDA, including the fiscal regimes, are compared (p. 41-46). There is no indication that payments are collected by entities other than the JDA (JDZ) and the central government of STP (EEZ). The roles of the government agencies involved
in the management of the sector are described on page 50, with the role of the ANP explained in more detail
on pages 33-34. There are reforms underway in both the EEZ and JDZ as described on pages 31, 39 & 40. The
report makes recommendations for the review of the strategy and framework for both zones (p. 84). The
ANP website also provides an overview and links to documents of the laws relevant for the sector, including
the model Production Sharing Agreement.\footnote{http://www.anp-stp.gov.st/index.php/pt/legislacao/leis}

Stakeholder views

Stakeholders voiced no particular views on the information disclosed.

Initial assessment

The International Secretariat’s initial assessment is that STP has made satisfactory progress in meeting this
requirement. The EITI Report contains an overview of the legal framework and fiscal regime governing the
extractive sector. The International Secretariat is not aware of any key laws or relevant information that is
missing from the overview.

License allocations (#2.2)

Documentation of progress

The 2014 EITI Report provides a summary of the license allocation process for oil contracts (p.11 and 35). A
bidding round was launched in 2014 but not completed before the end of the year. The four companies that
expressed interest are listed and it is noted that Government of STP was in the process of negotiating a PSA
with Galp (p.30). The first EEZ license auction in 2010 is described on pp. 11-12 and 25, with links to detailed

In 2014, three transactions related to licenses took place (as outlined on pages 54-55 of the Report):

1. ERHC, a company which in 2001 acquired preferential rights to two blocks, signed a PSA with GoSTP.
   This was not technically a license allocation as the company exercised a right it has acquired
   previously.

2. Sinoangol transferred a 30% share of block 2 of the EEZ to Sonangol. Sinoangol is a joint enterprise
   of Sonangol and Sinopec. The report notes that USD 100,000 was paid to the National Oil Account as
   transfer fee. The transfer process is not otherwise described.

3. Stapet acquired a prospecting authorisation. The content of the license and the process for awarding

\footnote{http://www.anp-stp.gov.st/index.php/pt/legislacao/leis}
it are described on p.31, although the criteria are not detailed.

The report does not refer to any licenses allocated in the JDZ in 2014. The report documents changes in the ownership of block 1 that occurred in 2015 and projects signature bonus revenue related to this (p.39). The JDA did not provide comprehensive license allocation information for the 2003-2013 report as the list of applicants for the bid rounds was not included. There were no licenses allocated in 2014, but comprehensive information still has not been disclosed on earlier rounds (for instance, there is public evidence that Total relinquished their OPL 221 to the JDA in November 2013\(^2\)). The report does not indicate any deviations from the legal and regulatory framework in the allocation or transfer of licenses, and the procedure for transferring licenses is not described.

The report recommends that public information on licensing and registration of licenses is made more consistent and comprehensive (p. 88). The report also notes under the ‘10 main messages’ (p.7) of the report that “the license granting process in São Tomé and Príncipe is transparent and well structured; however, it requires improvement in terms of information disclosure in official sites”.

Stakeholder views

MSG members from all constituencies expressed frustration that it was not possible to obtain all the relevant licensing data from the JDA.

With regards to transfer of licenses, a government representative explained that the license transfers are reported by the companies and approved by ANP. Several stakeholders indicated that the transfer between Sinoangol and Sonangol might be liable to capital gains tax but that there was no evidence that this had been paid. It was noted that the government would audit the companies involved to ensure that any liable tax would be collected. Limited public information about the transfer as well as the process for transferring means that it is difficult for the public to assess this.

Initial assessment

The International Secretariat’s initial assessment is that STP has made meaningful progress with regards to this provision. For the 2014 Report, the coverage of the award of licenses in the EEZ appears adequate, although there is limited information about the process for transferring licenses. There was no reporting from companies in the JDZ. While there do not appear to have been any license awarded in 2014, the lack of information in previous years is problematic.

The legal or practical barriers preventing comprehensive disclosure (as required by 2.3) are that the government of STP cannot compel the JDA to participate fully in the reporting process. By approving the request for adapted implementation by STP in late 2015, the EITI International Board acknowledged the exceptional circumstances related to reporting on the JDZ, and approved the request with respect to reconciliation of revenues and disclosure of contextual information from the zone. The request was accepted concerning the 2015 and 2016 EITI Reports and would not apply to the assessment of the 2014 report.

If the assessment focuses solely on the 2014 report and takes these legal or practical barriers into account, it

is possible to consider that satisfactory progress has been made in meeting this requirement, with the only information gap being related to the process for transferring licenses. However, this arguably contradicts the spirit of the provision given that comprehensive information on JDZ licenses has never been made public (to our knowledge anywhere).

**License registers (#2.3)**

**Documentation of progress**

The report includes the following information about licenses in the EEZ for all reporting companies: area, type of license, type of award process, signature date, date of becoming effective, duration, initial and current shareholders, and operator (p.27-29). The information does not include dates of application. There is a map of the blocks on page 29. Coordinates for active EEZ blocks are available in the annexes of the PSAs, which are publicly available (p. 26). The table on p. 29 indicates that Stapet’s license is a Production Sharing Contract, although information elsewhere (p. 31) indicates otherwise. This should be checked but it is probably an error in the table.

It is unclear from the EITI Report whether the companies mentioned on page 64 (AFEX Global, O.G. Engineering, Overt Energy) currently hold licenses in the EEZ. The license table appears to include information for all EEZ blocks, but does not mention these companies. Further consultation with stakeholders indicate that these companies do not hold licenses in the EEZ, but were included as they had participated (unsuccessfully) in the bidding process and has paid some (small) fees to do so.

The report includes the following information about JDZ blocks: the area, initial consortium members, consortium members as of 31/12/2013, actual consortium members as in June 2015, the operator and the end dates of the contracts (p. 38). The date of application, date of award and coordinates are not included.

No companies operating in the JDZ are among the reporting companies. License information was not comprehensive in the 2003-13 JDZ report, which included companies operating in the JDZ and disclosed names of license holders and blocks. Efforts to obtain more comprehensive license information from JDA are documented on p. 38.

**Stakeholder views**

A representative from ANP explained that there had been ongoing discussions within the agency on whether to disclose license data on ANP’s website.

MSG members from all constituencies expressed frustration that it was not possible to obtain all the relevant licensing data from the JDA.

**Initial assessment**

The requirement refers to “timely and comprehensive information regarding each of the licenses pertaining to companies covered in the EITI Report”. For the 2014 Report, there was no reporting from companies in the JDZ and it thus would have been possible to consider that satisfactory progress has been made. However, this arguably contradicts the spirit of the provision. If the gaps in 2003-13 report are taken into account, there has been meaningful progress, as comprehensive information on JDZ licenses has never been made public (to our knowledge). The data on licenses in the EEZ does not include the date of application. The International Secretariat’s initial assessment is that meaningful progress has been made in meeting this requirement.
Contract disclosures (#2.4)

Documentation of progress

The report cites the legal provision for contract transparency (p. 36). Law 16/2009 stipulates that all contracts related to petroleum operations are to be published in the GRIP within ten days of being signed. This applies only to EEZ contracts. All EEZ contracts were made available to the Independent Administrator at GRIP. Accessing contracts at the GRIP office requires prior registration. The contracts for block 3 (Oranto) and block 11 (ERHC) are also available online. Links are provided in the EITI Report (p. 36). There is no reference to whether the available documents constitute the full text of the contract.

The report documents the policy and practice for disclosure of JDZ contracts (p. 40). In practice, these contracts are not publicly available. GRIP has not been able to access them despite a formal request. The report quotes the Abuja Joint Declaration, which however requires contract transparency in the JDZ. The report thus documents a discrepancy between contract transparency policy and practice in the JDZ.

Stakeholder views

One company representative noted that contracts might be commercially sensitive in some cases, while other company representatives argued that elements of the contract should be redacted as they contained commercially confidential information. Some government representatives explained that the disclosure of contracts had in one case been used against them during contract negotiations, as the negotiating company had brought together all the favourable aspects of the deals made and used this to weaken the government position. Another government representative explained that some contracts or parts of these were not published due to confidentiality clauses and the desire of parties involved to keep certain parts confidential.

Civil society representatives consulted did not express any views related to contract transparency in STP, and one representative stated that they were satisfied with the government’s effort to make parts of the contracts public.

Initial assessment

The International Secretariat’s initial assessment is that STP has made satisfactory progress in meeting this requirement. The MSG should ensure that forthcoming EITI Reports comment on the actual practice of contract disclosure and whether full contracts are made available by GRIP. Although not a requirement, the MSG may wish to consider that the EITI reporting monitors and continues to comment on the discrepancy between the policy and practice, as practiced in some other implementing countries.

Beneficial ownership disclosure (#2.5)

Documentation of progress

The MSG has initiated discussions related to disclosure of beneficial owners of companies operating in both the JDZ and EEZ, and is considering to request beneficial ownership information in forthcoming EITI Reports (Annual Progress Report 2015, p. 26). The 2016 work plan includes the objective to disclose beneficial ownership and the corresponding activity to produce a beneficial ownership roadmap by the end of the year. There are no requirements related to disclosing beneficial ownership in STP at present, but the MSG is discussing how to request and disclosed beneficial ownership information as required by provision 2.5 while developing their roadmap, to be agreed and published by 1 January 2017.

Stakeholder views
Civil society stakeholders had mixed views on the matter of beneficial ownership disclosure; Several civil society stakeholders commented that issues regarding beneficial ownership of the companies operating in the EEZ and JDZ was a matter of considerable public interest, and welcomed further information and discussion on this issue. Other civil society representatives were of the opinion that this was not a matter on the agenda of civil society in STP and that there was limited awareness of the issue even within key CSOs.

A company representative noted that beneficial ownership disclosure was not likely to be problematic for them as some of their ownership information was already public, although the complicated ownership structure of some of the corporations might be a challenge. It was also added that for some other companies, the information might be sensitive.

Initial assessment

Implementing countries are not yet required to address beneficial ownership. In preparation for enforcement of Requirement 2.5 of the 2016 EITI Standard, the MSG may wish to consider clarifying government policy on BO disclosure, actual disclosure practices and any planned or ongoing reforms and describe this in forthcoming EITI Reports. The MSG will also need to agree STP’s three-year beneficial ownership roadmap by 1 January 2017.

State-participation (#2.6)

Documentation of progress

In PSAs, the state is attributed a holding of 10-15% in EEZ blocks (EITI Report, p.11). This participation is detailed block-by block in table 10.1 (pages 27-28). The holdings are monitored by the ANP. The terms of state participation are set out on page 43. Until production, the company covers all costs. Accordingly, to date, state participation has not led to any revenues or costs.

Stakeholder views

Stakeholders voiced no particular views on the information disclosed.

Initial assessment

The International Secretariat’s initial assessment is that STP has made satisfactory progress in meeting this requirement.

Table 2 - Summary assessment table: Award of contracts and licenses

<table>
<thead>
<tr>
<th>EITI provisions</th>
<th>Summary of main findings</th>
<th>International Secretariat’s initial assessment of progress with the EITI provisions (to be completed for ‘required’ provisions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legal framework (#2.1)</td>
<td>There is comprehensive disclosure of the relevant laws, regulations and fiscal regime.</td>
<td>Satisfactory progress</td>
</tr>
</tbody>
</table>
Validation of São Tomé and Principe: Report on initial data collection and stakeholder consultation

| License allocations (#2.2)                                                                 | The requirement refers to “timely and comprehensive information regarding each of the licenses pertaining to companies covered in the EITI Report”. For the 2014 Report, the coverage of the award and transfer of licenses in the EEZ appears adequate covered, although there is limited information about the process for transferring licenses. There was no reporting from companies in the JDZ. While there do not appear to have been any license awarded in 2014, the lack of information in previous years is problematic. | Meaningful progress |
| License registers (#2.3)                                                                   | If Validation focuses on the 2014 report and takes the legal or practical barriers into account, it is possible to consider that satisfactory progress has been made. However, this arguably contradicts the spirit of the provision. If the gaps in 2003-13 report are taken into account, the initial assessment is that STP has made meaningful progress, as comprehensive information on JDZ licenses has never been made public (to our knowledge anywhere). | Meaningful progress |
| Contract disclosures (#2.4)                                                                | There is comprehensive contract disclosure for the EEZ, but not in the JDZ contrary to the agreed policy. | Satisfactory progress |
| Beneficial ownership disclosure (#2.5)                                                     | The MSG has initiated discussions about how to request and disclosed beneficial ownership information as required by provision 2.5 while developing their roadmap, to be agreed and published by 1 January 2017. | |
| State-participation (#2.6.)                                                                | The terms of state participation are clearly set out. Until production, the companies cover all costs. Accordingly, to date, state participation has not led to any revenues or costs. | Satisfactory progress |

International Secretariat’s recommendations:

1. That the MSG continues to attempt to include comprehensive information on licensing from the JDZ in EITI reporting, and that future EITI reporting includes a description of the transfer of licenses in the EEZ.
2. That the MSG ensures that forthcoming EITI Reports comment on the actual practice of contract disclosure and whether full contracts are made available by GRIP. Although not a requirement, the MSG may wish to consider that the EITI reporting monitors and continues to comment on the discrepancy between the policy and practice, as practiced in some other implementing countries.
3. That the MSG considers clarifying the government policy on BO disclosure, actual disclosure practices and any planned or ongoing reforms and describe this in forthcoming EITI Reports.

3. Monitoring and production

3.1 Overview

This section provides details on the implementation of the EITI requirements related to exploration, production and exports.
3.2 Assessment

The overview of the extractive sector, including exploration activities (#3.1)

Documentation of progress
An overview of the sector is provided on pages 24 and 30-31 of the 2014 EITI Report. EEZ activities are described on page 30. An overview of the JDZ is provided on pages 37-39. The JDA did not provide all requested information about exploration activities in the JDZ (p. 38). According to the APR 2015, the MSG is considering how to address this challenge in future reports (p. 26).

The report is timely and forward-looking in documenting on-going and planned activities in the EEZ (p. 30) and JDZ (p. 39) also in 2015.

Stakeholder views
MSG members from all constituencies expressed frustration that it was not possible to obtain all the relevant licensing data from the JDA.

Initial assessment
The International Secretariat’s initial assessment is that STP has made satisfactory progress in meeting this requirement.

Production data (#3.2)

Documentation of progress
There is no production in the EEZ and JDZ.

Stakeholder views
Not applicable.

Initial assessment
The International Secretariat’s initial assessment is that this requirement is not applicable to STP.

Export data (#3.3)

Documentation of progress
There being no production, there are no exports from the EEZ or JDZ.

Stakeholder views
Not applicable.

Initial assessment
The International Secretariat’s initial assessment is that this requirement is not applicable to STP.

Table 3 - Summary assessment table: Monitoring and production

<table>
<thead>
<tr>
<th>EITI provisions</th>
<th>Summary of main findings</th>
<th>International Secretariat’s initial assessment of progress with the EITI provisions (to be completed for ‘required’)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overview of the extractive sector, including exploration activities (#3.1)</td>
<td>The overview of the extractive sector is sufficiently comprehensive, although additional information from the JDA regarding the JDZ is desirable.</td>
<td>Satisfactory progress</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Production data (#3.2)</td>
<td>There is no production in the EEZ or JDZ.</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Export data (#3.3)</td>
<td>There is no production in the EEZ or JDZ.</td>
<td>Not applicable</td>
</tr>
</tbody>
</table>

International Secretariat’s recommendations:
1. While securing the full engagement of the JDA is problematic and outside the control of the government and MSG, ongoing efforts to engage the JDA are recommended to ensure that the EITI Report provides a comprehensive overview of the oil sector in São Tomé and Príncipe.

4. **Revenue collection**

4.1 **Overview**

This section provides details on the implementation of the EITI requirements related to revenue transparency, including the comprehensiveness, quality and level of detail disclosed. It also considers compliance with the EITI Requirements related to procedures for producing EITI Reports.

4.2 **Assessment**

**Comprehensiveness (#4.1)**

Documentation of progress

The MSG contracted one Independent Administrator to produce the 2012 and 2013 EITI Reports under the same contract. There are only minor differences in scope and results of these two reports.

**Materiality and revenue streams**

There is a clear definition of materiality and thresholds for company and government reporting. Revenue flows are mapped out on p. 51-52. Not all revenue streams listed in Requirement 4.1 are applicable or material, e.g. production entitlements. All payments were considered material as there were so few financial flows (p. 48), and all payments by companies (and receipts by government) are included. The rationale for establishing thresholds is clearly documented.

The MSG’s discussion on materiality does not appear to be documented in MSG meeting minutes, although the Annual Progress Report 2015 notes that this has been discussed.

**Reporting entities**

All the companies with material payments are listed in chapter 4 on reporting entities (p. 54-55). The four companies with material payments are listed and a brief description each of the five operating companies and their main activities is included. ERHC is included in Table 22 (p. 64) which shows payments by company, despite having made no material payments, to demonstrate comprehensiveness. The government agencies are listed in chapter 4 on reporting entities (p. 54-55). The section includes a brief description of their role in managing payments from the sector.
According to the report, all payments by companies (and receipts by government) from the EEZ are included in the report and there were no financial flows from the JDZ in 2014 (page 50).

There is no reason to believe that full disclosure has not been provided.

Stakeholder views

Stakeholders had no concerns about the comprehensiveness of the EITI Reports, despite from noting the gaps related to the JDZ. These concerns were more related to the licensing information rather than the revenue data.

Initial assessment

The International Secretariat’s initial assessment is that STP has made satisfactory progress in meeting this requirement.

In-kind revenues (#4.2)

Documentation of progress

There is no production and thus no in-kind revenue except for social projects, which are covered under requirement 4.1.e.

Stakeholder views

Not applicable.

Initial assessment

The International Secretariat’s initial assessment is that this requirement is not applicable to STP.

Infrastructure provisions and barter arrangements (#4.3)

Documentation of progress

Social projects including infrastructure construction mandated by the PSCs are covered under requirement 4.1.e.

Stakeholder views

Not applicable.

Initial assessment

The International Secretariat’s initial assessment is that this requirement is not applicable to STP.

Transport revenues (#4.4)

Documentation of progress

There is no indication that revenues from the transportation of commodities would constitute one of the largest revenue streams. This may change in the future as there are plans to build a deep-water port to service transportation of goods to and from oil-rich neighbouring states23.

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Stakeholder views
Not applicable.
Initial assessment
The International Secretariat’s initial assessment is that this requirement is currently not applicable to STP.

**Transactions between SOEs and government (#4.5)**

Documentation of progress
There is no extractive sector state-owned enterprise in STP.

Stakeholder views
Not applicable.
Initial assessment
The International Secretariat’s initial assessment is that this requirement is not applicable to STP.

**Subnational direct payments (#4.6)**

Documentation of progress
There is no indication that extractive companies make payments to government entities other than those covered in the 2014 Report.

Stakeholder views
A company representative stated that there were no provisions for making subnational direct payments related to extractive sector activities.

Initial assessment
The International Secretariat’s initial assessment is that this requirement is not applicable to STP.

**Level of disaggregation (#4.7)**

Documentation of progress
Revenue data is presented by individual company and revenue stream (p.62-64), and payments are also presented by individual government entity (Central Bank/National Petroleum Agency (ANP)) (p. 64).

The Annual Progress Report 2015 notes that given the limited number of reporting entities at this stage, more disaggregated data would not be necessary (p. 27).

Stakeholder views
Stakeholders did not express any particular views related to this requirement.

Initial assessment

**Data timeliness (#4.8)**

Documentation of progress
The 2014 EITI Report was published in October 2015, less than one year after the end of the financial year and well in advance of the deadline in accordance with provision 4.8.

Stakeholder views
Stakeholders did not express any particular views related to this provision.

Initial assessment
The International Secretariat’s initial assessment is that STP has made satisfactory progress in meeting this requirement.

Data quality (#4.9)

Documentation of progress
Terms of Reference (TORs) for the Independent Administrator and reporting templates
The TORs for the 2014 Report were approved at the MSG meeting on 12 March 2015. According to the Annual Progress Report 2015, both the TORs and the reporting templates were discussed in detail by the MSG members. The agreement between the MSG and the Independent Administrator on the reporting templates does not appear to be documented. The TORs are in line with the Standard TORs for EITI reports approved by the EITI Board.

Data assurances and assessment of data reliability
Review of audit and assurance systems and assessment of auditing practice: The 2014 EITI Report provides a brief assessment of the audit and assurance procedures in companies and government entities participating in the EITI reporting process (p. 80).

It notes that there is no requirement for companies to present audited financial statements, while the ANP has the right to audit operators in the EEZ (as provided for in clause 15.2 of the Production Sharing Contract - PSC). Companies which have entered PSCs with the state are required to keep records of their accounting, clause 15.1 of the PSC). No audits of the operators have as yet been carried by the NPA, and no Parent Companies of the oil industry companies in São Tomé and Príncipe have carried out any audits. The Independent Administrator notes that his is due to the immaterial level of the company operations in the country.

With respect to Government auditing, the report notes that while the Court of Auditors in São Tomé and Príncipe has the responsibility for ensuring the transparency of public accounts and the proper implementation of the goods and public funds, there Independent Administrator did not find any specific references to any audit to government entities involved Extractive Industry in São Tomé on the website of the Court of Auditors (p. 81).

Recommendations for improving auditing and assurance and follow up: The 2014 report recommends that “legislation should be prepared defining the mandatory annual review of the financial statements, this constituting an additional mechanism to enhance the reliability of the information on the sector, in this manner allowing for the increased quality and quantity of the financial information produced in respect of the extractive activities in São Tomé and Príncipe” (p. 88). The 2014 report comments on the

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24 MSG meeting minutes, 12 March 2015.
25 http://www.tcontas-st.com/
recommendations from the first EITI Report and reports on progress made in addressing these on p. 83.

Explanation of assurances to be provided by reporting entities to the Independent Administrator: The 2014 report includes the reporting templates (Appendix I), which include a request for attestation by the reporting entities. However, there is no information on how the Independent Administrator determined the assurances to be provided by reporting entities, and no record of MSG discussion on these issues.

Assessment of whether all companies and government entities within the agreed scope of the EITI reporting process provided the requested information: The 2014 report does not include a clear indication of whether all companies and government entities within the agreed scope of the EITI reporting process provided the requested information. There is no discussion of any gaps or weaknesses in reporting to the Independent Administrator, including naming any entities that failed to comply with the agreed procedures.

Opinion on the reliability of the data: The report states the following: “The implicit advisory function of the Independent Administrator does not constitute any form of audit, and the Independent Administrator is not responsible for confirming the accuracy of the reported values and the legal and contractual obligations of the extractive industry companies, Government and Governmental Agencies. The information presented in our report is the responsibility of the participating entities. The procedures performed by the Independent Administrator to gather numeric and non-numeric data, the reconciliation of the information received from the various entities, and the compilation of same in the form of a report does not constitute an audit or review made in accordance with International Standards on Auditing or International Standards on Review Engagements. Accordingly, we do not express any opinion on the payments/receipts disclosed. Neither the information presented in our report nor the information reported during the report preparation process will be subject to audit procedures. PwC does not accept any responsibility for the consequences arising from actions or other steps taken as a result of the contents of this report” (p. 4).

Without exceeding this mandate, Independent Administrators in other countries have seen fit to comment on the comprehensiveness and reliability of the data presented, including indicating whether there are any gaps in EITI Reporting.

Data sources and electronic files

A complete summary data template for the 2014 report in accordance with the standardised reporting format provided by the International Secretariat has been submitted electronically and been published by the International Secretariat.  

Stakeholder views

Stakeholders consulted made no comments on the issues highlighted above. There are no records from MSG meetings to indicate that these issues have been critically examined by the MSG.

A company representative noted that the ANP was for the first time auditing a company, Equator, due to a capital tax payment the company was not aware of related to a license transferred to Kosmos.

Initial assessment

The International Secretariat’s initial assessment is that STP has made meaningful progress in meeting this requirement. The EITI Report appears to be of high quality, but closer adherence to the EITI’s requirements is needed. The report does not include a clear indication of whether all companies and government entities within the agreed scope of the EITI reporting process provided the requested information. There is no

26 https://drive.google.com/open?id=0B361RU22DTPfdEFFa0d3RHA3c3c
discussion of any gaps or weaknesses in reporting to the Independent Administrator, including naming any entities that failed to comply with the agreed procedures.

_Table 4 - Summary assessment table: Revenue collection_

<table>
<thead>
<tr>
<th>EITI provisions</th>
<th>Summary of main findings</th>
<th>International Secretariat’s initial assessment of progress with the EITI provisions (to be completed for ‘required’ provisions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comprehensiveness (#4.1)</td>
<td>The EITI Report appears to be comprehensive, but closer adherence to the EITI’s requirements is needed. The report does not include a clear indication of whether all companies and government entities within the agreed scope of the EITI reporting process provided the requested information. There is no discussion of any gaps or weaknesses in reporting to the Independent Administrator, including naming any entities that failed to comply with the agreed procedures.</td>
<td>Satisfactory progress</td>
</tr>
</tbody>
</table>

In-kind revenues (#4.2) | Not applicable | Not applicable |
Infrastructure provisions and barter arrangements (#4.3) | Not applicable | Not applicable |
Transport revenues (#4.4) | Not applicable | Not applicable |
Transactions between SOEs and government (#4.5) | Not applicable | Satisfactory progress |
Subnational direct payments (#4.6) | Not applicable | Not applicable |
Level of disaggregation (#4.7) | | |
Data timeliness (#4.8) | The 2014 EITI Report was published in October 2015, well in advance of the deadline in accordance with EITI Requirement 2. | Satisfactory progress |
Data quality (#4.9) | See assessment of comprehensiveness | Meaningful progress |

International Secretariat’s recommendations:
1. That the 2015 EITI Report should be prepared with closer adherence to the EITI’s requirements related to data quality (4.9). The EITI requires a clear indication of whether all companies and government entities within the agreed scope of the EITI reporting process provided the requested information, and disclosure of any gaps or weaknesses in reporting to the Independent Administrator, including naming any entities that failed to comply with the agreed procedures.

5. **Revenue management and distribution**

5.1 **Overview**

This section provides details on the implementation of the EITI requirements related to revenue management and distribution.
5.2 Assessment

Distribution of revenues (#5.1)

Documentation of progress

The report notes (p.11) that all oil revenues go to the National Oil Account (NOA). The ANP receives only administration fees. It is not clear whether the fees received by ANP or social payments channelled through ANP are also recorded in the budget, although one can interpret that they are not since they do not pass through the treasury. Annual transfers from the NOA to the state budget are recorded. See below for further information. There are no references to revenue classification systems.

Stakeholder views

Representatives from the government, ANP and companies confirmed that while ANP manage the social projects, companies pay social payments directly to the beneficiaries and that these are not recorded in the budget. A company representative noted that it would be interesting to understand more about how the revenue from the administration fees are spent by ANP.

Initial assessment

The International Secretariat’s initial assessment is that STP has made satisfactory progress in meeting this requirement.

Sub-national transfers (#5.2)

Documentation of progress

Sub-national transfers are reported on p. 73-74 of the 2014 Report. The legal provision related to subnational transfers of oil revenues is referenced, and the revenue sharing formula explained. One share of oil revenue transferred to the State Budget is earmarked for the Autonomous region of Principe and one share is earmarked for municipalities. There is no explanation for how the revenues are shared among the municipalities. Discrepancies between calculated and actual transfers are disclosed (there was a discrepancy only in 2007). Subnational transfers since the establishment of the EEZ are reported by year (2003-2014), as absolute figures, share of the State budget and share of oil revenues.

Stakeholder views

Stakeholders had no concerns or comments on this aspect of the report.

Initial assessment

The International Secretariat’s initial assessment is that STP has made satisfactory progress with regards to this requirement. The MSG may wish to consider elaborating on how sub-national revenues from oil are shared among the municipalities.

Information on revenue management and expenditures (#5.3)

Documentation of progress

The report describes all income to NOA from JDA and companies in the EEZ and transfers to the treasury since 2005 (p.71). The transfers from the Central Bank (NOA) to the treasury have been reconciled for 2003-14 (p.72). For 2014 and 2015 state budgets, the report also documents whether transfers were in line with
the law, i.e. a maximum of 20% of the NOA balance (p.72). A breakdown of the state budget and income sources in the period 2003-2014 is included on p.73-74.

The report also includes the annual budgets of JDA 2003-2014, and the contributions to the budget made by companies and governments (p.69). The report notes that since 2008, Nigeria has fully borne STP’s share of the budget and STP is thus has a USD 27m debt to Nigeria (p.15-17).

Stakeholder views

Stakeholders had no concerns or comments on this aspect of the report.

Initial assessment

As all provisions under 5.2 are encouraged, the International Secretariat has not assessed compliance with the requirement.

Table 5 - Summary assessment table: Revenue management and distribution

<table>
<thead>
<tr>
<th>EITI provisions</th>
<th>Summary of main findings</th>
<th>International Secretariat’s initial assessment of progress with the EITI provisions (to be completed for ‘required’ provisions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distribution of revenues (#5.1)</td>
<td>The 2014 Report provides a clear and comprehensive overview of the distribution of revenues.</td>
<td>Satisfactory progress</td>
</tr>
<tr>
<td>Sub-national transfers (#5.2.e)</td>
<td>The 2014 Report provides a clear and comprehensive overview of sub-national transfers.</td>
<td>Satisfactory progress</td>
</tr>
<tr>
<td>Information on revenue management and expenditures (#5.3)</td>
<td>The 2014 Report provides a clear and comprehensive overview of revenue management and expenditures.</td>
<td></td>
</tr>
</tbody>
</table>

International Secretariat’s recommendations:

1. That the MSG considers elaborating on how sub-national revenues from oil are shared among the municipalities in EITI reporting.

6. Social and economic spending

6.1 Overview

This section provides details on the implementation of the EITI requirements related to social and economic spending, including quasi-fiscal expenditures, social expenditures and the overall contribution of the extractive sector to the economy.

6.2 Assessment

Social expenditures (#6.1)

Documentation of progress

All mandatory social expenditures are considered material, in line with the zero materiality approach that
Contracts for research and exploration in the EEZ include provisions for mandatory social contributions, mostly in-kind as direct project contributions (p. 75-78) or training scholarships (p. 79-80). ANP manages the implementation of the social projects. A description of the management of social payments, overview of cash flows and the agencies involved is provided (p. 75).

**Social projects**

The nature, deemed value and status of planning/execution is disclosed (section 6.6, p. 75-80). The report summarises these figures based on “the Production Sharing Contracts signed with operators of the Exclusive Economic Zone that define the Social Project obligations” as well as “information obtained through the confirmation process for 2014 from oil operators in the EEZ and from the NPA” and (p. 76), indicating that the payments have been reconciled. This is confirmed by the reporting templates in Appendix 1, which indicate that data on social expenditure has been requested by both operating companies (p. 91-93) and by ANP (p. 98-100). ANP, which monitors the payments, have confirmed these on behalf of the beneficiaries.

The report shows that according to the contract provisions, USD 2,025,000 was budgeted for social projects in 2014. Only USD 526,681 was spent by one company in 2014, and estimates of outstanding obligations as of 31 December 2014 were USD 1,698,319. The report also includes future obligations and plans for spending part of the remaining funds in 2015. Tables are included on:

- The estimated amounts to be spent on social contracts as per contracts for 2012-2014, by year and company.
- Actual expenditure for executed projects for 2012-2014, by year and company.
- Total amounts due, amounts paid and pending balance from 2012-2015, by year.
- List of projects the payments are meant for, with details and location of project, status of execution, by company.
- Planned projects for 2015 and amounts due.

Some of the payment information is presented in an unclear matter – for instance, a social project payment by the company Oranto (USD 400,000) is reported in Table 22 on revenue flows for 2014 (p. 64). However, in Table 37 on planned social projects, this amount from Oranto is budgeted for 2015. This is explained on p. 13.

The report identifies the need for improvement of “the management, disclosure, dissemination and implementation control” of social expenditure (p. 80, also under recommendations, section 7.6, p. 86).

**Training scholarships**

The value of payments due as per the contracts and actual payments are disclosed, by company. The outstanding amount (“pending execution”) is disclosed (p. 79).

45% of these are earmarked for training of NPA staff and 55% “are to be allocated to specific programs developed by” the Government. According to a description of the management of the scholarships on page 36, the Ministry of Education manages the scholarship programme, the oil companies fund these directly, and NPA acts as an intermediary between the Ministry and companies.

The report highlights that no information has been made available about the planned execution and selection criteria for scholarships attributed to the Government (p. 80, also under recommendations, section 7.6, p. 86).

For the JDZ, the JDA is responsible for managing and implementing social projects and related payments
from companies. The JDA reported that there was no implementation of projects in 2014 due to inactivity (p. 75, bottom). A status update on social projects by Block is provided (p 39).

The report does not mention whether there are any voluntary social contributions.

Stakeholder views

Several stakeholders noted that social expenditures represent the most significant benefit to the community at this time, and that transparency regarding these payments was paramount. One company representative highlighted the benefits for companies to ensure that their contributions to communities were made public in the EITI Reports.

A civil society representative on the MSG explained how the outreach activities related to the EITI Report dissemination had made them realise the concerns regarding the quality of implementation of social projects in different regions. Another civil society representative noted that there was limited public information available regarding the process for selecting beneficiaries of scholarships.

Initial assessment

The International Secretariat considers that STP has made satisfactory progress in meeting this requirement. Mandatory payments are disclosed, with nature and value disclosed for in-kind payments. Payments for training to NPA and the government are disclosed, but there is little information on how parts of these are spent. This is highlighted as a gap and recommendations are provided. Despite some unclear issues, the report provides valuable information on social expenditure and the low level of execution.

The MSG may wish to act upon the recommendations from the EITI Report related to clarifying how payments for training to the NPA are spent and to provide links to further information on names and functions of beneficiaries when these are third parties.

**SOE quasi fiscal expenditures (#6.2)**

Documentation of progress

As there are no SOEs in the extractive sector, 6.2 is not applicable. In PSAs, the state of STP is attributed a holding of 10-15% in EEZ blocks (p. 11). This participation is detailed block-by-block in table 10.1 (p.27-28). The holdings are monitored by the ANP. The terms of state participation are set out on p.43. Until production, the company covers all costs. Thus so far state participation has not led to revenue or costs.

Stakeholder views

Not applicable.

Initial assessment

The International Secretariat’s initial assessment is that this requirement is not applicable.

**Contribution of the extractive sector to the economy (#6.3)**

Documentation of progress

*Size of the extractive industries:* GDP and other general information on the economy are presented in the report (p. 211-212). The contribution of the oil sector is not mentioned, but with no production it is likely to be negligible, although exploration activity has some impact. There is no informal sector activity.
**Total government revenues generated by the extractive industries:** The report shows the absolute oil revenue figures, as well as JDA/NPA operations costs (p. 8-9). The report also includes tables with contributions of the National Oil Account to the State Budget, both in absolute terms and % share, from 2003-2014 (2014 are expected figures) (p. 73-75).

**Exports from the extractive industries:** This is not applicable in STP.

**Employment in the extractive industries:** Employment in the sector as % of total employment is not included. The absolute number of jobs is so small that the % would be negligible.

**Key regions/areas where production is concentrated:** There are no operations in production at this time. If production occurs offshore in the future, the areas of those operations will be disclosed under this section.

**Stakeholder views**

Stakeholders had no concerns on this aspect of the report.

**Initial assessment**

Strictly speaking, there is information missing under this requirement. However, for a country with no production, assessing the requirement as unmet because of lack of data on the size of the sector in terms of GDP would be pedantic. The International Secretariat’s initial assessment is that STP has made satisfactory progress in meeting this requirement.

**Table 6 - Summary assessment table: Social and economic spending**

<table>
<thead>
<tr>
<th>EITI provisions</th>
<th>Summary of main findings</th>
<th>International Secretariat’s initial assessment of progress with the EITI provisions (to be completed for ‘required’ provisions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social expenditures (#6.1.)</td>
<td>The EITI Report provides detailed information on social payments from the EEZ.</td>
<td>Satisfactory progress</td>
</tr>
<tr>
<td>SOE quasi fiscal expenditures (#6.2)</td>
<td>Not applicable.</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Contribution of the extractive sector to the economy (#6.3)</td>
<td>Most of this data has been provided, however estimates of informal sector activity and data on extractive industry revenue as a percentage of total government revenue should be disclosed in the future.</td>
<td>Satisfactory progress</td>
</tr>
</tbody>
</table>

**International Secretariat’s recommendations:**
1. Implementation of the Independent Administrator’s recommendation on social payments. The MSG may wish to act upon the recommendations from the EITI Report related to clarifying how payments for training to the NPA are spent and to provide links to further information on names and functions of beneficiaries when these are third parties.
Part III – Outcomes and Impact

7. Outcomes and Impact

This section assesses implementation of the EITI Requirements related to the outcomes and impact of the EITI process.

7.1 Public debate (#7.1)

Documentation of progress

A small number of paper copies of the 2014 and 2003-2013 Reports was produced for outreach events, but the reports were mainly disseminated in digital format. USB drives containing the report were handed out at outreach events, in addition to the flyer summarising the report’s findings.

The 2003-13 and 2014 EITI Reports are available on the website of the Ministry of Finance and Planning. The 2014 EITI Report is comprehensible and written in a clear style, and is available in Portuguese and English. The reports include information of national relevance that goes beyond the EITI Requirements and provides facts for public debate on the management of oil revenue, social projects and the management of the JDZ. Media references to the findings of the EITI Reports have been relatively few but have clearly resulted from outreach activities by the MSG and national secretariat.

Outreach events have been undertaken throughout the country, with participation by MSG members (in particular civil society representatives). The launch event of the 2003-13 Report was held in May 2015. The report was then presented to the Parliament. The communication strategy, which was prepared by a consultant in consultation with the MSG and with support from AfDB, was approved by the MSG in July 2015. In August 2015, several outreach events were organised around the country, including on the island of Príncipe. Outreach events to promote the first EITI Report were thus delayed but the Standard does not include requirements regarding the timeliness of outreach. The delay, coupled with the disappointing results of oil exploration, hindered EITI’s contribution to public debate. Recent outreach events have however been innovative and reached a large audience, especially considering the size of the population. Key audiences, including media and parliamentarians, have been engaged. A canoe race was organised with the local fishermen’s association and a video correcting misunderstandings related to the oil sector was produced together with a local drama group. The video was televised.

Discussions with stakeholders beyond the MSG on whether to expand the scope of reporting to fisheries seem to have sparked public interest. A workshop was help on 25 August 2016 to present the preliminary findings of the fisheries scoping study, which was covered on national television.

29 http://www.tvs.st/program/NTU=/Mjc5/true
STP-EITI has a Facebook page and Twitter account that have provided regular updates since August 2015\(^{30}\). The Facebook page has over 350 followers (September 2016).

**Stakeholder views**

Stakeholders from all constituencies emphasised the importance of STP-EITI in managing expectations and communicating both the benefits from the sector as well as with regards to the prospects of increasing sector revenue. The expansion of EITI reporting to cover the fisheries sector was raised by other stakeholders as an opportunity to contribute more to public debate.

A civil society member represented on the MSG stated that the campaigns and dissemination related to the EITI had helped raise awareness about the state of the extractive sector and helped increase public participation, although there is a lot more work needed ahead to ensure that the public is well-informed.

One civil society representative not on the MSG explained that the EITI aim for the next level when it comes to involving the public to contribute to increased public awareness about petroleum activities. Another civil society representative highlighted how at many of the public debates on good governance organised by civil society networks such as FONG, people had expressed the desire to know more about what oil money was spent on. An example that was raised was a participant who found out only through one of such events that an oil company had funded a local project in their community.

A media representative noted that the dissemination activities organised by STP-EITI had been useful, while more efforts should be made to ensure that the information would reach the public. It was noted that the information in the EITI Reports was useful in theory, but the petroleum sector was not sufficiently on the agenda of the national media to be picked up. Media representatives suggested to regularly send briefs and invitations to media representatives including Directors and editors to EITI-related events and to make sure to distribute the EITI Reports to national and independent media.

**Initial assessment**

The International Secretariat’s initial assessment is that STP has made satisfactory progress in meeting this requirement.

### 7.2 Data accessibility (#7.2)

**Documentation of progress**

Electronic data files for the 2014 Report were submitted by the Independent Administrator. There is no reference to national revenue classification systems or international standards in the EITI reports. The summary data template for the 2014 Report was submitted to the International Secretariat by PwC. PwC produced a 2-page flyer summarising the findings of the 2014 Report in Portuguese. The flyer is clear and contains key data and findings (7.2.a). Revenue data is presented in a clear manner with tables and visualisations. Historical revenue data starting from 2003 is provided (7.2.b).

Automated online disclosure of EITI data does not seem to have been considered yet, which is explained by the small size of the sector (7.2.b). The Ministry of Finance and the Central Bank have however started publishing National Oil Account transactions on a monthly basis on the GRIP website. There is potential to explore how EITI disclosures could be integrated into regular government reporting, as this would make data more accessible and would save long-term reporting costs, which are now high in comparison with the

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\(^{30}\) [https://www.facebook.com/eitistp/?fref=ts](https://www.facebook.com/eitistp/?fref=ts)
Validation of São Tomé and Principe: Report on initial data collection and stakeholder consultation

revenue received. The EITI Report also notes the opportunities for disclosing information on the sector, in particular non-revenue data, more regularly and comprehensively directly by government agencies such as the Ministry of Finance and Public Administration, the NPA and GRIP to avoid that the data is dispersed over several sources (p. 88).

The MSG has undertaken capacity-building efforts, such as workshops in May and September 2015 (7.2.d) (p. 83).

Stakeholder views
Stakeholders consulted did not express any particular views related to this provision.

Initial assessment
As all provisions under 7.2 are encouraged, the International Secretariat has not assessed compliance with the requirement.

7.3 Lessons Learned and follow-up on recommendations (#7.3)

Documentation of progress

Recommendations from the Independent Administrator

The 2014 Report indicates that 4 out of 7 recommendations made in the 2003-2013 had been implemented (p.83). The report notes that no work was undertaken to investigate unresolved issues identified by the 2003-2013 Report. There were no material discrepancies in the 2014 Report. Recommendations regarding increasing stakeholders’ understanding of the EITI and dissemination of information were implemented.

Follow up on the recommendations

The report does not indicate whether the recommendations that were not implemented were considered by the MSG, and there does not appear to have been any discussions on this within the MSG specifically related to the consideration of specific recommendations. The 2016 work plan does however include activities related to implementing recommendations, such as monitoring of social payments and JDZ reporting obligations. The Annual Progress Report 2015 explains that while the MSG considers that their engagement in the EITI process has increased, the fact that STP has not yet produced oil is considered as a limiting factor in the work of the MSG. The absence of more petroleum resources may limit the MSGs impact on the government’s activities, in particular with regards to being able to push for implementation of report recommendations. The report highlights that four of the seven recommendations of the first report have been implemented (p. 30).

There does appear to have been a concerted effort by the MSG to follow up on the recommendations from the pilot validation from 2015, which the improvements in the 2016 work plan and the ongoing revision of the TORs for the MSG indicate.

Stakeholder views
Stakeholders on the MSG and representatives from companies and civil society beyond the MSG highlighted the findings from the EITI Report related to payments for social projects as an area where more could be done to implement the recommendations.

Initial assessment
The International Secretariat’s initial assessment is that STP has made meaningful progress. While more appears to have been done in the last year to address recommendations from the EITI Report, such as including specific objectives related to these in the work plan a more concerted effort is need to document and follow up recommendations from the EITI reporting process.

7.4 Outcomes and impact of implementation (#7.4)

Documentation of progress

A draft of the 2015 Annual Progress Report was submitted to the International Secretariat on 27 June 2016 for comment. The delays in approval of the report were caused by discussions related to the descriptions of the costs related to the implementation of the work plan. While the report was approved by the MSG after the deadline on 12 August 2016, it has not yet been made public.

The introduction summarises the EITI activities in general terms over the course of implementation as well as for 2015. Section 2 includes an evaluation of the performance in relation to the objectives and activities defined in the work plan, with reference to documentation such as MSG meeting minutes and workshop materials. This is the main part of the report, and outlines under each objective which objectives and activities have not been achieved and why.

Section 3 features an assessment of progress with meeting each requirement of the 2016 Standard, while the summary of MSG meeting discussions in section 2 also outlines the MSGs assessment of progress against the seven requirements as structured in the 2013 Standard.

An overview of the responses to recommendations from EITI reporting is provided in section 4. This consists of a table highlighting each recommendation from the 2003-2013 report (there appears to be a mistake in the heading which implies that these are from the 2014 report). The second EITI Report was published in December 2015. The Annual Progress Report for 2017 can be expected to document progress made in addressing the recommendations from the 2014 Report.

Key impacts and results of EITI implementation in STP during 2015, as well as key challenges are outlined in the final part of section 2. Impacts include i) greater access and public awareness related to information on the activities of the oil sector as well as the EITI; ii) improved accountability of government agencies directly involved in the management of the oil sector (notably ANP and GRIP); iii) public reflection on the relative costs of management of the JDZ compared to the EEZ; iv) identification of the needs for improvements in the monitoring and supervision of the social projects; and v) identification of needs for improvements in oil sector legislation in order to promote an environment conducive to investment. The challenges were related to the financial sustainability of the EITI in STP, the actual implementation of monitoring of the social payments and obtaining comprehensive data on the JDZ.

The Annual Progress Report identifies strengths and weaknesses in the EITI process (section 5). The MSG had met more regularly, stakeholders had engaged to a larger extend that before and started to given more importance to the EITI and the work plan had become more consistent. Weaknesses relate to the lack of CSOs focusing on transparency issues, the lack of active debate and the lack of human resources in the national secretariat.

The costs of implementation, including budgeted and actual costs and sources of funding, are outlined in a

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31 MSG meeting minutes, 12 August 2016.
Validation of São Tomé and Príncipe: Report on initial data collection and stakeholder consultation

Stakeholder views

Stakeholders did not appear to have any comments on the Annual Progress Report. Discussions with stakeholders not on the MSG indicated that there had been limited consultation on the report beyond the MSG.

Initial assessment

The International Secretariat’s assessment is that STP has made meaningful progress in meeting requirement 7.2. While the MSG has approved a report which meets the requirements with regards to content, this has not been made publically available. It is recommended that the MSG uses forthcoming Annual Progress Reports as a self-assessment tool to monitor progress with achieving work plan objectives and to document the impact of EITI reporting and implementation of recommendations.

Table 7 - Summary assessment table: Outcomes and impact

<table>
<thead>
<tr>
<th>EITI provisions</th>
<th>Summary of main findings</th>
<th>International Secretariat’s initial assessment of progress with the EITI provisions (to be completed for ‘required’ provisions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public debate (#7.1)</td>
<td>Satisfactory efforts have been made, but further effort is needed in planning and executing communication and dissemination work is a strategic manner.</td>
<td>Satisfactory progress</td>
</tr>
<tr>
<td>Data accessibility (#7.2)</td>
<td>n/a</td>
<td></td>
</tr>
<tr>
<td>Lessons learned and follow up on recommendations (#7.3)</td>
<td>While progress has been made, a more concerted effort is needed to document and follow up recommendations from the EITI reporting process.</td>
<td>Meaningful progress</td>
</tr>
<tr>
<td>Outcomes and impact of implementation (#7.4)</td>
<td>The MSG has produced annual progress reports documenting progress and outcomes of implementation, however, these have not been agreed and made publically available in accordance with the deadlines set out in provision 8.4. Further work on assessing impact should be considered.</td>
<td>Satisfactory progress</td>
</tr>
</tbody>
</table>

International Secretariat’s recommendations:
1. That the MSG uses future Annual Progress Reports as a self-assessment tool to monitor progress with achieving work plan objectives and to document the impact of the EITI Reports, and ensures that the Annual Progress Reports are made publically available in accordance with the deadlines set out in provision 8.4.
7.5 Impact analysis (not to be considered in assessing compliance with the EITI provisions)

All stakeholders interviewed for this assessment considered that EITI is relevant for STP despite the lack of production and the low level of activity in the extractive sector. The first EITI Report was published in December 2014 and much of the potential impact of the EITI is yet to be realised. Concrete impact to date relates to increasing public understanding of the oil sector, indirectly improving information management in government agencies, deepening collaboration between sectors and identifying governance challenges especially related to the JDZ and social expenditure.

Tracking the status of implementation of social projects has led to clear gaps being identified in the management and monitoring of these contributions. Projects are delayed as companies and the government are not always able to agree on the content of the project. Both company and civil society representatives noted the need for clear guidelines and better monitoring. A government representative recognised that the publication of information on social projects in EITI Reports had created an external pressure that had made the ANP, which monitors social projects, more accountable.

Both the 2003-2013 and 2014 EITI Reports go beyond minimum requirements in publishing information about the management of revenues. Stakeholders noted that it was common that citizens had an inaccurate understanding of the volume and use of oil revenue and that the EITI helped clarify these issues and show that revenue allocations followed fiscal rules. The 2014 EITI Report documents transfers from the central government to the autonomous region of Príncipe and to municipalities. In a media interview, the president of the regional government, Tozé Cassandra, noted that the EITI helped clarify the misunderstanding that transfers from the central government were very large\(^\text{32}\). Currently the most significant barrier to achieving the work plan's objective of transparent use of petroleum revenue is the lack of such revenue. The EITI however helps to consolidate the basis for sound revenue management in preparation for future oil revenue and helps track the utilisation of sporadic revenue, such as signature bonuses.

Considering the current revenue from the sector and reliance on external funding, there are legitimate concerns that the EITI is not viable in its current form. Government agencies reported that EITI had already led to them identifying the need to improve information management systems to ensure that data was readily available when requested. STP has relatively strong institutions for transparency, and much of the information featured in EITI Reports could be published regularly on the GRIP and ANP websites. ANP is already preparing to add license information on its website and the Ministry of Finance and the central bank have discussed the possibility of publishing National Oil Account transactions monthly on the GRIP website. This would save annual data collection costs. The recently developed and still unpopulated STP-EITI website could also be used for disclosing data online.

The 2003-2013 and 2014 EITI Reports contain information about the budget and funding of the JDA. The JDA's high expenditures have provoked criticism, and civil society representatives noted that they were going to use the findings from EITI Reports to advocate that the management of the JDZ be revisited. Prime Minister Trovoada recently discussed the future of the JDZ with the Nigerian President Buhari and the press reported following the meeting that the management of the zone would be reviewed\(^\text{33}\). The EITI is informing public discussion on the topic. The 2014 EITI Report found that the JDA is not compliant with the Abuja


Declaration on Transparency and Good Governance. The declaration requires that the JDA discloses much of the information required by the EITI on its website. By bringing this into public knowledge, the EITI puts pressure on the governments of Nigeria and STP to ensure that JDA discloses the required information. An MSG member suggested that the Government of STP raises the issue in the next meeting of the inter-ministerial council. Very good discussion.

The government has requested a grant from the World Bank to strengthen the capacity of the ANP and to revise the strategy and legal framework for the oil sector. The 2014 EITI Report contains recommendations related to this. For the information and recommendations to lead to improved governance, the MSG needs to consider and address them. For the EITI to reach its potential impact, the 2016 work plan should reflect the MSG’s positions towards the recommendations and outline activities for furthering the agreed objectives.

The AfDB is funding a scoping study on including fisheries in EITI reporting which is being finalised. This increases the chances of the EITI maintaining its relevance even if commercial oil discoveries are not made. Integrating into the process a sector that is inherently different from the oil industry and involving a new set of actors in the MSG’s work may prove to be challenging. As none of the CSOs represented on the MSG focus specifically on the extractive sector, there is potential for the MSG to become a wider platform for dialogue on budget transparency and the management of natural resources beyond oil.
Annexes

List of stakeholders consulted

National secretariat
José Cardoso, STP EITI National Coordinator
Djamila Costa, STP EITI national secretariat
Sónia Sequeira, National Petroleum Agency

Government
Alberto Leal, Agência Fiduciária e de Administração de Projetos
Álvaro Varela da Silva, Legal and Economic Director, ANP
Américo de Oliveira Ramos, Minister of Finance and Public Administration
Célio Mota Quaresma, Economista, ANP
Emílio Lima, Administrator, GRIP
Gervásio do Rosário, Coordinator of Industrial Fishing, Department of Fisheries
Márcio do Nascimento, Directory of the Treasury, Ministry of Finance and Public Administration
Orlando Sousa Pontes, Executive Director, ANP
Piedade Daio, Central Bank of São Tomé and Príncipe
Silverio Pereira, Technical Director, GRIP

Civil Society
Adalberto Pereira Dias, ZATONA - ADIL
Alexander Cardoso, Information and Communications Technician, FONG
Carla Matias, Journalist, Andim Media
Domitília Pontulez Inovoada da Costa de Sousa, Vice-President, ASMJ (Association of Female Lawyers)
Eduardo Elba do Espírito Santo, Permanent Secretary, FONG (Federation of NGOs)
Emídio Pereira, President, AMEITE
Juvenal Rodrigues, Independent Journalist
Manuel Jorge Carvalho do Rio, President of the Executive Council, FONG (Federation of NGOs)
Maximino Carlos, Radio Nacional de São Tomé e Príncipe
Quina Lima Bragança, ASJM (Association of Female Lawyers)
Roberta Pires dos Santos, Coordinator, Step Up (São Tomé Union for Promotion)

34 Includes stakeholders consulted during the November 2015 pilot validation.
Waldyner Boa Morte, ONG WEBETO

15 representatives of FONG member organisations that participate in the CSO network on good governance

Industry
Cristina Dias, Oranto Petroleum
Djessyh dos Anjos, Sinoangol
Emídio Pereira, Câmara do Comércio, Indústria, Agricultura e Serviços
Laily Pereira, Sinoangol
Silu Santos, Oranto Petroleum
Tatiana Vila Nova Cardoso, Equator Exploration

Others
Ceutónia de Carvalho Lima Neto, Coordinator of the economic/financial support project in STP, AfDB
Marios Dos Santos, JDA office in São Tomé and Príncipe

List of member organisations of the Federation of NGOs consulted

<table>
<thead>
<tr>
<th>Name of organisation</th>
<th>Area of operation</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACAS (Associação Amigos da Sara)</td>
<td>Child protection</td>
</tr>
<tr>
<td>Alisei (ONG Internacional italiana)</td>
<td>Development</td>
</tr>
<tr>
<td>CARITAS (Caritas de STP)</td>
<td>Religious NGO supporting the most vulnerable</td>
</tr>
<tr>
<td>ARPA (Associação Regional para a Proteção Socio- Ambiental)</td>
<td>Environmental protection</td>
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<tr>
<td>AlSEC (Associação Instituto Sócio-Educativo da Criança)</td>
<td>Education</td>
</tr>
<tr>
<td>REDE – SC</td>
<td>Civil society network for good governance</td>
</tr>
<tr>
<td>ZATONA-ADIL</td>
<td>Rural development</td>
</tr>
<tr>
<td>STEP - UP (União para Promoção)</td>
<td>Socio-economic cooperation</td>
</tr>
<tr>
<td>CIP-SP (Centro de Integridade Publica de São Tomé e Príncipe)</td>
<td>Transparency and good governance</td>
</tr>
<tr>
<td>AJEIE (Associação dos Jovens Empresários e de Iniciativa Empresarial)</td>
<td>Socio-economic development of the youth</td>
</tr>
<tr>
<td>Organization</td>
<td>Sector</td>
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<tr>
<td>--------------</td>
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</tr>
<tr>
<td>ARCAR (Associação para Reinserção de Criança Abandonada e em Situação de Risco)</td>
<td>Child protection</td>
</tr>
<tr>
<td>COTO</td>
<td>Child protection</td>
</tr>
<tr>
<td>MARAPA (Mar, Ambiente e Pesca Artesanal)</td>
<td>Rural associations, fisheries and rural development</td>
</tr>
</tbody>
</table>
List of MSG members and contact details

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Josias Umbelina dos Prazeres - government
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Tel: 00239 997 39 51

Silu Santos - industry
Oranto Petroleum
silusantos@hotmail.com
Tel: 00239 992 36 39
List of reference documents

Work plans and Annual Activity Reports:

- STP EITI 2015 Work plan
- STP EITI 2015 Annual Progress Report (in Portuguese)
- STP EITI 2014 Annual Activity Report

EITI Reports, scoping studies, Validation Reports:

- 2014 EITI Report
- 2014 EITI Report summary flyer
- 2003-2013 São Tomé and Príncipe EITI Report
- 2003-2013 Joint Development Zone EITI Report

Relevant legislation, legal documents and TORs related to EITI implementation:

- MSG ToR

Other relevant documents and websites

- 2015 Communications Strategy
- EITI-SP Facebook page
- 2015 Adapted Implementation request
- 2012 EITI candidature application

MSG meeting minutes

- MSG meeting (I), 13 April 2012

---

41 Annex to the 2014 EITI Report
42 https://www.facebook.com/eitistp/?fref=ts
43 http://eiti.org/files/STP_EITI_Candidature_Application_Form_5.pdf
44 Minutes made available by the MSG and national secretariat
• MSG meeting (II), 31 August 2012
• MSG meeting (III), 29 March 2013
• MSG meeting (V), 20 January 2014
• MSG meeting (VI), 4 April 2014
• MSG meeting (VII), 16 May 2014
• MSG meeting (XII), 12 February 2015 (Annual Progress Report p. 5)
• MSG meeting (XIII), 12 March 2015 (Annual Progress Report p. 6)
• MSG meeting (XIV), 12 May 2015 (Annual Progress Report p. 6)
• MSG meeting (XV), 18 June 2015 (Annual Progress Report p. 6)
• MSG meeting (XVI), 31 July 2015 (Annual Progress Report p. 7)
• MSG meeting (XVII), 18 September 2015 (Annual Progress Report p. 8)
• MSG meeting (XVIII), 6 November 2015 (Annual Progress Report p. 8)
• MSG meeting (XIX), 19 November 2015 (Annual Progress Report p. 10)
• MSG meeting (XXI), 29 April 2016
• MSG meeting (XXII), 30 June 2016
• MSG meeting (XXIII), 12 August 2016