Validation Committee meeting, Thursday 25 April 2019

Validation Committee teleconference, Thursday 25 April 2019, 15:00-16:00 CEST

1. Agenda
2. Minutes (including attendance overview)
3. Documents

1. Agenda

1. Confirmation of agenda, including observers and recusal
2. Draft minutes
3. Second Validation of Peru
4. Validation of Myanmar
5. Validation of Sierra Leone
6. Update on ongoing Validations
7. AOB

2. Minutes (including attendance overview)

Validation Committee members:

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4. Absent

Observers: John Brayman (Government of Canada), Rhona Birchall (UK Government).
From the Secretariat: Sam Bartlett, Gay Ordenes, Alex Gordy, Christoffer Claussen Santiago Dondo, Francisco Paris, Jaqueline Terrel, Indra Thévoz, Murjana Gamawa, Anna Herbert de la Portbarré.

1. Confirmation of agenda, including observers and recusal.
Mark Pearson introduced the agenda, which was approved. No observers introduced themselves. The Secretariat noted that the Committee was not quorate, and recommended that the Committee confirm its decisions through approval of the meeting minutes.

2. Draft minutes
The draft minutes of the Validation Committee’s 10 April 2019 meeting were approved.

Actions:
- The International Secretariat to publish the minutes of the Validation Committee’s 10 April 2019 meeting on the internal Committee page.

3. Second Validation of Peru

Cesar recused himself. Francisco Paris introduced VC Paper 78-2, noting that a recommendation had been prepared for consideration by the Committee, of an overall assessment of “meaningful progress with considerable improvements”, with 12 months to address two corrective actions, related to comprehensiveness (4.1) and mandatory social payments (6.1). Since then, the MSG had published a list of social expenditures by companies in the mining sector in 2015 and 2016. The list included only aggregate social payments by mining companies and did not specify whether these were mandatory or voluntary (or both), whether they were made in cash or in-kind, and did not provide the identity of any non-government beneficiaries of these social expenditures in accordance with Requirement 6.1.a. Data on mandatory social expenditures by oil and gas companies in 2016 had not been publicly disclosed. It did not appear that the Tax Authority (SUNAT) had yet responded to the MSG’s request for information aiming to demonstrate that there were no material payments left out of the EITI Report.

As lead reviewer, Cielo Magno asked whether new information was expected from Francisco’s current mission to Peru, noting that further delays to allow Peru to address the corrective actions was not proper. Francisco confirmed that new information was expected from Peruvian authorities, which was confirmed by Jim Miller. The Committee discussed the MSG’s efforts to disclose the outstanding information, the question of whether social expenditures were mandatory and the level of disaggregation of data. The Committee mandated the
International Secretariat to prepare an update to VC Paper 78-2 with an update following the mission.

Actions:

- The International Secretariat to provide an update on VC Paper 78-2 on the second Validation of Peru ahead of the Committee’s May meeting.

4. Validation of Myanmar

Gay Ordenes introduced VC Paper 78-3, noting that the paper had been updated following receipt of a letter from the Myanmar Alliance for Transparency and Accountability (MATA). The Committee was reminded that most of the allegations in the MATA letter referred to incidents that had been considered in the initial assessment and in the Validator’s draft and final reports. The Secretariat’s assessment was that these incidents were not directly linked to civil society’s participation in the EITI and that the assessment of “satisfactory progress” on Requirement 1.3 should be maintained.

The Committee discussed different views on the assessment of Requirement 1.3. Civil society members argued that the assessment should be “meaningful progress” given alleged constraints on civic space at the subnational level. Cielo noted concerns over broader challenges of fear of reprisal and self-censorship on expression related to extractive issues and the existence of a law that was used to restrict civil society’s freedom of expression and organization with respect to extractive issues. Other members considered that the evidence presented in the MATA letter did not demonstrate restrictions on civil society freedoms in relation to EITI activities and considered that the final Validation report’s assessment of “satisfactory progress” should be maintained. The Committee considered several options, including referring the MATA letter to the independent Validator for review, submitting a recommendation to the Board that highlighted the differences of opinion on the assessment of Requirement 1.3, or agreeing an assessment of Requirement 1.3 while acknowledging dissenting views. The Committee did not reach consensus on these options.

The Committee mandated the International Secretariat to prepare an update to VC Paper 78-3 with additional information on the procedural aspects of the Validation of Myanmar and addressing Cielo’s allegations regarding breaches of the Civil Society Protocol.

Actions:

Deleted: its
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Deleted: As lead reviewer, Cielo noted concerns over broader challenges of fear of reprisal and self-censorship on expression related to extractive issues and the existence of a law that was used to restrict civil society’s freedom of expression and organization with respect to extractive issues. Sam Bartlett noted that the International Secretariat had reviewed the evidence presented in the MATA letter and had not identified new information that would warrant a change in the assessment of Requirement 1.3.

Deleted: Committee members were invited to clarify the specific provisions of the Civil Society Protocol that they considered breached in Myanmar.
- The International Secretariat to prepare an update to VC Paper 78-3 with additional information on the procedural aspects of the Validation of Myanmar and addressing Cielo’s allegations regarding breaches of the Civil Society Protocol.

5. Validation of Sierra Leone

This item was deferred to the next meeting.

6. Update on ongoing Validations

This item was deferred to the next meeting.

7. AOB

There was no other business.