

Second Validation Burkina Faso - Board decision

Decision reference: 2020-01/BC-284

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The Board's decision

The Board came to the following decision:

Following the conclusion of Burkina Faso's Second Validation, the EITI Board agrees that Burkina Faso has partly addressed the corrective actions from the country's first Validation. Consequently, Burkina Faso has made meaningful progress overall in implementing the 2016 EITI Standard, with considerable improvements across several individual requirements.

The Board commends the Government of Burkina Faso, the multi-stakeholder group (MSG) and all stakeholders for using the EITI to improve public access to information on the country's mining industry, a key sector in the national economy. Active EITI dissemination and outreach has catalysed public debate about key issues of concern, most notably regarding the management of mining revenues at the subnational level. The Board welcomes the formalisation of decentralised multi-stakeholder consultation forums and their relationship to national EITI implementation.

The Board takes note of Burkina Faso's plans to align the objectives of EITI implementation with its National Socio-Economic Development Plan (PNDES) and its first Open Government Partnership national action plan. Burkina Faso is encouraged to transition towards systematic disclosures of EITI data. This could improve the timeliness of its EITI reporting and focus the MSG's attention on analysis of EITI data and following up on EITI recommendations, to drive tangible reforms in government and company systems.

The Board recognises that gaps remain in the MSG's accountability and oversight of all aspects of EITI implementation. While work has been undertaken to update the Decree establishing the roles and responsibilities of EITI, this had yet to be enacted in practice ahead of Burkina Faso's second Validation. The Board encourages Burkina Faso to ensure a clear and robust legal status for EITI implementation. This could help strengthen the MSG's capacities and align the resources dedicated to EITI implementation with the desired outcomes and impacts. Burkina Faso is encouraged to leverage a responsive government and proactive civil society and industry to implement reforms improving transparency and accountability in the management of mining licenses, including through the new mining cadastre and by using EITI reporting as an annual diagnostic of license awards and transfers.

The Board has determined that Burkina Faso will have 6 months before a third Validation, i.e. until **23 July 2020**, to carry out corrective actions regarding MSG oversight (Requirement 1.4)*. Failure to achieve satisfactory progress in the third Validation will result in suspension in accordance with the EITI Standard. In accordance with the EITI Standard, Burkina Faso's Steering Committee may request an extension of this timeframe, or request that Validation commences earlier than scheduled.

**Update on Burkina Faso's commencement of next Validation from 11.08.2020: the [Board agreed to extend the deadline to 27 February 2021](#).*

Background

Burkina Faso joined the EITI in 2009 and was declared compliant with the EITI Rules in February 2013. Burkina Faso's second Validation commenced on 13 August 2019. The EITI International

Secretariat has assessed the progress made in addressing the six corrective actions established by the EITI Board following Burkina Faso's first Validation in 2017. The corrective actions related to:

1. MSG governance (Requirement 1.4)
2. Workplan (Requirement 1.5)
3. Licence register (Requirement 2.3)
4. State participation (Requirement 2.6)
5. Economic contribution (Requirement 6.3)
6. Follow up on Recommendations (Requirement 7.3)

The Board asked Burkina Faso to address these corrective actions to be assessed in the second Validation. Burkina Faso has undertaken a number of activities to address the corrective actions, including:

- Publishing its 2017 EITI Report on 9 August 2019;
- Publishing the updated MSG ToR on 24 July 2019;
- Publishing the industry constituency ToR on 31 July 2019;
- Publishing the civil society constituency code of conduct on 31 July 2019;
- Publishing the 2019-2021 Burkina Faso EITI work plan on 26 June 2019;
- Publishing an addendum on state participation in the mining sector on 8 August 2019;
- Publishing a Validation auto-evaluation report and a plan to follow up on EITI recommendations on 24 July 2019.

Burkina Faso's second Validation commenced on 13 August 2019. The Secretariat assessed the progress made in addressing the six corrective actions established by the EITI Board, as well as progress in meeting Requirement 2.2 related to license allocations. The EITI International Secretariat's assessment is that Burkina Faso had fully addressed four of the six corrective actions, with significant improvements on one other outstanding requirement, at the commencement of Validation.

Progress in meeting Requirement 2.2 on license allocations has declined from 'satisfactory progress' to 'meaningful progress' at the start of the second Validation. However, new information disclosed since the commencement of Validation addressed the outstanding gaps on Requirements 2.2 and 2.3. The Validation Committee agreed to consider new information disclosed subsequent to the commencement of Validation and concluded that there had been no back-sliding on Requirement 2.2 on licence allocation and that Requirement 2.3 should be assessed as "satisfactory progress". Thus, the Validation Committee's assessment is that Burkina Faso had fully addressed five of the six corrective actions, with considerable improvements on one outstanding corrective action.

The draft assessment was sent to the Multi-Stakeholder Group (MSG) on 25 September 2019. Following MSG comments received on 24 October 2019, the assessment was finalised for consideration by the EITI Board. The Validation Committee reviewed the case on 8 January 2020 and agreed the recommendation.

Scorecard

EITI Requirements		Level of Progress				
Categories	Requirements	No Progress	Inadequate	Meaningful	Satisfactory	Beyond
MSG oversight	Government engagement (#1.1) 					
	Industry engagement (#1.2) 					
	Civil society engagement (#1.3) 					
	MSG governance (#1.4) 					
	Workplan (#1.5) 					
Licenses and contracts	Legal framework (#2.1) 					
	License allocations (#2.2) 					
	License register (#2.3) 					
	Policy on contract disclosure (#2.4) 					
	Beneficial ownership (#2.5) 					
	State participation (#2.6) 					
Monitoring production	Exploration data (#3.1) 					
	Production data (#3.2) 					
	Export data (#3.3) 					
Revenue collection	Comprehensiveness (#4.1) 					
	In-kind revenues (#4.2) 					
	Barter agreements (#4.3) 					
	Transportation revenues (#4.4) 					
	SOE transactions (#4.5) 					
	Direct subnational payments (#4.6) 					
	Disaggregation (#4.7) 					
	Data timeliness (#4.8) 					
	Data quality (#4.9) 					
Revenue allocation	Distribution of revenues (#5.1) 					
	Subnational transfers (#5.2) 					
	Revenue management and expenditures (#5.3) 					

EITI Requirements		Level of Progress				
Categories	Requirements	No Progress	Inadequate	Meaningful	Satisfactory	Beyond
Socio-economic contribution	Mandatory social expenditures (#6.1) 					
	SOE quasi-fiscal expenditures (#6.2) 					
	Economic contribution (#6.3) 					
Outcomes and impact	Public debate (#7.1) 					
	Data accessibility (#7.2) 					
	Follow up on recommendations (#7.3) 					
	Outcomes and impact of implementation (#7.4) 					
Overall progress						

-  **No progress.** All or nearly all aspects of the requirement remain outstanding and the broader objective of the requirement is not fulfilled.
-  **Inadequate progress.** Significant aspects of the requirement have not been implemented and the broader objective of the requirement is far from fulfilled.
-  **Meaningful progress.** Significant aspects of the requirement have been implemented and the broader objective of the requirement is being fulfilled.
-  **Satisfactory progress.** All aspects of the requirement have been implemented and the broader objective of the requirement has been fulfilled.
-  **Outstanding progress (Beyond).** The country has gone beyond the requirements.
-  This requirement is only encouraged or recommended and should not be taken into account in assessing compliance.
-  The MSG has demonstrated that this requirement is not applicable in the country.

Corrective actions

The EITI Board agreed the following corrective actions to be undertaken by Burkina Faso. Progress in addressing these corrective actions will be assessed in a third Validation commencing on 23 July 2020:

1. In accordance with Requirement 1.4, Burkina Faso should ensure that the statutory procedures for nominating and changing EITI multi-stakeholder group representatives are public and implemented in a fair, open and transparent way in practice. Burkina Faso is required to ensure that the draft EITI Decree establishing the roles and responsibilities of the MSG is enacted in practice. Burkina Faso is required to ensure that effective outreach

activities are undertaken with civil society groups and companies, including through communication such as media, website and letters, informing stakeholders of the government's commitment to implement the EITI, and the central role of companies and civil society. Members of the MSG are strongly encouraged to liaise with their constituency groups on a regular basis, and to consult broadly on EITI documents, including the annual progress report, the work plan, and the EITI Report.

Burkina Faso is encouraged to also consider the strategic recommendations in the Secretariat's assessment.

Update on Burkina Faso's commencement of next Validation from 11.08.2020: the [Board agreed to extend the deadline to 27 February 2021.](#)