

Validation of Trinidad and Tobago

Assessment of progress in implementing the 2019 EITI Standard

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Acronyms

BIR	Board of Inland Revenue
BO	Beneficial ownership
AFS	Audited financial statements
AG	Auditor General
CEC	Certificate of Environmental Clearance
CSO	Civil society organisation
ECMA	East Coast Marine Area
EIA	Environmental Impact Assessment
EITI	Extractive Industries Transparency Initiative
EMA	Environmental Management Authority
FATF	Financial Action Task Force
GHG	Greenhouse gas
GoRTT	Government of the Republic of Trinidad and Tobago
IA	Independent Administrator
IAS	International Accounting Standards
IPSC	Incremental production service contracts
IOC	International Oil Company
IRD	Inland Revenue Division
LNG	Liquified natural gas
LOFO	Lease-out Farm-out
MAC	Minerals Advisory Council
MEEI	Ministry of Energy and Energy Industries
MOF	Ministry of Finance
MSG	Multi-stakeholder group
NGC	National Gas Company of Trinidad and Tobago
NGCPL	NGC Pipelines Limited
PEP	Politically exposed person
PSC	Production Sharing Contract
SC TTEITI	Steering Committee, Trinidad's MSG
SOE	State-owned enterprise
T&T	Trinidad and Tobago
ToR	Terms of Reference
TPHL	Trinidad Petroleum Holdings Limited
TTRA	Trinidad and Tobago Revenue Authority
TRINTOC	Trinidad and Tobago Oil Company Limited
TRINTOPEC	Trinidad and Tobago Petroleum Company Limited
TTD	Trinidad and Tobago Dollar
TTEITI	Trinidad and Tobago EITI
UNFCCC	United Nations Framework
USD	United States Dollars

Executive summary

This draft Validation report presents the findings of the International Secretariat's Validation of Trinidad and Tobago, which commenced on 1 September 2022. The draft report was finalised for review by the multi-stakeholder group (MSG) on 4 November 2022. Following comments from the MSG received on 2 December 2022, the Validation report was finalised for consideration by the EITI Board. The assessment suggests that Trinidad and Tobago has exceeded three EITI Requirements, fully met 19, mostly met six and partly met one requirement, with five requirements assessed as not applicable.

Key achievements

- Trinidad and Tobago EITI (TTEITI) continues to be a trusted source of information for the extractive industries. TTEITI has innovated in its approach to communication to reach more citizens, for example through high quality publications on the [state of the sector](#), incorporating EITI Report information on payments and more up-to-date information from systematic disclosures. TTEITI has informed public debate with series of targeted publications and input to news articles. Events and information sessions throughout the pandemic were moved online, recorded and made available to the public.
- TTEITI's MSG has continued with its advocacy for more transparency, both in the public realm and towards the government. TTEITI has produced policy briefs and recommendations to policymakers to make changes to key legislation to strengthen implementation. It has also moved ahead disclosing beneficial ownership information through its website, the first country in Latin America and Caribbean to do so. TTEITI has been an advocate within government to publish information routinely on Ministry websites.
- Throughout the pandemic the multi-stakeholder group (MSG) has continued its pace of implementation, not missing a single meeting. The commitment of the different stakeholder groups remains strong, and the independence of the industry and civil society constituencies to elect their own members has been confirmed since last Validation. The MSG leadership has changed and continues to be an independent and trusted Chair for implementation, building on TTEITI's model for EITI implementation.

Areas for development

- Obstacles to transparency have been highlighted in reporting and the previous Validations and largely remain. In particular, access to payment data remains burdensome and has been a contributing factor in delaying the publication of EITI Reports in the years under review. Legislation that would facilitate direct access for the Independent Administrator to tax fiscal payments has been pending with the government for several years.
- Despite active advocacy by the MSG on contract transparency there has been little progress. A key issue of public debate in T&T has been the potential for the

Government's revenue loss from the sale of gas as highlighted in industry reports.¹ While there is broad recognition that the integrated nature of the industry, with the National Gas Company playing a key role in generating value for the economy, there have been concerns about transfer pricing and revenue leakages from the sale of gas. There is little visibility on the terms negotiated by the government and there are significant delays in the audit of PSCs. As the government is negotiating new deals in a highly competitive environment, the government may wish to build on oil major's international commitment in publishing contracts and demonstrating transparently to the population the terms they are negotiating for T&Ts mature oil and gas sector.

- TTEITI is a trusted provider of data on the quarrying sector. However, several stakeholders have expressed their frustration that the mining sector is not getting the attention needed to address the governance issues. While the quarrying sector is not material in terms of revenues for government (hence the reference to the “quarrying pilot”), industry and civil society stakeholders have strongly voiced the need to build on the EITI as a platform to strengthen governance and revenue collection from the sector. TTEITI should consider improving the representation of the quarrying industry at the MSG and using the EITI as diagnostic and monitoring tool to strengthening the sector.

Progress in implementation

EITI Validation assesses countries against three components – “Stakeholder engagement”, “Transparency” and “Outcomes and impact”.

Stakeholder engagement

Stakeholder engagement from all constituencies remains strong in Trinidad and Tobago. The MSG continued to meet throughout the COVID pandemic. All constituencies participate regularly and actively in the MSG and sub-committee meetings. TTEITI's previous Chairman retired, and the new Chair, appointed by the government is again an independent figure and trusted expert of the oil and gas sector. Despite changes in leadership at the Ministry of Energy and Energy Industries (MEEI) government engagement remains strong. While government support for the EITI remains strong, and mechanisms to follow-up with government on some of the recommendations and corrective actions exist, there are several items that have been pending for several years. Despite proactive and targeted advocacy by the MSG, the EITI bill that would remove some reporting barriers has been pending for at least five years. Stronger engagement by the Minister of Energy and Energy Industry, appointed in April 2021, may help remove this barrier. Companies and civil society members actively contribute to the discussions in the MSG. Since the last Validation the independence of the industry and company constituencies in nominating their MSG members was confirmed by Cabinet in March 2022. Those constituencies have not renewed their constituencies. Civil society has a clear procedure for nomination whereas the industry constituency has not developed its procedure for nominating its representatives on the MSG.

¹ See : S. McLean, D. Charles and A. Rajkumar, “Navigating transfer pricing risk in the oil and gas sector: essential elements of a policy framework for Trinidad and Tobago and Guyana”, Studies and Perspectives series-ECLAC, 2021, <https://www.cepal.org/en/publications/46813-navigating-transfer-pricing-risk-oil-and-gas-sector-essential-elements-policy> and Trinidad & Tobago Gas Master Plan, 2015, <https://www.energy.gov.tt/wp-content/uploads/2020/01/Trinidad-and-Tobago-gas-master-plan-2015.pdf>

Transparency

Disclosures under the EITI Standard have seen some backsliding since the 2018 Validation. Some of the backsliding is due to the new requirements, and many can be addressed through clarifications from the MSG. There have been improvements on many of the corrective actions. Legal barriers prevent T&T from publishing contracts. Taxpayer confidentiality constitutes a barrier for reporting and comprehensiveness. Overall, the coverage of the sector is robust. It is worth noting that several new disclosures have been made on volumes and values of gas and oil sold, and TTEITI continues to include information on topics of public interest. Environmental topics in the oil and gas sectors have been treated both in the EITI Report and through CSO engagement. There is potential for strengthening monitoring of environmental disclosures and payments. TTEITI has moved ahead unilaterally to publish information on beneficial owners in the public domain, and despite some missing data points, this is an achievement in a regional context where beneficial ownership data is often treated with the same level of confidentiality as contracts or taxpayer data. There is less systematically disclosed information on mining. The MSG is treating the mining sector as a “pilot” and this Validation has taken into consideration the weighing of importance of the coverage when assessing the requirement. A key recommendation of this Validation is to consider fully using the EITI as diagnostic and monitoring tool to strengthening the governance of the mining sector. Both civil society and private mining companies have strongly voiced that request in consultations.

Outcomes and impact

Trinidad and Tobago EITI (TTEITI) has effective mechanisms for work planning and follow-up through its monthly MSG meetings and sub-committees. Recommendations from reporting and Validation are followed-up on the committee level. Issues reflecting public debate are regularly discussed in meetings. More outward facing, TTEITI continues to build on their excellent track record in conveying key information on the extractives sector, visualising information and using time-series data where applicable and useful. TTEITI has an advocacy profile, which is reflected on the content on its website, explaining why transparency is relevant in the national context. TTEITI is a trusted source in particular for data on the quarrying sector. Advocacy of TTEITI has led to improving the quality of and availability of systematic disclosures.

Validation scorecard

Component & module	EITI Requirement	Progress	Score	
Outcomes and impact		Very high	96.5/100	
Extra points	Effectiveness and sustainability indicators		2.5	
Outcomes and impact	Work plan (#1.5)	Fully met	90	=
	Public debate (#7.1)	Exceeded	100	=
	Data accessibility and open data (#7.2)	Fully met	90	-
	Recommendations from EITI (#7.3)	Exceeded	100	↑
	Outcomes & impact (#7.4)	Fully met	90	=
Stakeholder engagement		High	90/100	
Multi-stakeholder oversight	Government engagement (#1.1)	Fully met	90	=
	Industry engagement (#1.2)	Fully met	90	=
	Civil society engagement (#1.3)	Fully met	90	=
	MSG governance (#1.4)	Fully met	90	↑
Transparency		Moderate	80/100	
Overview of the extractive industries	Exploration data (#3.1)	Fully met	90	=
	Economic contribution (#6.3)	Fully met	90	=
Legal and fiscal framework	Legal framework (#2.1)	Exceeded	100	↑
	Contracts (#2.4)	Partly met	30	-
	Environmental impact (#6.4)	Fully met	90	-
Licenses	Contract and license allocations (#2.2)	Fully met	90	↑
	License register (#2.3)	Mostly met	75	↑
Ownership	Beneficial ownership (#2.5)	Mostly met	60	-
State participation	State participation (#2.6)	Fully met	90	=
	In-kind revenues (#4.2)	Mostly met	75	↑
	SOE transactions (#4.5)	Fully met	90	=
	SOE quasi-fiscal expenditures (#6.2)	Not applicable	-	=
Production and exports	Production data (#3.2)	Mostly met	60	↓
	Export data (#3.3)	Fully met	90	↑
Revenue collection	Comprehensiveness (#4.1)	Fully met	90	↑
	Barter agreements (#4.3)	Not applicable	-	=
	Transportation revenues (#4.4)	Not applicable	-	↑
	Disaggregation (#4.7)	Fully met	90	-
	Data timeliness (#4.8)	Mostly met	60	↓
	Data quality (#4.9)	Mostly met	60	-
Revenue management	Distribution of revenues (#5.1)	Fully met	90	=
	Revenue management & expenditures (#5.3)	Fully met	90	-
Subnational contributions	Direct subnational payments (#4.6)	Not applicable	-	=
	Subnational transfers (#5.2)	Not applicable	-	=
	Social and environmental expenditures (#6.1)	Fully met	90	-
Overall score		High	89/100	

How EITI Validation scores work

Component and overall score

The three components of EITI Validation – “Transparency”, “Stakeholder engagement” and “Outcomes and impact” – each receive a score out of 100. The overall score represents an average of the component scores.



Assessment of EITI Requirements

Validation assesses the extent to which each EITI Requirement is met, using five categories. The component score is an average of the points awarded for each requirement that falls within the component.



- **Exceeded** (100 points): All aspects of the requirement, including “expected”, “encouraged” and “recommended” aspects, have been implemented and the broader objective of the requirement has been fulfilled through systematic disclosures in government and company systems.
- **Fully met** (90 points): The broader objective of the requirement has been fulfilled, and all required aspects of the requirement have been addressed.
- **Mostly met** (60 points): Significant aspects of the requirement have been implemented, and the broader objective of the requirement is mostly fulfilled.
- **Partly met** (30 points): Significant aspects of the requirement have not been implemented, and the broader objective of the requirement is not fulfilled.
- **Not met** (0 points): All or nearly all aspects of the requirement remain outstanding, and the broader objective of the requirement is far from fulfilled.
- **Not assessed**: Disclosures are encouraged, but not required and thus not considered in the score.
- **Not applicable**: The MSG has demonstrated that the requirement doesn’t apply.

Where the evidence does not clearly suggest a certain assessment, stakeholder views on the issue diverge, or the multi-stakeholder group disagrees with the Secretariat’s assessment, the situation is described in the assessment.

1. Effectiveness and sustainability indicators

1.1 National relevance of EITI implementation

This indicator considers the extent to which EITI implementation in Trinidad and Tobago addresses nationally relevant extractive sector challenges and risks.

The objectives of the latest work plan were developed in consultation with MSG stakeholders and CSO groups outside of the MSG and are the result of an assessment on how to strengthen impact and outcomes of the EITI in-country. TTEITI plays a key role in providing data on the contribution of the oil and gas sector over time, in particular as the sector is in a mature phase and revenues may be in decline. A key issue in Trinidad and Tobago is the impact of changes in global markets on oil and gas prices, including on fluctuating government revenues. TTEITI firmly grounds its implementation in the framework of domestic revenue generation. The country's EITI Reports include timely (unreconciled) revenue figures and content to explain why revenues fluctuated in the past 6-24 months.

The MSG has been using the EITI to address and publishing information beyond the EITI Standard, such as on fuel subsidies and oil spills. It has initiated a pilot on greenhouse gas (GHG) emission data for the National Gas Company (NGC). TTEITI's work on environmental disclosures has prompted its selection to serve on the National Sustainable Development Council.

The Secretariat proposes that 0.5 additional point be added to the score on Outcomes and impact for this indicator.

1.2 Systematic disclosures of extractive industry data

This indicator considers the extent to which data is systematically disclosed, as well as plans to strengthen systematic disclosures.

TTEITI has pursued mainstreaming as a key pillar of its work plan for the years under review. Statutory procedures related to EITI Requirements can be found systematically disclosed through websites of the Ministry of Finance, the Central Bank and the Ministry of Energy and Energy Industry, which also hosts the license cadastre. Stakeholders consulted have confirmed that TTEITI's support has been important in the review and improvement of the license register (currently an excel file for oil & gas and mining). An ongoing project with the International Secretariat aims at increasing the share of financial information to be systematically disclosed, confidentiality rules permitting.

The Secretariat proposes that 0.5 additional point be added to the score on Outcomes and impact for this indicator.

1.3 Environment for citizen participation in extractive industry governance

This indicator considers the extent to which there is an enabling environment for citizen participation in extractive sector governance, including participation by affected communities.

Despite the little opportunities for citizens to participate in budget oversight², TTEITI developed a [guide for civil society organisations](#) to participate more actively in the discussions on public finance, in particular on how government revenues, in part generated by its extractives sector, can be used. Secondly, the MSG has carried out events with communities affected by mining to capture their concerns and gain perspectives of the residents. Capacity building efforts on challenges in the mining sector have been carried out to build citizens' capacity to participate in the oversight of the sector³. Lastly, the EITI has served as a platform on which civil society members have been able to acquire resources to fund their work related to extractives, such as the programme to build capacity on environmental transparency and accountability of the EU (2018-2020).⁴

The Secretariat proposes that 0.5 additional point be added to the score on Outcomes and impact for this indicator.

1.4 Accessibility and use of extractive industry data

This indicator considers the extent to which extractive sector data is accessible and used for analysis, research and advocacy.

The MEEI provides granular data on production volume on a quarterly basis in excel format ("Energy bulletin"). The past two EITI Reports, despite their delay in publication, contain up to date (up to June 2022 for the Report published in September 2022) data on the key revenue flows, which makes reports more interesting and relevant to inform public debate on the fluctuating contribution of the data. For the 2019-2020 EITI Report, all data was published in excel format. For the years 2013-2017, payments data was published in a "payments data" website, allowing readers to browse through the data either by company or by revenue stream.

The publication of TTEITI's reports, blogs and news items have led to public debate, in particular on the mining sector, where news items frequently quote TTEITI data. The Energy Chamber has used EITI data on supplemental petroleum taxes and petroleum profit taxes to inform its advocacy to Government on fiscal regime reform.

TTEITI has moved ahead with publishing data on beneficial owners in the extractives sector, despite a legal framework that mandates the collection of this data but stops short of requiring its public disclosure. In doing so, TTEITI demonstrated to the government how BO data could be published.

There are further opportunities for strengthening EITI implementation by addressing the encouraged aspects of the 2019 EITI Standard, such as publishing more disaggregated information on the commercialisation of gas on the international market.⁵

² See IBP's assessment here: <https://internationalbudget.org/open-budget-survey/country-results/2021/trinidad-and-tobago>

³ See https://www.youtube.com/watch?v=F5fl2aCuPpl&ab_channel=TTEITICommunications

⁴ See the final report here: https://www.eeas.europa.eu/sites/default/files/csos_for_good_environmental_governance_-_final_report.pdf

⁵ Operators commercialise gas and send proceeds to the government, but there is little information on the value of those sales. Given the integrated nature of T&T's oil and gas sector and little progress on contract transparency, the government may consider asking operators to publish the annual sales price by purchasing company.

The Secretariat proposes that 0.5 additional point be added to the score on Outcomes and impact for this indicator.

1.5 EITI-related changes to extractive industry policy and practice

This indicator considers the extent to which EITI has informed changes in extractive sector policies and practices.

Data published in EITI Reports have informed key strategic studies (such as the Gas Master Plan) and assisted Trinidad and Tobago in meeting its obligations to the Open Government Partnership (which they are no longer member of). Stakeholders cited TTEITI's beneficial owner register as contributing to removing T&T from FATF's grey list. TTEITI has also been cited for supporting MEEI in reviewing the mining and petroleum cadastres, which as a result have improved. TTEITI's advocacy has led the MEEI to include a requirement for companies bidding for oil and gas blocks to disclose their beneficial owners. Heritage Petroleum Company Limited has also as a result of TTEITI's advocacy inserted a clause into its contracts with lease and farm out operators requiring its partners to report to the EITI. Even though TTEITI's advocacy on removing barriers to reporting and transparency of contracts have not yet shown results, it has changed some of the practices as highlighted above.

The Secretariat proposes that 0.5 additional point be added to the score on Outcomes and impact for this indicator.

2. Outcomes and impact

This component assesses EITI Requirements 7 and 1.5, which relate to progress in addressing national priorities and public debate.

Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in annex to this report.

EITI Requirement / past corrective action and assessment	Summary of progress in addressing the EITI Requirement
<p>Work plan (Requirement #1.5)</p> <p><i>Fully met</i></p>	<p>The Secretariat's assessment is that Requirement 1.5 is fully met, as in the previous Validation. The view of most stakeholders consulted is that the work plan supports implementation of national priorities for the extractive industries and contains realistic, measurable and achievable outputs and outcomes. While some stakeholders consulted noted that insufficient attention was given to the quarrying sector, most considered that the MSG had gotten the balance right given the security challenges in that sector.</p> <p>The work plan sets out objectives for implementation linked to the EITI principles, and steps to improve the systematic disclosures of information required of reporting entities under the EITI. Evidence suggests that the MSG regularly reviews progress in work plan implementation. Activities and outcomes are clear and fully costed and reflect issues that are of public interest, such as environmental reporting, legislative change, and more transparency in the mining (quarrying) sector. The 'Outcomes and</p>

	<p>impact’ template makes specific reference to national and sectoral strategic priorities in the work plan. The work plan is fully costed and the government funds EITI implementation. The annual cost for EITI implementation is estimated at just below USD 200,000.</p> <p>The current triannual work plan is the result of stakeholder consultation and deliberation, both within and outside of the MSG. It includes measurable and time-bound activities, is fully costed and succinct. The work plan includes activities addressing the legal and regulatory barriers to reporting, contract disclosure and beneficial ownership disclosure, referencing advocacy for the inclusion of EITI reporting, beneficial owners and contracts in new production sharing contracts (PSCs). Consultations with members beyond the MSG are undertaken before developing a new triannual work plan. The work plan is updated on a monthly basis through the report to the secretariat and overall progress is noted in the annual progress review.</p> <p>In developing the work plan, the MSG took several steps to undertake a backward mapping process, looking at key outcomes, outputs, inputs, activities, and a list of leading indicators that would measure progress of the plan’s objectives. The work plan’s outcomes were linked to challenges in the sector ranging from mining sector governance issues to the need for digitisation and mainstreaming of data.</p> <p>The work plan includes plans for implementing some of the recommendations from Validation and reporting. The secretariat keeps a more detailed list of outstanding items from Validation and reporting to ensure follow-up via the MSG’s sub-committees. The work plan addresses capacity constraints through a communications strategy (development and roll-out). The work plan is available online on the TTEITI website.</p> <p>The fifth priority and the linked activities in the TTEITI work plan cover encouraged activities on environmental reporting, reflecting the MSG’s consideration of extending the detail and scope of EITI reporting.</p> <p>The Secretariat reports on progress on the work plan as a standing item in every MSG meeting (“Secretariat Report”). The MSG reviewed the work plan in October 2021 and agreed on an action plan to address unmet targets.</p>
<p>Public debate (Requirement #7.1)</p> <p><i>Exceeded</i></p>	<p>The Secretariat’s assessment is that Requirement 7.1 is exceeded, as in the previous Validation. Consultations suggest that stakeholders consider the objective of the requirement to be fully met, as TTEITI has actively communicated relevant data to key stakeholders in ways that are accessible and reflect stakeholders’ needs. TTEITI has exceeded this requirement for the quality of outreach materials and the audience reached, both in substance and clarity of language. TTEITI actively asked for feedback on issues of public concern through workshops and civil society surveys. It led to TTEITI publishing articles on issues of national importance such as fuel subsidies, contract transparency, royalty payments and monitoring of SOEs.</p> <p>Starting in early 2019, the TTEITI transitioned to digital storytelling and using social media, including Facebook, Instagram and LinkedIn to enable greater interaction with and shareability of data on key extractive sector issues among a wide cross section of society. This re-orientation of the</p>

	<p>communications strategy proved resilient during the COVID-19 pandemic. The virtual formats of information and capacity building events have been recorded and led to making content available to a much larger audience (through the TTEITI website, YouTube channel). Physical meetings are nevertheless still part of the outreach strategy.</p> <p>TTEITI presents data and information in accessible, clear language, on the website, through summary reports and in their audio-visual material (webinars). TTEITI anchors its public narrative into the anti-corruption agenda and links governance risks to the EITI's work and (thematic) reports. TTEITI produces summary reports which make use of known metaphors to communicate key messages and findings ("water more than flour" for the 2018 summary report).</p> <p>TTEITI has undertaken several outreach and capacity building events, both on the outcomes of EITI reports and thematic issues. These targeted a variety of audiences, including parliament members, media, civil society outside of the MSG. TTEITI has produced policy briefs to inform ongoing reforms and advocated for legal changes needed for disclosures, arguing in terms of the gains for accountability and prevention of corruption (rather than compliance with the EITI Standard). TTEITI have also produced content related to sector management that increase the understanding of how the sector functions and recent developments. Examples include the Budget Guide for Civil society⁶ and the 2021 State of the Extractive Sectors Report.</p> <p>The evidence of TTEITI's outreach efforts can be found in the numerous news articles that are informed by its publications and outreach efforts. The MSG, through its communications committee, has been engaged in shaping the communications strategy, looking at targeted messaging by stakeholder group and digital engagement.</p> <p>The MSG also started focusing on environmental reporting after consultations with its civil society constituents, including an NGO focused on gender parity. This led to the development of a reporting template, environmental scoping reports being drafted and an environmental reporting pilot for the 2019-2020 EITI Report.</p>
<p>Data accessibility and open data (Requirement #7.2)</p> <p><i>Fully met</i></p>	<p>The Secretariat's assessment is that Requirement 7.2 is exceeded. Stakeholders consulted consider that the objective of the requirement to enable the broader use and analysis of information on the extractive industries, through the publication of information in open data and interoperable formats, has been fully met. TTEITI has made efforts to present revenue data online in a format that allows exploring the data and government ministries are offering data in excel format. Through the TTEITI's efforts and the efforts of government ministries, ample data is made available in excel format to allow readers to use and analyse the data.</p> <p>TTEITI adopted an open data policy on 17 November 2016. In 2017 it launched a data portal on energy sector payment disclosures with 2013-2017 EITI Reports. The tool on payments allows to search by companies and by year. The tables and all the reconciled data were published</p>

⁶ See <https://stories.tteiti.com/budget-guide/index.html> and <https://reports.tteiti.com/state-extractive-sectors-report-2021/>

	<p>alongside the PDF 2019-2020 EITI Report on the TTEITI website. The summary data files have been submitted for the years under review.</p> <p>There are several areas where systematically disclosed data is available in machine readable format. The Ministry of Energy and Energy Industries (MEEI) publishes a bulletin with monthly oil production figures, drilling, completions and workovers, natural gas production and utilisation, crude oil imports, exports and refining and data on natural gas processing – in excel, and dating back to 2000. The MEEI website also publishes ample background on bidding rounds, policies, the fiscal regime and tax laws both for the oil and gas and minerals sector. Other government institutions, such as the Central Bank of T&T and the statistics office publish data in downloadable format, with aggregate figures on imports, exports and production. Finally, TTEITI has made the payments data of 2013-2017 accessible online on a dedicated website, allowing users to browse the data by company and by year⁷.</p>
<p>Recommendations from EITI implementation (Requirement #7.3)</p> <p><i>Exceeded</i></p>	<p>The Secretariat’s assessment is that Requirement 7.3 is exceeded, which is an improvement since the previous Validation. The Secretariat’s analysis and stakeholder comments suggest that the objective of the requirement, to ensure that the EITI is a continuous learning process that contributes to policymaking, has been exceeded, given the specific recommendations the MSG has formulated to the government’s considerations on legal changes needed to align the government’s policy with the EITI Standard.</p> <p>Available documentation indicates that monthly MSG meetings serve as main instrument for monitoring progress up on corrective actions and recommendations from Validation and reporting (i.e. minutes of the 106th meeting in August 2019). The technical subcommittee, with the secretariat’s support, is the main locus for technical follow-up on recommendations and corrective actions. Where broader follow-up is needed, the issues are addressed at the monthly MSG meetings and minuted. Some more outward-looking recommendations are elevated to the work plan and progress on those documented in the annual progress report. Stakeholders confirmed that the government representatives in the MSG have access to the people and processes needed to clarify questions and provide data. EITI Reports provide an overview of status and updates on recommendations of previous reports and serve as an additional mechanism to follow-up on recommendations.</p> <p>The MSG and Secretariat had issued a recommendation for amending the Petroleum Act and Regulations to allow for a mandatory EITI reporting clause and to ask for the removal of a section (35) in the act that makes any disclosures of oil and gas licences make persons liable for criminal proceedings (or at least to allow for disclosures through the EITI). The MSG’s requests to include contract transparency provisions into new PSC arrangements have given rise to legal opinions from the MEEI⁸. Lastly, even though the quarrying sector is not a priority for EITI implementation, the efforts of the EITI have led to the strengthening of the mining cadastre in the period under review, such that the current listing of active permits reflect the actual permits that have been allocated. On successes, the</p>

⁷ See <https://tteitidata.my.stacker.app/all-payments>

⁸ The legal opinion was made available to the International Secretariat, as well as the other documents mentioned in this section.

	<p>MSG's advocacy has led to oil SOE Heritage Petroleum Limited to include EITI reporting clauses in their new Lease-out Farm-out (LOFO) contracts. Government has also made beneficial ownership disclosure requirements in the 2021 competitive bidding order.</p> <p>Despite the mechanisms for follow-up on recommendations and corrective actions working well, and the government being represented at a senior enough level to effectively transmit requests for information and recommendation for policy change, it is a concern that there is little up-take from the government on most recommendations that pertain to access to data for reporting in particular. These weaknesses are covered in the assessment of government engagement (see <i>Requirement 1.1</i>).</p>
<p>Review the outcomes and impact of EITI implementation (Requirement #7.4)</p> <p><i>Fully met</i></p>	<p>The Secretariat's assessment is that Requirement 7.4 is fully met, as in the previous Validation. The objective of ensuring regular monitoring and evaluation of implementation is fulfilled. The MSG follows solid routines, reviewing the follow-up on the work plan monthly in the form of a standing agenda item in MSG meetings, the progress of which are recorded in the minutes. The minutes since 1 January 2022 are available on the TTEITI website.</p> <p>The MSG carried out a survey on focus, impact and outcomes of implementation, including reaching out to civil society members beyond the MSG, in preparation of its 2021-2023 work plans (120th SC meeting minutes, October 2020). The documentation is available upon request from the Secretariat. The latest APR covering 2021- first half of 2022 is publicly available. Its narrative demonstrates a review on the successes and shortcomings in terms of outcomes in line with the work plan objectives.</p> <p>The Validation 'Outcomes and impact' template contains a thorough review of how the MSG has addressed the recommendations and corrective actions.</p> <p>Regular assessment on monitoring the implementation of the work plan is done through the MSG meetings. From the MSG meeting minutes, it is evident that MSG members draw on actual current issues, such as oil spills, to question if the EITI is addressing the right issues. In its 130th MSG meeting (item 10.2) the Chair tasked the communications sub-committee to review how to better address pressing extractives sector issues. The MSG's assessment of progress in meeting each sub-requirement is not available in the documentation provided for this Validation. Stakeholders considered the assessment in the EITI Report as the appropriate form assessing progress against requirements. Some of the activities carried out in the period under review is accessible on the TTEITI website, all of them for the period under review are documented in the Validation Outcomes and Impact template. The MSG meeting minutes demonstrate that the MSG receives a regular update from the secretariat on the audience reach for TTEITI's communications efforts through the subcommittee report.</p> <p>The MSG enjoys gender parity, even if it does not appear to have undertaken any efforts to take gender considerations and inclusiveness into account in the MSG nominations procedures.</p>

New corrective actions and recommendation

- To strengthen implementation of Requirement 1.5, Trinidad & Tobago is encouraged to undertake efforts to link its EITI work plan to a monitoring framework.
- To strengthen implementation of Requirement 7.2, Trinidad & Tobago is encouraged to continue their efforts to identifying and publishing data routinely through the mainstreaming pillar of the work plan. Trinidad & Tobago is encouraged to make systematically disclosed data machine readable and inter-operable, and to code or tag EITI disclosures and other data files so that the information can be compared with other publicly available data.
- To strengthen implementation of Requirement 7.4, Trinidad & Tobago is encouraged to review outcomes and impact of its implementation of the EITI work plan on an annual basis, include financial reporting on how the budget was spent, sources of financial support on implementation and to make that publicly available on the TTEITI website. The MSG is encouraged to consider gender considerations and inclusiveness.

3. Stakeholder engagement

This component assesses EITI Requirements 1.1 to 1.4, which relate to the participation of constituencies and multi-stakeholder oversight throughout the EITI process.

Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in annex to this report.

EITI Requirement / past corrective action and assessment	Summary of progress in addressing the EITI Requirement
<p>Government engagement (Requirement #1.1)</p> <p><i>Fully met</i></p>	<p>The Secretariat's assessment is that Requirement 1.1 is fully met, as in the previous Validation. Stakeholders consulted considered the operational engagement to be very strong, given that the government participates actively in, hosts and funds the EITI. Mechanisms to follow up with the Ministry of Energy and Energy Industry (MEEI and lead agency) are working on a range of topics. However, the Secretariat expresses concern that several legislative proposals that the MSG addressed the MEEI, aiming at removing barriers to reporting, have not advanced significantly since the previous Validation, which was completed in February 2019. Opportunities on the legislative front to remove barriers to contract transparency in the past three years have not been seized, despite the targeted recommendations and follow-up from the MSG. Barriers to effective reporting and to disclosures have led to significant delays in reporting and has required significant additional efforts by the Secretariat and MSG to overcome. This assessment is considered borderline between mostly and fully met. However, the Secretariat takes note of government commitments to take actions to lift barriers to EITI implementation and recognises that such government reforms take time, which explains the assessment that, on balance, government remains fully engaged in the EITI process.</p> <p>The EITI Champion, Minister of Energy and Energy Industries, Stuart Richard Young, has voiced public support for the EITI and participated in the launch of the 2018 EITI Report.⁹ He is also quoted in news articles on the government's engagement for transparency, accountability, and commitment to the EITI. Some stakeholders have noted that the change of EITI Champion (MEEI Minister Franklin Khan passed away in April 2021) has slowed down the follow-up on the proposed EITI bill, which would remove barriers to reporting and strengthen TTEITI's financial and operational independence.</p> <p>The MSG is chaired by an independent, non-governmental figure, which underlines the government's commitment to the independence of the EITI process, according to stakeholders consulted from all constituencies. Stakeholders in the MSG voiced confidence in the Chair, who was appointed by the government following the retirement of the previous Chair Victor Hart in June 2019. MSG members consider that he has the authority and freedom to coordinate action on the EITI and that he has necessary access to key decision makers.</p>

⁹ <https://www.energy.gov.tt/address-by-the-honourable-minister-of-energy-and-energy-industries-stuart-young-at-the-launch-of-tteiti-report/>

	<p>The government supports the implementation of the EITI financially. From March 2019 to present, the government procured suppliers, paid the salaries and provided office space for the National Secretariat and provides per diems for some participants of the MSG meetings, in line with the internal ToRs. The Head of the Secretariat is member of the international EITI Board, representing implementing countries. The government has undertaken outreach for the EITI in the Caribbean by encouraging Jamaica to join. The government has sent personnel (both from ministries and SOEs) to MSG meetings to provide expertise in discussions of particular topics, such as digitisation and systematic disclosures or to address technical questions on disclosures. A civil servant from the MEEI Renewable Energy (RE) Division presented on key elements of the country's Renewable Energy Policy.</p> <p>Stakeholders consider that the government is represented on the MSG at a senior level. Members of the government participate regularly in MSG and sub-committee meetings and follow-up on corrective measures and recommendations. Besides the line ministry, the Board of Inland Revenue (Ministry of Finance), and the state-owned National Gas Company of Trinidad and Tobago, Heritage Petroleum Company Limited, National Quarries Company Limited are represented in the MSG.</p> <p>Some civil society and company stakeholders considered it a weakness that the government doesn't include a member of the mineral's department (MEEI) for the MSG while recognising the less significant role the sector played in terms of government revenue, and the fact that TTEITI only covers the sector as a "pilot". Other CSO stakeholders highlighted this as an issue for lack of follow-up on improving the regulatory oversight of the quarrying sector.</p> <p>Despite this engagement, there are several recommendations from EITI reporting and legal obstacles to disclosures that have not seen significant movement by the lead implementing agency, MEEI in particular, in the past four years (see list of recommendations, 2019-2020 EITI Report). The EITI bill ("EITI legislation") has been pending with the MEEI or the Cabinet since at least 2016, which would address the significant barrier to reporting, giving the IA direct access to tax data for reporting companies. The bill would also give more financial independence and could improve the Independent Administrator procurement process, which has been cumbersome for the 2019 - 2020 EITI Report and ultimately caused Trinidad and Tobago to be temporarily suspended (see <i>Requirement 4.8</i>).</p> <p>In terms of reducing obstacles for transparency, it is noteworthy that legislative amendments as recommended by the MSG have not been taken forward by the MEEI, for example for the inclusion of a clause on contract transparency in the recent Petroleum law. Finally, it shall be noted that a key recommendation of past reports, to allow the Auditor General's oversight on the BIR, has since been addressed through the adoption of a bill in December 2021 establishing the Trinidad and Tobago Revenue Authority, replacing the Board of Inland Revenue (BIR) and the Customs and Excise Division. The new authority is to be audited annually by the Auditor General (AG) and is expected to improve the oversight mechanisms within the government administration. Consultations with members of the Auditor General found that it is unclear where the bill stands, and if the clause for oversight of the Revenue Authority has been retained.</p>
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<p>Industry engagement (Requirement #1.2)</p> <p><i>Fully met</i></p>	<p>The Secretariat’s assessment is that Requirement 1.2 is fully met, as in the previous Validation. Oil and gas companies, as well as two industry associations are actively and effectively engaged in the EITI in terms of participation in the MSG’s work. Stakeholder consultations support this assessment.</p> <p>There are five seats in the MSG for the constituency. The major industry players in the country are represented on the MSG, as well as the Energy Chamber of T&T and the T&T Chamber of Industry and Commerce are represented each, including an alternate from the same institution. The ‘Stakeholder engagement’ template suggests that company representatives participate actively and regularly in the MSG’s work and in the technical sub-committee, including outreach activities such as conferences and information campaigns on beneficial ownership. The main actors for outreach of data and collection of external views are via existing mechanisms of the Chamber of Commerce and the Energy Chamber, such as at quarterly meetings. Industry players described the consultation mechanism with their constituency as taking place in informal regular catchups.</p> <p>There do not appear to be any new obstacles to company participation in the EITI. Company participation in EITI reporting is largely timely and thorough. In the latest reporting round there had been some delays from a limited number of companies in submitting reporting templates – both their own and the BIR’s data that related to them¹⁰ to the IA. The obstacles to more effective reporting by companies are noted in the assessment of government engagement (see <i>Requirement 1.1</i>). In effect, the Secretariat has adopted practical solutions to overcome barriers to company reporting through taxpayer confidentiality waivers, but these require substantial additional efforts from the IA and MSG to gather the data. All material companies participated in reporting. Consulted companies noted that a quarrying company has been observing the MSG (Hermitage Limestone) in the period under review and participates in the technical subcommittee.</p> <p>There are no barriers to the collection of beneficial ownership data and reporting companies have submitted their information as requested. Publication of BO data is not foreseen by law, but the companies have agreed that TTEITI publish the information collected as part of EITI reporting, even if some gaps in BO data disclosures persist (see <i>Requirement 2.5</i>). There are however legislative barriers to disclosing contracts. Industry members have underlined that they would not unilaterally publish contracts, despite several of their parent companies publicly committing to contract transparency, as they did not wish to contradict the government’s position that extractive contracts should be kept confidential in order for both legal and commercial reasons.</p>
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¹⁰ TTEITI has established a mechanism to work around the tax confidentiality legislation, which restricts the BIR to submit tax data from companies to the Independent Administrator without the company’s approval. A memorandum of understanding (MoU) allows the BIR to effectively hand over individual company data to the IA by using the corresponding company as an intermediary. Prior to the pandemic, this was done through a physical ceremony in which BIR, individual companies and the IA were all present. In the latest reporting cycle, which occurred during the Covid-19 pandemic, individual company templates filled by the BIR were sent from the BIR to each company electronically with the expectation that companies would then forward these templates to the IA. In some cases, companies retained the files for several weeks, slowing down progress on the report and raising questions about the integrity of the BIR’s submitted data, as it is not clear if any of the BIR data was modified prior to being forwarded to the IA.

	<p>There are currently no nominations procedures in place to change the composition of the constituency’s representation on the MSG (see <i>Requirement 1.4</i>). Some civil society members considered the lack of private quarrying companies to be a limiting factor for the EITI’s ability to cover the sector effectively. Other CSO members considered that mining companies did not make material payments to government meant that the sector was sufficiently represented through the business chambers. The TTEITI secretariat has undertaken efforts to include private quarrying companies and a member of the largest quarrying company (Hermitage Limestone) has observed several MSG meetings during the period under review. The MSG decided to continue to classify mining sector reporting as a pilot. In the minutes of the 111th Steering Committee meeting on 16 January 2020, the committee reviewed a paper on the issue and cited the lack of legal requirements to participate in EITI reporting as well as concerns with determining materiality for the mining sector as reasons for continuing with a pilot.</p>
<p>Civil society engagement (Requirement #1.3)</p> <p><i>Fully met</i></p>	<p>The Secretariat’s assessment is that Requirement 1.3 is fully met, as in the previous Validation. All stakeholders consulted considered that the objective of full, active and effective engagement of civil society in the EITI process has been fulfilled and that there is an enabling environment for civil society participation in all aspects of the EITI process.</p> <p>There are no indications of any government constraints on civil society’s engagement in public debate related to the EITI process since the period reviewed in the previous Validation. CIVICUS monitor considers civic space to be “narrowed”. The assessment has not been updated since 2017 (before the last Validation). Freedom in the World has classified Trinidad and Tobago as “Free” (with 82 points out of 100) since the previous Validation and considers that the country has a vibrant media and civil society. It also notes that organised crime contributes to high levels of violence, and corruption among public officials remains a challenge.¹¹ There is evidence in the press that civil society representatives engage in public debate related to the EITI process and express opinions about the EITI and sector governance without constraints, coercion or fear of reprisal. Stakeholders from civil society have expressed themselves critically about the government and companies in online news and blogs. While some members reported a sense of being frowned upon following some of their public commentary, there is no evidence of systematic reprisals and coercion against members of civil society that are engaged in the EITI process and in public debate on natural resource governance. Civil society stakeholders highlighted illegal quarrying of limestone and sands by gangs and noted that the fear of violence from gangs against people reporting on these activities has impeded more coverage on the sector. Stakeholders consulted agreed that the dangers of covering the quarrying sector were linked to gangs engaged in illegal activities, and not to government repression. Some stakeholders from civil society and industry stated that TTEITI is the only source of trusted information on the sector, even if the amount of data is limited, and that TTEITI is providing space to discuss some of the governance problems associated with the quarrying sector. There are no legal or practical barriers to civil society to engage in any aspect of the EITI process. Civil society actors have demonstrated the use of EITI as a platform for debate and have cited EITI disclosures, including weaknesses of the data (i.e., self-declaration of production figures) in the media. Civil society</p>

¹¹ See the assessment here_ <https://freedomhouse.org/country/trinidad-and-tobago/freedom-world/2022>

	<p>representatives are able to communicate and cooperate with each other regarding the EITI process and they receive logistical support from the Secretariat to facilitate some of their exchanges. Civil society is able to fully contribute to the EITI process. The government facilitates CSO participation in meetings through per diems for civil society members. The MSG, through the TTEITI secretariat, has reached out to civil society beyond the MSG to seek their views on the EITI's focus and impact as part of the 2021-2023 work plan process.</p> <p>There are six representatives on the MSG, representing a diverse group of CSO members, from environment focussed NGOs, a governance and accountability focussed NGO to representation of the workers union and a network for the advancement of Women. Members of the MSG participate regularly in MSG meetings and sub-committee meetings and use EITI data for their own work.</p> <p>MSG members liaise with the broader constituency regularly through their existing networks for consultation and dissemination. For the last revision of the work plan (2021-2023), civil society members sought wider constituency views on the strategic direction of TTEITI and to assess its outcomes and impacts. The Oilfield Workers' Trade Union (OWTU) provides a spotlight on TTEITI activities and knowledge through its annual Public Policy Forum where it engages its constituency and stakeholders in discussing the TTEITI in context of the OWTU's work and wider national development. The Trinidad and Tobago Transparency Institute (TTTI) has used ongoing project work in partnership with the TTEITI to highlight the TTEITI's work to its members and the public. The TTTI has partnered with the TTEITI on a Beneficial Ownership Campaign, with targeted workshops being held for civil society organisations in Trinidad and Tobago in 2020. The NGO Fishermen and Friends of the Sea used TTEITI related data in its engagement with the press and public. The core of their engagement with civil society and the wider citizenry comes from their leading role in speaking on behalf of persons involved in marine livelihoods, but also wider society, who they engage with on a regular basis through participation in community meetings, public consultations, and other advocacy activities. Finally, the CSO constituency uses the Cari-Bois Environmental News Network, coordinated by CSO members of the MSG, which was developed under a European Union-funded project that was coordinated by CSO members of the MSG, to communicate issues on extractive industries, including on the TTEITI process and using EITI data.</p> <p>The current chair, Gregory McGuire, is considered a representative of civil society. However, stakeholders consulted consider that he is an independent figure and does not speak on behalf of the CSO constituency. Mr McGuire is a known expert on T&T's economy and oil and gas industry and currently active in academia.</p>
<p>Multi-stakeholder group (Requirement #1.4)</p> <p><i>Fully met</i></p>	<p>The Secretariat's assessment is that Requirement 1.4 is fully met, an improvements since the previous Validation. The corrective action on CSO's and industries' independence on nominating its own members has been addressed through a cabinet note confirming industry and civil society autonomy (March 2022). The MSG continues to exercise meaningful oversight of all aspects of the EITI process. The interests of the three constituencies are represented in a balanced manner.</p> <p>The MSG has an almost equal number of women as men on the MSG. Consensual decision-making is the norm, majority-voting has been used in one instance where consensus could not be reached. The MSG discusses</p>

	<p>substantial and current issues, such as quality of data on oil spills (128th MSG meeting) and the energy transition. The minutes document that members of the MSG have the skills required to conduct meaningful discussions and that constituencies make substantive contributions.</p> <p>The full CSO constituency has not been renewed since that note, but minutes confirm that civil society has nominated new members to follow MSG members that had retired (minutes of the 118th MSG meeting, agenda item 2) or resigned. The civil society constituency specified its selection of representatives and term lengths in a document adopted in February 2021, specifying the role of the representatives, nomination criteria, election procedure and term duration. At the start of this Validation, the CSO constituency was in the process of outreach to wider civil society and to prepare for a re-constitution of the CSO constituency by the end of 2022. They are being supported by the TTEITI secretariat and do not consider the logistical support to be an interference to their nominations process, rather that the government is enabling them to carry out their nomination by providing support.</p> <p>Stakeholder consultations with industry found that there was no agreed upon procedure on how to nominate its members, selection criteria and election procedure. The industry has a permanent mining company that observes MSG meetings and participates in the technical subcommittee, in line with the prevailing internal governance rules.</p> <p>TTEITI has started to publish MSG meeting minutes since January 2022 pursuant to a decision taken in December 2021¹². The Terms of Reference are public. They specify the per diem policy and amount for meetings and refer to the Code of Conduct that applies to all EITI office holders. The MSG has an observer policy which is followed in practice. In Trinidad and Tobago, the MSG has always been chaired by a CSO representative, see assessment of Requirement 1.1.</p> <p>The MSG ToRs (2018) and code of conduct (EITI) appear to be followed. The ToRs are in line with Requirement 1.4.b. Meetings continued to take place on a monthly basis throughout the COVID-19 pandemic using zoom – no meeting was delayed or cancelled. The three constituencies are equally represented and participation of all three constituencies was over 67% for each of the constituencies over the three years under review, with the exception of the quarrying SOE.</p> <p>The MSG has established four sub-committees: on technical guidance (including materiality and mining reform), legal and tenders for internal procurement and staff recruitment, communications for guidance on communications and outreach, and on the environment, for guidance on policies, legislation and procedures that impact EITI implementation. Members of each constituency are represented in the sub-committees. The sub-committees report to the MSG regularly in meetings.</p>
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¹² The minutes are currently published here: <https://www.tteiti.com/validation>

New corrective actions and recommendation

- To strengthen implementation of Requirement 1.1, Trinidad and Tobago is encouraged to strengthen the government's lead of all aspects of EITI implementation and its active resolution of bottlenecks to EITI implementation such as legal barriers to disclosure or procurement challenges. The government is encouraged to actively engage in follow-up on recommendations from EITI reporting, building on the robust TTEITI mechanism for follow-up on lessons learned from EITI implementation.
- To strengthen implementation of Requirement 1.2, Trinidad and Tobago is encouraged to explore more sustainable ways of overcoming taxpayer confidentiality constraints on revenue disclosures, including through multi-year confidentiality waivers to be signed by companies, in the absence of progress on the legislative proposal. To strengthen implementation, the industry constituency is encouraged to adopt constituency guidelines clarifying the selection procedure, coordination mechanisms, roles and term mandate duration. EITI Supporting Companies are encouraged to more actively advocate that the government practice systematic contract and revenue transparency, in line with the EITI Supporting Companies expectations¹³.
- To strengthen implementation of Requirement 1.3, Trinidad and Tobago is encouraged to use its EITI implementation and MSG regularly review the environment for civil society engagement in EITI-related activities, with a view to identifying and addressing any allegations of government constraints on civil society engagement in the EITI process or public debate on natural resource governance.
- To strengthen implementation of Requirement 1.4, Trinidad and Tobago is encouraged to consider expanding the MSG membership to government and industry representatives of the quarrying sector, given the interests of stakeholders in using the EITI to address mining sector challenges.

¹³ Expectations towards supporting companies: <https://eiti.org/documents/expectations-eiti-supporting-companies> and list of supporting companies: <https://eiti.org/oil-and-gas-companies>

4. Transparency

This component assesses EITI Requirements 2 to 6, which are the requirements of the EITI Standard related to disclosure.

Overview of the extractive sector (Requirements 3.1, 6.3)

Overview of progress in the module

The 2019 EITI Report provides comprehensive information about the oil and gas sector in Trinidad and Tobago, including information on exploration and the contribution of the sector to the economy. Much of the information is published systematically through the MEEI's website. The TTEITI State of the Extractives online report presents the state of the oil and gas sector in a compelling manner, accessible to the public.¹⁴ There is little data available on the minerals sector and EITI reporting lacks an estimate of the unlicensed quarrying activity.

Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in annex to this report.

EITI Requirement / past corrective action and assessment	Summary of progress in addressing the EITI Requirement
<p>Exploration (Requirement #3.1)</p> <p><i>Fully met</i></p>	<p>The Secretariat's assessment is that Requirement 3.1 is fully met, as in the previous Validation. Stakeholders did not express particular views on progress towards the objective of this requirement in oil and gas but all stakeholders consulted considered that the formalisation of the quarrying sector would improve oversight of these activities. The Secretariat's view is that there is scope for the government and extractive companies to strengthen their systematic disclosures on their exploration and production activities, particularly in the mining sector for this requirement to be exceeded. Information covered by Requirement 3.1 is disclosed through Trinidad and Tobago's annual EITI Report and on the Ministry of Energy and Energy Industries website.</p>
<p>Contribution of the extractive sector to the economy (Requirement #6.3)</p> <p><i>Fully met</i></p>	<p>The Secretariat's assessment is that Requirement 6.3 is fully met, as in the previous Validation. The Secretariat notes that a reliable third-party estimate of the informal quarrying sector activity is not currently available to the public. However, several stakeholders from industry and civil society stressed the need for further government oversight of the quarrying sector to better understand the mining sector's contribution to the economy. While recognising that stakeholders weigh the oil and gas sector as the priority area for EITI, the lack of estimate of informal quarrying activities was identified as an important missing piece of information and of public interest. In its comments on the draft assessment, the MSG argued that, since the mining sector is considered a pilot, the lack of timely estimate of the size of the informal sector is not necessary. The MSG also pointed to the annex of the 2018 EITI Report, published in January 2021, including a list of producing quarrying companies that do not hold licences. The</p>

¹⁴ See section 2 of <https://reports.tteiti.com/state-extractive-sectors-report-2021/6/>

	<p>Secretariat considers the requirement is met, not because estimates of informal activity are not required in the mining sector, but rather because TTEITI has provided some limited information on informal mining activity in previous EITI Reports given the absence of third-party estimates that were considered credible by the MSG.</p> <p>The Secretariat's view is that the objective has been fulfilled for the oil and gas sector, with most extractive revenue, exports, GDP and employment data, disaggregated by sector and gender is disclosed systematically by the Ministry of Finance and the Central Statistical Office's Continuous Sample Survey of Population. Further disclosures of extractive sector employment data by company or occupational level, would strengthen adherence to the requirement.</p>
New corrective actions and recommendation	
<ul style="list-style-type: none"> • To strengthen implementation of Requirement 3.1, Trinidad and Tobago is encouraged to systematically publish information on reserves. • To strengthen implementation of Requirement 6.3, Trinidad and Tobago is strongly encouraged to reference third-party estimates of informal (unlicensed) mining sector activity in its annual EITI reporting. To strengthen implementation of Requirement 6.3.d, Trinidad and Tobago is encouraged to use the EITI to support the Central Statistical Office's Continuous Sample Survey of Population to further disaggregate employment data by company and occupational within gender breakdowns, as encouraged in Requirement 6.3.d. 	

Legal environment and fiscal regime (Requirements 2.1, 2.4, 6.4)

Overview of progress in the module

EITI reporting serves as a reference to where information on the legal framework and fiscal regime governing the extractives sector is systematically disclosed on government websites. EITI reporting has added value by highlighting a 2017 amendment to the Petroleum Act that had not yet been reflected on the MEEI's website, but reporting could further document ongoing reform efforts in the mining sector. The 2021 State of the Extractives online report explains the fiscal regime, the link between disclosure of contract and license terms and strengthen domestic resource mobilisation and lays out the legislative steps needed in order to publish the terms of extractive contracts and licenses. The online report also highlights global companies active in T&T that have committed to contract transparency and compares this with their practice in T&T. TTEITI has been a key advocate for contract transparency and has included activities in its work plan. Despite these efforts, Trinidad and Tobago has made no progress on disclosing contracts and licenses, as required by the 2019 EITI Standard, due to several legal obstacles. The government has made the policy decision not to implement the TTEITI recommendations to adjust legal provisions to allow for publishing licenses and contracts allocated after 1 January 2021.¹⁵

¹⁵ Letter of the MEEI to the International Secretariat, dated 18 October 2022.

Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in the annex to this report.

EITI Requirement / past corrective action and assessment	Summary of progress in addressing the EITI Requirement
<p>Legal framework and fiscal regime (Requirement #2.1)</p> <p><i>Exceeded</i></p>	<p>The Secretariat’s assessment is that Requirement 2.1 is exceeded, an improvement from the previous Validation. The requirement is exceeded due to most information available systematically, as well as the accessible manner the legal framework, fiscal regime and ongoing reforms are explained on the TTEITI’s website.</p> <p>There are systematic disclosures of information on the legal and regulatory framework for the extractive industries in Trinidad and Tobago, with the full text of laws and regulations published on the Ministry of Mine and Energy Industries website. The country has used its latest (2019-2020) EITI reporting to comprehensively describe the legal framework and fiscal regime for the mining, oil and gas sectors, including all information listed under Requirement 2.1.a. EITI reporting documents legislation that prevents contract and license disclosure and taxpayer confidentiality that prevents MOF-IRD from disclosing company-level payments. Recent (unsuccessful) efforts to overcome these barriers are detailed. Other reforms recently passed in the petroleum sector are also discussed in EITI reporting, as well as reforms that are relevant to the extractives industries, such as proposals to establish a new Revenue Authority. The online 2021 State of the Extractives report (the 2018 EITI Report), explains in accessible language the taxation rules and legal environment, the link between disclosure of terms (contracts, licences) to strengthen domestic resource mobilisation, and lays out the legislative steps needed to publish the terms. There is less discussion of reforms in the mining sector, although the State of the Extractives report notes the lack of clarity on whether the 2015 legislative changes that increased fees and royalties had led to an actual increase of revenues collected by the Minerals Division. Several stakeholders consulted from industry, civil society and international partners considered that there was less impetus for reform given that the mining sector was a domestic industry with Trinidadian operators and production consumed locally, in contrast to the oil and gas sector.</p>
<p>Contracts (Requirement #2.4)</p> <p><i>Partly met</i></p>	<p>The Secretariat’s assessment is that Requirement 2.4 is partly met. Stakeholders consulted confirmed that there is no movement on making public the contracts and licenses entered into or amended from 2021 onwards. In fact, in the period under review, the government reaffirmed its position that extractive contracts and licenses should be kept confidential, despite the advocacy efforts by the MSG.</p> <p>The 2019-2020 EITI Report outlines the legal barriers to contract and license disclosure found in Chapter 62:01, Section 35 of the Petroleum Act and Chapter 22:02, Section 31 of the Freedom of Information Act. EITI reporting also documents TTEITI Steering Committee and Secretariat efforts to overcome these legal barriers through proposed amendments to existing legislation. The MSG’s efforts to include contract disclosure in the 2021 deep water bid round also proved unsuccessful. The lack of advancement despite specific advocacy by the MSG (see Requirement 7.3) is reflected in</p>

	<p>the assessment of government engagement to reduce barriers to transparency (see <i>Requirement 1.1</i>). The MSG's 2021-2023 work plan documents activities and a time frame for addressing barriers to contract disclosure that demonstrate ongoing efforts to advance contract transparency.</p> <p>In practice, the legal barriers to contract and license disclosure have prevented the publication of the full text of any mining and petroleum contracts (including annexes, amendments and riders) and licenses. While the model Deepwater PSC and model E&P license are publicly accessible on the MEEI's website, consultations confirmed that they are substantially adjusted following negotiations and thus that concluded contracts and licenses are not <i>pro forma</i>. The MSG has not undertaken an assessment of which contracts and licenses contain terms that differ from the model contracts and licenses. Legal barriers to contract and license disclosure represent a material gap in the objective of Requirement 2.4. The MSG has documented and explained these barriers and proposed solutions to address these barriers to comprehensive disclosure. When asked, some industry stakeholders said that they were not requested to waive confidentiality provision in contracts for the reporting period, as highlighted in the 2021 State of Extractives report¹⁶. At the global level, some international oil companies have expressed a willingness to disclose the full text of licenses and contracts.</p> <p>The 2019-2020 EITI Report (see Requirement 3.3) indicates that four Blocks (3(a), 2(c), 1(a) and Trinidad Northern Areas (TNA) had new PSC and E&P assignments that took place after 1 January 2021. The mining cadastre lists eight mining licenses, all of which were awarded prior to 1 January 2021. Consulted stakeholders believed no new mining licenses have been awarded since 1 January 2021. During consultations, it emerged that the mining cadastre excel file and the oil and gas cadastre file are considered the overview of all active mining, oil and gas licences and contracts. However, it is unclear from consultations if any of the existing licenses and contracts were amended since January 2021 since the registers don't include reference to associated annexes, addendums or riders.</p> <p>The Secretariat has taken note of the comments by government and development partners, that NGC's presence in upstream, midstream and downstream sectors is an impediment to contract transparency. It is argued that since NGC also holds participating interests in three PSCs, two E&Ps and stakes in the Atlantic LNG trains 1 and 4, disclosures of contracts would allow domestic commercial actors to determine the value of gas. It is argued that this would undermine NGC's commercial position when it negotiates its sales contracts (which do not fall in the scope of this requirement).</p> <p>Consulted CSOs and development partners argued that more transparency is needed to understand if the gas is being sold to a too low price on the international market, foregoing revenues in form of profit share (the government's share of production, commercialised by the operator). Government in turn argued that the current approach as allowed T&T to build a domestic processing industry around NGC, which was and is a key strategic asset for the country.</p>
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¹⁶ See section "Companies' Support for Contract Transparency" on <https://reports.tteiti.com/state-extractive-sectors-report-2021/31/>

	<p>Despite the gaps, the MSG and Secretariat are commended for their continued advocacy efforts.</p>
<p>Environmental impact (Requirement #6.4)</p> <p><i>Fully met</i></p>	<p>The Secretariat's assessment is that Trinidad and Tobago has fully met Requirement 6.4. TTEITI has been leveraged as a platform for improving transparency on the environmental impact of the extractive industries. There is potential to strengthen disclosures on companies' environmental performance and the actual use of rehabilitation bonds.</p> <p>Trinidad and Tobago used its latest 2019-2020 EITI reporting to provide a detailed overview of the legal and contractual provisions related to environmental management in the mining and petroleum sectors. The report provides figures related to issuance of Certificates of Environmental Clearance (CECs) and Environmental Impact Assessments (EMAs) to mining and petroleum companies and 14 out of 45 material companies reported environmental tariff payments. However, it is unclear if these payments are comprehensive and there is not an assessment of companies' environmental disclosures. The Environmental Management Agency maintains a register of CECs and EMAs but only summaries of these documents are publicly available. It does not appear that the MSG undertook an assessment to confirm that companies made all payments indicated in their CECs and EMAs. EITI reporting details the existence of Rehabilitation and Performance bonds in the mining sector meant for environmental clean-up but it appears that none of these bonds have been used by the state for rehabilitation. Government stakeholders explained that these bonds are required by mining licenses but most quarrying operators are unlicensed and do not pay into Rehabilitation and Performance bonds. Civil society stakeholders consulted acknowledged the lack of licensed operators in the mining sector but added that without access to the full text of mining licenses, a review of clauses related to rehabilitation and performance bonds was not possible. There is scope for Trinidad and Tobago to use its EITI disclosures to provide further information on companies' environmental payments and the issuance of CECs and EIAs. The register hosted by the EMA should make efforts for full disclosure of CECs and EIAs in order for the public to understand the terms of these arrangements. It is unclear if the issuance of CECs and EIAs adhered to statutory procedures and given the groundwork laid in terms of recording environmental impact, the MSG is encouraged to provide an assessment of company environmental disclosures and the management and use of Rehabilitation and Performance bonds.</p> <p>Data disclosures surrounding the balances of escrow accounts in the oil and gas sector are better documented than those in the mining sector and figures are disclosed through EITI reporting at the company level. The MSG should be commended for following up on recommendations from the 2018 EITI Report to include escrow information on certain Lease-out, Farm-out companies that had been previously excluded from reporting.</p> <p>In the period under review, there have been several activities related to addressing environmental impact. The latest report lists oil spills that have occurred in T&T and what the legal framework is to address oil spills. The report provides an overview of renewable energy projects and an overview of the policy and data on the fuel subsidy. TTEITI is embarking in a pilot project on greenhouse gas (GHG) emissions disclosures with NGC.</p>

	<p>Finally, in the 2018-2020 period, civil society MSG members participated in an EU funded programme to build capacity on the environmental impact of the extractive industry.¹⁷ One lasting outcome of this engagement is the establishment of the civil society Cari-Bois Environmental News Network.</p>
<p>New corrective actions and recommendation</p>	
<ul style="list-style-type: none"> • In accordance with Requirement 2.4.a, Trinidad and Tobago is required to disclose the full text of any contracts and licenses granted, entered into or amended from 1 January 2021, including all related annexes, amendments and riders. In accordance with Requirement 2.4, Trinidad and Tobago should produce a publicly available list of all active contracts and licenses, including exploration contracts, annexes, amendments and riders, indicating which contracts and licenses are publicly available and which are not, and which of them have been modified since 1 January 2021. In accordance with Requirement 2.4.d, Trinidad and Tobago is required to assess whether lease-out, farm-out and incremental production service contracts should be assessed in the same manner as other contracts and licenses in the petroleum sector. • To strengthen implementation of Requirement 6.4, Trinidad and Tobago is encouraged to use its EITI reporting to provide an assessment of potential non-trivial deviations from standard procedure in the issuance of CECs and EIAs. Likewise, EITI reporting could be used as a regular diagnostic of the management and use of Rehabilitation and Performance Bonds in the mining sector and Escrow accounts in the oil and gas sector. 	

Licenses and property rights (Requirements 2.2, 2.3)

Overview of progress in the module

Trinidad and Tobago discloses most of the information related to contract and license awards and transfers as required by the EITI Standard through government websites. The Ministry of Energy and Energy Industries oversees the mining and petroleum sector and hosts license and contract registers for both sectors. There has been a significant improvement in the oil and gas registry since the previous Validation, albeit with some few data points still missing, which is attributed by many stakeholders consulted to the TTEITI's efforts. For mining, stakeholders also noted some progress in the register compared to previous years, but there are concerns about license allocation practices that are not yet covered comprehensively in EITI reporting. Some license information is lacking, including application dates for mining licenses and an assessment of the use of holdover letters, though government stakeholders provided further information on holdover letters during consultation period. The country's EITI reporting has not yet conducted an assessment of non-trivial deviations in mining license award and transfer practices in the period under review, which could be relevant given the use of holdover letters during the mining license renewal process. This assessment has been noted, but not factored into the scoring of 2.2 and 2.3, as mining is considered being covered as a pilot.

¹⁷ The final report is available here:
https://www.eeas.europa.eu/sites/default/files/csos_for_good_environmental_governance_-_final_report.pdf

Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in the annex to this report.

EITI Requirement / past corrective action and assessment	Summary of progress in addressing the EITI Requirement
<p>Contract and license allocations (Requirement #2.2)</p> <p><i>Fully met</i></p>	<p>The Secretariat's assessment is that Requirement 2.2 is fully met, which is an improvement since the previous Validation. Industry stakeholders consulted argued strongly that progress towards this objective on the oil and gas side was fully met. Government stakeholders echoed these sentiments while noting that the licensing process in the mining sector is more complex than that in the oil and gas sector. Trinidad and Tobago has addressed the corrective action of the previous Validation through the inclusion of the statutory procedures used for the transfer of oil and gas licenses and a review of oil and gas transfers in the period under review. Stakeholders stated that they were satisfied with contract and license procedures in the oil and gas sector.</p> <p>Annexes to EITI reporting list five transfers (two E&Ps and three PSCs) that took place in fiscal years 2019 and 2020 in the petroleum sector and no new awards. Trinidad and Tobago has used the 2019-2020 EITI Report to provide most of the information listed in Requirement 2.2.a for license and contract awards for oil and gas. While the general oil and gas bidding process is well-documented in EITI reporting and a link is included to the legal notice outlining bid criteria for the 2021 deep water bid round, it is unclear where a list of all bidders is available. For the year under review (2019-20) there were no bidding rounds, hence this is not reflected in this assessment. It is unclear whether the same technical and financial criteria used in the award of oil and gas exploration and production licenses are used during the transfer process, which requires ministerial approval. EITI Trinidad and Tobago noted that there were no non-trivial deviations from statutory procedures in the transfer of petroleum contracts and licenses in the period under review, but it is unclear how this conclusion was reached as the methodology for assessing non-trivial deviations is not described in the EITI Report. There is no reference in any TTEITI documents to the MSG's commentary on the efficiency of the licensing system in the oil and gas sector, but industry stakeholders commented that they were satisfied with the efficacy of the process.</p> <p>Concerning the mining sector, the license register available in excel on the MEEI website states that two licenses were awarded in the period under review. EITI reporting does not include a count of total mining licenses awarded in the period under review. Information on the award process for licenses is found in the EITI Report. All applicants for mining licenses are posted in the official gazette and in local newspapers but EITI reporting and the MEEI website does not indicate if the award of licenses is also published in the gazette and in local newspapers. It is unclear from EITI and government sources whether there is a bidding round for applicants or whether Trinidad and Tobago uses a first-in, first-assessed system. Companies applying for mining licenses must submit documents attesting to their technical and financial abilities. The MEEI Guidelines for Applying for a Mining License list some technical and financial criteria used. It is unclear if a formula is used that weighs some technical and financial</p>

EITI Requirement / past corrective action and assessment	Summary of progress in addressing the EITI Requirement
	<p>criteria over others. Likewise, there is a lack of information on the procedure for transferring mining licenses, and it remains unclear whether such transfers are allowed, and whether there is any weighting applied to specific financial and technical criteria.</p> <p>There is no information in the public domain on the MSG's assessment of non-trivial deviations in the process for awarding mining licenses in 2019. There is no review of the actual practice of license allocations in the period under review, and lack of official estimates on unlicensed mining activities are noted under Requirement 6.3. Several industry stakeholders have expressed that the licencing procedure was very burdensome and should be a priority area to regularise the sector and its participants. Government stakeholders clarified the use of holdover letters, in exceptional circumstances, during the mining license renewal process as a way of ensuring that commodity production is not interrupted due to complicated license renewal procedures. There does not appear to be a diagnostic of the efficiency of the licencing and contracting procedures mining. The MSG has maintained that the Mining division should not be subject to a full assessment against the criteria of the EITI Standard given that EITI coverage of the mining sector is still considered a "pilot".</p>
<p>Register of licenses (Requirement #2.3)</p> <p><i>Mostly met with improvements</i></p>	<p>The Secretariat's assessment is that Requirement 2.3 is mostly met, with considerable improvements since the previous Validation through the institution of a petroleum register containing oil and gas exploration and production licenses and production sharing contracts (PSC). While the mining and petroleum registers have been updated since the previous Validation, it remains unclear the frequency with which these registers are updated. The mining register was last updated in October 2022, and government stakeholders noted that the Covid-19 pandemic brought much of the mining sector to a halt and limited the government's ability to survey mining sites.</p> <p>The Ministry of Energy and Energy Industries hosts the mining and petroleum cadastral portals, which provide most of the information listed under Requirement 2.3.b. Missing from the mining register are dates of application. During the consultation process, some industry stakeholders mentioned the use of holdover letters in place of mining licenses, which are not included in the mining register. Government stakeholders clarified that holdover letters were only used in exceptional circumstances to facilitate continued commodity production during the mining license renewal process. A July 2022 report commissioned by EITI and USAID on contract transparency in Latin America and the Caribbean found that there are approximately 90 active quarrying sites in Trinidad and Tobago but only eight of these operators have mining or processing licenses, according to the government register. Some mining industry stakeholders consulted estimated there were five to ten illegal operations, and thirty to forty other operations producing either under licenses or holdover letters. While it is understood that the mining sector remains at a pilot stage in terms of EITI participation, the absence of an assessment of holdover letters represent material omissions to the fulfilment of Requirement 2.3. The 2018 and 2019-2020 EITI Reports contain an acknowledgment, as part of the</p>

EITI Requirement / past corrective action and assessment	Summary of progress in addressing the EITI Requirement
	<p>recommendations, of unlicensed operators and ineffective license allocations, noting that even the quarrying SOE NQCL is unlicensed.</p> <p>The petroleum register is more comprehensive than its mining counterpart and is more up to date with the last update occurring in May 2022, though this register could be improved with the inclusion of lease out, farm out (LOFOs) and incremental production service contracts (IPSCs). Some licenses are missing dates of application and some licenses are missing the share of participation. The 2019-2020 EITI Report also notes that the participating interest of each partner in the PSCs is not publicly available for all contracts. The previous Validation highlighted that the list of sub-licenses, which are licenses passed to a third person with the approval of the MEEI, was out of date and should be updated but this was a misunderstanding in terminology as sub-licenses are actually lease out, farm out and incremental production service contracts and are documented by Heritage Petroleum. Trinidad and Tobago should be commended for creating a petroleum register with the aim of systematic disclosure of oil and gas license information and using EITI reporting to list lease-out, farm-out and incremental production service contracts that are not listed elsewhere.</p>
New corrective actions and recommendation	
	<ul style="list-style-type: none"> • To strengthen implementation of Requirement 2.2, Trinidad and Tobago should clarify if the same technical and financial criteria used in the transfer of oil and gas exploration and production licenses are used for the award, and how those are weighed. Trinidad and Tobago is encouraged to provide information about the method of reaching the conclusion of non-trivial deviations. Trinidad and Tobago is encouraged to publish the full list of applicants for bidding rounds. Trinidad and Tobago is encouraged to include a commentary on the efficiency and effectiveness of mining licence allocation and transfers, and to fully leverage the EITI as a tool for addressing and following up on licencing challenges. • In accordance with Requirement 2.3.b, Trinidad and Tobago should ensure that dates of application are available for all active mining and petroleum licenses and contracts displayed in the cadastre lists. It should ensure that the percentage share of each party in active oil and gas contracts and licenses is publicly disclosed. Trinidad and Tobago should consider including lease out, farm out (LOFOs) and incremental production service contracts (IPSCs) in its register. Trinidad and Tobago should clarify if there are any active sublicenses which are not recorded in the register. To strengthen implementation, Trinidad and Tobago is encouraged to assess the comprehensiveness and frequency of update of the petroleum and mining registers. To strengthen implementation, Trinidad and Tobago is encouraged to fully leverage the EITI as a tool for addressing and following up on licencing challenges.

Beneficial ownership (Requirements 2.5)

Overview of progress in the module

Adherence to Requirement 2.5 on beneficial ownership is assessed in Validation as of 1 January 2020 as per the framework agreed by the Board in June 2019.¹⁸ The assessment consists of a technical assessment focusing on initial criteria and an assessment of effectiveness.

Technical assessment

The technical assessment is included in the Transparency template, in the tab on Requirement 2.5. It demonstrates that Trinidad and Tobago has established a legal and regulatory framework for the collection of beneficial ownership information through an amendment to the Companies Act 2019, which requires license applicants and holders to submit beneficial ownership information. The Registrar General is responsible for collecting beneficial ownership information. There is no provision for publication of beneficial ownership data.

In practice, it appears that beneficial ownership information has been requested from all companies holding or applying for extractive licenses since January 2020, though not all companies have complied with these requests. As part of EITI reporting, beneficial ownership (BO) data was disclosed for 44 extractive companies and is publicly available through TTEITI's website.¹⁹ Some data points with regards to beneficial owners are lacking. There are provisions in the Companies Act requiring companies to report changes in beneficial ownership within 30 days but it is unclear how regularly companies provide these updates and since the government requested data from companies in 2020, it does not appear that there has been another request from the Registrar General's office to update this information. For the shallow water oil and gas bid round in 2019 and the deep water bid round in 2021, it appears that beneficial ownership information was provided by bidders in that all bidding companies are publicly listed companies, and the EITI beneficial ownership register contains links to their stock filings. Legal ownership information can be found through the TTEITI's BO register and also through the Companies Register, though there is a fee²⁰ associated with the latter and thus was not assessed.

Assessment of effectiveness

Trinidad and Tobago has used the EITI to document the existing legislation on beneficial ownership data and the TTEITI website hosts the Beneficial Ownership Register, which contains information on 44 extractive companies. EITI reporting does not provide an assessment of the comprehensiveness and reliability of the information collected from the 44 material extractive companies. The MSG successfully collected BO data from some of the largest oil and gas companies but BO collection among mining companies is much more limited, with some stakeholders indicating that there could be politically exposed persons that hold mining licenses. There does not appear to have been a discussion of whether there exist particular companies or licenses that could be considered 'high risk' in light of the potential presence of PEPs. Third-party assessments of the legal and regulatory environment for beneficial ownership disclosure such as the Financial Action Task Force's (FATF) June 2016 [Mutual Evaluation Report](#) (MER) resulted in a finding of partial compliance, given the lack of a Beneficial Ownership register. Since Trinidad

¹⁸ <https://eiti.org/document/assessing-implementation-of-eitis-beneficial-ownership-requirement>.

¹⁹ <https://www.tteiti.com/beneficial-ownership-register#:~:text=Who%20is%20a%20beneficial%20owner,on%20behalf%20of%20another%20person>.

²⁰ The fee is TTD \$20, which is about USD \$2.95.

and Tobago’s last MER, significant improvements have been made, resulting in the country’s removal from the FATF’s “grey list” in February 2020.

Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in the annex to this report.

EITI Requirement / past corrective action and assessment	Summary of progress in addressing the EITI Requirement
<p>Beneficial ownership (Requirement #2.5)</p> <p><i>Mostly met</i></p>	<p>The Secretariat’s assessment is that Requirement 2.5 is mostly met. Stakeholders from government and industry as well as development partners constituencies were content with the progress achieved and commended the Secretariat’s efforts of demonstrating the publication of the information despite the missing legal basis for publication. The progress achieved was due to the existing basis and the proactivity of TTEITI to implement and publish the data for the EI sector. There remain gaps in the level of detail, comprehensiveness of BO data, and in proof of the MSG’s review of the collected data. There are concerns about the government’s progress on implementing the legislation.</p> <p>Some civil society and mining industry stakeholders expressed indifference to further efforts to collect BO information and noted that other regulatory initiatives (regularisation of mining licences) held more importance. Significant gaps in data publication and assessment remain, but Trinidad and Tobago should be commended for publishing the data despite the lack of legal provisions to do so in the Companies Act 2019.. Given that stakeholders from industry, civil society and government expressed little interest in beneficial ownership transparency in the extractive industries given that most companies are publicly-listed or state-owned, the requirement is considered mostly met.</p> <p>Despite the legal basis for the Company Registrar to collect and verify the data, it is TTEITI that has implemented the collection, review and, with agreement from the companies, published the data. The 2019 Companies Act requires companies to submit beneficial ownership data annually, in line with Requirement 2.5.d, and report on changes within 30 days. While data collection requests were sent by TTEITI to all license holders in January 2020, it is unclear how regularly data collection requests are sent, and whether all companies that bid or apply for extractive rights are consistently requested to disclose their beneficial ownership. There is no evidence that companies that failed to report this data were publicly identified.</p> <p>The 2019-2020 EITI Report raises concerns on the definition of beneficial owner, as defined in the Companies Act 2019, in that it appears that a legal owner could be reported in place of a beneficial owner in instances where the latter holds a beneficial interest but no controlling interest. It is unclear how BO data is verified and shared between government institutions.</p>

	<p>Forty-four companies are listed in the beneficial ownership register and for those companies that are publicly listed on international stock exchanges, a link is provided to their stock listings in place of data being provided in the register. Privately listed companies indicate the legal person(s) that are beneficial owners but other required aspects of beneficial ownership, as detailed in Requirement 2.5.d, such as the nationality, country of residence and level of ownership (when more than one beneficial owner is listed) are not present. Details about how ownership or control is exerted by beneficial owners are not stated. Legal ownership information can also be found in the beneficial ownership register for all license holders, though the level of ownership of each shareholder is not specified. Information on legal owners is available through the Companies Register but requires the payment of a fee for access. This fee is TTD \$20 (USD \$2.95 equivalent). Participating companies are required to disclose PEPs. TTEITI previously applied a threshold for reporting of at least 10% of the shares or total votes but has subsequently aligned the definition to that in the amended Companies Act, which does not apply any threshold.</p> <p>National stakeholders consulted view TTEITI's work on beneficial ownership as an impact on improving access to information in the extractives sector. According to the EITI Report, the register supported the Government's obligations under FATF and the Global Forum. TTEITI demonstrated to the government with this register of how BO disclosure can be applied. The electronic database's launch was supported by a national sensitization campaign²¹ which reached close to 75,000 people and contributed to T&T being removed from the FATF grey list, according to the EITI Report. With digitization of the declaration form and register, the TTEITI has seen a 93% increase in companies disclosing their Bos. A gap analysis on national BO legislation was also conducted in 2022 according to the EITI Report, but has not been published to date. According to the 'Outcomes and impact' template, it contains a review by the MSG of national beneficial ownership legislation and recommendations on best practices from other jurisdictions to the Ministry of the Attorney General and Legal Affairs.</p> <p>Civil society members noted that for oil and gas, the register was less pertinent given that there are noting that the lack of trust in verification would allow beneficial owners to hide their identity through a stand-in. It is not clear how BO data is verified and shared within government.</p>
New corrective actions and recommendation	
<ul style="list-style-type: none"> • In accordance with Requirement 2.5, Trinidad and Tobago should ensure that all companies holding or applying for oil, gas and mining rights publicly disclose their beneficial ownership information. Trinidad and Tobago should ensure that there is public information on the identity of beneficial owners such as name, nationality, country of residence and whether the BO is also a politically exposed person, as well as form of control, covering all companies holding or applying for extractive rights. An assessment by TTEITI of the comprehensiveness and reliability of beneficial ownership disclosures to date must be made publicly available. To strengthen implementation of Requirement 2.5, the government is encouraged to progress on implementing the 2019 amendments to the Companies Act, to ensure that the government is the main point of data collection and verification. 	

²¹ See for example https://www.youtube.com/watch?v=di3FL_6bhYE&ab_channel=TTEITICommunications

State participation (Requirements 2.6, 4.2, 4.5, 6.2)

Overview of progress in the module

Some information on state participation in Trinidad and Tobago's extractive sector is systematically disclosed through websites of the Ministry of Finance and the Auditor General. The State Enterprises Performance Monitoring Manual describes the rules and regulations that SOEs should adhere to and EITI reporting thoroughly summarises the main portions of this manual. The 2019-2020 EITI Report describes relevant extractive SOEs, and provides links to financial statements and annual reports hosted on SOE websites. While loans provided to SOEs from the state are described through EITI reporting, the terms of these loans are not explained.

NGC and TPHL oversee numerous subsidiary companies that specialise in exploration, production and commodity sales. An NGC subsidiary participates in domestic LNG transportation and NGC holds minority ownership stakes in some of the private pipelines that transport and sell LNG. A TPHL subsidiary, Heritage Petroleum, enters into lease out, farmout (LOFO) and incremental service production contracts (IPSCs) with private companies to maximize production from declining wells.

Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in the annex to this report.

EITI Requirement / past corrective action and assessment	Summary of progress in addressing the EITI Requirement
<p>State participation (Requirement #2.6)</p> <p><i>Fully met</i></p>	<p>The Secretariat's assessment is that Requirement 2.6 is fully met, as in the previous Validation. The Secretariat notes that there is a lack of terms surrounding loans made to SOEs by the state but that this does not constitute a material gap that would warrant an assessment of mostly met.</p> <p>In mining, Trinidad and Tobago's EITI reporting identifies two mining SOEs (National Quarries Company Limited and Lake Asphalt of Trinidad and Tobago) that were invited to participate in EITI reporting. These two mining SOEs, along with three other private companies, were invited to report without considering a materiality threshold as these five companies were the initial participants in the mining pilot and remain the only companies in the mining sector asked to report. Reporting in the mining sector remains at a pilot stage and these two mining SOEs are not material. The 2019-2020 EITI Report confirms that there are no government guaranteed loans to either of these two mining SOEs. It should be noted that quarry operators owe the state a total of TTD 193 million in royalty payments as of the end of 2019.</p> <p>In oil and gas, the 2019-2020 EITI Report identifies two SOEs (National Gas Company of Trinidad and Tobago (NGC) and Trinidad Petroleum Holdings Limited (TPHL). TPHL was created following the dissolution of Petrotrin and its subsidiaries and the EITI Report documents this</p>

	<p>transition. NGC and TPHL document their subsidiary companies and annual reports and audited consolidated financial statements are systematically disclosed on their respective company websites. Financial statements for TPHL subsidiaries Paria Fuel Trading Company and Heritage Petroleum Company Limited are published on TPHL’s company website and provide detail on Paria’s role in the fuel subsidy programme and Heritage’s lease-out, farm-out, incremental service production contracts.</p> <p>Equity interests in subsidiaries and other extractive companies held by NGC and TPHL can be found through their financial statements and are summarised in EITI reporting. While the EITI Report does not explicitly describe the terms attached to SOEs’ equity interests in upstream extractive companies, the SOEs’ publicly available audited financial statements provide these descriptions in notes related to the SOE’s interests in other entities.²² TPHL’s consolidated financial statements confirm that TPHL, Heritage, Paria and Guaracara became guarantors to Petrotrin’s outstanding debt that remained after the reorganization of the company. TPHL’s consolidated financial statements also confirm the repayment of Petrotrin’s 2018 shareholder loan of TTD1.2 billion through the issuance of bonds in 2019.²³</p> <p>The 2019-2020 EITI Report maintains good practice by serving as a central location to explain and summarise the statutory rules for state participation defined in the State Enterprise Performance Monitoring Manual 2011. This latest EITI Report has also provided a brief diagnostic of the practice of NGC’s and TPHL’s financial relations with the state for the transfer of funds between SOEs and the state, retained earnings, reinvestment and third-party financing. but methods used to conclude that practices closely adhere to statutory rules are not explained in the EITI Report. The terms associated with NGC’s and TPHL’s equity in each of their subsidiaries and joint ventures as it pertains to covering expenses along the business cycle were not specified in EITI reporting but government stakeholders confirmed that these terms operated on full-paid (commercial) equity.</p> <p>As highlighted in the MSG’s comments on the draft assessment, the Ministry of Finance publishes the state Enterprise Investment Programme, detailing the operations model and investment plans for all SOEs, including Heritage, NGC and Lake Asphalt.²⁴</p>
<p>Sale of the state’s in-kind revenues (Requirement #4.2)</p>	<p>The Secretariat’s assessment is that Requirement 4.2 is mostly met, with considerable improvements since the previous Validation given that the latest EITI Report contains aggregate figures of the value and volume of the state’s share for 2019 and 2020 for oil and gas.²⁵ While this requirement isn’t strictly applicable to natural gas, given that the state’s share of profit is based on the proceeds of the operator’s sale of the state’s share of production, the MSG confirmed that Heritage (the</p>

²² See <https://ngc.co.tt/financial-performance/> and <https://trinidadpetroleum.co.tt/wp-content/uploads/2022/07/tphl-consolidated-financial-statements-september-30.pdf>

²³ See <https://trinidadpetroleum.co.tt/wp-content/uploads/2022/07/tphl-consolidated-financial-statements-september-30.pdf> (p. 49)

²⁴ See <https://www.finance.gov.tt/wp-content/uploads/2021/10/State-Enterprises-Investment-Programme-SEIP-2022.pdf> s

²⁵ See 2019-2020 EITI Report, section 6.4.2

<p><i>Mostly met (with considerable improvements)</i></p>	<p>petroleum SOE) collects fiscal revenues in-kind. Hence the lack of disaggregation by individual buying company in EITI reporting is considered a material gap.</p> <p>Some government stakeholders consulted emphasised that, while acknowledging that further transparency around commodity purchasing companies was needed, the MOF-IRD had controls in place to ensure that the government receives accurate information on the sale of the state's in-kind revenues entitlements. The EITI Report states that as a rule, the state's in-kind revenues as a share of natural gas production (PSC share of profit, or profit share) is collected in cash through the proceeds of the sale of gas by the operator to NGC or via Atlantic LNG. Stakeholder consultations confirmed that there were no payments made to the government (or to a SOE on the government's behalf) in-kind with gas in the period under review as operators commercialise the state's share and make cash payments to the treasury. EITI reporting notes that the MEEI confirmed that all in-kind revenues received from E&P licenses have been in cash in the period of 2016 to 2020 and the NGC confirmed that the royalty gas arrangement by which revenues were provided in-kind ended in 2015. The previous Validation found that BP, Shell and BHP Billiton had agreements to pay gas royalty in-kind but these arrangements ended in 2016. Hence, for gas, Requirement 4.2 appears to be non-applicable in the period under review.</p> <p>The MSG confirmed in its response to the draft assessment, that the petroleum SOE (Heritage) collects oil revenues in kind. Since the SOE collects crude oil in-kind as fiscal revenues, the crude oil, sold on the government's behalf, should be reported with the volumes of commodities sold and the values of proceeds of those sales disaggregated by individual buying companies and to levels commensurate with the reporting of other payment and revenue streams (in line with Requirement 4.7). The 2019-20 EITI Report provides disclosures of aggregate crude oil that the government is entitled to as in-kind revenues under PSCs, the aggregate volumes sold and the aggregate value of proceeds of the sales, but not disaggregated by buyer. However, the report also notes that the state's in-kind revenues is sold (presumably by the operator, although this is not explicitly stated), with the proceeds transferred to the state. Confusingly, the EITI Report presents disclosures from commodity trader Trafigura. It is also unclear whether Trafigura's commodity purchases from Petrotrin, NGC and Heritage Petroleum represent purchases of the state's in-kind revenues or the SOEs' 'equity oil and gas', given that for NGC, this represents their own 'equity' crude oil (not in-kind). It is unclear from public documents including the EITI Report whether there are other energy commodity trading companies that purchase oil and gas from Trinidad and Tobago's SOEs. Government stakeholders could not confirm whether other companies purchased oil and gas from the country.</p> <p>MEEI and NGC cite confidentiality of sales contract data as the reason why volumes and values sold are not disaggregated by individual buying company or by project/cargo (see <i>Requirement 4.7</i>).²⁶ EITI reporting confirms that Trinidad and Tobago did not have any swap agreements or</p>
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²⁶ Fiscal terms and methodology for calculation of payments are also considered confidential, which prohibits a comparison of in-kind revenues paid in cash in practice versus what is contractually mandated. This information is though not required by the EITI Standard.

	<p>resource-backed loans active in the period under review. The Secretariat's understanding is that NGC is no longer transferring in-kind gas to Trinidad and Tobago Electricity Commission (T&TEC) and this was confirmed through stakeholder consultations.</p> <p>The Secretariat recognises that the 2019-20 EITI Report reported on the sales process for the government's entitlements to in-kind oil and gas revenues for the first time. However, the lack of detail and clarity in the EITI Report and other public documents regarding the state's collection of fiscal revenues in-kind in the period under review supports the International Secretariat's assessment that the objective remains only mostly met. The Secretariat invites the MSG to further improve the transparency of sales of natural gas, given the importance of the natural gas sector for domestic revenue mobilisation (see also Requirement 3.2).</p>
<p>Transactions related to state-owned enterprises (Requirement #4.5)</p> <p><i>Fully met</i></p>	<p>The Secretariat's assessment is that Requirement 4.5 is fully met, as in the previous Validation. The Secretariat's view is that the objective of transparency in the traceability of extractive revenues collected by SOEs and transferred to government is fully achieved. Transfers from SOEs to government are well documented through EITI reporting, and there is no evidence of transfers from government to SOEs in the period under review.</p> <p>NGC's purchases of gas from extractive companies are well documented in the 2019-2020 EITI Report but a review of the company's Energy and Marketing and Trading Division webpage lists subsidiary companies involved in the marketing and trading of crude oil as well as gas and LNG.</p> <p>TTEITI reporting details the revenues received by government from SOEs. In the oil and gas sector, the 2019-2020 EITI Report provides a comprehensive and detailed review and reconciliation of the revenues collected by government from NGC and TPHL/Petrotrin.</p>
<p>Quasi-fiscal expenditures (Requirement #6.2)</p> <p><i>Not applicable</i></p>	<p>The Secretariat's assessment is that Requirement 6.2 continues to remain not applicable in the period under review, as in the previous Validation. Government stakeholders confirmed the lack of SOE quasi-fiscal expenditures in the period under review. The 2019-2020 EITI Report details the yet-to-be-implemented reforms to the fuel subsidy that has been in place since 1974 but confirms that the financing of this subsidy flows from the Consolidated Fund and the Petroleum levy paid by oil and gas companies, and thus is fully recorded in the national budget. Thus, Requirement 6.2 is not applicable in the period under review.</p>
<p>New corrective actions and recommendation</p>	
<ul style="list-style-type: none"> • To strengthen implementation of Requirement 2.6, Trinidad and Tobago is encouraged to ensure that a description of the rules and practices related to SOEs' corporate governance, e.g. appointment of the Board of Directors, Board's mandate and code of conduct, is publicly accessible. • In accordance with Requirement 4.2, Trinidad and Tobago must ensure, where the state's in-kind revenues are considered material, public disclosure of the volumes of the state's in-kind revenues of crude oil collected, the volumes sold and the value of the proceeds of the sales of the state's crude oil (by Heritage), disaggregated by individual buyer. To strengthen 	

implementation of Requirement 4.2, Trinidad and Tobago may wish to publish the proceeds of the state's share of gas by the operator on an annual basis, disaggregated by buyer. This would strengthen the transparency around the sale of the state's in-kind revenues of natural gas, in response to public concerns over transfer pricing risks related to the sale of natural gas in Trinidad and Tobago.

- To strengthen implementation of Requirement 4.5, Trinidad and Tobago is encouraged to document where government transfers to material SOEs are publicly disclosed on government websites, to levels of disaggregation commensurate with Requirement 4.7.

Production and exports (Requirements 3.2, 3.3)

Overview of progress in the module

Trinidad and Tobago discloses key data on extractives production and export through EITI reporting. Disclosures do not include natural gas production values and there are reliability concerns in the mining sector given that production volumes are self-reported by operators. All mineral production is used domestically and oil and LNG exports are disaggregated to all levels required in the 2019 EITI Standard.

Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in the annex to this report.

EITI Requirement / past corrective action and assessment	Summary of progress in addressing the EITI Requirement
<p>Production (Requirement #3.2)</p> <p><i>Mostly met</i></p>	<p>The Secretariat's assessment is that Requirement 3.2 is mostly met, which represents backsliding compared to the previous Validation. The Secretariat concludes that the objectives for this requirement have been mostly fulfilled, given that Trinidad and Tobago's EITI Reports disaggregated annual production volumes and values for the main commodities produced except for natural gas, which only provides natural gas volumes and values for LNG only.</p> <p>Oil and gas production volumes are published in timely manner through the MEEI website²⁷ on a monthly basis and by company. The 2019-2020 EITI Report provides commentary on the methods for calculating production volumes and values for oil and volumes for gas. In its comments, the MSG stated that most natural gas is converted to LNG and Section 6.3.2.3 of the EITI Report 2019-2020 outlines the production volumes and values for LNG. The market value of LNG produced in T&T is calculated by multiplying the annual LNG production by the average LNG Free on Board (Point Fortin) prices quoted in US dollars per mmbtu. However, not all gas produced is transformed into LNG. There is no indication of the price of natural gas that is consumed domestically. The reference to Henri Hub prices (table 6-12, 2020 EITI Report) refer to LNG value of production and list the production volume alongside the average annual Point Fortin FOB and annual market</p>

²⁷ See <https://www.energy.gov.tt/publications/>

	<p>value. The split in natural gas production between the volumes used for LNG and those used for domestic consumption are not clear from the EITI Report. The Secretariat considers that it is not methodologically sound to calculate estimates of the value of natural gas production that is consumed domestically based on LNG export prices and there does not appear to be an estimate of the value of natural gas production that is consumed domestically in the public domain.</p> <p>The 2019-2020 EITI Report explains that mineral volumes are self-reported and given that minerals are sold on the local market, there is not a benchmark price to calculate production values. Indeed, for the mining sector, stakeholders have voiced concerns over data reliability and the 2019-2020 EITI Report notes that production volumes are quantified on an “honour system,” which encourages underreporting to lower royalty payments.</p>
<p>Exports (Requirement #3.3)</p> <p><i>Fully met</i></p>	<p>The Secretariat’s assessment is that Requirement 3.3 is fully met, an improvement since the previous Validation. The Secretariat’s view is that the objective is fully met, but not yet exceeded pending the disclosure of exports by all levels of disaggregation encouraged under this requirement.</p> <p>The 2019-2020 EITI Report addresses the corrective actions from the previous Validation and it is now possible to find export values and the methodology used to calculate export volumes and values. In the mining sector, there is no information provided on exports, but the 2019-2020 EITI Report confirms that all mining commodities are used domestically.</p>

New corrective actions and recommendation
<ul style="list-style-type: none"> • In accordance with Requirement 3.2, Trinidad and Tobago is required to disclose total production values for all extractive commodities produced, including natural gas. To strengthen implementation of Requirement 3.2, Trinidad and Tobago is encouraged to provide information on what share of total natural gas is consumed domestically, and how much is transformed to LNG. To strengthen implementation of Requirement 3.2, Trinidad and Tobago is encouraged to use the EITI process to address the concerns by stakeholders of the oversight of reporting production figures in the mining sector, which could help strengthen revenue collection. Trinidad and Tobago is encouraged to further disaggregate production figures for oil and gas by project. • To strengthen implementation of Requirement 3.3, Trinidad and Tobago is encouraged to further disaggregate exports by region, company or project.

Revenue collection (Requirements 4.1, 4.3, 4.4, 4.7, 4.8, 4.9)

Overview of progress in the module

Trinidad and Tobago has used EITI reporting to improve transparency in the state’s collection of revenues from the extractive industries since the previous Validation. For the oil and gas sector, TTEITI has ensured comprehensive disclosures of company payments and government revenues and it has addressed some of the corrective action from the previous Validation. Barriers to

efficient reporting have persisted since the previous Validation, despite efforts from the MSG. This has not affected the coverage of reporting, given most companies' adherence to the system of taxpayer confidentiality waivers and the TTEITI Secretariat's efforts, but has impacted timeliness. The bill proposing an improvement on reporting has been pending follow-up by the EITI Champion (see *Requirement 1.1*).

TTEITI has somewhat mitigated delays in reporting by publishing timely data in its State of the Extractive Sectors Report which include non-reconciled data of the most important revenue streams. TTEITI has taken some measures to improve reliability of disclosures by including a comprehensive review of company and government audit and assurance practices. The latest EITI Report lacks a statement by the Independent Administrator on the comprehensiveness and reliability of the reconciled financial data, but stakeholders did not expressed concerns on the disclosed information. The Auditor General publishes its report regularly on the website²⁸

TTEITI has provided information that contributes to transparency in government and SOE revenues from the transit of gas by providing information of transportation tariffs by company and by the operator. The MSG should clarify if those revenues are due to the government. Some major payment types have not been disaggregated by project. Reporting doesn't highlight if this is because of licences being interconnected. The MSG is invited to clarify.

The report notes some concerns regarding the limitations in the auditing activities done by the Auditor General to the MOF and the MEEI, as well as the insufficient resources to increase the number of audits and the technical limitations of the office of the Auditor General to fulfil its mandate in the extractive sector. TTEITI notes the establishment of the Revenue Authority, which is to replace the Board of Inland Revenue and which would allow the Auditor General to audit the new Authority.

For the mining sector, TTEITI has continued its efforts of covering the sector, with three companies reporting. Although revenue disclosures suggest that total government revenues from this sector is not material, there is public interest in the payments made by companies and contribution to government revenues. The MSG intends to continue covering the sector in future EITI Reports as pilot.

Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in the annex to this report.

EITI Requirement / past corrective action and assessment	Summary of progress in addressing the EITI Requirement
Comprehensive disclosure of taxes and revenues (Requirement #4.1) <i>Fully met</i>	The Secretariat's assessment is that Requirement 4.1 is fully met, an improvement since the previous Validation. TTEITI has ensured comprehensive disclosures of company payments and government revenues from oil and gas, which represents the basis for public understanding of the contribution of the extractive industries to government revenues. TTEITI has also addressed the corrective action from the previous Validation, by providing aggregated information of total

²⁸ <https://www.auditorgeneral.gov.tt/>

	<p>government revenues, considering the size of the revenue streams relative to total revenues and documenting the omission of revenue streams. Some stakeholders consulted expressed concerns about how tax confidentiality represents a barrier for EITI disclosures.</p> <p>TTEITI has ensured a high level of coverage, with the disclosure of most of revenue streams in the EITI Report, including those below the materiality threshold, which was set at TTD 2 million (approx. USD 300,000). Where revenue streams were not defined as material a comprehensive explanation was provided. For the oil and gas sector, the MSG’s decisions on materiality thresholds and scope of EITI reporting are summarised in the EITI Report and a comprehensive explanation is provided in the supporting evidence for materiality determination. A list and description of revenue streams is also included. Government entities receiving material revenues are identified according to the materiality definition.</p> <p>The EITI Report states some limitations in the comprehensiveness of the participation of non-material oil and gas companies in the reporting cycle. These limitations are related to taxpayer confidentiality restrictions that did not allow the MOF-IRD to share payment data of smaller companies with the IA.²⁹ Although this is a concern expressed by stakeholders which has been repeated over the years—and is yet to be addressed by the government—the TTD 2 million materiality threshold represents a coverage above 99% of total oil and gas revenues, suggesting that no single company outside the scope of reconciliation has made material payments to the government. When consulted, the IA showed no concerns about the quality and comprehensiveness of revenue information disclosed in the EITI Report.</p> <p>For the mining sector, the MSG has continued the pilot on expanding EITI reporting to the small mining (quarrying) sector since the previous Validation. It extended an invitation to the same companies that have been reporting since 2015, five of which responded, two of which are SOEs and none of which hold licences. Payments of these five companies cover 40.2% of total payments received by the MOF-IRD from the mining sector, although it is important to note that total government revenues from the mining sector represent only 0.03% of total government revenues from the extractive industries³⁰, which demonstrates the non-materiality of the sector. Consultations with several stakeholders further noted the difficulties to include the quarrying sector in the EITI Reports due to high level of informality and presence of gangs.</p>
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²⁹ Attempts from TTEITI to make reporting mandatory for EITI purposes through amendments of the Petroleum Act or in the new deep water licenses have not borne fruit over the past four years, which is noted in the assessment of 1.1. The exception is that LOFOs and IPSCs signed since 1 January 2021 now include mandatory EITI reporting.

³⁰ Considering the data on total mining sector contribution included in the report it can be concluded that the sector is not material. According to the EITI Report, the contribution of the mining sector to government revenues is estimated to TTD 2.5 million (USD 370 thousand) for 2020, which is 0.3% of the oil and gas revenue (TTD 7.9 billion for 2020 or USD 1.2 billion). For 2019 the relative share of mining sector revenues was similar, with TTD 5.2 million (USD 770 thousand) to TTD 16.21 billion USD 2.3 billion). It can thus be concluded that the mining sector continues to be not material. In 2019 only National Quarries Co made a material (over TTD 2 million) payment. For 2020, one can conclude with very high probability there is no one single mining company that would make payments of more than TTD 2 million.

<p>Infrastructure provisions and barter arrangements (Requirement #4.3)</p> <p><i>Not applicable</i></p>	<p>The Secretariat's assessment is that Requirement 4.3 remains not applicable in the period under review, as in the previous Validation. Industry stakeholders confirmed that infrastructure provisions and barter arrangements do not exist in the period under review. It remains the case that companies' expenditure on infrastructure works are a part of their Corporate Social Responsibility programmes (see Requirement 6.1) and are not in exchange for extractive rights or the physical delivery of extractive commodities. Likewise, legislation such as the Petroleum Taxes Act, Minerals Act 2000 and Minerals (General) Regulations 2015 do not include reference to infrastructure or barter arrangements.</p>
<p>Transportation revenues (Requirement #4.4)</p> <p><i>Not applicable</i></p>	<p>The Secretariat's assessment is that Requirement 4.4 is not applicable, an improvement on the previous Validation's finding that there had been 'meaningful progress' on this requirement. In its comments on the draft assessment, the MSG noted that transportation revenues from the third-party use of its pipelines constitute a commercial return on NGC's own investments in developing its pipeline network and are not collected on behalf of the government. NGC verses dividends to the government, which represents a share of the SOE's total profits, including on revenues from the transportation of commodities for third parties.</p> <p>Stakeholders consulted considered the objective to be mostly met. TTEITI partially addressed the corrective action from previous Validation by including information on transportation tariffs by company, but did not yet disclose information on transportation revenues collected, disaggregated by company. TTEITI has provided some information that contributes to transparency in government and SOE revenues from the transit of gas. The Secretariat's view is that the clarifications regarding NGC's own commercial revenues from transportation adequately clarify that this requirement is not applicable, but notes some stakeholders' calls for greater transparency in NGC's management of its transportation infrastructure and revenues accruing to it as a result.</p> <p>The EITI Report states that NGC's subsidiary NGC Pipelines Limited (NGCPL) is the only company to report transportation revenues in fiscal years 2019 and 2020. While the revenue from transportation is above the materiality threshold, neither the report nor the description of the approach to materiality clarifies if the revenue is a material revenue stream to government, with NGC collecting it on the government's behalf, or if it's a revenue collected by NGC as part of its commercial operations. If the revenue is collected on the government's behalf it must be disaggregated to levels commensurate with other government revenues (see Requirement 4.7). Petrotrin and Heritage have previously reported transportation revenues.</p>
<p>Level of disaggregation (Requirement #4.7)</p> <p><i>Fully met</i></p>	<p>The Secretariat's assessment is that Requirement 4.7 is fully met. The objective of ensuring that the public can assess the extent to which government can monitor its revenue receipts is fulfilled, with the information being available in a disaggregated manner in the annexes to the EITI Report.</p> <p>The EITI Report presents reconciled financial data disaggregated by company, government entity and revenue streams, for both the mining and oil and gas sector. The annex contains detailed reconciled figures on</p>

	<p>block level from companies. In its comments to the MSG clarified that for PSCs, the contract represents a single project, whereas for exploration and production licences, several interconnected licenced acreage is covered by a single contract.³¹ In Trinidad and Tobago, operators incorporate a legal entity for every PSC and E&P licence, which report the revenue streams, meaning that de facto all revenue streams are disaggregated by project. On project level disclosures, TTEITI cites the definition of Requirement 4.7 and the oil and gas cadastre lists the projects that cover several interconnected agreements</p>
<p>Data timeliness (Requirement #4.8) <i>Mostly met</i></p>	<p>The Secretariat's assessment is that Requirement 4.8 is mostly met, which represents backsliding since the previous Validation. The reporting deadline of 24 months was missed twice in the years under review. Given the timelier data included in the EITI Reports the International Secretariat's assessment is that the underlying objective of informing public debate is mostly met.</p> <p>Both the 2018 and the 2019-2020 EITI Reports were published after the 24-month maximum period. For the 2019-2020 EITI Report, the extension granted by the Board was not met, which led to temporary suspension. Some stakeholders voiced concerns about the government procurement process for the Independent Administrator, an obstacle (besides access to tax payments per company, as noted in Requirement 4.1 and 1.1) to the timely publication of EITI Reports.</p> <p>The MSG has made several attempts to improve timeliness, most importantly by proposing a bill (EITI bill). The bill proposes to turn TTEITI into an agency, giving it more autonomy in procuring the IA. It would also remove the confidentiality of tax payments that fall within the remit of the Standard, which would give the IA direct access to full government disclosures and speed up reporting. TTEITI is also pursuing a pilot project with the International Secretariat to determine what payments can be reported in a timelier manner, which is likely to face limitations given the existence of taxpayer confidentiality restrictions. Despite the delays in reporting, it is noteworthy that the latest two EITI Reports contain figures on the industries' main revenue streams (royalty and profit share) – up to 2022 for the 2020 Report, as well as more up to date production and export figures.</p>
<p>Data quality and assurance (Requirement #4.9) <i>Mostly met</i></p>	<p>The Secretariat's assessment is that Requirement 4.9 is mostly met without improvements since the previous Validation. The latest TTEITI Report does not include the IA's assessment on comprehensiveness and reliability, despite requirements in its Terms of Reference for the EITI Report. The broader objective of contributing to strengthening assurance systems is mostly met, given TTEITI's recommendations to strengthen the Auditor General's mandate and resources to carry out its work.</p> <p>TTEITI agreed and documented in the EITI Report an approach to address data quality for the disclosure of payments and revenues. This approach is</p>

³¹ This explains why the two different blocks (Teak, 2 licences and Samaan, 24 licences) held by bpTT in the Columbus basin, are in fact linked by one contract, and thus considered one project. According to [this communication](#), bpTT holds 92 licences in the Columbus Basin and there are three blocks in the Columbus basin, which are however governed by on single contract, and the contracting party is BP Trinidad and Tobago LLC (bpTT in the register).

	<p>aligned with the standard ToR for Independent Administrators approved by the EITI Board, and the MSG has approved the reporting templates used for data collection. TTEITI has undertaken a review of the audit and assurance procedures of material companies and government entities participating in EITI reporting and it has agreed on the assurances to be provided for their EITI disclosures. These procedures consisted in the provision of an assurance declaration signed by a senior official.</p> <p>In the case of government, the Auditor General is the government entity responsible for auditing all government agencies, and the EITI Report includes a detailed description of relevant auditing rules and procedures following international standards. However, though the IA did not express concerns about the comprehensiveness and quality of data reported, the EITI Report highlights limitations in the auditing practices of the Auditor General with regards to its oversight of the MOF and the MEEI. The EITI Report explains that these limitations are driven by confidentiality clauses, but stakeholders consulted also expressed their concerns about insufficient resources for the Auditor General to fulfil its mandate in the extractive sector. The EITI Report shows that, in addition to the General Auditor’s mandate, the MEEI is also responsible for auditing compliance with the terms and conditions of PSCs. However, the EITI Report shows evidence of a significant reduction in PSC audits conducted by the MEEI in 2019 and 2020.</p> <p>In the case of private companies and SOEs, they were asked to provide their audited financial statements in addition to the assurance declaration signed by a senior official. TTEITI includes an assessment of audited payments showing that, for 2019, 61.25% of company payments were disclosed with the required assurances while in 2020 this amount increased to 71.9%. A summary of audited financial statements can be found in Annex E of the EITI Report. In the case of SOEs, both NGC and TP follow international financial reporting standards and their consolidated financial reports are systematically disclosed.</p>
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New corrective actions and recommendation

- To strengthen implementation of Requirement 4.1, TTEITI MSG is encouraged to discuss the materiality definition for revenue streams and companies anew every financial year with regards of the total industry revenue. The MSG may wish to set different revenue thresholds for payments of particular interest.
- To strengthen implementation of Requirement 4.7, Trinidad and Tobago is encouraged to provide more clear guidance on what constitutes a project under different licencing and contractual regimes, and where to find project level data.
- In accordance with Requirement 4.8, Trinidad and Tobago should ensure the publication of EITI Reports within two years of the end of the fiscal period covered by EITI reporting.
- In accordance with Requirement 4.9.b.iii and the standard Terms of Reference for the Independent Administrator agreed by the EITI Board, the MSG and Independent Administrator must ensure that future EITI Reports include a clear statement on the reliability and comprehensiveness of reconciled financial data. To strengthen implementation, Trinidad and Tobago is encouraged to closely monitor the establishment of the new Revenue Authority (TTRA),

and to use its EITI reporting to track the implementation of reforms in the Auditor General's statutory audit rights related to the tax administration.

Revenue management (Requirements 5.1, 5.3)

Overview of progress in the module

The Ministry of Finance and the Auditor General's (AG) office systematically disclose information on the budget process and revenue management, along with recent reforms. The 2019-2020 EITI Report summarises information found on government websites and TTEITI created a guide for CSOs to better understand the budget process. Some stakeholder consultations highlighted the lack of audit of MOF-IRD by the Auditor General as a main barrier to overcome to improve the public understanding of revenue management in the extractives sector. Some stakeholders suggested that increased capacity in the Auditor General's office would enable this office to also perform audits on state-owned enterprises, such as NGC and Heritage Petroleum and to provide a clearer picture on revenue management related to oil and gas production sharing contracts. Trinidad and Tobago could use EITI implementation to publicly disclose more forward-looking data on production levels and commodity prices that would help inform debate around resource dependence and revenue sustainability.

Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in the annex to this report.

EITI Requirement / past corrective action and assessment	Summary of progress in addressing the EITI Requirement
<p>Distribution of extractive industry revenues (Requirement #5.1)</p> <p><i>Fully met</i></p>	<p>The Secretariat's assessment is that Requirement 5.1 is fully met, as in the previous Validation. The Secretariat's view is that all revenues are recorded in the Consolidated Fund and financial statements are provided for the Heritage and Stabilisation Fund. The 2019-2020 EITI Report provides a summary of the fund's operation, which is funded directly from the Consolidated Fund. EITI reporting confirms that there were no revenues deposited in the fund in the period under review, though there were withdrawals in the amount of USD 900 million and USD 893 million in 2020 and 2021, respectively.</p> <p>The 2019-2020 EITI Report describes the management of public finances according to the single Treasury account principle. Revenues that enter the Consolidated Fund are no longer distinguishable as deriving from the extractive or non-extractive sector and EITI reporting confirms that Trinidad and Tobago adheres to international revenue classification standards using the IMF's Government Finance Statistics Manual. EITI reporting also summarises recent changes to legislation that affect the Heritage and Stabilisation Fund.</p>

<p>Revenue management and expenditures (Requirement #5.3)</p> <p><i>Fully met</i></p>	<p>The Secretariat’s assessment is that Requirement 5.3 is fully met, but not yet exceeded given that some encouraged aspects of this requirement remain to be addressed.</p> <p>Trinidad and Tobago addressed some aspects of Requirement 5.3 through EITI reporting and through information hosted systematically on government websites. Expenditure decisions are made by the Minister of Finance in consultation with representatives of stakeholder groups and budget decisions are recorded in the Appropriations Bill for the fiscal year and reflected in national budget priorities. A description of the national budget process can be found on the Auditor General’s (AG) website. The AG’s website also publishes annual audit reports of the Heritage and Stabilisation Fund. Trinidad and Tobago EITI should be commended for publishing a guide to clarify budget procedures for CSOs with the intent to further engage CSOs with the budget and expenditure process. However, while the MSG has provided information on revenue and expenditure management, it has not addressed the accountability aspects of the requirement related to the management of earmarked revenues, assumptions and budget projections. Therefore, it cannot yet be concluded that Trinidad and Tobago has exceeded all technical aspects and the overall objective of this requirement.</p>
<p>New corrective actions and recommendation</p>	
<ul style="list-style-type: none"> • To strengthen implementation of Requirement 5.1, Trinidad and Tobago is encouraged to create a mechanism to trace extractive revenue utilization. • To strengthen implementation of Requirement 5.3, Trinidad and Tobago is encouraged to use its EITI disclosures to provide timely information from the government that will further public understanding and debate around issues of revenue sustainability and resource dependence, which may include the assumptions underpinning forthcoming years in the budget cycle and relating to projected production, commodity prices and revenue forecasts arising from the extractive industries and the proportion of future fiscal revenues expected to come from the extractive sector. 	

Subnational contribution (Requirements 4.6, 5.2, 6.1)

Overview of progress in the module

Subnational payments and transfers do not exist in Trinidad and Tobago as all funds are collected by the central government and flow into the Consolidated Fund with allocation of revenues determined through the national budget decided upon by the Minister of Finance.

Trinidad and Tobago’s EITI reporting plays an integral role in promoting transparency in social and environmental expenditures related to the extractive industries in the country as it does not appear that information on these topics is systematically disclosed through government websites. The 2019 EITI Report notes that social expenditures are not legally mandated, though the voluntary social expenditures of ten oil and gas companies and one SOE, NGC, are provided. It is unclear whether any mining companies made voluntary social expenditures in the period under review, and it is unknown whether the social expenditures listed in the 2019 EITI Report represent all voluntary social expenditures made by extractive companies. Environmental expenditures, on the other hand, are mandated by law for mining and oil and gas companies.

Some oil and gas companies did report mandatory environmental expenditures. Quality assurances agreed for company reporting of environmental payments are unclear and questions remain as to the comprehensiveness of environmental expenditures reported in the 2019 EITI Report.

Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in the annex to this report.

EITI Requirement / past corrective action and assessment	Summary of progress in addressing the EITI Requirement
Subnational payments (Requirement #4.6) <i>Not applicable</i>	<p>The Secretariat's assessment is that Requirement 4.6 remains not applicable in the period under review, as in the previous Validation. The 2019-2020 EITI Report confirms that all payments are made to the national government and that there are no extractive sector regulations that stipulate subnational payments.</p>
Subnational transfers (Requirement #5.2) <i>Not applicable</i>	<p>The Secretariat's assessment is that Requirement 5.2 remains not applicable in the period under review, as in the previous Validation. The 2019-2020 EITI Report confirms that such transfers do not exist in Trinidad and Tobago as all extractive sector revenues flow to the central government and are not transferred to subnational government agencies.</p>
Social and environmental expenditures (Requirement #6.1) <i>Fully met</i>	<p>The Secretariat's assessment is that Requirement 6.1 is fully met as material mandatory environmental payments made by companies to government are systematically disclosed and are summarised in the 2019-2020 EITI Report. The 2019 EITI Standard introduced requirements to disclose mandatory and voluntary environmental payments in Requirement 6.1. Given the existence of mandatory environmental payments in Trinidad and Tobago, this requirement is now considered applicable.</p> <p>There are no provisions requiring companies to undertake mandatory social expenditures in mining or oil and gas contracts and licenses. There are voluntary social payments reported by ten oil and gas companies and one oil and gas SOE, NGC, in the EITI Report. The IA did not reconcile voluntary social payments, which is not mandated under Requirement 6.1. It is unclear if these payments are comprehensive of all voluntary social payments. Indeed, the 2019-2020 EITI Report implies that there could have been other voluntary social payments that were not reported by oil and gas companies. NGC reports voluntary social payments through annual Sustainability Reports that document NGC's corporate social responsibility expenditures. Included among the ten oil and gas companies reporting social payments are Petrotrin and Heritage Petroleum, oil and gas SOEs, though it remains to be confirmed that whether voluntary social payments documented in EITI reporting represent all corporate social responsibility expenditures made by SOEs in the oil and gas sector. It appears that mining companies may also make voluntary social expenditures but these were not disclosed in the 2019-2020 EITI Report.</p> <p>Government reports mandatory environmental revenues collected from oil and gas companies via the Green Fund Levy as well as payments related to Certificates of Environmental Clearance (CEC) and Environmental Impact</p>

	<p>Assessments (EIA). The government has also disclosed information on company abandonment provision payments that flow into environmental escrow accounts that are not considered forms of government revenues. EITI reporting clarifies that green fund payments are made to MOF-IRD while the Environmental Management Authority collects fees related to CECs and EIAs. The Ministry of Energy and Energy Industries manages the escrow accounts that collect companies' abandonment provision payments. Only the green fund levy is considered a material environmental payment to government. In mining, the Ministry of Energy and Energy Industries collects payments related to Rehabilitation and Performance bonds. It appears that none of these bonds have been used by the state for rehabilitation to date. The EITI Report indicates that there are about 30 quarry companies that have submitted bonds for a total of TTD 17 million.</p>
New corrective actions and recommendation	
<ul style="list-style-type: none">• To strengthen implementation of Requirement 6.1, Trinidad and Tobago is encouraged to comprehensively disclose discretionary social expenditures and both mandatory and voluntary environmental expenditures made to third-parties.	

Background

Overview of the extractive industries

An overview of the extractive industries is accessible on the [country page](#) of the EITI website for Trinidad and Tobago.

History of EITI implementation

The history of implementation is accessible on the [country page](#) of the EITI website for Trinidad and Tobago.

Explanation of the Validation process

An overview of the Validation process is available on the EITI website.³² The [Validation Guide](#) provides detailed guidance on assessing EITI Requirements, while the more detailed [Validation procedure](#) include a standardised procedure for undertaking Validation by the EITI International Secretariat.

The International Secretariat's country implementation support team include Esteban Manteca, while the Validation team was comprised of Christina Berger, Riley Zecca and Emmanuel Aguilar Burgoa. The internal review for quality assurance was conducted by Alex Gordy, Francisco Paris, Bady Baldé and Gay Ordenes.

Confidentiality and open date

The detailed data collection and assessment templates are publicly accessible, on the internal Validation Committee page here.

The practice in attribution of stakeholder comments in EITI Validation reports is by constituency, without naming the stakeholder or its organisation. Where requested, the confidentiality of stakeholders' identities is respected. This draft report is shared with stakeholders for consultation purposes and remains confidential as a working document until the Board takes a decision on the matter.

Timeline of Validation

The Validation of Trinidad and Tobago commenced on 1 September 2022. A public call for stakeholder views was issued on 1 August 2022. Stakeholder consultations were held on 12 to 22 September 2022. The draft Validation report was finalised on 4 November 2022. Following comments from the MSG received on 2 December 2022, the assessment was finalised for review by the EITI Board.

³² See <https://eiti.org/validation>

Resources

TTEITI's templates are available here: <https://www.tteiti.com/validation>

- Validation data collection template – Stakeholder engagement, accessible on <https://www.tteiti.com/s/20220712-Validation-Stakeholder-Engagement-Template-Final.docx>
- Validation data collection template – Transparency, accessible on <https://www.tteiti.com/s/20220815-Validation-Transparency-Template-2020.xlsx> and <https://www.tteiti.com/s/20220815-Validation-Transparency-Template-2019.xlsx>
- Validation data collection template – Outcomes and impact, accessible on <https://www.tteiti.com/s/20220712-Validation-Outcomes-and-Impact-Template-Final.docx>
- There were no responses to the call for stakeholder views.