

Validation of Norway

Assessment of progress in implementing the EITI Standard

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Acronyms

APA	Awards in Predefined Areas
API	Application Programming Interface
CO2	Carbon dioxide
eInnsyn	Norwegian online public document register system
GDP	Gross Domestic Product
IEA	International Energy Agency
MPE	Ministry of Petroleum and Energy (Olje- og energidepartementet)
MTF	Ministry of Trade, Industry and Fisheries (Nærings- og fiskeridepartementet)
NBIM	Norges Bank Investment Management
NEA	Norwegian Environmental Agency (Miljødirektoratet)
NLOD	Norwegian Licence for Open Government Data
NO	Norway
NOR-EITI	Norway Extractive Industries Transparency Initiative
NOX	Nitrous oxides
NPD	Norwegian Petroleum Directorate (Oljedirektoratet)
PEP	Politically Exposed Person
PWYP-N	Publish What You Pay - Norway
SDFI	Norwegian State's Direct Financial Interest in the petroleum sector
SSB	Statistics Norway
ToR	Terms of Reference
WCAG	Web Content Accessibility Guides

Executive summary

This Validation report presents the findings of the International Secretariat's Validation of Norway, which commenced on 1 October 2022. The draft report was finalised for review by Norwegian stakeholders on 21 December 2022. Following comments from the National Secretariat on 2 February 2023, the Validation report was finalised for consideration by the EITI Board. The assessment suggests that Norway has exceeded eight EITI Requirements, fully met 14, mostly met three and partly met one requirement, with seven requirements assessed as not applicable.

In October 2017 the EITI Board accepted Norway's application for adapted implementation and mainstreamed implementation. This implied first the dissolution of the multi-stakeholder group (in line with the Board-approved adapted implementation) and the cessation of standalone annual EITI Reports (in line with the Board-approved mainstreamed implementation). In Norway's application, it was proposed that "EITI's requirement of effective multi-stakeholder oversight be primarily guaranteed through the participatory and consultative mechanisms that already underpin Norwegian extractive sector governance," and committed to hold an "annual meeting and give a presentation of recent developments in the Petroleum Sector".¹ In its decision approving that application, the EITI Board "emphasised that neither the application for mainstreaming disclosure nor the adapted implementation request alter the EITI's disclosure or stakeholder engagement requirements."²

In practice, the MSG was disbanded and replaced by an annual meeting. The annual meeting is an open meeting, organised by the Ministry of Petroleum and Energy (MPE) under the title of "Presentation of petroleum activities on the Norwegian Continental Shelf".³ The invitation is public and circulated to the former MSG members. Hence Requirement 1.4 is not applicable in this Validation. Furthermore, EITI Reports were replaced with systematic disclosures of data mandated under all EITI Requirements and complemented by the annual publication of the summary data file, which remains applicable to Norway under Requirement 7.2.

Through desk research and stakeholder consultations⁴ the International Secretariat has sought to establish whether the existing approach is fit for purpose and if Norway is meeting the requirements of the 2019 EITI Standard in accordance with the terms of its Board-approved adapted implementation and mainstreamed implementation.⁵

¹ See <https://eiti.org/documents/norway-mainstreaming-application-and-request-adapted-implementation>, pages 2-3.

² See Board decision 2017-49, <https://eiti.org/board-decision/2017-49>.

³ See the invitation for 2023: <https://www.regjeringen.no/no/aktuelt/presentasjon-av-petroleumsaktiviteten-pa-norsk-sokkel/id2959680/>

⁴ See list of consulted bodies under "Consultation list"

⁵ For more background and history of implementation, please consult section "Background – History of implementation"

Key achievements

- Norway continues to improve its best practice in systematic disclosure of extractives data, including greater disaggregation of data on company payments to distinguish net tax receipts from environmental payments.
- Norway is a field leader in terms of license and contract transparency, with a full record of all licenses and associated model contracts publicly available, as well as detailed information on allocation processes, transfers, and changes over time, dating back over 40 years.
- A broad and vigorous public debate on issues related to extractive governance is underpinned by stakeholder use of systematically disclosed data and strong traditions for public interest and participation in the sector.

Areas for development

- The Norwegian Beneficial Ownership Register enjoys a strong legal foundation and is planned for launch in January 2023. At the time of the assessment, there was no beneficial ownership data on privately-owned companies holding oil and gas licences. It is unclear how information on politically exposed persons as required by the EITI Standard will be incorporated into the register, or publicly accessible. 2023 will be a critical year to demonstrate the accessibility, comprehensiveness and verification mechanisms for beneficial ownership information.
- There is an opportunity for Norway to improve governance of the extractive sector by engaging with stakeholders to consider issues that do not strictly fall within the current scope of the EITI reporting in Norway, including the process through which licensing rounds are opened on specific fields (which is covered by the EITI Standard under Requirement 2.2), and the inclusion of mining within EITI implementation. The question of the applicability of mining is of particularly pressing concern for several stakeholders, and has not been subjected to multi-stakeholder discussion since the MSG was disbanded. It would therefore be worthwhile for Norway to consider including mining within the scope of EITI reporting in view of the growing significance of this sector and its future potential.
- There is an opportunity for NOR-EITI to significantly improve its engagement with civil society stakeholders more generally. Civil society stakeholders appear currently largely unaware of the EITI and have expressed a desire for more multi-stakeholder dialogue, as well as a desire to extend the scope of EITI implementation, to improve transparency in regard to several specific processes related to extractives governance. Consideration should be given to the creation of a reference group to consider governance and transparency issues in the sector to meet at periodic intervals.

Progress in implementation

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

Stakeholder engagement

In the context of Norway’s adapted implementation, this Validation has assessed stakeholder engagement in regard to the governance of the extractives sector in general, as well as EITI implementation narrowly construed.

Governance of the Norwegian oil and gas sector continues to be defined by openness, public debate, and strong regulation. The Norwegian government is legally obligated to consult the public on all policies and regulations with a potentially significant impact,⁶ and this Validation identified numerous examples of hearings and consultations with broad participation by all three constituencies. Adapted implementation in Norway was predicated on the presumption that stakeholder engagement would be guaranteed by the consultative and participatory mechanisms underpinning governance of the Norwegian extractives sector, and these mechanisms remain healthy and robust. Different constituencies engage with these mechanisms differently, however, and civil society representatives have described weak points in the sector governance, and an inability to meaningfully engage with specific aspects of extractives governance and transparency.

EITI is not widely known by the general public in Norway and calls to contribute to consultations for this Validation were met by a limited interest and response.⁷ Considered together with the limited dialogue between civil society and industry at the annual meeting and the absence of an MSG, the International Secretariat concludes that for the three constituencies’ meaningful engagement in the EITI process remains limited. While this does not clearly inhibit stakeholder engagement in the governance of the extractives sector generally, in consultations, several civil society members described the Norwegian public consultative process as strong, but noted limited opportunities for three-way dialogue among government, business, and civil society. They also described several policy issues, such as deep-sea mining licensing, in which such a forum was needed. These stakeholders nevertheless expressed scepticism as to whether a conventional MSG would help to facilitate debate across constituencies, and none of these concerns inhibited Norway from scoring fully met on all applicable stakeholder engagement requirements. Stakeholder engagement requirements are generally assessed as fully met in light of Norway’s Board-approved approach to adapted implementation, but this assessment identified opportunities to strengthen stakeholder engagement in EITI, and governance of the sector more generally.

Transparency

In the context of Norway’s mainstreamed implementation, this Validation has considered information that is disclosed systematically from multiple Norwegian sources, since NOR-EITI no longer undertakes an EITI Report and reconciliation process.

⁶ See <https://lovdata.no/dokument/INS/forskrift/2016-02-19-184>

⁷ Despite repeated outreach over a four-week period, only two consultations were successfully organised with government stakeholders outside the MPE, and multiple requests for consultations were either unanswered or declined. Only two representatives of industry responded to calls for consultations. Six civil society representatives were consulted.

Norway has exceeded requirements in regard to several transparency requirements, notably in regard to the overview of the extractive industries, the legal and fiscal framework, and revenue management. Information anticipated by these requirements is broadly and easily accessible, in keeping with Norway's tradition for strong and transparent governance of the sector. Norway has also exceeded requirements in regard to licenses and provides detailed and accessible information on the license allocation processes and on individual licenses and their changes over time.

While Norway's disclosure of revenue data is generally strong, there are opportunities to improve the comprehensiveness and quality of that data, notably in regard to addressing issues of incomplete company reporting of payments to government, materiality thresholds, and cooperating with stakeholders to agree on data assurance mechanisms. Requirements 4.1 and 4.9 are assessed as mostly met. There is significant room for Norway to improve progress on the beneficial ownership Requirement 2.5, which is here assessed as only partly met. In particular, there is an opportunity to clarify and integrate information on politically exposed persons and to clearly outline verification mechanisms for the registry which is planned for launch in January 2023.

Outcomes and impact

In the context of Norway's adapted implementation, Norway does not produce a work plan or progress report, and this Validation has assessed outcomes and impact in regard to extractives information that is disclosed systematically from multiple Norwegian sources, and not exclusively disclosures published by NOR-EITI.

Norwegian government agencies routinely and systematically disclose data through online portals that are well-functioning and highly accessible sources. The Norwegian Petroleum website provides a wide range of maps, charts, tables, and data visualisations that represent international best practice in terms of timeliness, data accessibility and open licensing. There is a broad and healthy public debate on the governance of the petroleum sector, which is underpinned by the data and disclosures described above. This includes vigorous debate on the use of government revenues and the future of the petroleum industry and the energy transition, and likely contributes to the high trust environment in which the Norwegian extractives industry is governed. This Validation identified instances in which public debate had concrete influence on policy (including the cabinet decision to postpone licensing rounds, described below), though not all stakeholders are satisfied with their ability to influence specific policies or disclosures. The Validation also found evidence that Norwegian systematic disclosures have informed research and public debate outside of Norway. Establishing a clear mechanism to ensure that recommendations from EITI implementation are acted upon would likely increase the potential impact of EITI-related disclosures. Stakeholder consultations also suggested that the strong transparency and public debate that underpins governance of the oil and gas sector does not exist for the Norwegian mining sector, and that this might be the most significant opportunity to increase the impact of EITI implementation, particularly regarding strengthening transparency and participation in licensing and regulatory frameworks.

Validation scorecard

Component & module	EITI Requirement	Progress	Score	
Outcomes and impact		High	85.5/100	
Extra points	Effectiveness and sustainability indicators		2	
Outcomes and impact	Work plan (#1.5)	Not applicable	-	-
	Public debate (#7.1)	Fully met	90	=
	Data accessibility and open data (#7.2)	Exceeded	100	-
	Recommendations from EITI (#7.3)	Mostly met	60	↓
	Outcomes & impact (#7.4)	Not applicable	-	-
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)	Not applicable	-	-
Transparency		High	87.5/100	
Overview of the extractive industries	Exploration data (#3.1)	Exceeded	100	=
	Economic contribution (#6.3)	Exceeded	100	=
Legal and fiscal framework	Legal framework (#2.1)	Exceeded	100	-
	Contracts (#2.4)	Exceeded	100	-
	Environmental impact (#6.4)	Fully met	90	-
Licenses	Contract and license allocations (#2.2)	Exceeded	100	=
	License register (#2.3)	Exceeded	100	=
Ownership	Beneficial ownership (#2.5)	Partly met	30	-
State participation	State participation (#2.6)	Fully met	90	-
	In-kind revenues (#4.2)	Not applicable	-	=
	SOE transactions (#4.5)	Fully met	90	=
	SOE quasi-fiscal expenditures (#6.2)	Not applicable	-	=
Production and exports	Production data (#3.2)	Fully met	90	=
	Export data (#3.3)	Fully met	90	=
Revenue collection	Comprehensiveness (#4.1)	Mostly met	60	↓
	Barter agreements (#4.3)	Not applicable	-	=
	Transportation revenues (#4.4)	Fully met	90	=
	Disaggregation (#4.7)	Fully met	90	=
	Data timeliness (#4.8)	Fully met	90	-
	Data quality (#4.9)	Mostly met	60	↓
Revenue management	Distribution of revenues (#5.1)	Exceeded	100	=
	Revenue management & expenditures (#5.3)	Fully met	90	=
Subnational contributions	Direct subnational payments (#4.6)	Fully met	90	=
	Subnational transfers (#5.2)	Not applicable	-	=
	Social and environmental expenditures (#6.1)	Fully met	90	-
Overall score		High	87.5/100	

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

The country is awarded 0, 0.5 or 1 point for each of the five indicators. The points are added to the component score on Outcomes and impact.

1.1 National relevance of EITI implementation

This indicator considers the extent to which EITI implementation in Norway addresses nationally relevant extractive sector challenges and risks. In the context of Norway's adapted and mainstreamed implementation, it begins by considering whether nationally relevant risks and challenges are addressed by the government's management of the sector writ large. This is generally the case, and frequent public debate and government engagement with environmental issues, the energy transition, and the future of the petroleum industry are good examples of this. The recent postponement of frontier licensing due to cabinet level concessions also demonstrates how governance of the petroleum sector in Norway is inherently a political process, which plays out largely in the public sphere.⁸ The inherent participatory and responsive nature of Norwegian public governance is widely recognized and aligns generally with the spirit of this indicator.

Simultaneously, consultations conducted for this Validation found that several stakeholders expressed frustration with governance of the mining sector in Norway, and particularly the development deep sea mining fields, whose governance was seen as significantly more opaque than the governance of the oil and gas sectors. Ironically, this is also a point of longstanding contention in the EITI context more specifically, as civil society representatives had long argued for the inclusion of mining in EITI implementation before the disbandment of the MSG, as described in regard to Requirement 4.1 and materiality thresholds below. Lastly, it should also be noted consultations confirmed that EITI is not well known or appreciated by Norwegian stakeholders and is not always seen as relevant to the governance of the sector, in which stakeholders are otherwise deeply engaged.

The Secretariat proposes that 0 additional points be added to the score on Outcomes and impact for this indicator.

1.2 Systematic disclosures of extractive industry data

Norway is a world leader in terms of systematic disclosure of extractives data, and disclosures relevant to the EITI Standard are updated and released on a regular basis on multiple government websites and consolidated and summarized on the Norwegian Petroleum website maintained by the Ministry of Petroleum and Energy (MPE). This site includes access to data through multiple interactive formats, with high degrees of customization for increased accessibility, and downloadable files in multiple open data formats. Norway has also operationalized a tiered public access framework by which some data are published online, and some are available on request. As discussed in regard to Requirement 7.2, this is best practice in regard to sustainability of open government data. In the context of Norway's mainstreamed and adapted implementation, it could be argued that systematic disclosure of extractives data by the

⁸ See <https://www.investing.com/news/stock-market-news/norway-budget-deal-will-not-hike-spending-from-wealth-fund-says-pm-2953850>.

Norwegian government has far surpassed the publication of EITI-specific data, which currently consists only of the annual submission of summary data templates, which duplicate data that is publicly disclosed elsewhere, and in a more timely manner.

The Secretariat proposes that 1 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.

Norway's system of public governance is widely recognized to be highly consultative and participatory and is broadly aligned with the spirit of this indicator. Participatory mechanisms were highlighted in Norway's application to the EITI Board for adapted and mainstreamed implementation and are described below in regard to Requirement 1.3. As in Norway's two previous Validations, this Validation finds that those mechanisms continue to function as described and offer ample legislative and regulatory mechanisms for the public to participate in the governance of the sector.

Civil society representatives nonetheless described weaknesses in those participatory mechanisms when consulted for this Validation, including weaknesses and opacity in the governance of the mining sector, opacity surrounding the decision-making processes through which Norway's cabinet of ministers opens new licensing rounds for specific fields and areas, thresholds for the disclosures of petroleum project development plans, lack of public access to assessments and scientific data underpinning oil and gas project applications to the Norwegian Environmental Agency (Miljødirektoratet), and lack of public access to specific data and estimates on reserves that are shared between the Ministry of Finance (MOF) and the MPE, which are more detailed than what is publicly available. Several civil society representatives expressed a general impression that governance of the sector was marked by ample consultative opportunities, but that these were not generally followed by indication that those consultations had any influence on policies that were implemented or decisions that were made. These issues are discussed in detail in regard to Requirements 1.3, 2.2, 3.2, and 4.1). Together they illustrate that there remains room to strengthen the environment for civil society participation in extractive industry governance.

The Secretariat proposes that .5 additional points 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.

Norwegian extractives data is notable for its high degree of accessibility, as described below in relation to Requirement 7.2, and relevant data disclosed by a wide variety of stakeholders is regularly leveraged in public debate, by Norwegian media, civil society, and other stakeholders.

For example, the national broadcasting company (NRK) has a project “My Oil Exploration Invest AS” that presents information about how Norwegian taxpayers fund oil and gas exploration through government rebates to companies in comparison with state revenues from the sector,⁹ while petroleum revenue data has informed national debate about the economic impact of the Russian invasion of Ukraine, which has changed European energy market dynamics. Similarly, the International Energy Agency produced a report that used Norwegian data available through systematic disclosures, which stimulated media coverage in Norway, including debate about future petroleum development and national climate change targets.¹⁰

These dynamics testify to a healthy dynamic between public disclosures and public demand for data on the extractives sector. This Validation has, however, also identified several specific disclosers and data points that have been repeatedly requested by stakeholders, but not provided. This includes the issues described in regard to effectiveness and sustainability indicator 1.3, as well as long standing debates regarding assurances for data on company payments to governments and country-by-country reporting, as described in regard to Requirement 4.9. Lack of follow through on these issues makes it difficult to categorically assert that governments and companies are providing data and information that serves stakeholder needs, as articulated in the Validation Guide instructions for assessing this indicator.¹¹

The Secretariat proposes that .5 additional points 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.

Norway’s mainstreaming and adapted implementation circumstances make it challenging to identify examples of EITI implementation contributing to changes to extractive sector policy and practices. Simultaneously, examples of disclosures in the general governance of the sector leading to change are so numerous and consistent as to make little sense in the context of this indicator. It is noteworthy, however, that new requirements introduced in the 2019 EITI Standard prompted a review and subsequent improvements to project-level reporting in alignment with Requirement 4.7. Similarly, stakeholders argue that the EITI requirement on beneficial ownership was a motivating factor for Norway’s planned implementation of a public register in January 2023.

⁹ See https://www.nrk.no/klima/xl/leterefusjonen_-disse-selskapene-har-lett-etter-olje-for-dine-skattepenger-1.15931075

¹⁰ Examples of media coverage:

<https://e24.no/olje-og-energi/i/ALOXBM/iea-roser-norge-for-oekt-produksjon-av-olje-og-gass>

<https://borsen.dagbladet.no/nyheter/iea-advarer-norge/76486650>

<https://energiogklima.no/tema/iea/>

<https://www.montelnews.com/news/1331819/iea-norge-m%C3%A5-ha-mer-vindkraft-for-%C3%A5-n%C3%A5-klimam%C3%A5lene>

¹¹ See <https://eiti.org/guidance-notes/validation-guide>, pg 54.

The Secretariat proposes that 0 additional points 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, as understood in the context of Norway's adapted and mainstreamed implementation.

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>Not applicable</i></p>	<p>Norway no longer has an EITI multi-stakeholder group and is not required to maintain an EITI work plan following the Board's approval of Norway's adapted implementation and mainstreamed implementation.¹²</p>
<p>Public debate (Requirement #7.1)</p> <p><i>Fully met</i></p>	<p>The Secretariat's assessment is that Norway has fully met the objective of Requirement 7.1, in keeping with Norway's previous Validation and stakeholder consultations.</p> <p>Norway no longer publishes EITI Reports as agreed in the Board decision on mainstreaming and adapted implementation.¹³ Instead, the government routinely and systematically discloses data through online portals.¹⁴ These systems remain well-functioning and accessible sources of information that support public debate about extractive sector governance. Additionally, the NOR-EITI Secretariat arranges an annual stakeholder meeting, which is described in further detail in section 3's assessment of stakeholder engagement. Documentation submitted for the Validation highlighted numerous conferences, debates, presentations, and discussions related to the petroleum industry took place during the period under review, and independent of the EITI process,¹⁵ and this is accompanied by a thriving public debate about the governance of Norway's extractive sector. EITI-related disclosures have also prompted public debate internationally, such as International Energy Agency (IEA) analysis of data disclosed on the Norwegian</p>

¹² See <https://eiti.org/board-decision/2017-49>

¹³ Ibid.

¹⁴ The main platforms for accessing systematically disclosed data are the [Norwegian Petroleum portal](#), the fact pages of the [Norwegian Petroleum Directorate website](#), and the [elnnsyn public document portal](#). Several other departments and agencies routinely publish information within the scope of the EITI.

¹⁵ https://eiti.org/sites/default/files/2022-10/outcomes_and_impact_template_Sept%2029%202022_Norway.pdf

	<p>Petroleum and SSB websites,¹⁶ which stimulated significant national debate about future petroleum development and national climate change targets¹⁷.</p> <p>Stakeholders consulted for this Validation noted that public debate was underpinned by transparency and disclosures, but civil society representatives also an interest in additional disclosures of specific projects in order to evaluate the climate risk and the expected return on the investment in terms of tax income, and noted the lack of access to some information anticipated by the Norwegian open data regulations but not by the EITI Standard, such as scientific and seismic surveys underlying proposals, which limited stakeholder's ability to effectively provide oversight on individual projects.</p>
<p>Data accessibility and open data (Requirement #7.2)</p> <p><i>Exceeded</i></p>	<p>The Secretariat's assessment is that Norway has exceeded expectations in fulfilling the objective of Requirement 7.2, based on a review of systematic disclosures and consultations with stakeholders. EITI disclosures are made publicly accessible to enable the broader use and analysis of information on the extractive industries, through the publication of information in open data and interoperable formats.</p> <p>The Norwegian Petroleum website is the main open data portal for systematic disclosures of extractives data relevant to the EITI, and hosts multiple data visualisations and interactive maps that represent best practice in regard to web usability and accessibility,¹⁸ and downloadable data adheres to the Web Content Accessibility Guides (WCAG) published by the Web Accessibility Initiative.¹⁹ This includes continuously updated and customisable maps displaying information on fields, exploration discoveries, production licenses, pipelines, operations and assets by company, by region. Illustrations, graphs, and tables are available on topics including state organisation of the petroleum sector, timeline of field development and production trends, resource profile and classification, and many other topics.</p> <p>The data described above is published according to the Norwegian Licence for Open Government Data (NLOD) and may also be found on multiple websites and in a range of formats, including Norway's national data catalogue (data.norge.no) open maps catalogue (geonorge.no) and the website of the National statistics agency,²⁰ where it may be accessed through three different APIs (Application Programming Interface). Importantly, some data, such as data on licenses, as discussed under Requirement 2.3, is only available on Request. Tests conducted as part of this Validation confirmed this information could be accessed on request, and stakeholders confirmed that this represented a measure to ensure the financial feasibility and sustainability of data accessibility. This represents international best practice in open data</p>

¹⁶ See <https://www.iea.org/countries/norway> and <https://www.iea.org/reports/norway-2022>.

¹⁷ Examples of media coverage:

<https://e24.no/olje-og-energi/i/AL0XBM/iea-roser-norge-for-oekt-produksjon-av-olje-og-gass>

<https://borsen.dagbladet.no/nyheter/iea-advarer-norge/76486650>

<https://energiogklima.no/tema/iea/>

<https://www.montelnews.com/news/1331819/iea-norge-m%C3%A5-ha-mer-vindkraft-for-%C3%A5-n%C3%A5-klimam%C3%A5lene>

¹⁸ <https://www.norskpetroleum.no/en/interactive-map-quick-downloads/>

¹⁹ See <https://www.w3.org/WAI/standards-guidelines/wcag/>.

²⁰ Excel (xlsx) with code and text column, JSON-stat file (json), JSON-stat 2 file (json), Relational file (txt), Html file (htm), Tab delimited without heading (csv), Semicolon delimited with heading (csv), PX-file.

	<p>management and the disclosure of extractives data, and exceeds the disclosures required and encouraged by EITI Requirement 7.2.</p>
<p>Recommendations from EITI implementation (Requirement #7.3)</p> <p><i>Mostly met</i></p>	<p>The Secretariat’s assessment is that Norway has mostly met the objective of Requirement 7.3 to ensure that EITI implementation is a continuous learning process that contributes to policymaking.</p> <p>While NOR-EITI does not produce EITI Reports with recommendations for follow up, there is evidence that the National Secretariat has assessed the changes to the 2019, including a review of the contract transparency requirement a mapping of the newer requirements on environmental and gender reporting. There is not, however, evidence that the National Secretariat has consulted with stakeholders from industry or civil society in considering these issues, and representatives of the National Secretariat noted that there is no formal mechanism for follow up on recommendations from EITI implementation.</p> <p>This ad hoc approach to follow up is evident in response to specific recommendations from Validations and the instructions from the EITI Board. Though the National Secretariat consulted with the Ministry of Finance in follow up to a partial Validation of the beneficial ownership requirement conducted in June 2021, as also noted in the stakeholder comments submitted to the draft report, there is no documentation of any concrete steps in response to recommendations in that Validation. Nor is there evidence of concrete steps taken or stakeholders consulted to follow up on the recommendations in Norway’s 2018 Validation to strengthen civil society engagement (as discussed under Requirement 1.3) and to consolidate and verify disclosures of company payments to government (as discussed under Requirement 4.1). Notably, this last recommendation was a restatement the EITI Board’s decision on Norwegian mainstreaming and adapted implementation, which required Norway “in cooperation with local stakeholders to agree an approach to data assurance of company disclosures.” There is no evidence of any steps taken in response to this. There is also reason to believe that NOR-EITI’s position within the MPE might inhibit the potential for strengthening the governance of the sector through follow-up, as discussed in recommendations presented in regard to Stakeholder Engagement below.</p> <p>In its response to the draft Validation Report, the MPE re-iterated its position of not establishing a formal multi-stakeholder structure and referred to the existing mechanisms of public consultations as also referenced in this report under Requirement 1.3. The International Secretariat maintains the assessment of “mostly met” as the public consultation mechanism has not been used (and is not suited to) the follow-up of recommendations and corrective actions. Rather, the MPE is encouraged to explore formats that would fulfil the underlying objective of this requirement.</p>
<p>Review the outcomes and impact of EITI implementation (Requirement #7.4)</p>	<p>Requirement 7.4 is not applicable following the Board decision on adapted implementation and mainstreamed implementation. Norway no longer has a multi-stakeholder group and is not required to produce annual progress reports.</p>

<i>Not applicable</i>	
New corrective actions and recommendations	
<ul style="list-style-type: none"> To strengthen and better inform the public debate about field development proposals, in connection with Requirement 7.1 Norway is encouraged to investigate the potential to supply the public with data that underlies analysis and proposals for new projects. In accordance with Requirement 7.3, NOR-EITI National Secretariat should document the government's efforts to act upon lessons learned, identifying, investigating, and addressing the causes of any information gaps or discrepancies in EITI implementation. Norway should establish a formal mechanism such as a reference group including government, industry, and civil society representatives to ensure multi-stakeholder involvement to fully meet Requirement 7.3. 	

3. Stakeholder engagement

This component assesses EITI Requirements 1.1 to 1.4, which relate to the participation of constituencies and multi-stakeholder oversight, as understood in the context of Norway's adapted and mainstreamed implementation.

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
Government engagement (Requirement #1.1) <i>Fully met</i>	<p>The Secretariat's assessment is that Requirement 1.1 is fully met, as in Norway's previous validation.</p> <p>The EITI is embedded within the Ministry of Petroleum and Energy (MPE), but national implementation of EITI has not received consistent statements of high-level political support.²¹ EITI is not well known in Norway, and aside from focal points within the MPE, most government stakeholders contacted during the Validation were not familiar with the EITI or available to participate in consultations.</p> <p>Government engagement with the governance and transparency of the Norwegian oil and gas sector is nevertheless strong, and lack of explicit engagement with the EITI is understood as part of the rationale and consequence of mainstreaming EITI implementation in Norway. Available documentation and stakeholder consultations confirm that the Norwegian</p>

²¹ Previous Validations have noted how EITI has often been viewed by Norwegian government stakeholders primarily as an exercise to promote Norwegian governance of the extractives sector abroad. Recent expressions of support from high-level political actors within the Ministry of Foreign Affairs (for example see https://www.regjeringen.no/no/aktuelt/bs_eiti/id2933242/) are understood in keeping with this tendency, and not as expressions of support for EITI implementation in Norway.

	<p>government is broadly and deeply engaged in the transparency and disclosure of information required by EITI Standard, and that this is ensured through checks and balances across multiple government agencies, including the Ministry of Petroleum and Energy, the Norwegian Directorate of Petroleum, the Ministry of Finance, the National Bank, the Ministry of Trade and Fisheries, the Parliament, and the National Tax Authority. In addition to mandatory participation in regulatory processes relevant to the disclosure of extractives information, many of these agencies are regularly represented in the annual meeting that Norway has proposed as its primary mechanism for ensuring stakeholder engagement. There is nevertheless an opportunity to strengthen EITI implementation, and the governance of the extractives sector more generally, by strengthening government awareness and institutionalisation of the EITI.</p>
<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 Norway's previous validation and reflected in the views of stakeholders consulted for this Validation.</p> <p>As with government stakeholders described above, Norwegian industry representatives were largely unaware of EITI and unresponsive to requests for consultations as part of this Validation. As discussed in regard to Requirement 4.1, the failure of many material companies to report payments to government through country-by-country reporting is also a cause for concern. Despite this, the industry constituency is closely engaged in the governance of the extractives sector in Norway more generally, and consultations confirm the breadth of engagement and dialogue between government and industry throughout the extractives value chain, including participation in public hearings on new policies and regulations. This engagement is also evident in NOR-EITI's annual information meeting, which is publicly promoted as an update on petroleum activities on the Norwegian continental shelf,²² and was most recently attended by over 40 members of the constituency, representing over 35 different companies, according to records provided by the MPE.</p> <p>Though there are some points at which industry representatives have expressed dissatisfaction with their influence on extractives policy,²³ there continues to be an enabling legal and regulatory environment for industry participation in the governance of the extractives sector in Norway.</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, in keeping with Norway's previous Validation and civil society's views on their capacity to engage in the governance of the extractives sector.</p> <p>Norway is an advanced democratic society, in which the enabling environment anticipated by the EITI Standard and civil society protocol are protected in both policy and practice, and there is a long tradition and political culture for enabling the expression, operation, and association of civil society. Consultations with civil society representatives noted the strength of these mechanisms, but also articulated a limited ability to engage industry or</p>

²² See <https://www.regjeringen.no/no/aktuelt/presentation-av-petroleumsaktiviteten-pa-norsk-sokkel/id2898579/>.

²³ Most recently regarding the governmental decision to pause frontier field licensing, see <https://www.investing.com/news/stock-market-news/norway-budget-deal-will-not-hike-spending-from-wealth-fund-says-pm-2953850>.

	<p>government partners in dialogue about extractives governance. Civil society representatives described their influence and engagement as limited to one-way contributions to public debate or public hearings without any follow up or dialogue.</p> <p>This limitation might be considered a characteristic of Nordic public governance models, which are widely regarded as highly democratic and participatory, but also widely recognized to prioritise consultation early in policy processes over models of accountability and answerability for policy outcomes.²⁴ This limitation might also be considered an opportunity cost of dissolving the NOR-EITI MSG, insofar as the MSG is inherently a deliberative and decision-making body. This interpretation is of particularly relevance to civil society frustrations with the non-applicability of the mining sector in EITI implementation, and a lack of reciprocal engagement on country-by-country reporting by extractives companies and governance of the mining sector, both of which are discussed in greater detail when considering comprehensiveness of disclosures under EITI Requirement 4.1. Civil society representatives nonetheless argued in consultations that an MSG would not likely resolve this issue, and might in fact inhibit work towards more responsive governance of the extractives sector, by containing dialogue and public attention within the MSG.</p> <p>It is also worth noting a general lack of familiarity with the EITI among civil society representatives consulted for this Validation, and the opportunity this represents for strengthening civil society engagement in participatory governance of the extractives sector. Most civil society stakeholders have not participated in the annual meeting intended as NOR-EITI's primary mechanism for stakeholder engagement,²⁵ or been aware of the opportunity to do so. Nor were any aware of any steps taken to cooperate on defining data assurance approaches as required by the EITI Board decision on mainstreamed and adapted implementation. This lack of awareness does not hamper civil society's capacity to engage in the governance of the extractives sector per se, and this Validation concludes that civil society engagement is fully met in light of Norway's Board-approved approach to adapted implementation. It is nonetheless clear that Norway could strengthen civil society's experience of engagement with the sector, and that adopting a more inclusive and proactive approach to the annual meeting could help to facilitate this. Doing so would also respond directly to the 2018 Validation recommendation to strengthen civil society engagement, as discussed in regard to Requirement 7.3.</p>
<p>Multi-stakeholder group (Requirement #1.4)</p> <p><i>Not applicable</i></p>	<p>The International Secretariat's assessment is that, in light of the mainstreaming and adapted implementation application and EITI Board decision, requirement 1.4 is no longer applicable in Norway.</p> <p>It is nonetheless worth noting that consultations conducted as part of this Validation confirmed concerns expressed during the application process for adapted implementation—that in the absence of an EITI MSG, there would be</p>

²⁴ See for example David Arter's chapter, A Nordic Model of Government?, pgs 186-206 in Scandinavian Politics Today (3rd), Manchester University Press, 2016.

²⁵ Per records provided by the National Secretariat. For a description of the meeting, see <https://www.regjeringen.no/no/aktuelt/presentation-av-petroleumsaktiviteten-pa-norsk-sokkel/id2898579/>

	<p>no inclusive and participatory forum for multi-stakeholder dialogue on the extractives sector. As discussed in Requirement 1.3, this appears to be most critical in regard to civil society, and the annual update meeting organised by the NOR-EITI could be significantly improved as a mechanism for stakeholder engagement.</p>
<p>New corrective actions and recommendations</p>	
<ul style="list-style-type: none"> • In order to strengthen government engagement per Requirement 1.1, Norway is encouraged to consider a whole of government approach for EITI implementation, and to explore more active engagement of the Ministry of Finance and the Prime Minister's Office, which might strengthen awareness and coordination of EITI implementation, particularly regarding follow-up on recommendations, that go beyond the upstream of the oil and gas sector. • In order to strengthen the guarantee of multi-stakeholder oversight through existing participatory and consultative mechanisms Norway is encouraged to consult with government, industry, and civil society representatives on how to strengthen stakeholder engagement in the EITI and the governance of the Norwegian extractives sector, and the engagement of civil society representatives in particular. As with the recommendation issued in regard to Requirement 7.3, Norway may wish to establish a multi-stakeholder reference group, which would not imply the formal requirements of an MSG, but might guarantee multi-stakeholder contributions to appropriate actions. At the very least, Norway is encouraged to consult and consider how the annual update on petroleum activities on the continental shelf can be structured to facilitate multi-stakeholder dialogue and engagement on the governance of the Norwegian extractives sector, and what other activities might be appropriate, such as the creation of a multi-stakeholder reference group for periodic consultations on governance and transparency issues. 	

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

Norway's disclosure of information on the extractives sector continues to be comprehensive and to represent best practice in terms of detail, accessibility, and usability. There has been continued development of government webpages providing this information since the previous Validation, when progress on relevant EITI Requirements was also assessed as "beyond" expectations. Consultations indicate that there is also an opportunity to strengthen this best practice through disclosure of additional data on petroleum reserves.

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>Exceeded</i></p>	<p>The Secretariat's assessment is that Requirement 3.1 is exceeded. This confirms the previous Validation and stakeholder impressions that public information provides a good overview of oil and gas exploration in Norway.</p> <p>The Norwegian Petroleum website provides a comprehensive overview of the extractives sector, including information graphics and charts, interactive maps, and historical narratives (https://www.norskpetroleum.no/en/). The site also provides detailed information on exploratory licenses, the companies that have been granted exploratory licenses, and active exploration wells, as well as original and remaining reserves by field. This information is complemented by the fact pages maintained by the Norwegian Petroleum Directorate, which provides comprehensive information on exploratory licenses, sites, and activities, including classification, geographical information, and technical data for individual licenses. This information is released on an open data license in multiple formats and updated daily.</p> <p>This represents the disclosure of all information required and encouraged by the EITI Standard for the petroleum sector, and also includes relevant information not included in the Standard, such as information on carbon licensing and storage and information about seabed minerals. The accessibility through multiple platforms and in multiple formats is best practice in terms of accessibility. Though there is general agreement among stakeholders that the Norwegian government provides open access to</p>

	<p>information about oil and gas exploration, some representatives of civil society expressed interest in additional information about the government's estimates of reserves. In particular, one representative of civil society noted that publicly disclosed estimates of undiscovered resources include areas in which exploration is currently prohibited and do not include extraction costs, but that these factors are incorporated into estimates shared by the NPD with MoF, which are not publicly disclosed. While the EITI Standard does not require or encourage specific methods for calculating information on reserves, the public disclosure of this information would almost certainly add value to the already broad and open public debate about Norwegian petroleum reserves, in keeping with the objective of this Requirement.</p>
<p>Contribution of the extractive sector to the economy (Requirement #6.3)</p> <p><i>Exceeded</i></p>	<p>The Secretariat's assessment is that Requirement 6.3 is exceeded, as in the 2017 Validation. Stakeholders expressed satisfaction with public information and debate about the oil and gas sector's contribution to the Norwegian economy.</p> <p>Norway publishes a comprehensive overview of its revenues from the petroleum sector on the Norwegian petroleum site, include visualizations and explanatory information about its contribution to the economy, and specific information about specific revenue streams, including taxes, the state's direct financial interest in extractive activities, dividends, and fees.²⁶ Information on petroleum-based revenues and their contribution to government revenues and GDP more generally are also available through the national statistical office and in the national budget,²⁷ as well as public analyses and reports on the indirect effect of the extractive sector on the national economy.²⁸ The national statistics office also provides comprehensive on exports by sector and disaggregated data on employment in the petroleum sector, as encouraged by the EITI Standard.²⁹</p>
<p>New corrective actions and recommendations</p>	
<ul style="list-style-type: none"> • In order to strengthen implementation, NPD is encouraged to publicly disclose any information it shares with the Ministry of Finance regarding petroleum reserves calculated against production costs and accounting for the legal protections against exploration and extraction in particular areas on the Norwegian shelf. 	

²⁶ See <https://www.norskpetroleum.no/en/economy/governments-revenues/>.

²⁷ Interactive access to national statistics on revenue can be disaggregated by sector at <https://www.ssb.no/statbank/table/09170/>. The national budget generally includes a chapter on the petroleum sector and is published with commentary and background information by the government at <https://www.regjeringen.no/en/topics/the-economy/the-national-budget/id1437/>.

²⁸ See for example https://www.ssb.no/nasjonalregnskap-og-konjunkturer/konjunkturer/artikler/ringvirkninger-av-petroleumsnaeringen-i-norsk-okonomi/_attachment/inline/e194b68a-c7c1-4ebd-abe8-e65c2568d4fb:932c6de2bb912d11d9f7f3b92b93afe2139e0b02/RAPP2021-35.pdf.

²⁹ See for example <https://www.ssb.no/en/statbank/table/11153/tableViewLayout1/>.

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

Overview of progress in the module

Disclosures on Norway's legal environment and fiscal regime for the oil and gas sector represent best practice in several regards, and the accessibility of contracts and licenses underpinning extractive activities is particularly noteworthy and provides an example for other countries to follow. One of the EITI Requirements in this module is assessed for the first time as Fully met, while two have improved since the previous Validation and are now assessed as exceeded, demonstrating Norway's commitment to continual improvements in these types of disclosures.

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, improving the score of satisfactory progress in Norway's 2019 Validation, and reflecting the expansion of publicly available information since that Validation.</p> <p>The regulatory framework governing the petroleum industry is comprehensively presented on the website of the Norwegian Petroleum Directorate, including forms and applications that have been made available since this EITI Requirement was last assessed in Norway's 2017 Validation.³⁰ This information is also summarized at the Norwegian Petroleum website, with explanatory articles and presentations, including a detailed explanation of Norway's petroleum licensing regime.³¹ Information on legal reforms are regularly posted on the Directorate website, including information about public hearings on proposed reforms, which was not considered when this EITI Requirement was last assessed.³²</p> <p>Stakeholders consulted for this Validation widely endorsed the transparency and accessibility of the Norwegian legal framework and fiscal regime for the oil and gas sector.</p>
<p>Contracts (Requirement #2.4)</p> <p><i>Exceeded</i></p>	<p>The Secretariat's assessment is that Requirement 2.4 is exceeded. Stakeholder consultations and available documentation confirm the availability of all licenses and contracts underpinning extractive activities as. The requirement is exceeded because the information on licences and contracts is available free of charge, and key variables of the licences are summarised with the announcement of the license attribution.</p>

³⁰ See <https://www.npd.no/en/regulations/>

³¹ See <https://www.norskipetroleum.no/en/framework/>

³² See for example <https://www.npd.no/en/facts/news/general-news/2022/consultation-proposed-amendments/>.

	<p>Norway operates a licensing regime in which petroleum licenses are based on model licenses (one for mature and one for frontier areas) and model contract. License awards are followed by a standard agreement between government and operators. This agreement is composed of a main agreement and two annexes, including a joint operating agreement and an accounting agreement. These are based on one of two model contracts, depending on whether the agreement includes state participation. The model licences and contracts are available on the government and the ministry websites.³³</p> <p>Licences allocated through licencing rounds are based on the model template. Variable factors relate to the work programme and are systematically disclosed in an excel file summarising the key licence information (parties that hold interest in the licence, their participating interest and details on the work programme).³⁴ Actual licences and their associated contracts (including the two annexes) are available upon request through e-innsyn, a governmental access to information platform, to which the NPD responds by email.³⁵ In practice, all licences and associated contracts can be requested. Any changes in the work programme are recorded as part of the licence register, provides an overview of amendments or relinquishments, and whose comprehensiveness and accessibility were confirmed during this Validation.³⁶ Contracts from the 2019 TFO round (where the licenses were allocated in the 2020 year under review) can be found in one collection as described above.³⁷</p>
<p>Environmental impact (Requirement #6.4)</p> <p><i>Fully met</i></p>	<p>The Secretariat's assessment is that Requirement 6.4 is fully met, given the breadth of information available about the regulatory framework for environmental impact, and the informed debate and criticism in the public sphere. This is the first time this Requirement is assessed.</p> <p>The Norwegian Petroleum Act requires evaluations that “balance environmental concerns” to be undertaken prior to opening new areas for production.³⁸ Detailed environmental impact assessments are required only when explicitly requested by the Ministry “when particular reasons so warrant,”³⁹ but extractives companies operating on the Norwegian shelf are obligated to conduct environmental monitoring according to</p>

³³ See the government website.

https://www.regjeringen.no/no/dokument/dep/oed/lover_regler/reglement/konsesjonsverk/id748087/Standard_utvinningstillatelse_for_nummererte_konsesjonsrunder – standard licence for frontier areas. [TFO 2019 - Utvinningstillatelse.pdf](#) – standard licence for mature areas, such as for the 2019 APA. Template contracts: [Avtale for petroleumsvirksomhet med vedlegg - med statlig deltakerandel](#) – with state participation (via Petoro) and template contract without state participation: [Avtale for petroleumsvirksomhet med vedlegg - uten statlig andel](#)

³⁴ See “awards with work obligations” excel file, available on <https://www.npd.no/en/facts/production-licences/licensing-rounds/apa-2019/> for the 2019 round

³⁵ E-Innsyn can be accessed at <https://einnsyn.no/informasjon/om-oss> and is available in English. Users can insert a licence reference to the search field and request the file by submitting an email address. No registration is needed, and no fee is due. It can take up to 10 to receive the documents. There are no criteria to fulfil. The access right to public documents is regulated by the Act on the right of access to documents in public enterprises (Public Administration Act), see the legal text on <https://lovdata.no/dokument/NL/lov/2006-05-19-16>

³⁶ This included the extraction licence PL-054, which is the original licence that was attributed for the Troll field, from 1979 (<https://factpages.npd.no/en/licence/PageView/PetReg/21228>), including changes in interest in the licence. The associated licence page (<https://factpages.npd.no/en/licence/pageview/all/21228>) provides additional information on wellbores.

³⁷ See <https://einnsyn.no/saksmappe?id=http%3A%2F%2Fdata.einnsyn.no%2Fnoark4%2FSaksmappe-870917732-309-2020>

³⁸ See <https://lovdata.no/lov/1996-11-29-72/§3-1>

³⁹ See <https://lovdata.no/lov/1996-11-29-72/§4-2>, with English translation at <https://www.npd.no/en/regulations/acts/act-29-november-1996-no2.-72-relating-to-petroleum-activities/#Section-3-1>

	<p>guidelines issued by the Norwegian Environment Agency (Miljødirektoratet, MD).⁴⁰ Reports from these assessments are publicly available,⁴¹ and the MD participates actively in public hearings during the opening, allocation, and closure of licenses, and approves or denies applications during exploration, production, and closure.⁴² The Norwegian Statistical Bureau also maintains aggregate statistics on the Co2 emissions of the petroleum sector.⁴³ This represents the full disclosure of information encouraged by this Requirement.</p> <p>Stakeholders consulted for this Validation, nevertheless described weaknesses in the regulatory framework for environmental impact assessments, including a lack of sensitivity analysis in regard to climate risk, and that project development plans (PUDs) are only publicly disclosed if they have an investment cost above 15 billion NOK, resulting in many important PUDs not being publicly available or subjected to Parliamentary oversight. While these are important concerns, they are not concerns about the transparency of the regulatory framework for environmental disclosures. There is nevertheless an opportunity to strengthen public oversight through the disclosure of additional information on project development and environmental assessments.</p>
<p>New corrective actions and recommendations</p>	
<ul style="list-style-type: none"> • In order to strengthen the public's ability to provide oversight to environmental reporting and impact assessment requirements, Norway is encouraged to consider engaging stakeholders from government, industry, and civil society, to discuss an appropriate threshold and mechanism for disclosing project development plans and their associated environmental impact assessments. 	

Licenses and property rights (Requirements 2.2, 2.3)

Overview of progress in the module

In the period under review, Norway maintained its high standard of disclosure in regard to the award and registry of license rights in the oil and gas sector. Information is published comprehensively and systematically in real time, and available through interactive formats online or downloadable in machine readable formats. The government proactively communicates upcoming licensing rounds and publishes a list of all companies who have participated in each round. Stakeholders trust the inherent oversight mechanisms for licence allocations and the comprehensiveness of the license register.

Some stakeholders nevertheless expressed concerns about licensing issues not strictly within the scope of the EITI Standard. This included concerns about license allocations for deep seabed mining,⁴⁴ which is not currently included in EITI implementation, as discussed in regard to

⁴⁰ See <https://www.miljodirektoratet.no/globalassets/publikasjoner/M408/M408.pdf>

⁴¹ See <https://www.miljodirektoratet.no/ansvarsomrader/overvaking-arealplanlegging/miljoovervaking/overvakingsprogrammer/petroleumsovervaking/rolle-petroleum/>

⁴² See <https://www.miljodirektoratet.no/en/Frontpage/>, <https://www.ssb.no/klimagassn>

⁴⁴ See government announcement here: <https://www.regjeringen.no/no/tema/energi/olje-og-gass/kunnskapsinnhenting-og-konsekvensutredning/apning-av-omrader-for-mineralvirksomhet-pa-deler-av-norsk-kontinentalsokkel/id2871504/v>

Requirement 4.1. Secondly, stakeholders expressed concern regarding the decision-making processes for opening new areas to licensing rounds. This was most clearly articulated in regard to civil society concerns regarding the decision to open the Arctic (Barent Sea) for additional activity in the 25th licensing round, and industry frustration with the decision to postpone the 26th licensing round.⁴⁵ These decisions are made by the government cabinet of ministers and are inherently political. Strictly speaking, they occur before the process of license allocation addressed by Requirement 2.2, and are subject to oversight mechanisms inherent in Norway's democratic system. There may nonetheless be an opportunity to strengthen the consultative and transparent character of Norway's license allocation framework by providing additional information about how specific decisions about licensing rounds are made by the cabinet of ministers.

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>Exceeded</i></p>	<p>The Secretariat's assessment is that Requirement 2.2 is exceeded, as in the previous Validation. Stakeholders consider that the publicly available information on oil and gas licence allocations and transfers to be comprehensive and that the oversight mechanisms in place are sufficient to detect irregularities. The requirement is exceeded due to the data being systematically disclosed.</p> <p>Decisions on opening specific fields to the licensing process and allocation of licenses to the Norwegian State's Direct Financial Interest (SDFI) are made by the Cabinet of Ministers based on recommendations from the Ministry of Petroleum and Energy (MPE). Licensing rounds are then managed by MPE, which published detailed information on the processes, including criteria for awarding licensees,⁴⁶ and an overview of companies that have prequalified or are in the process of qualification to participate.⁴⁷ The award process begins with an assessment of bids by the Norwegian Petroleum Directorate (NPD) according to the announced criteria.⁴⁸ Though it is not clear from this information how technical and financial criteria are weighed, NPD clarified in consultations that financial criteria are</p>

⁴⁵ See <https://www.investing.com/news/stock-market-news/norway-budget-deal-will-not-hike-spending-from-wealth-fund-says-pm-2953850>

⁴⁶ See <https://www.norskpetroleum.no/en/framework/the-petroleum-act-and-the-licensing-system> and <https://www.norskpetroleum.no/en/exploration/exploration-policy/> and <https://www.npd.no/en/facts/production-licences/licensing-rounds/>. There is no distinction between exploration licences and production licences, rather they are different phases ("initial", "production" and "production extended") of a production license

⁴⁷ See <https://www.npd.no/en/facts/production-licences/pre-qualification/>. The rationale is presented on the website <https://www.npd.no/en/facts/production-licences/pre-qualification/requirements-for-new-players-on-the-norwegian-continental-shelf/> as well as the guidelines on the documentation needed and the work process to follow. The list of companies who have been pre-qualified since 2000 is available on the petroleum directorate (NPD) website: <https://www.npd.no/en/facts/production-licences/pre-qualification/>

⁴⁸ See section 6 for the criteria for the year under review: <https://www.npd.no/en/facts/production-licences/licensing-rounds/apa-2019/invitation-to-apply-for-petroleum-production-licence/>

	<p>“threshold criteria”, while technical competencies are evaluated against the needs of the area to be developed. The NPD proposes consortia for each license and negotiates with companies on issues such as time schedule and work obligations.⁴⁹ Negotiated license consortia are then approved by the Norwegian Cabinet of Ministers and formalized by the King in Council. A licence is considered awarded when the companies in the joint venture enter the Agreement for Petroleum Activities, and disclosed as described in regard to Requirement 2.3, in addition to an overview of all companies that participate in each licensing round.⁵⁰ In 2020, only licenses for mature areas were granted, a total of 69 licences.⁵¹ Consultations clarified that a modest application handling fee is the only cost for applying companies.</p> <p>Licenses may be transferred if a participant in a licence decides to relinquish their participation or if there is a change in their participating interest or company name, but requires approval of the MPE and the MoF, according to the same criteria applied to license awards.⁵² This is a commercial transaction, and the Government collects no transfer fees. The same process is applied to partial direct or indirect transfers of ownership shares or rights, in which case the MPE may assign a transfer fee “in special cases”.⁵³ All license transfers and material changes are recorded in license records and are downloadable from the NPD website in interactive format.⁵⁴</p> <p>There are no formal mechanisms for oversight of the license allocation process or identification of deviations from statutory procedures. Consultations revealed a high degree of trust among all stakeholder groups that the checks and balances inherent in the governance of the sector were sufficient in this regard, including annual sector audits and ad hoc audits performed by the Supreme Audit Institution, Riksrevisjonen. This Validation understands that there have been no material deviations in the year under review. Despite broad trust in the allocation and management process, some stakeholders consulted for this Validation expressed concerns about how decisions are made to open new licenses in frontier areas, particularly in regard to environmental concerns,⁵⁵ and articulated a desire for more detailed performance audits.</p>
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⁴⁹ See, for example, point 5 in <https://www.npd.no/en/facts/production-licences/licensing-rounds/apa-2019/invitation-to-apply-for-petroleum-production-licence/> for 2019.

⁵⁰ For 2019 APA: <https://www.regjeringen.no/en/historical-archive/solbergs-government/Ministries/oed/press-releases/2019/tfo-2019-stor-interesse-for-norsk-sokkel/id2667425/>

⁵¹ <https://www.regjeringen.no/en/historical-archive/solbergs-government/Ministries/oed/press-releases/2020/tfo-2019-ny-hoy-tildeling-sikrer-videre-utforskning-av-norsk-sokkel/id2685669/>

⁵² To avoid that the tax rules give an incentive to or counter restructuring, shares in production licences may not be transferred without the consent of the Ministry of Finance as regards the tax implications.

⁵³ See <https://www.npd.no/en/regulations/acts/act-29-november-1996-no2.-72-relating-to-petroleum-activities/>, sections 10-12. No fees were recorded for the year under review.

⁵⁴ See <https://factpages.npd.no/en/licence/TableView/Transfers>

⁵⁵ See for example, concerns regarding the “Wisting” licence (<https://factpages.npd.no/en/licence/pageview/all/5463849>), for which production was halted by the operator (Equinor), citing cost considerations: <https://www.nrk.no/nyheter/equinor-utsetter-beslutning-for-wisting-prosjektet-1.16173860> and <https://www.equinor.com/sustainability/impact-assessments-wisting>

<p>Register of licenses (Requirement #2.3)</p> <p><i>Exceeded</i></p>	<p>The Secretariat’s assessment is that Requirement 2.3 is exceeded, as in the previous Validation. The license register contains the data as required, is publicly accessible and systematically disclosed.⁵⁶ The requirement is considered exceeded because the data is updated in real time and the register allows data to be downloaded in different formats.</p> <p>The petroleum register⁵⁷ provides information on license holders, their participating interest (and historical changes thereof), coordinates, date of award,⁵⁸ and duration of the license. For the licences that are in production phase, the name of the commodity extracted is not noted in the record (see example). For licences in the production phase, the commodity produced is not listed in the licence, but with the volume over years on the level of the field.⁵⁹ The register allows the viewing of license data per individual license, per business arrangements,⁶⁰ field, discovery, and company. Supplemental data is available on other categories.</p> <p>The comprehensiveness of the register is ensured by Ministry oversight and public access to real time information,⁶¹ as well as regular audits, monitoring, and ad hoc targeted reviews by the State Audit Institution (Riksrevisjonen).</p>
<p>New corrective actions and recommendations</p>	
<ul style="list-style-type: none"> • In order to strengthen Requirement 2.2’s objective of providing the public with an overview in order to address possible weaknesses in the license allocation process, Norway is encouraged to engage with representatives of civil society and industry to consider what additional information might be disclosed regarding specific decisions made by the cabinet of ministers to open licensing rounds, particular on new and protected areas. 	

⁵⁶ See <https://factpages.npd.no/en/licence>

⁵⁷ See <https://factpages.npd.no/en/licence/PageView/PetReg>

⁵⁸ As the process for licence allocation is through award rounds, there are no “application dates” that apply. Rather, there is a deadline until which companies are welcomed to submit their application. For the allocations on 14 February 2020 for the TFO 2019 license, the deadline to apply for APA 2019 was 27 August 2019. “Date granted” is noted in the license register as the allocation date. These dates are included in all licences allocated through round APA 2019 in the year under review, 2020.

⁵⁹ A field is one discovery, or a number of concentrated discoveries, which the licensees have decided to develop and for which the authorities have approved, or granted exemption for, a Plan for Development and Operation (PDO). The norskpetroleum website lists the fields, and the NPD website lists the details per field, including the associated blocks and licences.

⁶⁰ A business arrangement area in this context is an area which is a result of unitisations, sliding scale rules or other business arrangements which have altered the terms of the original production licence.

⁶¹What is visible to the public is what date information on the license has been changed on the section “notifications from the petroleum register” See for example information on licence 093F, which is a relinquished license.

<https://factpages.npd.no/en/licence/PageView/PetReg/36463574>

Beneficial ownership (Requirement 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 2019.⁶² The assessment consists of a technical assessment focusing on initial criteria and an assessment of effectiveness. Norway was previously (June 2021) assessed against the initial criteria and found to have made inadequate progress.⁶³ For this Validation, the full requirement applies.

At the time of the assessment, the impact of the European Court of Justice ruling⁶⁴ regarding the access to BO data being in breach of privacy laws was unclear. Norway is not member of the EU but has transposed the European directive into Norwegian law.

Technical assessment

The technical assessment is included in the Transparency template, in the tab on Requirement 2.5 and in the table below. Since the assessment in 2021, the regulation supplementing the Act⁶⁵ has been enacted and partially implemented, but only parts of the act are enforced, since the registry is not yet launched. In the past 18 months there has been no progress on actual disclosures. There is no BO information on private companies in Norway that hold licences. The company register (Brønnøysundregistrene) has been building the Unique Beneficial Ownership (UBO) register and will allow companies to submit and will be able to publish (unverified) BO data as of 1 January 2023.

Since the previous assessment the MPE has issued an instruction to all pre-qualified companies (see assessment of 2.2), to publish the politically exposed persons (PEPs) among their owners on their company website. There is currently no public register of PEPs in Norway. There is no evidence on the discussion on government's policy or the reliability of the information on legal owners.

Assessment of effectiveness

Given the lack of technical implementation described above, and the lack of beneficial ownership information already in the public domain through company websites and other sources, the underlying objective of Requirement 2.5 is not fulfilled. Nor is it clear that NOR-EITI has fulfilled its responsibility to assess assurance and accuracy mechanisms, as designated to stakeholders by Requirement 2.5(e).

⁶² See <https://eiti.org/document/assessing-implementation-of-eitis-beneficial-ownership-requirement>.

⁶³ See <https://eiti.org/board-decision/2021-35>

⁶⁴ See

<https://curia.europa.eu/juris/document/document.jsf?jsessionid=66B70588C0220A2067037C74990CFB53?text=&docid=268842&pageIndex=0&doclang=EN&mode=req&dir=&occ=first&part=1&cid=1093680>

⁶⁵ Norway has enacted legislation to establish a publicly accessible ultimate beneficial ownership (UBO) registry in March 2019: The Norwegian Act on register of beneficial owners (*reelle rettighetshavere*) (2019-03-01-2). The definition of beneficial owners (BOs) is in line with the EITI requirement. The implementing regulation was issued in June 2021: <https://lovdata.no/dokument/LTI/forskrift/2021-06-21-2056> , Forskrift til lov om register over reelle rettighetshavere

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>Partly met</i></p>	<p>The Secretariat's assessment is that Requirement 2.5 is partly met, as in the previous Validation. While there has been progress in the building of the actual register, the register will not include information on Politically Exposed Persons (PEPs), and there is no significant improvement in terms of actual disclosures and public review of available information.</p> <p>Legislation establishing an ultimate beneficial ownership registry was enacted in March 2019, and came into force in June 2021, with the exception of chapters on submissions, verification, and fines. As assessed in the previous Validation on beneficial ownership, this definition of beneficial owners is aligned with the EITI Standard, and includes a clear ownership threshold of 25%, applicable to a broader group of business entities than required by the EITI Standard.⁶⁶ Listed companies are exempt, and the stock exchanges where EITI reporting companies are listed are identified in the transparency template submitted by NOR-EITI as part of this Validation but are not disclosed elsewhere.</p> <p>Public access: The roll-out of the register is planned in three phases, beginning with the launch of the submission form and the register on 1 January 2023, and the collection of data through the government portal on which taxes and company registrations are managed (altinn.no). Phase two is expected to include an expansion of ownership forms, and follow up with businesses that have submitted, and after all companies are included in the register, the administration of fines for non-compliance. Phase three, expected to commence in January 2024, would link the Norwegian register to other European beneficial ownership registers.⁶⁷ In its response to the draft Validation Report, the MPE stated that the delay in public disclosures were linked to the European Court of Justice ruling to the publication of BO data. The Government issued a statement that it is reviewing the public access of the register.⁶⁸ In its response, the International Secretariat underlined that Norway is free to choose how to publish beneficial owners. While a public register is encouraged, it is not necessary to have such a register in place to satisfy this requirement. As of February 2023, there are no comprehensive disclosures of beneficial owners of all companies holding or applying for extractive licenses.</p>

⁶⁶ See <https://eiti.org/documents/norway-beneficial-ownership-validation-2021>.

⁶⁷ Norway is part of the Beneficial ownership registers interconnection system (BORIS) https://e-justice.europa.eu/38590/EN/beneficial_ownership_registers_interconnection_system_boris?EUROPEAN_UNION&action=maximize&idSubpage=1&member=1

⁶⁸ See the statement <https://www.regjeringen.no/no/aktuelt/eu-domstolens-avgjorelse-om-register-over-reelle-rettighetshavere/id2952452/>

	<p>Legal ownership data can currently be accessed in the national business registry (enhetsregisteret), by requesting information directly from companies,⁶⁹ and via the tax department's website, whose shareholder register contains shareholder information for all limited liability companies registered in Norway or on the Oslo stock exchange. This information is updated annually and available on request at no cost. A desk review found this registry included all but three EITI reporting companies.⁷⁰</p> <p>Politically exposed persons (PEPs) will not be specifically designated in the register or systematically collected. Though information on PEPs is required for customer due diligence by the Act relating to Measures to Combat Money Laundering and Terrorist Financing (the Anti-Money Laundering Act), consultations suggest that this is the responsibility of individual banks. In a letter dated September 2022 to oil and gas companies, the Ministry of Petroleum and Energy requested companies who hold a licence or are pre-qualified, to publish on their website any persons who own or control the company that are PEPs.⁷¹ It is unclear if the companies have complied with that request.</p> <p>Verification of data: At the time of Validation, no data has been collected or verified. Consultations suggest that data entered via forms will be cross-checked against the population register and the company register (based on the ID numbers entered), and that mechanisms for addressing missing data in phase two have not yet been determined. There is no legal basis for verifying the accuracy of data,⁷² and consultations suggested no clear administrative plans to do so.</p> <p>The reliability and comprehensiveness of beneficial ownership information is quite limited. The transparency template submitted by NOR-EITI as part of this validation notes that privately held EITI reporting companies hold 15% of all oil and gas licences (213 of 1454). Legal ownership information is available for most of these, but not beneficial ownership information or information on PEPs. There is no designated body to review this data, or evidence of an assessment by NOR-EITI in keeping with Requirement 2.5(e).</p>
New corrective actions and recommendations	
<ul style="list-style-type: none"> • In accordance with Requirement 2.5c, Norway should ensure that beneficial ownership information of all companies that apply for or hold licences is publicly available, including information on politically exposed persons, in accordance with Requirement 2.5.d. In accordance with Requirement 2.5.e, Norway should assess the existing mechanisms for assuring the reliability of beneficial ownership information. To strengthen implementation of 	

⁶⁹ Private Limited Liability Company Action Section 4-6 and the Public Limited Liability Company Act section 4-5 require companies to maintain a shareholder register that is available to the public.

⁷⁰ Concedo ASA, Petrolia Noco AS, CapeOmega AS

⁷¹ The letter reads: We therefore ask companies that are licensees under the Petroleum Act and pre-qualified companies to disclose on their websites any politically exposed persons among the company's real licensees. The term 'beneficial owners' is defined in the Act on the register of real rights holders, as "the natural person or persons who ultimately own or control a legal person, arrangement, unit or other association" and which is further specified in the associated regulations. In order to identify any politically exposed persons, we ask that the definition in the Money Laundering Act § 2 first paragraph letter f) be used as a basis.

⁷² See Paragraph 3-10 of the regulation for BO <https://lovdata.no/LTI/forskrift/2021-06-21-2056/§3-10>

Requirement 2.5 g. Norway is encouraged to improve the accessibility of legal ownership information for all companies applying for or holding a licence.

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

Overview of progress in the module

State participation in the Norwegian oil and gas sector is described in an accessible manner through the Norwegian Petroleum webpage. The SOEs Equinor AS, Petoro and Gassco publish annual audited financial statements and the government's income from Equinor dividends and the SDFI are disclosed at multiple sites. Since the introduction of the 2019 EITI Standard, Norway is encouraged to describe the rules and practices related to SOEs' operating and capital expenditures, procurement and subcontracting, and these rules and practices are available in the annual reports. Some environmental NGOs questioned Equinor's practice of sponsorship of sports events given that it is a state-owned enterprise (majority owned), an issue that has been receiving media coverage in November 2022 in Norway. Stakeholders otherwise expressed trust in the public information available and the oversight mechanism to ensure the state is receiving its share. As in the previous Validation, Requirements 4.2 and 6.2 are deemed not applicable.

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, reflecting aspects of the Requirement not implemented by Norway, but which were not Required by EITI Standard during Norway's previous Validation, where this Requirement was assessed as "exceeded". The clarity and comprehensiveness of information disclosed nonetheless fulfils the objective of Requirement 2.6 to ensure an effective mechanism for transparency and accountability for well-governed SOEs and state participation.</p> <p>The state participates in the petroleum industry in three ways, which are presented below and clearly described on the Norwegian Petroleum website, together with a presentation of the prevailing rules and practices regarding the financial relationship between the government and state-owned enterprises (SOEs).⁷³ Firstly, the Norwegian state exercises full ownership of Petoro, the company responsible for managing commercial aspects of the State's Direct</p>

⁷³ See State organisation of petroleum activities - Norwegianpetroleum.no (norskpeteroleum.no); <https://www.norskpeteroleum.no/en/framework/state-organisation-of-petroleum-activities/>; <https://www.norskpeteroleum.no/en/economy/governments-revenues/>; <https://www.norskpeteroleum.no/en/production-and-exports/the-oil-and-gas-pipeline-system/>

	<p>Financial Interest (SDFI) on behalf of the state, by managing the state’s participatory interest interests in joint ventures, monitoring Equinor’s marketing and sale of SDFI, and preparing SDFI budgets and accounts.⁷⁴ Secondly, the Norwegian state has since 2001 owned a 67% stake in Equinor ASA (the company was previously 100% state-owned, and named StatOil). In addition to marketing the SDFI, Equinor operates as a commercial developer in its own right, and an overview of relevant licenses is available in the licence register.⁷⁵ Equinor pays dividends to the Norwegian state, which are systematically disclosed on the Norwegian Petroleum website.⁷⁶ Thirdly, the Norwegian state participates in transportation of oil and gas through full ownership of Gassco, which operates the integrated system for transporting gas from the Norwegian continental shelf to other European countries, and partial ownership of Gassled (through ownership by Equinor and Petoro), which in turn owns the infrastructure for gas transportation.⁷⁷</p> <p>Petoro, Equinor and Gassco publish audited annual financial statements on their respective websites, and the state’s participation is also disclosed in the government’s annual accounts.⁷⁸ Petoro maintains separate accounts for all transactions relating to its participating (SDFI) interests, distinct from the accounts for company operations. The government transferred oversight of Petoro and Equinor from the MPE to the Ministry of Trade, Industry and Fisheries (MTF), effective January 2022, in order to avoid the risk of interest conflicts, according to stakeholders consulted, and the SDFI annual report provides detailed information on SDFI’s ownership and changes in ownership as described in Requirement 2.6(a).⁷⁹ This Validation There are no loans or loan guarantees from the government/SOEs to companies operating in the country, according to the 2020 Annual Petoro / SDFI report and a review of disclosed information about mortgaged licenses on the NPD’s Petroleum Registry.</p>
<p>Sale of the state’s in-kind revenues (Requirement #4.2)</p> <p><i>Not applicable</i></p>	<p>The Secretariat’s assessment is that Requirement 4.2 is not applicable, as in the previous Validation.</p> <p>As the SDFI payment is categorised as “withdrawal from income of quasi-corporations (IMF GFS code 1413E), or “property income”, participation through Petoro / SDFI is not considered applicable under 4.2. This information is nonetheless available to the public in aggregate through the Petoro website and multiple other sources, and field-level revenues can be calculated using production figures, participating interests published on the Norwegian Petroleum website, and current Brent and TTF (gas) prices as reference point.</p>

⁷⁴ This involves oversight of state interest in approximately one-third of projects on the Norwegian shelf, including participation in 184 licences in 37 producing fields. See

<https://factpages.npd.no/en/company/PageView/CurrentLicensees/1626839> and <https://www.petoro.no/about-petoro/sdfi-facts>

⁷⁵ See <https://factpages.npd.no/en/company/PageView/CurrentOperators/32011216>

⁷⁶ See <https://www.norskpetroleum.no/en/economy/governments-revenues/#dividends> “The net government cash flow from petroleum activities, 1971-2021

⁷⁷ See <https://www.gassco.no/en/about-gassco/owners/>

⁷⁸ See Tabell 3.6 Aksjeinteresser per 31. desember 2020 (tal i kroner), p. 247, <https://www.regjeringen.no/contentassets/e81a2c28ac9549cc9a6a0b810145772a/nn-no/pdfs/stm202020210003000dddpdfs.pdf>

⁷⁹ Petoro annual 2021 Report, p. 79.

<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 Norwegian Petroleum website describes government revenue streams from state-owned enterprises in broad terms, and more detailed information is easily accessible.⁸⁰ Stakeholders expressed confidence that disclosures ensured the underlying objective of this Requirement regarding the traceability and understanding SOE revenues and state support.</p> <p>Annual revenue from SDFI is disclosed in aggregate at multiple sites, including annual reporting by Petoro and Norway's national budget and national accounts. Revenue for SDFI is collected by Equinor, which mandated to market the SDFI on behalf of the state, according to a marketing instruction issued by the MTF, and as overseen by Petoro. This instruction is not publicly available, and consultations suggest that it is regarded as sensitive commercial information, since the SDFI is sold together with Equinor's volumes at a common price and Equinor operates in the market on the same terms as any other commercial company. Revenues from the sale of SDFI are deposited into accounts associated with individual fields, then transferred daily to settlement accounts at the national bank, to be balanced against expenses, incorporated into the national budget, and invested in the national pension fund, as described in relation to Requirement 5.1. AS part of its oversight role, Petoro has full access to SDFI sales data and provides a detailed financial statement in accordance with the national Accounting Law. Norway's supreme audit institution audits the SDFI accounting in Petoro's financial statements.</p> <p>The Norwegian state also receives revenue in the form of dividends through its 67% ownership of Equinor. The amounts of these dividends are disclosed in Equinor's annual accounts (chapter 5685 post 85),⁸¹ the national budget and accounts, and as graphics and downloadable files on the Norwegian Petroleum website.⁸² Equinor does not receive any payments from the government for the marketing of the state's petroleum, but does receive compensation related to the sales, marketing, and delivery to the buyer, such as tariff costs and purchase of gas, as dictated by law.⁸³</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 is not applicable, as in the previous Validation. Stakeholders confirmed that SOEs did not undertake public social expenditures such as payments for social services, public infrastructure, fuel subsidies and national debt servicing outside of the national budgetary process. Some stakeholders questioned Equinor's practice of sponsorship of sports events, but this is not understood to represent a quasi-fiscal expenditure.</p>

⁸⁰ See <https://www.norskipetroleum.no/en/economy/governments-revenues/>

⁸¹ 2020 Annual accounts: <https://www.regjeringen.no/contentassets/e81a2c28ac9549cc9a6a0b810145772a/nn-no/pdfs/stm202020210003000dddpdfs.pdf>

⁸² See <https://www.norskipetroleum.no/en/economy/governments-revenues/>, figure "The net government cash flow from petroleum activities, 1971-2021".

⁸³ See note 9 (p. 64) in Petoro/SDFI 2021 Annual report.: "Equinor is reimbursed by the state for its relative share of costs associated with the transport, storage and processing of dry gas, the purchase of dry gas for resale and administrative expenses relating to gas sales. These reimbursements amounted to NOK 21.8 billion in 2021, compared with NOK 13.2 billion in 2020. Open accounts with Equinor totalled NOK 16.7 billion in favour of the SDFI, converted at the exchange rate on the balance sheet date, compared with NOK 5.2 billion in 2020."

New corrective actions and recommendations

- To strengthen implementation of Requirement 2.6, Norway is encouraged to describe the rules and practices related to Petoro, Equinor and Gassco's operating and capital expenditures, procurement, subcontracting and corporate governance, e.g. the appointment of the Board of Directors and the Board's mandate and code of conduct.
- To strengthen implementation of Requirement 4.5 Norway is encouraged to provide more detailed information about the cash flow of the SDFI to the state coffers and to the Norwegian sovereign wealth fund.

Production and exports (Requirements 3.2, 3.3)

Overview of progress in the module

Norway publishes monthly data on production volumes and export volumes and values on the Norwegian Petroleum and NPD websites.⁸⁴ There is also a relevant section dedicated to production forecasts. Production volumes are disaggregated to field level and commodity. The portal provides rich contextual information on changes over time, for example regarding the decreased dominance of oil as share of total production. Data on production values are not disclosed, but government stakeholders noted that this could be easily calculated using the Brent and the TTF Neutral Gas Price Index as price reference. This was assessed as satisfactory in the previous assessment.

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
Production (Requirement #3.2) <i>Fully met</i>	<p>The Secretariat's assessment is that Requirement 3.2 is fully met. While production values by commodity are not disclosed systematically, this can be independently calculated using public data, and stakeholders expressed confidence in the data as an instrument for public oversight.</p> <p>Production volumes are available in aggregate per year, and further disaggregated by commodity and field,⁸⁵ and monthly aggregate figures are systematically disclosed on a quarterly basis. Production values are not</p>

⁸⁴ See <https://www.npd.no/en/facts/news/Production-figures/2022/correction-of-production-figures-october-2022/>

⁸⁵ See for example: <https://www.norskipetroleum.no/en/facts/field/alve/> or <https://www.norskipetroleum.no/en/facts/field/troll/> and in more detail <https://factpages.npd.no/en/field/pageview/all/46437#> There is also a monthly update of production volumes here: <https://www.npd.no/en/facts/news/Production-figures/>

	<p>disclosed, but the government publishes “norm prices”⁸⁶ per field, per day, on a quarterly basis, which allows to calculate the value of production per field for crude oil. This is understood to satisfy the underlying objective of ensuring public understanding of extractive commodity production levels and the valuation of extractive commodity output is fulfilled.</p> <p>Data on gas production cannot be provided at the same level of granularity, as gas is sold in aggregate and not at field level. Additionally, norm prices, which are calculated by the national tax authority, are not set for gas sales. For natural gas, the actual price is used for tax purposes, but no data on the actual prices (or averages per month) are published, and the tax authority website states that “no norm price is set for gas and assessing whether sales are taking place at market prices can be a complicated and time-consuming task”.⁸⁷ The latest data on gas is the 2021 average European spot price (TTF) referenced on the Norwegian Petroleum website.⁸⁸ Statistics Norway also provides aggregate figures on income generation for oil and gas by quarter, aggregating oil and gas.⁸⁹</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. The presentation and timeliness of export data ensure public understanding of extractive commodity export levels and the valuation of extractive commodity exports.</p> <p>Most of Norway’s oil and gas are exported. All licensees on the Norwegian shelf are responsible for selling the oil and gas they produce. The only exception is Equinor, which is also responsible for selling the government’s share of its oil and gas production (SDFI). Norway publishes export volumes by commodity aggregated by year.⁹⁰ The website further disaggregates the export by country of first delivery, by commodity. The data is also accessible via the Statistics Norway website.⁹¹ The data is not available on state/region of origin, by project or by company.</p>
New corrective actions and recommendations	
<ul style="list-style-type: none"> • To strengthen implementation of Requirement 3.2, Norway is encouraged to include a clear indication of the reference prices for Norwegian oil and gas alongside production figures, to enable members of the public to more easily and independently calculate production values. • To strengthen implementation of Requirement 3.3, Norway is encouraged to further disaggregate export figures by project or by company. Norway is encouraged to disclose information on the method for calculating export data. 	

⁸⁶ See <https://www.regjeringen.no/en/topics/energy/oil-and-gas/petroleum-price-board-and-the-norm-price/id661459/>

⁸⁷ See <https://www.skatteetaten.no/en/business-and-organisation/reporting-and-industries/industries-special-regulations/oil-and-gas-exploration-and-petroleum-tax/the-petroleum-tax-office-and-the-petroleum-tax-system/specialist-issues/>

⁸⁸ See <https://www.norskpetroleum.no/en/production-and-exports/exports-of-oil-and-gas/#natural-gas> figure European gas price (TTF), yearly average 2015-2021

⁸⁹ See <https://www.ssb.no/en/statbank/table/09171/tableViewLayout1/> Based on current prices of oil and gas. (note: basic output values, current prices)

⁹⁰ See <https://www.norskpetroleum.no/en/production-and-exports/exports-of-oil-and-gas/>

⁹¹ See <https://www.ssb.no/en/statbank/table/08800>

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

Overview of progress in the module

Norway follows the Board-approved approach to mainstreaming with regard to reporting revenue collection data. Norwegian compliance with the comprehensiveness and quality assurance requirements continues to be based on audited accounts. The public can freely access company payments data disaggregated by revenue stream including net taxes, area fees and environmental payments for emissions of NOX and CO2. Reporting of the state direct financial interest (SDFI), which represents 64% of government revenues from oil and gas, is reported annually at the aggregate level. There continues to be no barter-type arrangements, as per the Petroleum law and Petroleum taxation law.⁹²

Norway has made progress in the expansion of its systematic disclosures to include greater disaggregated financial reporting from the oil and gas sector. Systematic disclosures, which are available online primarily on the Norwegian Petroleum website, provide comprehensive and reliable reporting of government revenues. Norway requires auditors to report on compliance with the country-by-country reporting regulations. However, the country-by-country reporting that underlies the systematic disclosures is not easily accessible, and spot checks conducted during the Validation were unable to locate some company reports (those from EITI supporting companies were found). Civil society representatives raised concerns about a lack of verification mechanisms for comprehensiveness and data quality.

The publication of extractive sector data through systematic disclosures provides timely data reporting that typically is available to the public well under two years in arrears. Norway has the opportunity to strengthen EITI implementation by developing a mechanism to verify annual corporate compliance with the statutory country-by-country reporting requirements.

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)	The Secretariat's assessment is that Requirement 4.1 is mostly met, which reflects a backsliding from the assessment of Satisfactory Progress in Norway's previous Validation, and reflects stakeholder concerns regarding the comprehensiveness of company reporting of payments to governments and the scope of EITI implementation.

⁹² A full description of the Norwegian petroleum taxation system including updates and recent changes can be found on the website of the Norwegian tax agency: <https://www.skatteetaten.no/bedrift-og-organisasjon/rapportering-og-bransier/bransier-med-egne-regler/oljeskatt/om-oljeskattekontoret/petroleumsskattesystemet/>

<p><i>Mostly met</i></p>	<p>Norway routinely and systematically discloses information about taxes and revenues on the Norwegian Petroleum website.⁹³ Net payments of all companies that hold licenses are published for the period 2017 to 2021. Data is disaggregated by company and payment stream including net tax payments (corporate and petroleum revenue tax), NOX emission fees, area fees, and CO2 emission fees. Figures do not include dividends from direct state ownership in Equinor, which are disclosed in Equinor's annual reports and the Norwegian national budget and accounts (see Requirement 4.2). Reconciliation reporting has been discontinued under mainstreamed EITI implementation, but Norwegian companies are required by law to prepare annual accounts with information on payments to governments, which must be published on company websites for at least five years, according to the CBC-regulations § 6.⁹⁴ Corporate annual statements must include information on where the report has been published.⁹⁵ The Financial Supervisory Authority is the government body responsible for reporting obligations of listed entities including reporting of payments to government.⁹⁶</p> <p>In 2021, Norway introduced a procedure that requires auditors to report on compliance with country-by-country reporting regulations in the audit opinion.⁹⁷ This responds to a strategic recommendation from the previous Validation, which encouraged Norway to verify annual corporate compliance with the statutory payments to governments reporting requirements, but this Validation has uncovered no evidence that Norway has followed up on its responsibility to cooperate with stakeholders to agree on an approach to data assurances, as described in regard to Requirement 7.3. A desk review conducted as part of this Validation found significant gaps in the comprehensiveness of country-by-country reporting. Out of the 16 companies that made net payments to Norway in 2021, this review was only able to identify full reports for seven companies, partial reports for three companies, and no country-by-country reporting could be found for six companies. There does not appear to be a formal mechanism for verification of whether companies disclose payments to government in accordance with Requirement 4.1(d) and Norwegian legal obligations for country-by-country reporting.</p> <p>Civil society consultations also highlighted deep concerns regarding Norwegian mining activities, which was excluded from EITI by the MSG before its dissolution. Minutes from MSG meetings show that this decision was made without setting a specific materiality threshold and was subject to protracted objections by representatives of civil society, who argued that mining was a “closed sector” that should be included in EITI implementation. There have since been significant developments in the Norwegian mining sector, including dramatic</p>
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⁹³ See <https://www.norskpetroleum.no/en/economy/transparency-eiti/>

⁹⁴ In accordance with the Norwegian country-by-country-rules as laid down in the Act on Annual Accounts [regnskapsloven] § 3-3d and the Securities Trading Act [verdipapirhandelloven] § 5-5a with Regulation of the 20th of December 2013 no. 1682 on country-by-country-reporting known as the CCB-regulations [LLR-forskriften, in Norwegian]. Also specified in the Norway EITI mainstreaming application Annex B Schedule of disclosures and assurance that industry must publish annual payments to governments reports on company websites by 1 August every year.

⁹⁵ According to the Act on Annual Accounts § 3-3d first paragraph.

⁹⁶ According to § 19-1(2) of the Securities Trading Act.

⁹⁷ Norwegian Ministry of Finance instruction about the auditor's statement in the auditor's report on payments to authorities, 15 December 2021 (in Norwegian only) <https://www.revisorforeningen.no/globalassets/fag/revisjon/om-revisors-uttalelse-i-revisjonsberetningen-om-rapporten-om-betalinger-til-myndigheter-.pdf>

	<p>advances in the exploration of deep seabed mining, as well as a new government strategy and draft law for rare earth mineral mining.⁹⁸ Simultaneously, data produced by the Revenue Development Foundation suggests, that over 250 mining licenses became active in 2020,⁹⁹ and research by the Natural Resource Governance Institute has identified at least four mining projects reporting payments to government.¹⁰⁰ These developments have been accompanied by increased criticism regarding the impact of traditional Norwegian mining practices,¹⁰¹ and several civil stakeholders consulted for this Validation described governance of the mining sector as significantly weaker than the oil and gas sector—referencing transparency weaknesses in regard to multiple processes, including license allocation, applicable tax regimes, and environmental assessments. Stakeholders argued, moreover, that there is no clear forum in which to address these weaknesses. These developments and concerns suggest that there may be value in reconsidering whether mining should fall within the scope of EITI implementation. It may be that current and upcoming mining payments and revenues are not material, but this is difficult to ascertain given the lack of publicly accessible data on mining revenues, and that the MSG decision was not based on a specific materiality threshold as anticipated by Requirement 4.1.</p> <p>In its response to the draft Validation report, the MPE referred to the discussions in the former MSG, which concluded that the mining sector was immaterial, and hence such a discussion was not necessary to repeat. In its response to the MPE, the International Secretariat referred to the recent developments (as described above) and views expressed from civil society stakeholders. While it is not suggested that Norway must expand the scope of the EITI, it encourages NOR-EITI to consider a bespoke platform to revisit the materiality decision on a regular basis, and some stakeholders' calls for transparency in other extractives sectors beyond oil and gas.</p>
<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 Norway. There is no evidence of change since the previous Validation, in which Requirement 4.3 was assessed as “not applicable.”</p> <p>Infrastructure investments and barter agreements are not applicable in Norway's system of awarding licenses, as per the Petroleum law and Petroleum taxation law. Available documentation and consultations with stakeholders confirmed that during the period under review, the government and companies did not have agreements involving the provision of goods and services (including loans, grants and infrastructure works), in full or partial exchange for oil, gas or mining exploration or production concessions or physical delivery of such commodities.</p>
<p>Transportation revenues (Requirement #4.4)</p>	<p>The Secretariat's assessment is that Norway has fully met the objective of Requirement 4.4 to ensure transparency in government and SOE revenues from</p>

⁹⁸ See <https://www.norskindustri.no/bransier/bergindustrien/lanserer-strategi-om-sjeldne-jordartsmetaller/> and <https://www.regjeringen.no/no/dokumenter/horing-nou/id2921326/>, respectively.

⁹⁹ See <https://gruvenorge.no/license>.

¹⁰⁰ <https://resourceprojects.org/country/NO>

¹⁰¹ Eg: <https://www.aftenposten.no/meninger/sid/i/G32QLQ/norge-boer-ikke-satse-paa-gruvedrift-i-repparfjorden> and <https://naturvernforbundet.no/fordefjorden/gruveselskapets-avfallsplan-star-til-stryk-article43453-4261.html>.

<p><i>Fully met</i></p>	<p>the transit of oil, gas, and minerals, as was also assessed Norway’s previous Validation.</p> <p>The government does not report as a separate revenue stream any direct income from oil and gas transportation. Companies are taxed on a net profit basis and transportation costs are deductible. Though NOR-EITI reported tax revenues collected from two companies that earned income from transportation of oil and gas in 2021 (Silex Gas Norway AS and Norpipe Oil AS),¹⁰² taxes from private companies engaged in transportation are not considered to fall within the scope of Requirement 4.4.</p> <p>State participation in pipeline partnerships through SDFI involves receipt of revenues and payments for costs to operate and maintain the pipelines, as outlined by the Petroleum Act, and discussed in regard to Requirement 5.1. Petoro receives revenues from the transportation of extractive commodities, which is disclosed in the SDFI financial statements published by Petoro and available for public scrutiny, but the Norwegian tax system does not require transportation revenue to be disaggregated into separate payments to the government.¹⁰³</p> <p>The Norwegian gas transportation system is operated by Gassco, a 100% state-owned company that is tax exempt. Gassco does not make a loss or profit from its activities, and all accounts are settled according against the national budget, as described in relation to Requirement 5.1. According to the audited financial statement, Gassco fulfilled the tax exemption requirements and had no tax payable in 2020 or 2021.¹⁰⁴ Stakeholders consulted for this Validation described a significant lack of transparency surrounding Gassco’s operations and investment decisions, and noted that requests for contract information had been denied by the national information portal, e-innsyn.</p>
<p>Level of disaggregation (Requirement #4.7)</p> <p><i>Fully met</i></p>	<p>The Secretariat's assessment is that Norway has fully met the objective of Requirement 4.7 to ensure disaggregation in public disclosures of company payments and government revenues from oil and gas in accordance with the legal framework.</p> <p>Norway collects revenue from oil and gas projects in the form of a corporate tax and a special tax, which are levied at the company level and reported in aggregate as “net (tax) payments,” as a single revenue stream and according to a standard percentage which applies equally to all oil and gas companies¹⁰⁵ Area fees and environmental taxes, including separate CO2 and NOX emission fees, are levied at the field/project level, which are therefore separate revenue streams subject to EITI reporting by individual project under Requirement 4.7. The Norwegian Petroleum website discloses these revenues systematically,</p>

¹⁰² Reported under “Net payments to the authorities in billion NOK, 2021,” retrieved from: <https://www.norskpetroleum.no/en/economy/transparency-eiti/>. Country-by-country reports could not be identified for these companies during the review conducted for this Validation and described in regard to Requirement 4.1.

¹⁰³ SDFI and Petoro Annual Report 2021, Notes 1-10. Specification of operating revenue for transport and processing as well as other product categories is provided in Note 4. <https://www.petoro.no/petoro-annual-report/2021-/accounts/accounts-sdfi/notes-1-10>

¹⁰⁴ Gassco Annual Report 2021, Note 10: <https://www.gassco.no/contentassets/eea250112ca64631b555b431561d4b10/engelsk-gassco-aarsrapport-2021-godkjendt.pdf>

¹⁰⁵ <https://www.norskpetroleum.no/en/economy/transparency-eiti/>

	<p>disaggregated by payment streams, company level. This data is also disaggregated to the project level (which is defined by field) for taxes and fees that are levied as such, including area fees, CO2 and NOX payments, and is downloadable in excel and in printable formats.¹⁰⁶ The public can access further disclosures (including email correspondence between companies and authorities regarding project level payments) on request and free of charge through the e-Innsyn public document website. Revenues from the SDFI portfolio are by far the most significant revenue stream for the Norwegian state and amounted to 64.6% of total net payments in 2021.¹⁰⁷ Petoro reports payments to government in aggregate and on an annual basis.¹⁰⁸ Stakeholders consulted as part of this Validation consistently noted that it would not be feasible to disaggregate SDFI revenues to the field level without compromising the commercial position of Equinor, which is tasked with marketing the Norwegian SDFI, as described in detail in regard to Requirement 4.2.</p> <p>There is scope for Norway to improve the quality of disaggregated data. The tax authority releases the tax payments of oil and gas companies on a yearly basis through a press release.¹⁰⁹ This disaggregates the payments by corporate and petroleum revenue tax. The list is not published every year, however¹¹⁰ and are usually provided in PDF only. Consultations with civil society showed there was interest in this level of disaggregation, and given that the data is already available at the tax office, Norway could routinely publish the disaggregated data.</p>
<p>Data timeliness (Requirement #4.8)</p> <p><i>Fully met</i></p>	<p>The Secretariat's assessment is that Norway has fully met the objective of Requirement 4.8, to ensure that disclosures are sufficiently timely to be relevant to inform public debate and policymaking, in keeping with the assessment of the previous Validation.</p> <p>Norway routinely publishes production and financial data through systematic disclosure in less than the required 24 months in arrears. Production data is updated on a monthly basis with volumes disaggregated by company and commodity, while field level production data and financial data were available for 2021 at the time of Validation.¹¹¹ This represents international best practice in the disclosure of real time information on the extractives sector.</p> <p>Norway no longer produces EITI reports or work plans under mainstreaming and adapted implementation, and the submission of annual Summary Data Files are Norway's only form of direct reporting to the EITI International Secretariat. The NOR-EITI National Secretariat has not consistently submitted the files in a timely manner or within the 24-month deadline, but has submitted the most recent</p>

¹⁰⁶ <https://www.norskpetroleum.no/en/economy/transparency-eiti/>

¹⁰⁷ Petoro paid 186.058 billion NOK of the total net payments to the state which amounted to 277.5 billion NOK in 2021, according to systematic disclosures retrieved from the Norwegian Petroleum website:

<https://www.norskpetroleum.no/en/economy/transparency-eiti/>

¹⁰⁸ Description of the state's direct financial interest (SDFI), retrieved from the Norwegian Petroleum website:

<https://www.norskpetroleum.no/en/economy/governments-revenues/#sdfi>

¹⁰⁹ See <https://www.skatteetaten.no/presse/nyhetsrommet/petroleumsskatt-pa-2992-milliarder-kroner-for-2021/> for 2021

¹¹⁰ <https://www.skatteetaten.no/presse/nyhetsrommet/>, the updated figures for 2021 (<https://www.skatteetaten.no/presse/nyhetsrommet/rekord-for-petroleumsskatten/>) no longer contain the skatteliste.

¹¹¹ See <https://www.norskpetroleum.no/en/facts/historical-production/> and discussion of progress on Requirements 4.1 and 4.7, respectively.

	2020 file early and before any other EITI implementing country. Submission of these files are in any case considered only secondarily in the context of adapted and mainstreamed implementation, and this assessment has prioritized the timeliness of disclosures to the Norwegian public.
<p>Data quality and assurance (Requirement #4.9)</p> <p><i>Mostly met</i></p>	<p>The Secretariat's assessment is that Norway has mostly met the objective of Requirement 4.9 to ensure that appropriate measures have been taken to ensure the reliability of disclosures of company payments and government revenues from oil, gas, and mining.</p> <p>Data assurances are considered here in light of adapted implementation, whereby NOR-EITI does not produce reconciled EITI reports. The mainstreaming feasibility study supporting Norway's application for mainstreamed implementation described the broad national context for data assurance in Norway. Oil and gas revenues are included in the national accounts submitted by the MOF to Parliament and audited by the Supreme Audit Institution (Riksrevisjon) on an annual basis. This audit is performed in accordance with national law and international standards.¹¹² The audit for the national 2021 accounts found those accounts generally correct and of good quality.¹¹³ Seven "cases of criticism" were identified, one of which was relevant to the mining sector which is outside the current scope of EITI implementation in Norway.¹¹⁴</p> <p>The Board decision on mainstreaming notes, however, that "it is the responsibility of the Norwegian government in cooperation with local stakeholders to agree an approach to data assurance of company disclosures as per the EITI Requirements," responding to consistent civil society concerns about data reliability throughout the mainstreaming application process. In particular, civil society had argued that payments to governments reporting should become part of companies' annual financial statements so that these figures would also be subject to audit. In 2021, Norway introduced a procedure that requires auditors to report on compliance with the country-by-country reporting regulations in the audit opinion.¹¹⁵ Company auditors are now required to comment in their audit opinion on whether companies have prepared country-by-country reports, but not to provide an audit opinion on those reports as such. As noted in the assessment of Requirement 4.1, civil society concerns persist in this regard, and Norway appears to lack a procedure for verification of whether all companies that are required to make material payments fully reported those payments through country-by-country reports. None of the stakeholders consulted for this Validation were aware of any collaborative efforts made by the Norwegian government to agree on an approach to data assurance.</p> <p>In its response to the draft Validation Report, the MPE argued that the Board relieved Norway of the need to prove comprehensive and reliable disclosures (Requirements 4.1 and 4.9), given the lack of discrepancies in reconciliation of</p>

¹¹² The reports are published on www.riksrevisjonen.no/en

¹¹³ See <https://www.riksrevisjonen.no/rappporter-mappe/no-2022-2023/arlign-revisjon-2021/>

¹¹⁴ The Ministry of Trade, Industry and Fisheries was found not to have managed abandoned mines in accordance with the Pollution Control Act. See <https://www.riksrevisjonen.no/rappporter-mappe/no-2022-2023/narings-og-fiskeridepartementets-forvaltning-av-forurensning-fra-nedlagte-gruver/>.

¹¹⁵ Norwegian Ministry of Finance instruction about the auditor's statement in the auditor's report on payments to authorities, 15 December 2021 (in Norwegian only) <https://www.revisorforeningen.no/globalassets/fag/revisjon/om-revisors-uttalelse-i-revisjonsberetningen-om-rapporten-om-betalinger-til-myndigheter-.pdf>

	<p>the eight EITI Reports before the mainstreaming application. The International Secretariat refers to the Board decision which required Norway to agree with stakeholders on data assurance approaches and mechanisms to ensure comprehensive and reliable disclosures, given that this was noted as particular concern from civil society at the time of the decision. Furthermore, the International Secretariat clarified that the requirement applies for every financial year.</p>
<p>New corrective actions and recommendations</p>	
<ul style="list-style-type: none"> • In order to strengthen the guarantee of multi-stakeholder oversight through existing participatory and consultative mechanisms, Norway is encouraged to consider a bespoke platform and approach for engaging civil society, industry, and government stakeholders, in order to agree on whether the mining sector should be included in EITI mainstreamed implementation, according to an appropriate and explicit materiality threshold as described in Requirement 4.1(b). • In accordance with Requirement 4.1(d) and in line with the terms of Norway’s mainstreamed implementation approved by the Board, the government should establish a mechanism to monitor, verify and disclose annually whether all companies that were required to publish country-by-country reporting complied with their legal obligation to do so. To improve the comprehensiveness of payment disclosures, the government should establish a process to engage with companies to monitor and ensure that they file the required country-by-country reports. To improve the accessibility of revenue collection information available to the public, Norway may wish to consider developing its systematic disclosures to include all country-by-country reports in a central register within the Norwegian Petroleum website. • To strengthen implementation of Requirement 4.4 to ensure transparency of government revenues from the transit of oil and gas, Norway is encouraged to add clarification to its systematic disclosures of net payments to note which revenues derive from companies that earn income from transportation activities. Norway is also encouraged to disclose full contracts entered into by the state-owned Gassco. • To strengthen implementation of Requirement 4.7, NOR-EITI is encouraged to include in its annual Summary Data File all payments disaggregated by revenue stream and at the project level where these data are available through systematic disclosures and companies’ country-by-country reporting. In order to respond to stakeholder requests, Norway is further encouraged to disclose tax payment information that is disaggregated according to the ordinary company tax rate and special tax rate of 71.8%.¹¹⁶ • To strengthen implementation of Requirement 4.8, NOR-EITI is encouraged to consistently submit Summary Data Files ahead of the two-year accounting cycle. • In accordance with Requirement 4.9, Norway should establish and implement a verification mechanism for data quality assurance of country-by-country reporting required by law for oil and gas companies that make material payments. As indicated in the Board decision on mainstreaming, the government should consult with local stakeholders to agree an approach to data assurance of company disclosures as per the EITI Requirements. • In order to strengthen the guarantee of multi-stakeholder oversight through existing participatory and consultative mechanisms, Norway is encouraged to initiate a dedicated participatory 	

¹¹⁶ See <https://www.norskipetroleum.no/en/economy/governments-revenues/#taxes>.

process to engage civil society, industry, and government stakeholders to agree on an approach to data assurance of company disclosures, as explicitly mandated by the EITI Board decision on mainstreamed and adapted implementation, and as per EITI Requirement 4.9.

Revenue management (Requirements 5.1, 5.3)

Overview of progress in the module

Oil and gas revenues are a cornerstone of the Norwegian economy and management of those revenues is topic of great public interest and broad public debate. General mechanisms for managing those revenues are widely understood by the general public, and parliamentary and political oversight of those mechanisms are regularly the focus of national media and public discourse. Detailed information required by the EITI Standard is widely available through a number of public sources and represents best practice in this regard.

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>Exceeded</i></p>	<p>The Secretariat's assessment is that Requirement 5.1 is exceeded, as in Norway's previous Validation, reflecting the high degree of trust and satisfaction stakeholders express regarding the governance and traceability of Norwegian extractive revenues.</p> <p>All government petroleum revenues are transferred from the national budget to the Norwegian Pension Fund Global, a sovereign wealth fund "established to ensure a long-term perspective in the management of government petroleum revenues."¹¹⁷ According to the Norwegian Act relating to the Government Pension Fund, revenues transferred from the national budget include all gross revenues less expenditures. Gross revenues include all direct revenues and taxes from petroleum activities, dividends paid by Equinor, income related to the SDFI including revenues and the sale of stakes, and revenue generated from net profit agreements. Expenditures include the state's direct investments and purchases of stakes in the SDFI, SDFI operating expenses, and central government expenditures related to installations. The Pension Fund also receives transfers of all revenues related to the purchase and sale of shares in Equinor.¹¹⁸</p>

¹¹⁷ <https://www.norskpetroleum.no/en/economy/management-of-revenues/>

¹¹⁸ <https://www.regjeringen.no/contentassets/9d68c55c272c41e99f0bf45d24397d8c/government-pension-fund-act-01.01.2020.pdf>, section 4.

	<p>The revenues and expenses described above are detailed in the quarterly and monthly national accounts prepared by the National Statistical Office, as well as the national accounts prepared annually by the MoF and presented to Parliament, which are subject to regular audit against the national budget by the Supreme Audit Institution, and each of these instances is conducted according to international auditing and accounting standards.¹¹⁹ The governance of oil and gas revenues is marked by high degree of trust and transparency, and no stakeholders consulted during this Validation raised concerns regarding the accountability or accuracy of revenue figures or revenue management.</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, falling from the assessment of "beyond" expectations in Norway's previous Validation. Despite the broad availability of information encouraged by this EITI Requirement, stakeholder consultations highlighted opportunities to strengthen the disclosures that can support public oversight in keeping with this requirement.</p> <p>As described in the section on Requirement 5.1, all extractives revenues from the petroleum sector are transferred from the national budget to a sovereign wealth fund, from which a percentage is returned to the national budget on an annual basis in accordance with the fiscal rule,¹²⁰ and without allocations to specific public expenditures.</p> <p>Norway has further disclosed all information encouraged by Requirement 5.3, including information on budgeting and auditing processes and national accounts, which is clearly available on the websites of each of the relevant agencies, as described in the assessment on Requirement 5.1. In regard to timely information to further public debate around revenue sustainability and resource dependent, the Norwegian Petroleum website presents summary information on these issues (as well as specific data on historical production, remaining reserves, resources per discovery and production forecasts). This information is also available through other governmental sources, and future developments of global petroleum markets and the Norwegian sector are a regular topic of public debate, supported by government reports, analysis, and contributions to policy processes.¹²¹ Stakeholders consulted for this Validation nonetheless described some areas in which they felt there was insufficient transparency. In particular, one civil society representative described a lack of transparency surrounding the figures used by MPE to calculate reserves and the lack of clarity surrounding project development plans, as described in relation to Requirement 6.3 and the Effectiveness and Sustainability Indicator on the environment for civic participation. It was noted that the disclosure</p>

¹¹⁹ See https://www.ssb.no/nasjonalregnskap-og-konjunkturer/nasjonalregnskap/artikler/quarterly-national-accounts/_attachment/inline/2dd9c491-e4b4-454a-9336-71bd195add2d:b4602f1c124e8a3d4f000a30db4df62368677fcd/NOT2021-27_web.pdf, <https://www.regjeringen.no/no/dokumenter/meld.-st.-3-20202021/id2846323/?ch=1>, and <https://www.riksrevisjonen.no/rapporter-mappe/no-2021-2022/arlig-revisjon-2020/>, respectively.

¹²⁰ <https://www.regjeringen.no/en/topics/the-economy/economic-policy/economic-policy/id418083/>

¹²¹ See examples at <https://www.regjeringen.no/no/aktuelt/innlegg-ved-lanseringen-av-rapportene-om-norges-energinaringer/id2947852/>, <https://www.regjeringen.no/no/aktuelt/offshore-strategikonferansen/id2907237/>, <https://www.regjeringen.no/no/tema/energi/innspill-stortingsmelding-om-langsiktig-verdiskaping/id2831248/>, respectively.

	threshold for project development plans (projected costs above 15 billion NOK) resulted in only a small minority of such plans being disclosed and considered by parliament (1 of 10 such plans in 2022, 19 of 146 since 2010, according to analysis by Rystad Energy presented during consultations).
New corrective actions and recommendations	
	<ul style="list-style-type: none"> In order to strengthen stakeholders ability to provide oversight in line with the objective of Requirement 5.3, Norway is encouraged to consider lowering the threshold for public disclosure of project development plans, together with associated background information, including environmental impact assessments, and scientific analysis.

Subnational contribution (Requirements 4.6, 5.2, 6.1)

Overview of progress in the module

Subnational payments are limited in Norway to municipal taxes, which are not seen as material by stakeholders, and there are no subnational transfers according to the laws that dictate how petroleum revenues are allocated through the national budget. There is, nonetheless, significant public interest in the environmental impacts of the extractives sector, and there is room for Norway to improve its practice in regard to the mandatory environmental fees and taxes paid by companies, particularly in regard to clarity surrounding the Nitrous oxides emissions tax (Nox tax) and related exemptions, in order to enable more effective public oversight.

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>Fully met</i>	<p>The Secretariat's assessment is that Requirement 4.6 is fully met, as in the previous Validation, and noting broad agreement among stakeholders that there are no material direct payments from companies to subnational government entities.</p> <p>All payments made by companies to the Norwegian government are made directly to the national government through taxes, dividends, fees, and income through the SDFI mechanism. The only payments made directly to subnational government entities are taxes associated with employment and property, which Norwegian Petroleum Taxation Act specifies are owed to local governments in accordance with the general tax regulations.¹²² In 2015 the Norwegian MSG determined that these taxes were not material and should not be subject to</p>

¹²² See <https://lovdata.no/lov/1975-06-13-35/S2>.

	disclosure. When this EITI Requirement was last considered in Norway's 2017, the assessment noted that though this determination was not based on an agreed a definition of materiality, the high degree of trust and debate surrounding payments to government justified an assessment of 'Satisfactory Progress'. The laws defining payments to municipal governments was last revised in 1999, and stakeholders confirmed in consultations that there have been no changes to practice or regulation in this regard.
<p>Subnational transfers (Requirement #5.2)</p> <p><i>Not applicable</i></p>	<p>The Secretariat's assessment is that Requirement 5.2 is not applicable, in keeping with the finding in Norway's 2017 Validation that there are no subnational transfers in Norway.</p> <p>All government revenues from the petroleum sector are transferred to a national sovereign wealth fund, including cash flow, net financial transactions, and gross revenues, income, and taxes, as specified in the Act relating to the Government Pension Fund.¹²³ The amounts of these transfers are presented in the national budget, and there are no mandatory transfers of extractive revenues to subnational government agencies.</p>
<p>Social and environmental expenditures (Requirement #6.1)</p> <p><i>Fully met</i></p>	<p>The Secretariat's assessment is that Requirement 6.1 is fully met, noting the absence mandatory social expenditures, and gaps in public information about exemptions from environmental taxes.</p> <p>In regard to social expenditures, there is no legal or contractual obligation for extractive companies and this Validation did not discover any evidence of voluntary social contributions by extractive companies beyond marketing and corporate social responsibility activities, which are disclosed and promoted directly by companies. This confirms the finding when this Requirement was last assessed as not applicable in 2017. Since then, however, the 2019 EITI Standard has included requirements related to environmental expenditures. In this regard, extractives companies are obligated to pay a "carbon tax" levied on combustion, as well as a "Nox tax" on emissions of nitrogen oxides.¹²⁴ The Norwegian Petroleum website provides company and field-level data on payment of these taxes paid.¹²⁵ No materiality threshold has been set for environmental expenditures, and so these taxes are understood as material.</p> <p>Notably, the data disclosed on Norwegian Petroleum shows that the vast majority of companies have not paid the NOx tax between 2016-2021, and stakeholders explained that this is because companies may exempt themselves from payment of the Nox tax through voluntary contribution to a NoxFund environmental agreement fund.¹²⁶ This is a Fund managed entirely by the private sector, and dedicated to supporting the development of more environmentally friendly technology, in the belief that this would be a more climate-friendly use of the taxes that would have otherwise been paid to the</p>

¹²³ See English translation available at

<https://www.regjeringen.no/contentassets/9d68c55c272c41e99f0bf45d24397d8c/government-pension-fund-act-01.01.2020.pdf>.

¹²⁴ See <https://lovdata.no/dokument/NL/lov/1990-12-21-72> and <https://lovdata.no/forskrift/2001-12-11-1451/§3-19-1>, respectively.

¹²⁵ See https://www.norskipetroleum.no/wp-content/uploads/80_EITI_tabell_2016-2020_07.01.22-1.xlsx, <https://www.norskipetroleum.no/en/economy/transparency-eiti/>

¹²⁶ See <https://www.skatteetaten.no/en/business-and-organisation/vat-and-duties/excise-duties/about-the-excise-duties/nox/>

	Norwegian government. ¹²⁷ A list of participating companies is available on the NoxFund website, as are standard payment rates, which may be matched with reported emissions published by Directorate of the Environment to calculate the payments individual companies make to the Fund. ¹²⁸
New corrective actions and recommendations	
<ul style="list-style-type: none">• NOR-EITI is encouraged to convene government, civil society, and industry stakeholders to determine whether the municipal taxes described in regard to subnational payments are so immaterial as to render Requirement 4.5 not applicable in Norwegian implementation of the EITI Standard.• In order to strengthen the implementation of Requirement 6.1, and that Requirement's objective to enable the public oversight of company compliance with obligations for environmental expenditure, Norway is encouraged to systematically determine and disclose whether the amounts paid by companies to the NoxFund are equivalent to the NoxTaxes that would have been paid had they not been exempted through participation in the NoxFund.	

¹²⁷ See <https://www.noxfondet.no/en/articles/about-the-nox-fond/>.

¹²⁸ See <https://www.norskeutslipp.no/>.

Background

Overview of the extractive industries

An overview of the extractive industries is accessible on the [country page](#) of the EITI webpage for Norway.

History of EITI implementation

Norway started implementing the EITI in 2007 and produced annual EITI Reports. Following a decade of EITI implementation the EITI Board granted Norway's two requests, in its decision of October 2017:¹²⁹

1. Adapted implementation – disbanding of the multi-stakeholder group

In its request, the Norwegian Ministry for Petroleum (where the EITI is hosted) argued that “Norwegian model already embodies the multi-stakeholder approach to natural resource management that Requirements 1.1-1.5 seek to foster in implementing countries”¹³⁰ through its public consultation channels and lively public debate.

Indeed, the application argued that it was counterproductive and undemocratic to move the discussion on improving resource governance to a specific MSG. “It would therefore be a step backwards to force stakeholders to use the EITI’s more basic MSG model, and it is for this reason that we request adapted implementation from the Board. Rather than create a parallel process for stakeholder participation under the EITI, Norway should be allowed to use the existing mechanisms for stakeholder participation and oversight over the sector.” (p.4)

Any questions or feedbacks on data required under the EITI Standard could be dealt with at the annual meeting where the Ministry gives a presentation of recent developments in the Petroleum Sector. The meeting is open to all.

It is the secretariat’s understanding that the application for adapted implementation (removal of MSG) enjoyed the support of CSO, Government and company representatives.

2. Mainstreaming request – removing the yearly EITI Report requirement

In its application, the NPE argued that the platform www.norskpetroleum.no and the associated Oil Facts app cover the information required by EITI Requirements. Stakeholders who may be unable to locate data points required under the EITI Standard would be able to address the Ministry of Petroleum and Energy in an annual meeting where the Ministry gives a presentation of recent developments in the Petroleum Sector. A detailed mapping of available disclosures was submitted.

In particular, the financial data was to be published routinely and reconciliation would be possible to do with more aggregate figures, drawing on public company and government

¹²⁹ The decision in full can be accessed here: <https://eiti.org/board-decision/2017-49> and the application dossier is available here: <https://eiti.org/documents/norway-mainstreaming-application-and-request-adapted-implementation>

¹³⁰ P. 3, https://eiti.org/sites/default/files/attachments/mainstreaming_application_-_annex_c_request_for_adapted_implementation_l824856.pdf

disclosures. The National Secretariat would continue to submit summary data for each financial year.

In considering the mainstreaming application, the EITI Board noted that it does not have the support of civil society representatives. The disagreement lay with the assurances on company disclosures of revenues to government. Civil society's opinion was that the transparency will be adequate on the governments reporting of receipt of payment, but that the suggested mainstreaming fails when it comes to transparency on companies reporting of payments.

The Board decided that Norway can proceed with mainstreaming and gave the Norwegian government in cooperation with local stakeholders to agree an approach to data assurance of company disclosures as per the EITI Requirements.

Norway was validated against the 2016 EITI Standard in 2018 and the decision was published 27 February 2019. Validation had found that Norway had made satisfactory progress and a new date was set in February 2022.¹³¹ The Board had decided however to validate Norway against the initial criteria of the beneficial ownership requirement 2.5 in 2021, which found that Norway had made *inadequate progress*.¹³²

As an EITI implementing country, Norway is obliged to adhere to the EITI Principles and Standard requirement and is as such validated on a continuous basis. Given its experience of routine disclosures it continues to be an example of mainstreamed disclosures and stakeholder debate.

Explanation of the Validation process

An overview of the Validation process is available on the EITI website.¹³³ 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 is led by Mark Burnett, while the Validation team was comprised of Christopher Wilson and Christina Berger. The internal review for quality assurance was conducted by Alex Gordy, Bady Balde and Mark Robinson.

Confidentiality

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, and comments are not attributed by constituency. This report is shared with stakeholders for consultation purposes and remains confidential as a working document until the Board takes a decision on the matter.

¹³¹ See decision here: <https://eiti.org/board-decision/2019-22>

¹³² See decision and documentation here: <https://eiti.org/board-decision/2021-35>

¹³³ See <https://eiti.org/validation>

Timeline of Validation

The Validation of Norway commenced on 1 October 2022. A public call for stakeholder views was issued on 15 September 2022. Stakeholder consultations were held virtually and in person during November 2022. The draft Validation report was finalised on 21 December. Following comments from the National Secretariat on 2 February, the Validation report was finalised 10 February for consideration by the EITI Board.

Resources

- Validation data collection file – [Stakeholder engagement](#)
- Validation data collection file – [Transparency](#)
- Validation data collection file – [Outcomes and impact](#)