

Validation of Dominican Republic:

**Final assessment of progress in
implementing the EITI Standard**

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Acronyms

ADOCEM	Dominican Association of Cement Producers Portland
APR	Annual progress report
BO	Beneficial ownership
BOT	Beneficial ownership transparency
CAMIPE	Mining-Petroleum Chamber of Dominican Republic
CORMIDOM	Dominican Mining Corporation
CLOE	Commission for the Liquidation of State Entities
CSO	Civil society organisation
DGA	Directorate General of Customs
DGII	Directorate General of Internal Taxes
DGM	Directorate General of Mining
DIGEIG	General Directorate of Government Ethics and Integrity
EITI	Extractive Industries Transparency Initiative
ENTRE	National Space for Transparency
FEDOCAMARAS	Federal Chamber of Commerce of Dominican Republic
FONPER	Endowment Fund for Reformed Companies
MEM	Ministry of Energy and Mines
MSG	Multi-stakeholder group
ToR	Terms of Reference
WB	World Bank

Executive summary

This Validation report presents the findings of the International Secretariat's Validation of Dominican Republic, which commenced on 1 April 2023. The draft report was finalised for review by the multi-stakeholder group (MSG) on 5 August 2023. Following comments from the MSG received on 27 September 2023, the Validation report was finalised for consideration by the EITI Board. The assessment suggests that Dominican Republic has exceeded two EITI Requirements, fully met 18, mostly met four and partly met one requirement, with eight requirements assessed as not applicable.

Dominican Republic's previous Validation under the 2016 EITI Standard was concluded in February 2020 ([Board decision 2020-09](#)). The Validation established three corrective actions for Dominican Republic to address. This Validation assesses progress in addressing the corrective actions in accordance with the 2019 EITI Standard.

Key achievements

- Follow-up on recommendations from Dominican Republic's previous Validation has led to greater transparency in the monitoring of subnational transfers and the public is able to view budget data on notional and actual transfers from the national budget to communities. Momentum for the disclosure of beneficial ownership of extractive companies is building with beneficial ownership provisions being discussed in ongoing reforms to the National Mining Law.
- Contract and license transparency continue to exceed what is required in the EITI Standard, even with the addition of the country's first award of an oil and gas exploration and exploitation contract. The full transparency of disclosures has allowed for informed debates on the renegotiation of certain mining contracts and enables affected communities to use contractual data to strengthen advocacy efforts.
- All constituencies within the MSG are actively engaged in furthering transparency related to the extractive sector. Despite the COVID-19 pandemic and a change in government, high-level engagement persists and the MSG serves as a space to resolve differences between stakeholders and to reach consensus on pertinent issues.

Areas for development

- To date, progress on beneficial ownership transparency (BOT) has been limited. Given the importance of BOT for addressing corruption risks in the extractive sector, EITI Reports should request beneficial ownership information listed under Requirement 2.5 from material companies participating in EITI reporting. This would ensure that companies operating in the Dominican Republic publicly disclose beneficial ownership data while efforts to strengthen systematic disclosures are underway.

- Despite comprehensive disclosure of company payments and government revenues from oil, gas, and mining, many mining companies did not provide publicly available audited financial statements. While expected, (not required) by the 2019 EITI Standard, this information is of particular importance to stakeholders to understand the financial operations of mining companies operating in affected communities.
- Delays in the publication of the EITI-DR Strategic Communication and Dissemination Plan have inhibited a clear roadmap to increase the impact of EITI implementation and there is room to integrate different stakeholder priorities at the national and subnational level, such as the inclusion of non-metallic mining companies in EITI reporting.

Progress in implementation

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

Stakeholder engagement

The MSG continues to function as an effective platform for multi-stakeholder dialogue. Government engagement has remained solid in the face of the COVID-19 pandemic and a change in government administration. The MSG operates in a balanced manner and is composed of senior government officials, individual mining companies and a mining chamber that represent the country’s major mining interests, and a civil society umbrella organisation that promotes the views of civil society both in the capital and in communities where extractive activities occur. The MSG has often served as a space for compromise and consensus-building to reconcile differences, primarily between civil society and industry, that could have hampered transparency and reform efforts. Civil society continues to be engaged in all aspects of the EITI process and uses EITI data to promote their priorities within the MSG and through third-party events in the country and internationally. Industry representation through the industry association is limited to metallic mining companies and the nascent oil and gas sector. There is room for improvement related to the inclusion of non-metallic mining companies and for industry to use EITI data as a tool rather than as a compliance exercise.

Transparency

The comprehensiveness of disclosures has remained steady since the previous Validation in 2019. With the dissolution of CORDE, there is no SOE operating in the country’s extractive industries and this is clearly documented. Building on the corrective action on license allocations from the previous Validation, technical and financial criteria used in the award and transfer of licenses are now clearly defined. Disclosure of contracts remains comprehensive and has been extended to the emerging oil and gas sector. Progress on beneficial ownership has been limited but all stakeholders appear invested in improving disclosure around this issue, though EITI reporting has not been used to collect beneficial ownership data from material companies to date. Government revenues are disaggregated by revenue stream, company and de facto by project but further documentation is needed to ensure that there are no material revenues flowing to government from the transportation of mineral commodities. There are ongoing efforts to involve municipal governments in EITI reporting to improve transparency at the subnational

level. There is opportunity to use EITI reports as a diagnostic tool to ensure that all companies and government entities publish audited financial statements given that most material companies did not include these statements in data submitted for the 2019-2020 EITI Report.

Outcomes and impact

There appears to be significant public interest on three particular issues: the allocation of the 5% net benefits transferred to host communities, the environmental impact of mining activities on host communities, and the nascent oil and gas sector where activities are at the exploration phase. The EITI has contributed to debates around these three issues, providing civil society a platform to raise concerns and use data published through EITI implementation to reinforce their advocacy, though comprehensive publication of EITI data in open format would aid these efforts. The Dominican Republic has used its EITI Report to track progress on follow-up of corrective actions from previous Validations. However, stakeholder consultations highlighted calls to strengthen the use of the EITI as a platform to drive sector reforms such as those related to the Mining Law that are to be debated in Congress. There is opportunity for the MSG to implement an annual review of outcomes and impact to assess how EITI implementation affects broader natural resource governance issues and to tailor future EITI Reports to respond to upcoming extractive sector challenges.

Validation scorecard

Component & module	EITI Requirement	Progress	Score	
Outcomes and impact		Moderate	79/100	
Extra points	Effectiveness and sustainability indicators		1	
Outcomes and impact	Work plan (#1.5)	Fully met	90	=
	Public debate (#7.1)	Mostly met	60	↓
	Data accessibility and open data (#7.2)	Mostly met	60	-
	Recommendations from EITI (#7.3)	Fully met	90	=
	Outcomes & impact (#7.4)	Fully met	90	↑
Stakeholder engagement		High	90/100	
Multi-stakeholder oversight	Government engagement (#1.1)	Fully met	90	=
	Industry engagement (#1.2)	Fully met	90	=
	Civil society engagement (#1.3)	Fully met	90	=
	MSG governance (#1.4)	Fully met	90	=
Transparency		Moderate	82/100	
Overview of the extractive industries	Exploration data (#3.1)	Fully met	90	=
	Economic contribution (#6.3)	Fully met	90	=
Legal and fiscal framework	Legal framework (#2.1)	Fully met	90	=
	Contracts (#2.4)	Exceeded	100	=
	Environmental impact (#6.4)	Not assessed	-	-
Licenses	Contract and license allocations (#2.2)	Fully met	90	↓
	License register (#2.3)	Fully met	90	=
Ownership	Beneficial ownership (#2.5)	Partly met	30	-
State participation	State participation (#2.6)	Not applicable	-	=
	In-kind revenues (#4.2)	Not applicable	-	=
	SOE transactions (#4.5)	Not applicable	-	=
	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)	Fully met	90	=
	Barter agreements (#4.3)	Not applicable	-	=
	Transportation revenues (#4.4)	Not applicable	-	=
	Disaggregation (#4.7)	Fully met	90	=
	Data timeliness (#4.8)	Fully met	90	=
	Data quality (#4.9)	Mostly met	60	↓
Revenue management	Distribution of revenues (#5.1)	Exceeded	100	↑
	Revenue management & expenditures (#5.3)	Not assessed	-	-
Subnational contributions	Direct subnational payments (#4.6)	Not applicable	-	=
	Subnational transfers (#5.2)	Mostly met	60	=
	Social and environmental expenditures (#6.1)	Mostly met	60	-
Overall score		Moderate	83.5/100	

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 the Dominican Republic addresses nationally relevant extractive sector challenges and risks.

EITI implementation is a matter of national significance, with a presidential commitment to its undertaking that has remained strong, even with a change in administration. A shared desire to improve transparency and accountability in the extractive sector of Dominican Republic has seen both policy improvements and improvements in the ways in which information is communicated to parties within the MSG and to the general public.

The major areas of stakeholder interest relate to expansion of EITI reporting to non-metallic mining, such as sand and gravel mining and the production of cement. Expansion of beneficial ownership reporting to the non-metallic mining sector was also mentioned when discussing the increased scope for EITI reporting. For affected communities and civil society organisations that work with them, the socio-environmental impact of mining and proper use of subnational transfers of mining royalties at the local level are of high priority. For government, the development of the nascent hydrocarbon sector has long been a national priority and the first exploration and production license awarded to Apache in 2021. Government stakeholders are aware of the opportunities and challenges that come with the development of a new sector and are committed to providing the same level of transparency in the award of oil and gas licenses and contracts as found in the mining sector.

EITI implementation is increasingly addressing these key extractive sector governance issues in Dominican Republic, with the inclusion of the environmental impact of mining activities included in the most recent work plan. The development of the work plan was limited to consultations with stakeholders within the MSG though civil society stakeholders consulted were of the opinion that they faithfully represented the priorities of their constituency outside of the MSG. Members of the government constituency consulted stated that the actions in the work plan are consistent with the long-term development plan of the Dominican Republic, defined in the National Development Strategy, and the civil society constituency noted that the work plan aligned with the provisions of the General Environmental Law (64-00) that governs subnational payments and many aspects of the Escazú agreement. In its response to the draft assessment, the MSG noted that this agreement has been signed by the Dominican Republic but not yet ratified due to aspects of the agreement that [conflict with the constitution](#) of the Dominican Republic. EITI Reports have informed debate around subnational revenue transfers and contributed to clarifications in the framework regulating these allocations. The 2020 EITI Report notes that recent and ongoing efforts to establish a management system for the 5% distribution of net benefits has incorporated innovative practices such as the utilisation of Environmental and

Social Impact Studies to ensure that these benefits flow to communities directly affected by mining activities and to projects focused on sustainable development. The definition of these net benefits and its calculation has been a subject of continuous debate in the Dominican Republic. In their comments to the draft assessment, CSOs stressed the definition of this revenue flow should be calculated based on the revenue tax paid by companies and not on net benefits. Likewise, some stakeholders expressed reservations due to the fact that EITI implementation has not led to their desired outcomes as it pertains to accountability in environmental clean-up and the expansion of EITI reporting to the non-metallic mining sector. These stakeholders noted that while non-metallic mining does not provide the same level of government revenues as metallic mining, the former is still a large industry in the Dominican Republic that is currently underregulated, with outsized impact, compared to the level of government revenues, on the environment and surrounding communities. Civil society indicated that impediments to inclusion of the non-metallic mining sector could be overcome with changes to company selection criteria, such as tailoring materiality thresholds specific to the non-metallic sector that could result in its inclusion in future EITI Reports. Nevertheless, in its response to this draft assessment, civil society reiterated that there are underlying transparency weaknesses and environmental challenges associated with this sector that will not be resolved purely from the sector's inclusion in EITI Reports.

There are further opportunities to use the EITI process to increase public understanding about future oil and gas exploration and production and to strengthen the relevance of the EITI to local communities.

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

1.2 Systematic disclosures of extractive industry data

The Ministry of Energy and Mines and the Ministry of Environment and Natural Resources disclose information about laws, licenses, production and exports on their websites. The state budget, the budget execution report and state audit reports include information about budget allocations and subnational transfers. Extractive companies, however, do not systematically disclose their audited financial statements. Government stakeholders consulted noted that future reforms to the mining law would address this lack of disclosure.

The EITI-DR website is used to publish data within the scope of the EITI Standard, such as mining exploration and exploitation concessions and mining production and export information, but much of this data is not published in open format. Efforts to integrate this data into government and company disclosures are still in the preliminary stage. The March 2022 publication of a Feasibility Study for EITI Systematic Disclosures in the Dominican Republic laid the groundwork for systematic disclosure efforts and medium-term plans for integrating the EITI in government and company systems consist of a joint initiative between the EITI International Secretariat and USAID to hire a consultant that will support the systematic disclosure efforts of the Dominican Republic, though this initiative is still in a preliminary stage. The MSG is also considering the possibility of adapting and replicating the online data collection platform used by EITI Colombia

and is seeking funding to undertake such an initiative. Outside of EITI-DR's successful efforts to publish notional and actual subnational transfers on the EITI website, it is not clear whether other reform efforts have successfully resulted in improved systematic disclosure of EITI data.

The Secretariat proposes that zero additional points 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.

Based on stakeholder consultations and available evidence, there is an enabling legislative and regulatory environment in the extractive industries that supports the participation of some citizens in decision-making about how extractive resources are governed. However, the environment for citizen participation is more conducive in the capital and presents more challenges in affected communities where citizens lack comparable technical and financial capacity. Consultations were limited to CSOs in the capital, who mentioned that they can undertake advocacy related to ongoing reforms but that relevant organisations in affected communities outside the capital had difficulties engaging on EITI-related issues. The MSG's comments on the draft Validation report indicate that industry, particularly from the mining sector, and CSOs hold differing opinions on the outcomes of consultations with communities before the expansion of mining activities. While industry considers that these consultations follow procedure, many CSO representatives did not consider the outcomes of these consultations to be beneficial to local communities.

The MSG has reviewed policies and practices oriented to the strengthening of citizen participation and government stakeholders acknowledge that greater efforts must be made to incorporate affected communities in the decision-making process about how extractive resources are governed. Industry and civil society stakeholders noted that current reform efforts to the Mining Law will be discussed in Congress, which limits their input at the preliminary stage.

The MSG and CSOs involved in the EITI organise outreach and consultation events in affected communities. It appears that there are no barriers for citizens to engage fully in discussions about extractive activities or participate in demonstrations and protests. However, some consulted stakeholders noted that due to a lack of timely consultation with affected communities, the advocacy efforts at the local level are often reactive to changes rather than proactive in pushing reforms, which limits their ability to craft reform efforts that are tailored to their specific communities. It appears that the EITI has contributed to changes in civic space related to extractives governance but that further efforts are needed to incorporate the voices of affected communities.

The Secretariat proposes that 0.5 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.

Civil society, media and academia actively utilise EITI data and systematically disclosed revenue data provided by companies and the government to undertake research, analysis and advocacy on subnational transfers, future revenues and the environmental obligations of extractive companies. EITI Reports are considered a comprehensive and reliable source of data that compiles relevant information found on government websites and serves as a stop-gap solution for data not found on such websites. However, it would be useful for tables found in EITI Reports to be published on the country's EITI portal in open format for broader use. The EITI portal should also be regularly updated for public access to the most recent data.

The government of the Dominican Republic conducted a training session with journalists to enable them to better understand and utilise EITI data in their work but there are opportunities to improve the accessibility of data, in particular at the community level where a lack of internet access and the publication of company documents in English create barriers for use of information. In their response to the draft assessment, industry stakeholders noted that journalists were invited and attended tours of mining operations to gain a better understanding of mining operations on the ground. Some consulted civil society stakeholders were of the opinion that social and environmental payments made by companies were not adequately covered through EITI reporting. Industry stakeholders representing multinational companies noted that many company reports can also be found in Spanish.

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

1.5 EITI-related changes to extractive industry policy and practice

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

Over the years, EITI implementation has led to refinements in the monitoring and evaluation systems of subnational transfers and has resulted in new procedures being put in place that consider social and environmental impact assessments in the distribution of subnational transfers. Nevertheless, greater efforts can be made pertaining to beneficial ownership transparency both through legal reform and through the use of EITI Reports to solicit beneficial ownership information from companies deemed material to the EITI process. The Dominican Republic's Congress will soon be discussing a new Mining Law that would make the reporting of beneficial ownership information mandatory for all extractive companies. A member from the industry constituency also highlighted some gender-related work, where the EITI has been advocating for reforms to the 1935 'Underground Work Convention', which still prohibits women from underground mining work. EITI implementation has aided in the Dominican Republic's thorough policy on contract and license transparency and CSOs use this information to push for

company accountability in communities where extractive activities occur, which allows for greater public scrutiny during contract renegotiations.

The Secretariat proposes that zero 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.

Progress by requirement and corrective actions

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

EITI Requirement / past corrective action and assessment	Summary of progress in addressing the EITI Requirement
<p>Work plan (Requirement #1.5)</p> <p><i>Fully met</i></p>	<p>The Secretariat's assessment is that Requirement 1.5 is fully met, as in the previous Validation.</p> <p>The objective of this requirement is to ensure that the annual planning for EITI implementation supports implementation of national priorities for the extractive industries while laying out realistic activities that are the outcome of consultations with the broader government, industry and civil society constituencies. The annual EITI work plan should be a key accountability document for the MSG vis-à-vis broader constituencies. The Secretariat's assessment in light of stakeholder consultations is that this objective is fulfilled. Objectives and activities for EITI implementation appear to reflect national priorities and stakeholders' interests.</p> <p>MSG members participated in the work plan discussions, evaluation and approvals, although other stakeholders beyond the MSG are not engaged via a formal consultation process to review the work plan. Members of the government constituency consulted stated that the actions in the work plan are consistent with the long-term development plan of the Dominican Republic, defined in the National Development Strategy. The civil society constituency also mentioned the work plan alignment with the provisions of the General Environmental Law (64-00) that governs subnational payments, and the Escazú agreement, as the MSG agreed with the CSO recommendation to have a specific objective related to environmental and social aspects incorporated to the work plan.</p> <p>All the EITI-DR work plans are published on the EITI website. The work plan builds on a results-based approach with clear activities, expected outcomes, key deliverables, budget and funding source. It is time-bound and indicates</p>

	<p>the responsible party. The Annual Progress Report (APR) 2021 presents an update on the work plan activities, recommendations of previous reports and Validation; while intersectoral commissions are planned in the 2023-2025 work plan to ensure quarterly monitoring.</p> <p>The 2021-2022 work plan was jointly funded by the WB and the government. The 2023-2024 work plan is being fully funded by the government, while negotiations with development partners are still ongoing.</p> <p>EITI Reports and APRs have been published annually, while some studies and workshops were also conducted in the period under review. However, according to the Outcomes and Impact template and consultations, the general and municipal elections and the renewal of the MSG in 2020 affected the frequency of MSG meetings, while the COVID-19 pandemic significantly affected the implementation of the work plan activities in 2020 and 2021. Moreover, the 2021-2022 work plan approval was delayed due to the discussions around new activities suggested by CSOs. Financial and logistical difficulties caused by the pandemic remained present in 2021, affecting the completion of outreach and other activities.</p> <p>The 2023-2024 work plan includes activities: (i) to strengthen the capacity of civil society (ii) to systematise recommendations from the previous Validation, EITI Reports and work plan to ensure quarterly follow-up on EITI DR activities; (iii) to develop specific roadmaps to include non-metallic mining data and gender issues in the EITI Report, and a roadmap to disseminate the mechanisms used to determine the amounts transferred to FOMISAR for distribution in compliance with the Law 64-00, and the use of resources at the municipal level in the EITI Report; (iv) to update and implement actions established in the Beneficial Ownership Roadmap; (v) to implement the EITI-DR Strategic Communication and Dissemination Plan (vi) to support the design of participatory mechanisms at the municipal level to discuss and agree upon the allocation of sub-national payments; (vii) that emphasised the commitment to environmental sustainability as required by civil society constituency.</p>
<p>Public debate (Requirement #7.1)</p> <p><i>Mostly met</i></p>	<p>The Secretariat’s assessment is that Requirement 7.1 is mostly met, which represents backsliding from the previous Validation. These weaknesses are due to delays in operationalizing the EITI-DR Strategic Communication and Dissemination Plan.</p> <p>The objective of this requirement is to enable evidence-based public debate on extractive industry governance through active communication of relevant data to key stakeholders in ways that are accessible and reflect stakeholders’ needs. The implementation of the EITI-DR Strategic Communication and Dissemination Plan, focused on inciting public debate at the national and local level, is still pending. During consultations, government representatives confirmed the need to improve EITI dissemination and communication activities in order to strengthen the impact of EITI implementation. Additionally, based on the Outcomes and Impacts Template, communication and dissemination activities that have been conducted to date have not</p>

	<p>considered inclusion and diversity issues based on the different needs of different groups at the national and subnational levels. Based on available evidence and stakeholder consultations, the Secretariat's assessment is that the objective is mostly fulfilled.</p> <p>The EITI-DR Reports (full and summary reports) are published online in the EITI-DR Transparency Portal in Spanish and have been printed and distributed to the different ministries involved in the EITI, to the Congress of the Dominican Republic, to universities and to research centres. The Executive Summary of the Data Reconciliation Report for 2019-2020 is comprised of 5 pages, which summarises the main findings from the Reconciliation Report and compares the shares of revenue streams by government entities and companies for the period between 2017-2020.</p> <p>Some events were organised to promote public debate on EITI-DR and extractive industry governance, although there is a need to improve EITI dissemination in general and expand the debate on transparency at the community level to ensure that outreach events are effective, as stated by government and civil society representatives during consultation. These events can be divided in three groups: participation of high-level officials, such as the Minister of Energy and Mines, highlighting the relevance of the EITI in the Dominican Republic; workshops for specific audiences (journalists); and the participation of MSG members in a panel organised by Opening Extractives and the EITI International Secretariat. Government stakeholders consulted also noted that the training sessions for journalists aimed to help them understand technical aspects of government involvement in the extractive sector, including training sessions specifically oriented toward the EITI Standard and the Dominican Republic's compliance. In the previous Validation, the MSG was encouraged to create a communication strategy focused on inciting public debate at the national and local level. The 2021-2022 and 2023-2024 work plans focus on one specific objective: to strengthen public understanding of extractive sector governance by ensuring that information and participation mechanisms are in accordance with key audiences. Within this objective, the EITI-DR Strategic Communication and Dissemination Plan is being updated by a working group formed in 2022, which will include a simplified version of the EITI Standard; meetings in municipalities and universities to provide spaces for debate on extractive industry issues; publication of training material; citizen training on the objectives of the EITI Standard; dissemination of the EITI-DR Reports; informative conferences; and dissemination in radio, TV programs and other media. Considering the approval of the 2021-2022 work plan was postponed until September 2021, in addition to the COVID-19 pandemic and post-pandemic challenges, some work plan activities are still behind schedule, including those related to the communication strategy.</p>
<p>Data accessibility and open data (Requirement #7.2)</p>	<p>The Secretariat's assessment is that Requirement 7.2 is mostly met given that not all data in EITI Reports has been published in open format.</p>

<i>Mostly met</i>	<p>The objective of this requirement is to enable the broader use and analysis of information on the extractive industries, through the publication of information in open data and interoperable formats. The Dominican Republic is assessed as having made significant progress on this requirement, which was not required in the previous assessment conducted under the 2016 EITI Standard. An open data policy has been adopted by EITI-DR and summary data files have been completed and published in open format on the EITI-DR website since 2015, but there is still room to improve as EITI Reports have only been published in PDF to date, and the tables therein have not yet been published in open format. Mining production and mineral export data are available on the EITI-DR website in open format but there is also room for improvement as this information is not up to date. Based on stakeholder consultations and available evidence, the Secretariat considers the objective to be mostly fulfilled.</p> <p>The MSG agreed, through Act No. 19 of 2016, that the National Standard on Information and Communication Technologies (NORTIC A3) would govern the EITI-DR policy on access, publication, and use of EITI-DR data.</p> <p>The EITI-DR has published summary data reports for its EITI Reports for fiscal years 2015, 2016, 2017, 2018, 2019 and 2020 in open (.xls) format, in Spanish, on the EITI-DR website. Journalists and some government members noted they have been using and analysing EITI data available on the EITI Portal.</p> <p>The following data is available on the EITI-DR website in open (.xls) format: Exploration concessions (from 2013 to 2018); Exploitation concessions (from 1958 to 2017); Mining production (production volume, minerals, 2003-2017); Production of metallic minerals (companies, volume and value of production, from 2003 to 2017); Mineral Exports (exporter, regime, volume, value, destination and tariff, 2010-2018).</p> <p>There is a need to keep the EITI Portal up-to-date as the data listed above was last updated in October 2018. During consultations, development partners also highlighted the need to maintain up-to-date data on the EITI-DR website, while the use of infographics would be recommended to improve accessibility of EITI data.</p> <p>In the previous Validation, it was recommended for EITI-DR to undertake capacity building efforts to support the use of EITI data, especially with civil society organizations, media and legislators. The Feasibility Study for EITI Systematic Disclosures Dominican Republic was published in March 2022, which included a roadmap and recommendations on the future of systematic disclosures in the country. The EITI International Secretariat, with the support of USAID, hired a consultant that will support the systematic disclosure efforts of several implementing countries, including the Dominican Republic, and EITI-DR is considering the possibility of adapting and replicating the online data collection platform used by EITI Colombia. The national secretariat is seeking funding to implement this online data collection platform.</p>
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<p>Recommendations from EITI implementation (Requirement #7.3)</p> <p><i>Fully Met</i></p>	<p>The Secretariat’s assessment is that Requirement 7.3 is fully met, as in the previous Validation.</p> <p>The objective of this requirement is to ensure that EITI implementation is a continuous learning process that contributes to policy making, based on the MSG regularly considering findings and recommendations from the EITI process and acting on those recommendations it deems are priorities. The MSG has taken some steps to act upon lessons learned, to investigate and address some issues in EITI reporting by incorporating new activities into the EITI work plan to strengthen the governance of extractive industries and improve monitoring and evaluation of the EITI implementation in the country. Follow-up on recommendations is presented in the 2019-2020 EITI Report and APR. Based on available evidence and stakeholder consultations, the Secretariat considers the objective to be fully met.</p> <p>The 2019-2020 EITI Report contains a specific section to present recommendations and follow-up from previous Validation Reports. Furthermore, the MSG prepared a template to monitor the status of the recommendations made in previous Validations, including those related to previous Reconciliation Reports. This template was published in the Annual Progress Report 2021 EITI-DR, which is reviewed, discussed, and approved by the MSG, and presented in the Outcomes and Impact template. It was noted that some activities are still ongoing. This template does not present a timeline or list the entities responsible for implementation, while there is also room to improve the description of the status of completion of these activities. The 2023-2024 work plan includes the need to design a monitoring and evaluation plan for EITI-DR activities that will include Intersectoral Monitoring Commissions by specific objectives to ensure quarterly follow-up (Activity 1.5.1), while systematizing recommendations from previous Validations, EITI Reports and work plans (Activity 1.5.2).</p> <p>In the previous Validation, it was recommended that the Dominican Republic take steps to put into practice the lessons learned with a view to strengthening the impact of EITI implementation on the governance of natural resources. In this sense, the 2021/2022 and 2023/2024 work plans contain a set of actions to strengthen the governance of extractive industries, including roadmaps for the inclusion of non-metallic mining data and gender in future EITI Reports, roadmaps for Systematic Disclosures and for disclosing the mechanisms used to determine the amounts transferred to FOMISAR for distribution in compliance with Law 64-00, while identifying other priorities for EITI implementation in the country. Considering the approval of the 2021-2022 work plan was postponed until September 2021, added to the COVID-19 pandemic and post-pandemic challenges, most of these activities are still behind schedule.</p> <p>Based on the information in the Outcomes and Impact file and along with consultation meetings with the national secretariat and industry constituency, the MSG had its contribution to the development of extractive sector policies limited to the discussions around subnational payments while advancing</p>
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	<p>discussions on beneficial ownership within the scope of the EITI Report and in ongoing reform efforts to the National Mining Law that will be discussed in Congress. A representative from the industry constituency highlighted that the government is still not actively and systematically using the MSG as a platform for dialogue on reforms in the mining sector. A reform to the National Mining Law is being discussed at the Ministry level, while a representative from the industry constituency informed that they are following the discussions through the press. Government stakeholders consulted confirmed that debates around mining reform remain at the Congressional level but that there will be a call for public views of this reform law.</p>
<p>Review the outcomes and impact of EITI implementation (Requirement #7.4)</p> <p><i>Fully met</i></p>	<p>The Secretariat's assessment is that Requirement 7.4 is fully met, which is an improvement on the previous Validation.</p> <p>The objective of this requirement is to ensure regular public monitoring and evaluation of implementation, including evaluation of whether the EITI is delivering on its objectives, with a view to ensuring the EITI's own public accountability. Annual Progress Reports (APR) have been prepared and approved by the MSG since 2016, while a workshop was organised in 2019 to further discuss the impacts of the EITI in the Dominican Republic. Beyond this workshop, the MSG is also planning to conduct a broader impact study in response to a corrective action from the previous Validation. Based on available evidence and stakeholder consultations, the Secretariat considers the objective to be fulfilled.</p> <p>On 11 April 2019, a workshop for the MSG was organised to discuss and document the opinions of the three constituencies on the impacts of the EITI in the Dominican Republic. A final report with the reflections of the MSG was submitted for approval at the MSG's 23 May 2019 meeting. The MSG has not yet commissioned a planned study on the outcomes and impact of the EITI to continue to respond to a specific corrective action related to Requirement 7.4 in the previous Validation. This study will complement the 2019 workshop but there is not a clear timeline when this study will begin.</p> <p>The MSG approved the 2021 Annual Progress Report (APR) in February 2023. The APR includes a summary of the activities carried out during the completed year, the actions to comply with the requirements of the EITI Standard, a follow-up to the recommendations emanating from the EITI Reports, including Validation, and the execution of the work plan. The MSG had a chance to contribute to the APR, by reviewing and sharing comments to its draft version. However, the 2021 APR does not assess efforts to strengthen the impact of EITI implementation on natural resource governance.</p>
New corrective actions and recommendations	
<ul style="list-style-type: none"> • To strengthen implementation of Requirement 1.5, the Dominican Republic is encouraged to align the EITI work planning with an explicit monitoring, evaluation and learning framework. • In accordance with Requirement 7.1, the MSG should ensure that outreach activities to disseminate findings from the 2019-2020 EITI Report reach all target audiences and that the 	

information is accessible, considering access challenges and information needs of different genders and subgroups of citizens. These activities should be included in the soon to be published EITI-DR Strategic Communication and Dissemination Plan.

- In accordance with Requirement 7.2, the MSG is required to disclose all EITI data in open format online, including tables and reports. To strengthen implementation of Requirement 7.2, government agencies and companies are encouraged to disclose data related to the extractive sector in open format to facilitate its use. The Dominican Republic is encouraged to undertake additional capacity building efforts to support the use of EITI data, especially with civil society organizations, local communities, media and legislators.
- To strengthen implementation of Requirement 7.3, the MSG is encouraged to ensure that follow-up on EITI recommendations is institutionalised and systematised via annual progress reports and EITI Reports, including information about the entities responsible for implementation, the deadline and the level of progress.
- To strengthen implementation of Requirement 7.4, the MSG is encouraged to periodically carry out workshops to discuss the impacts of EITI implementation on natural resource governance in the country and how gender considerations and inclusiveness are included in EITI reporting.

3. Stakeholder engagement

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

Progress by requirement and corrective actions

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

EITI Requirement / past corrective action and assessment	Summary of progress in addressing the EITI Requirement
<p>Government engagement (Requirement #1.1)</p> <p><i>Fully met</i></p>	<p>The Secretariat’s assessment is that Requirement 1.1 is fully met, as in the previous Validation.</p> <p>The objective of this requirement is to ensure a full, active and effective government lead for EITI implementation, both in terms of high-level political leadership and operational engagement, as a means of facilitating all aspects of EITI implementation. Based on stakeholder consultations and available documentation, the Secretariat’s assessment is that the objective has been fulfilled. The EITI implementation is a presidential aim while the government is represented on the MSG at a senior level. Government representatives are fully, actively and effectively engaged in the EITI process, having participated actively in the MSG’s meetings and technical working groups. Alternate representatives attended most of the meetings in 2019 and 2020, while</p>

	<p>there was improvement in 2021 and 2022 when full members attended most meetings, including the Vice Minister of Mines.</p> <p>There have been regular statements of commitments to the EITI from senior government officials throughout this period. The hosting of the national secretariat within MEM has helped to embed the EITI process within the government system and has facilitated information sharing, but there is still room from improvement in terms of increasing the EITI's impact on reforms. The national secretariat has three members on its staff (one administrative assistant, one EITI Officer and the National Coordinator).</p> <p>In 2020 there was a change of government in the Dominican Republic that necessitated an update of the MSG members from most government entities, except for the Ministry of Finance, as their representatives were ratified by their Ministers in both government administrations. A formal communication was shared via email with the MSG when there was a change in the government constituency. The EITI implementation is a Presidential aim, for both past and new government administrations, which demonstrates the government's commitment to transparency. EITI progress is reported to the President every month.</p> <p>The government is represented at a senior level. The MSG is chaired since August 2020 by Mr. Antonio Almonte, Minister of Energy and Mines. Mr. Gustavo Mejía Ricart, the Director of Foreign Affairs at MEM, is the National Coordinator for the EITI-DR. The Vice Minister of Mines, Mr. Miguel Díaz is an active member in the MSG meeting, while the Vice Minister of Social Development in the Ministry of the Presidency, Ms. Betty Soto has been represented by her alternate. Considering that the government awarded their first oil and gas exploration license in 2019, there is an opportunity to invite the vice minister of hydrocarbons to join the MSG and have the MSG engaged with ongoing reforms in the oil and gas sector in the Dominican Republic. MEM has already shared an invitation letter with the new Ministry of Environment and Natural Resources to participate in the MSG meetings, as recommended in previous Validation. The government has taken steps to overcome some barriers to EITI implementation by allocating resources to strengthen civil society participation and mediating conflicts between civil society and industry.</p> <p>The government has also provided leadership in technical discussions about EITI implementation and legal reforms, including discussions to advance on beneficial ownership disclosure within the scope of the EITI Report and discussions on reforms to the mining law. Stakeholder consultations and documentation suggest that high-level engagement has been strong in the period under review, and the national secretariat is providing effective support to the MSG.</p> <p>The government funds the operations of the national secretariat, while EITI implementation was co-funded by the government and the World Bank until April 2022. From May 2022 onwards, it has been fully funded by the government. The funding provided to EITI implementation seems to be</p>
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	<p>adequate although some work plan activities are still behind schedule due to the COVID-19 pandemic and post-pandemic challenges.</p> <p>MEM has resources allocated to the implementation of the EITI within its annual budget allocation, having an Administrative Manager of the Executive Secretariat EITI-DR under the Directorate of Foreign Affairs.</p> <p>EITI information is shared and discussed among government representatives at the MSG, while engagement with the broader constituency beyond the MSG appears to be limited. Based on stakeholder consultations, some government representatives have used EITI information in different forums related to transparency, while it was noted that outreach and dissemination of EITI data by government also occurs.</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 the previous Validation.</p> <p>The objective of this requirement is to ensure that extractive companies are fully, actively, and effectively engaged in the EITI, both in terms of disclosures and participation in the work of the multi-stakeholder group, and that the government ensures an enabling environment for this. Based on stakeholder consultations and available documentation, the Secretariat’s assessment is that the objective has been fulfilled. Industry representatives are fully, actively and effectively engaged in the EITI process. Attendance to the MSG’s meetings has varied among full member representatives from 35% to 100% between 2019 and 2022, with a noted trend of increased attendance in the past two years. Industry representatives also actively participate in technical working groups.</p> <p>There is an enabling environment for industry participation and the fundamental rights of industry representatives engaged in the EITI are respected. There are no obstacles to company participation in the EITI process. An industry representative consulted stated that the MSG could be more involved in discussions involving reforms to the mining law. Through the MSG, the company constituency has contributed to the development of extractive sector policies limited to the discussions around subnational payments while advancing discussions on beneficial ownership within the scope of the EITI Report.</p> <p>Industry participation is organised via individual company participation and through the Chamber of Mining and Oil (CAMIPE), which has 31 member companies, and includes the main companies with metal mining exploration and exploitation activity in the Dominican Republic. CAMIPE has played an active role since the country began preparations for the EITI application process.</p> <p>There are five companies with metal mining exploitation activity in the Dominican Republic, among which four are part of the MSG (Barrick PVDC, Falconbridge Dominicana, CORMIDOM and DOVEMCO). The other MSG members from industry constituency are CAMIPE, ADOCEM (Dominican</p>

	<p>Association of Portland Cement Producers), and Industrial Geotechnical Service. EITI information is shared by CAMIPE through a mailing list for member companies only, which include all companies with material payments to the government. Engagement with the broader constituency beyond the Chamber appears to be limited, as there is no formal process for this cooperation beyond the MSG group. However, it was noted that the sector is relatively small in the Dominican Republic, and the most significant metal mining companies are already part of the MSG. Engagement with non-metallic mining companies is challenging as the sector is not organised but these companies were not considered to be making material payments. Company representatives provide data for EITI reporting, but there is room to improve as they do not appear to be actively driving the EITI process or using EITI data, beyond the dissemination of the EITI Portal. An industry representative expressed some concerns about eventual misuse of EITI data that could undermine disclosure. More active and coordinated engagement by companies could help to ensure that EITI implementation responds to companies' objectives, including local development issues and improvements in public understanding of the importance of the mining sector in the Dominican Republic. Industry should also continue their engagement to overcome challenges related to disclosures of beneficial ownership information.</p>
<p>Civil society engagement (Requirement #1.3)</p> <p><i>Fully met</i></p>	<p>The Secretariat's assessment is that Requirement 1.3 is fully met, as in the previous Validation.</p> <p>The objective of this requirement is to ensure that civil society is fully, actively and effectively engaged in the EITI process, and that there is an enabling environment for this. The active participation of civil society in the EITI process is key to ensuring that the transparency created by the EITI can lead to greater accountability and improved governance of oil, gas and mineral resources. The provisions related to civil society engagement seek to establish conditions that permit this to occur over time. The Secretariat's assessment is that the objective is fulfilled.</p> <p>International assessments of the broader civic space in the Dominican Republic have remained steady in the period 2019-2023, with Freedom House's <i>Freedom in the World</i> assessment remaining level with 67/100 points in 2019 and 68/100 points in 2022, with an assessment of 'partly free'. Civicus' assessment likewise rates the Dominican Republic's civic freedoms as 'Narrowed' with a score of 78/100 and the U.S. Department of State's Country Reports on Human Rights Practices from 2019-2023 found that freedom of expression was generally respected, though there were some instances of press intimidation. Consulted members of civil society did not think that there were legal or regulatory limitations to the civic space.</p> <p><u>Expression:</u> There does not appear to have been significant changes in the enabling environment for civic expression since the previous Validation in 2019. Of note, Dominican Republic's Constitutional Court struck down portions of a law that criminalised dissemination of negative messages in</p>

	<p>2019, which was praised by press freedom advocates. Civil society representatives can speak freely in public about the EITI process and issues pertinent to natural resource governance, both during MSG meetings and during public events, such as the webinar held to discuss the negative impact of gold mining operations in Argentina, the Dominican Republic, and Papua New Guinea on 19 October 2022. This webinar brought together stakeholders from different countries and illustrated civil society’s freedom of expression both within the Dominican Republic and abroad. During consultations, civil society representatives confirmed their freedom of expression within the EITI and during public events and in the media and did not cite any instances of self-censorship of the existence of topics considered too sensitive to discuss in public.</p> <p><u>Operation:</u> While civil society stakeholders confirmed their freedom of operation they cautioned that, in general, civil society faces funding shortfalls, though the government does not prevent access to funding, either domestic or foreign. Likewise, there are no legal or administrative restrictions concerning registration of CSOs or concerning issues preventing CSOs from holding meetings related to the EITI process.</p> <p><u>Association:</u> Despite capacity constraints, civil society representatives can communicate and cooperate with each other regarding the EITI process and natural resource governance. Consultations confirmed freedom of association for all stakeholders in the Dominican Republic and civil society representatives noted that they were able to associate with organisations on the MSG and those outside the MSG structure. Civil society stakeholders commented that they were in contact with the workers unions of Barrick Gold and FALCONDO, among others, and that protests and marches were attended by CSOs within and outside the MSG. The Secretariat is not aware of any cases of the authorities restricting civil society from organising public events related to extractive sector governance.</p> <p><u>Engagement:</u> Civil society is represented in the EITI process through Espacio Nacional por la Transparencia de la Industria Extractiva (ENTRE), which serves as an umbrella organisation for civil society groups and includes a subcommittee, Comité Nuevo Renacer (CNR), that operates on behalf of ENTRE in affected communities. Attendance records for MSG meetings, held virtually and in-person, indicate that CSO representatives or their alternates attended MSG meetings regularly. Letters between CSOs and government officials that were included as evidence in this Validation note that many company publications relevant to affected communities were only published in English, which represented a technical capacity constraint to the effective engagement of host communities.</p> <p><u>Access to public decision-making:</u> CSOs engaged in the EITI undertake advocacy activities related to extractive sector governance and civic space, including on the allocation of subnational transfers, lack of public disclosure of companies’ audited financial statements and of beneficial ownership information and on the environmental impact of mining activities. Civil society</p>
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	<p>members consulted pointed out that these issues were highlighted in the previous Validation and remain outstanding. These stakeholders stressed the need to recognise that issues highlighted in previous Validations that are not acted upon tend to compound and become worse and some representatives consulted did not consider that their position on certain matters of importance was taken into consideration. These stakeholders noted that there is an imbalance in access to information between civil society operating in the capital and those located in communities hosting extractive activities, where the latter is not aware of industry and government decisions in a timely manner. These delays inhibit the response of those in affected communities. Concerning environmental impact, CSOs stressed that in locations such as Cotuí, historic and ongoing mining activities have led to undrinkable water and health problems. From correspondence between CSOs and government officials, provided by CSOs for this Validation, it appears that CSOs did not consider themselves to be adequately consulted or part of the decision-making process when it came to the expansion of the Barrick Gold mine or consultations on the size and location of tailings dams. In its response to the draft assessment, industry stakeholders provided media documentation showing consultations with local communities before the expansion of the Barrick Gold mine. These stakeholders noted that environmental impact assessments and social and economic evaluations were carried out in anticipation of this project and provided copies of these assessments, which indicated an improvement in water quality since Barrick’s mining operations began. These disagreements between industry and civil society appear to be ongoing and indicate tensions between members of these two constituencies.</p>
<p>Multi-stakeholder group (Requirement #1.4) <i>Fully met</i></p>	<p>The Secretariat’s assessment is that Requirement 1.4 is fully met, as in the previous Validation. Documentation and stakeholder consultations suggest that the MSG is functioning effectively, although there is room to further improve the regularity of MSG meetings and the diversity of representation.</p> <p>The objective of this requirement is to ensure that there is an independent MSG that can exercise active and meaningful oversight of all aspects of EITI implementation that balances the three main constituencies’ (government, industry and civil society) interests in a consensual manner. As a precondition for achieving this objective, the MSG must include adequate representation of key stakeholders appointed on the basis of open, fair and transparent constituency procedures, make decisions in an inclusive manner and report to wider constituencies. The Secretariat’s assessment is that the objective is fulfilled.</p> <p>The MSG is elected for a period of two years, with the possibility of being reappointed, although some members have not been replaced since 2016, as a deviation from the ToR for the MSG. A principal and an alternate member are chosen, and their work is honorary, with no practice of per diems. Since 2016 the MSG has been renewed three times, in 2018, 2020 and 2023 (partially). The Secretariat’s assessment is that stakeholders are adequately represented on the MSG, although there is room to further improve the</p>

	<p>diversity of representation by engaging non-metallic industries, the nascent oil and gas sector and local CSOs that are not yet part of MSG.</p> <p>Industry participation is organised through the Chamber of Mining and Oil (CAMIPE), and the MSG representatives are elected in an open and transparent manner through a publicly accessible invitation for CAPIME’s general assembly. A general assembly still needs to be convened to formalise the nomination process for the period 2023-2025. There has been no change in industry representation since 2016, which can be explained by the limited size of the sector in the country, although the major companies are full members of the MSG. During consultations, a member from the industry constituency signalled their intention to continue to extend the invitation to the CAMIPE’s general assembly to all extractive companies. EITI information is shared by CAMIPE through a mailing list that includes only member companies, which restricts its representativeness of the broader industry constituency.</p> <p>Civil society participation is organised through the National Space for the Transparency of the Extractive Industry (ENTRE), which also shares EITI information to the broader civil society constituency. An open call for nomination for the period 2023-2025 was published by ENTRE. Three new civil society organizations were incorporated into the MSG as full members for the period 2020-2022, while the other five organizations have remained in the MSG since 2016, rotating their mandates as full and alternate members for the period 2023-2025. A government stakeholder consulted noted that there is room to improve civil society representation in the MSG to include local organizations from areas directly affected by the extractive sector. Development partners consulted noted that the implementation of the EITI is a process that requires technical expertise, which local CSOs often lack, which explains their lack of inclusion in the MSG. It appears that the recommendation from the previous Validation to support capacity-building of CSOs outside the MSG to ensure continuity and broad representation has been, and continues to be, acted upon. Stakeholders from the industry and government constituencies consulted also reiterated the need to include MSG members in this capacity-building effort to ensure that all constituencies remain updated on changes to the EITI Standard.</p> <p>For most of the period under review, the MSG operated in accordance with the TOR for the EITI-DR National Commission (MSG) established in 2015, and ratified in 2016 by Decree No. 248-16, with evidence of deviations in the frequency of MSG meetings and in the period of representation in the MSG.</p> <p>Documentation and stakeholder consultations suggest that the MSG is functioning effectively. The MSG oversees the production of EITI Reports, approves ToRs for the IA, work plans and other documents and follows up on recommendations. MSG meetings are convened sufficiently in advance and documents are circulated with sufficient advance notice. Stakeholder consultations suggest that the national secretariat provides the MSG with</p>
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	<p>effective support, while MSG members can speak freely and raise issues for discussion at meetings.</p> <p>The minutes available on the EITI-DR website indicate that the MSG met consistently in 2019, while some gaps longer than two months were observed in 2020, 2021 and 2022. All consulted stakeholders conceded that there had been a slow-down in the MSG's work during and post-COVID-19, although the migration to online activities partially mitigated this impact. This slow-down is offset by recent improvements linked to MSG engagement in discussions around subnational payments and beneficial ownership within the scope of the EITI Report. There is a need to improve the regularity of the MSG meetings to at least every two months.</p> <p>The direct participation and leadership of the Minister was required in some situations to mediate conflict between civil society and industry related to environmental issues. Despite the challenges imposed by the different points of view between industry and civil society representatives on topics related to subnational payments, BOT, and the delay of having non-metallic companies incorporated into EITI, all the decisions reached by the MSG to date have been made with a sufficient quorum, prioritizing consensus. According to government stakeholders, the MSG has taken all decisions by consensus since its inception, aside from a single decision taken by simple-majority vote.</p> <p>Other government institutions were invited to participate in the MSG meetings and MEM is currently liaising with the new Ministry of Environment and Natural Resources, as encouraged in the previous Validation, while the work of the technical support committee is still pending.</p>
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New corrective actions and recommendations

- To strengthen implementation of Requirement 1.1, the Dominican Republic is encouraged to ensure that all government entities involved in the oversight of the extractive industries are adequately represented in all aspects of the EITI process.
- To strengthen implementation of Requirement 1.2, the company constituency is encouraged to continue to strengthen its engagement in the EITI, including engagement by non-metallic companies that are currently not members of CAMIPE.
- To strengthen implementation of Requirement 1.3, the civil society constituency is encouraged to continue conducting capacity-building events in affected communities and ensure that regional CSOs can contribute to MSG meetings and priority issues.
- To strengthen implementation of Requirements 1.4, the Dominican Republic is encouraged to ensure that the MSG's ToRs adequately reflect the practice of the MSG's operations, including the frequency of meetings and period of representation.

4. Transparency

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

Overview of the extractive sector (Requirements 3.1, 6.3)

Overview of progress in the module

The 2019-2020 EITI Report discloses important information on exploration activities, mineral deposits, and hydrocarbon potential, and much of the information is published systematically through the Ministry of Energy and Mines website. The 2019-2020 EITI Report and systematic disclosures on government websites disclose all available information on the extractive sector's contribution to the economy. A lack of gender-disaggregated data and information on informal sector activities is due to this information not being found through government or third-party sources.

Progress by requirement and corrective actions

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

EITI Requirement / past corrective action and assessment	Summary of progress in addressing the EITI Requirement
<p>Exploration (Requirement #3.1)</p> <p><i>Fully met</i></p>	<p>The Secretariat's assessment is that Requirement 3.1 is fully met, as in the previous Validation. Stakeholders consulted did not express concerns on progress towards the objective of this requirement in the mining, oil and gas sectors. The Secretariat's view is that the objective of ensuring public access to an overview of the extractive sector in the country and its potential, including recent, ongoing and planned significant exploration activities has been fulfilled.</p> <p>The 2019-2020 EITI Report discloses information about significant exploration activities, an overview of the extractive industries, major mineral deposits and hydrocarbon potential areas. For the mining sector, information about national mineral availability, and mineral resources available by region is systematically disclosed. An overview of exploration activities for this sector is also included. For the hydrocarbon sector, an overview of exploration activities is available in the EITI Report and through the National Hydrocarbon Database. The report includes reference to Apache Corporation, the only active oil and gas company in the country. As of 2021, the company was in the process of conducting seismic and environmental studies and prospective oil and gas explorations are expected to continue in the future. For the mining sector, an overview of the main active mining companies can be found</p>

	<p>in the EITI Report. A list of updated exploration licenses is publicly disclosed through the government’s website on mining. Some information about the three potential mineral reserves (<i>reservas fiscales</i>) can be found in the mining cadastre and in the EITI Report, including the legal framework and geographic coordinates. The Report does not include information about artisanal and small-scale mining potentials. Stakeholders consulted mentioned that ASM exploration estimates do not exist, and that this information is not material and only encouraged by the EITI Standard.</p>
<p>Contribution of the extractive sector to the economy (Requirement #6.3)</p> <p><i>Fully met</i></p>	<p>The Secretariat's assessment is that Dominican Republic has fully met Requirement 6.3, as in the previous Validation.</p> <p>The objective of this requirement is to ensure a public understanding of the extractive industries’ contribution to the national economy and the level of natural resource dependency in the economy. Government stakeholders consulted considered the objective to be met given continuous governmental efforts to disseminate information to journalists and the public at large, though they acknowledged that EITI reporting is sometimes used in place of full systematic disclosure on government websites. In its response to the draft assessment, the MSG noted that government entities involved in the EITI provide links on their respective websites that direct the public to the EITI-DR website. While there is a gap in disclosure of gender-disaggregated employment data for the overall mining and quarrying sector, the MSG explains that there is not reliable data on gender disaggregation available in the Dominican Republic and the International Secretariat does not consider this gap to be material. Material mining companies voluntarily reported gender-disaggregated employment data, thus the International the Secretariat considers the objective to be fulfilled.</p> <p>The government discloses information on the contribution of the extractive industries to the economy through systematic disclosure as well as through EITI reporting. EITI reporting for this Validation has covered economic contribution for fiscal years 2019 and 2020. EITI reporting provides references to systematic disclosures of the extractive industries’ contribution to GDP, and the contribution of the extractive sector to government revenues is provided through EITI reporting with data provided from government entities. Government representatives consulted confirmed that the extractive sector’s contribution to government revenues was clearly described through the Central Bank website. Export figures and investment figures are provided and are clearly sourced. Figures provided in EITI reporting are generally given in absolute terms but relative terms can easily be calculated. Total employment figures are provided for the extractives sector but gender breakdowns are only available for material companies participating in EITI reporting. The 2020 EITI Report clarifies that aggregate government employment figures for the extractives sector are generally grouped together with other industries and these data were disaggregated especially for the EITI reporting. Further breakdowns of employment by occupational status are not available. The 2020 EITI Report did not include references or estimates to an ASM sector, which according to a third-party report from 2014 is</p>

	<p>predominantly an informal activity, but did note that employment figures may be undercounted due to a lack of official registration of some workers in the extractive sector. It does not appear that there are more recent third-party reports on ASM and informal sector activities, though it does appear that such activities are present in the mining of semi-precious larimar, amber and gold deposits. An overview of the location of mining, oil and gas activities is available on government websites and through the 2020 EITI Report.</p>
<p>New corrective actions and recommendations</p>	
<ul style="list-style-type: none"> • To strengthen Requirement 3.1, the Dominican Republic is encouraged to systematically disclose information about informal sector activities, including artisanal and small-scale mining potentials. • To strengthen implementation of Requirement 6.3, the Dominican Republic is encouraged to provide employment figures disaggregated by gender for the extractives sector, when available. To strengthen implementation, The Dominican Republic is encouraged to address the topic of informal mining activity and cite third-party estimates when these are available and up to date. 	

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

Overview of progress in the module

The Dominican Republic discloses comprehensive information about the legal and fiscal framework, including contracts and rules for managing and monitoring environmental impact from extractive activities, though further efforts could be made to document how environmental management rules and regulations are implemented in practice. Given the emerging hydrocarbons industry in the country, any reforms to the oil and gas industry or to how royalties, established through Law 64-00 on the Environment and Natural Resources, may be distributed to affected communities should be documented through EITI reporting and reflected on government websites.

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
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<p>Legal framework and fiscal regime (Requirement #2.1)</p> <p><i>Fully met</i></p>	<p>The Secretariat's assessment is the Dominican Republic has fully met Requirement 2.1, as in the previous Validation.</p> <p>The objective of this requirement is to ensure public understanding of all aspects of the regulatory framework for the extractive industries, including the legal framework, fiscal regime, roles of government entities and reforms. Based on available disclosures, the Secretariat considers the objective to be fulfilled. Government representatives consulted echoed the Secretariat's view that the objective has been fulfilled.</p> <p>The 2020 EITI Report describes the legal, environmental and fiscal regime and fiscal devolution for mining, oil and gas, including the roles of government entities. Government websites provide the broader laws and regulations that are summarised in the 2020 EITI Report. EITI reporting outlines ongoing and planned reforms in the mining sector, in particular to Law 64-00 on the Environment and Natural Resources. Lack of clarity around reform efforts in oil and gas leaves room for further progress if Dominican Republic is to achieve 'exceeded' on Requirement 2.1. Government and civil society stakeholders both stressed the need for further regulation of the non-metallic mining sector and government representatives noted that this topic was being debated in the context of reform of the Mining Law.</p>
<p>Contracts (Requirement #2.4)</p> <p><i>Exceeded</i></p>	<p>The Secretariat's assessment is that Requirement 2.4 is exceeded.</p> <p>The objective of this requirement is to ensure the public accessibility of all licenses and contracts underpinning extractive activities (at least from 2021 onwards) as a basis for the public's understanding of the contractual rights and obligations of companies operating in the country's extractive industries. The Secretariat considers that the objective has been exceeded given that full license and contract transparency is written into Dominican Republic's constitution and is fully complied with in practice.</p> <p>The Dominican Republic EITI has documented relevant government policy on license and contract disclosure for mining and hydrocarbons and mapped out relevant laws and regulations. All contracts in the oil and gas sector and all contracts and licenses in the mining sector, including annexes, amendments and riders, have been systematically disclosed on the MEM website and are well-summarised through EITI reporting. The MEM website provides comprehensive lists of all active contracts and licenses in the mining, oil and gas sectors, indicating which contracts and licenses have been published, which is all of them. The 2020 EITI Report provides links to where these contracts and licenses can be viewed in full on the mining and oil and gas transparency portals. Contracts and licenses published before 1 January 2021 are also published in full.</p>
<p>Environmental impact (Requirement #6.4)</p> <p><i>Not assessed</i></p>	<p>The Secretariat's assessment is that Requirement 6.4 is not assessed. The Requirement was introduced in the 2019 Standard and was thus not assessed in the previous Validation. The requirement is encouraged, and is thus only assessed as exceeded, if fully implemented.</p>

	<p>The objective of this requirement is to provide a basis for stakeholders to assess the adequacy of the regulatory framework and monitoring efforts to manage the environmental impact of extractive industries, and to assess extractive companies' adherence to environmental obligations. Government stakeholders consulted reaffirmed the environmental regulatory framework established by Law 64-00 and noted that these regulations are clearly documented on the Ministry of Environment and Natural Resources website.</p> <p>The Dominican Republic has made efforts to disclose an overview of relevant legal provisions and administrative rules related to environmental management and monitoring of extractive investments in the country but it has not yet used EITI reporting to provide an annual diagnostic of practices in this regard. Indeed, there does not appear to be a publicly accessible database of environmental impact assessments, certification schemes or similar documentation of environmental management in practice. It is not clear whether environmental permitting, in practice, adheres to laws and regulations or whether currently active mining and oil and gas companies are in compliance with relevant legislation. Government representatives consulted noted that fees and sanctions associated with environmental impact assessments are clearly described on the Ministry of Environment and Natural Resources website. In their response to the draft assessment, mining representatives noted that all companies must carry out environmental impact assessments in order to carry out operations. However, it does not appear that there is a database of active environmental impact assessments held by extractive companies.</p> <p>Civil society members consulted highlighted the lack of public access to Environmental Impact Assessments and other environmental management documentation stipulating terms related to environmental clean-up and the closure of inactive mines as a key area of concern. These stakeholders explained that the lack of public disclosure of these documents prohibits effective community oversight of mining companies and limits the public's understanding of mining companies' environmental obligations.</p>
New corrective actions and recommendations	
<ul style="list-style-type: none"> • To strengthen implementation of Requirement 2.1, the Dominican Republic is encouraged to document ongoing and planned reform efforts, especially in the nascent hydrocarbon sector. • To strengthen implementation of Requirement 6.4, the Dominican Republic is encouraged to extend transparency efforts to the public disclosure of documents related to environmental management and monitoring of the environmental impact of extractive activities, such as those mandated by Law 64-00. The Dominican Republic is encouraged to use EITI reporting to provide a diagnostic of the practices related to the management of environmental impacts of extractive activities. 	

Licenses and property rights (Requirements 2.2, 2.3)

Overview of progress in the module

The Dominican Republic systematically discloses comprehensive information about oil, gas and mining licenses and contracts on the MEM and DGM websites, with EITI reporting providing additional information on the technical and financial criteria used in license awards and transfers. The DGM maintains a robust mining license and contract register that the MEM would do well to emulate for the oil and gas sector in anticipation of further contract awards in the near future. Robust license and contract registers enable the public to see which companies have been granted access to the country's natural resources and the procedure used to select these companies.

Progress by requirement and corrective actions

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

EITI Requirement / past corrective action and assessment	Summary of progress in addressing the EITI Requirement
<p>Contract and license allocations (Requirement #2.2)</p> <p><i>Fully met</i></p>	<p>The Secretariat's assessment is that Requirement 2.2 is fully met. It should be noted that there were no licensing activities in oil and gas in the period reviewed in the previous Validation.</p> <p>The objective of this requirement is to provide a public overview of awards and transfers of oil, gas and mining licenses, the statutory procedures for license awards and transfers and whether these procedures are followed in practice. This can allow stakeholders to identify and address possible weaknesses in the license allocation process. Based on available documentation and stakeholder consultations, the Secretariat's assessment is that the objective has been fulfilled. Consulted government stakeholders agreed that the objective was fulfilled. Disclosures related to the award and transfer of oil, gas and mining licenses are comprehensive and technical and financial criteria used in the award and transfer process are clearly defined and EITI-DR confirmed that there were no deviations from statutory procedure in the award and transfer of licenses in the period under review.</p> <p>It does appear that the recommendation from the previous Validation to more clearly document technical and financial criteria in the award of mining licenses has been accomplished. The Dominican Republic systematically discloses information on the award and transfer of mining licenses and uses EITI reporting to summarise this information and act as a central location for links to various government websites where this information is systematically disclosed. Award is executed through a first-come, first-served process for most mining areas. In</p>

	<p>2020, nine mining licenses were awarded and one mining license was transferred. Areas considered to be of importance, so-called ‘fiscal reserves,’ are governed by a contractual system where contracts can be awarded using bid rounds, though there were no awards in fiscal reserves in the period under review. Technical and financial criteria are disclosed for the award and transfer of mining licenses.</p> <p>In oil and gas, bid rounds are used to award licenses and the bid round that began in 2019 resulted in the award of one oil and gas exploration license. The Terms of Reference associated with the 2019 bid round are publicly available and contain the bid criteria required to be considered. While there are documents that should list applicants, these documents only list Apache Corporation (the winning applicant). Government stakeholders explained during consultations that Apache was the only company that met the pre-application standards and was therefore the only company eligible to bid on the license. The list of companies that expressed interest but were not eligible to bid is not publicly accessible but this does not constitute a gap in Requirement 2.2 given that these companies did not meet the pre-application standards to submit bids in the 2019 bid round. These stakeholders added that there is not significant interest from multinational oil companies in Dominican deposits but that they hoped this would change.</p> <p>During stakeholder consultations and in its response to the draft assessment, the MSG confirmed that there were no non-trivial deviations in mining, oil and gas license awards and transfers. There is no comment on the efficiency and effectiveness of the licensing and contracting systems in the EITI Report, although this is only an encouraged aspect of Requirement 2.2.d.</p>
<p>Register of licenses (Requirement #2.3)</p> <p><i>Fully met</i></p>	<p>The Secretariat's assessment is that Requirement 2.3 is fully met, as in the previous Validation.</p> <p>In mining, the cadastre is comprehensive and includes all data points listed in section 2.3.b of the Requirement. Companies not covered by the EITI reporting process are also included in this cadastre. DGM hosts a regularly updated mining cadastre that provides public access to information on mining licenses of different types. Government stakeholders consulted noted that efforts to digitise the mining register are underway. In oil and gas, the MEM provides comprehensive information on the one active oil and gas exploration and production contract with Apache. Given ongoing efforts to develop a petroleum register, the Dominican Republic is encouraged to set clear objectives to create such a register prior to upcoming bid rounds.</p>
<p>New corrective actions and recommendations</p>	
<ul style="list-style-type: none"> • To strengthen implementation of Requirement 2.2, the Dominican Republic is encouraged to publicly disclose commentary on the efficiency and effectiveness of license and contract allocation systems. • To strengthen implementation of Requirement 2.3, the Dominican Republic is encouraged to continue developing a publicly available petroleum license register, which includes information 	

on license holders, license coordinates, date of application, award and duration of the license and in the case of production licenses, the commodity being produced.

Beneficial ownership (Requirement 2.5)

Overview of progress in the module

Adherence to the full Requirement 2.5 on beneficial ownership is assessed in Validation as of 1 January 2022 as per the framework agreed by the Board in June 2019.¹ The assessment consists of a technical assessment and an assessment of effectiveness.

Technical assessment

The technical assessment is included in the Transparency template, in the tab on Requirement 2.5.

Law 155-17, created to combat money laundering and terrorist financing, was passed in June 2017, and established definitions for beneficial owners and politically exposed persons and a legal and regulatory framework for its collection by the Directorate General of Internal Taxes (DGII). Law 155-17 applies to all companies operating in the Dominican Republic, not just those in the extractive sector. However, this law stops short of mandating the public disclosure of this information and to date, there are no efforts to include public disclosure of BO information in existing or new laws.

A threshold of 20% was established through Law 155-17 and applies to resident and non-resident beneficial owners. Moreover, the law indicates that all legal entities interested in conducting business in the Dominican Republic are required to register with the DGII and in the Company Register of legal persons. The 2020 EITI Report indicates that all data points detailed in Requirement 2.5.a are included in the DGII BO Register but it is not possible for the public to verify this given that the register is not publicly accessible.

EITI Dominican Republic did not request BO information from material companies using the standard data collection template provided by the International Secretariat, or through other means, nor are there links included in EITI reporting to international stock exchanges for those companies that are publicly listed. Legal ownership of individual companies can be requested by the public.

Assessment of effectiveness

To strengthen accurate collection of BO information, the Federal Chamber of Commerce of Dominican Republic (FEDOCAMARAS) and DGII signed an administrative cooperation agreement

¹ <https://eiti.org/document/assessing-implementation-of-eitis-beneficial-ownership-requirement>.

through which the DGII is granted access to the FEDOCAMARAS company register to cross-reference any companies that are missing from the DGII BO Register.

Reporting of BO data to the DGII register applies to all companies registered in the Dominican Republic and Article 104 of Law 155-17 amends Article 50 of the Tax Code to close gaps in the collection of BO information from some non-resident legal persons and entities without legal personality that were previously not required to report BO data. In its response to the draft assessment, the MSG noted that Article 104 of Law 155-17 mandates the collection of BO information from all legal persons. The 2018 [GAFILAT Mutual Evaluation Report](#) found the Dominican Republic to be largely compliant with Recommendations 24 and 25 concerning the beneficial ownership of legal persons and legal arrangements.

The MSG notes in the 2020 EITI Report that all criteria defined in Requirement 2.5 are included in the DGII BO Register but it was not immediately clear how this conclusion was reached given that the register is not publicly accessible. In its response to the draft assessment, the MSG noted that in place of the EITI's standard BO template, the DGII uses its own BO template, which is public. This template contains most aspects required under Requirement 2.5, but does not appear to contain an area for a beneficial owner to indicate whether they are considered a politically exposed person. In using this template, it is unclear whether comprehensive information on PEPs' ownership interests in companies holding extractive licenses is available in the DGII BO Register. While information from the register of legal entities is available upon request, this does not include BO data. Given that the Dominican Republic EITI did not request BO data from material companies, there is no public accessibility of any BO information. A BO roadmap was established during the last assessment but this was only valid through 2019. In its response to the draft assessment, the MSG referenced meeting minutes ([here](#) and [here](#)) that provide evidence of the steps the MSG is taking to overcome barriers to public disclosure of BO information now that the BO roadmap is no longer in force. In short, all constituencies are in agreement for companies to provide BO information in the 2021 EITI Report. To achieve this, companies will lift certain financial secrecy provisions that had prevented BO disclosure in past EITI Reports.

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
Beneficial ownership (Requirement #2.5) <i>Partly met</i>	The Secretariat's assessment is that Requirement 2.5 is partly met. The objective of this requirement is to enable the public to know who ultimately owns and controls the companies operating in the country's extractive industries, particularly those identified by the MSG as high-risk, to help deter improper practices in the management of extractive resources. There is a

	<p>strong legal and regulatory structure for the collection of BO information by the DGII and with the completion of the BO roadmap in 2019, the MSG has carried on efforts to overcome barriers to public disclosure of BO information, as noted in the MSG's response to the draft assessment. The MSG also noted that there were efforts by the MSG to collect BO information from material companies in the scope of EITI reporting but that financial secrecy provisions prohibited the disclosure of this information in the 2020 EITI Report. Many civil society stakeholders consulted indicated that without public disclosure of this information, the objective of this requirement was far from being achieved. Consulted government representatives noted that the upcoming 2021 EITI Report will include BO information from material companies, which represents some progress toward the public disclosure of this data.</p> <p>The MSG has agreed upon a definition for beneficial ownership, including disclosure thresholds, and for politically exposed persons through Law 155-17 and its accompanying regulations. There is a strong legal and regulatory framework for the collection of beneficial ownership information from all companies in the Dominican Republic, including from extractive companies. Mining industry representatives consulted confirmed that all foreign mining companies were required to form a domestic legal entity to bid on or apply for extractive licenses, which ensures that mining interests cannot be held by a foreign entity that is not subject to BO reporting requirements. However, this legal and regulatory framework does not extend to the public disclosure of this information in any form and efforts to collect BO data from all companies selected to report in this Validation cycle was stymied by financial secrecy provisions prohibiting the disclosure of this information. Meeting minutes from the Working Group on BO show that the MEM began drafting a resolution to require all mining companies to report BO information that would be included in the Mining Register hosted by DGM. Civil society stakeholders consulted considered the construction of a separate BO Mining Register to be an unnecessary compromise considering that DGII already holds this data. The 2020 EITI Report notes that this resolution is still under revision. While a BO Roadmap is included for consideration in this Validation cycle, it appears to only run through 2019. In its comments to the draft assessment, the MSG provided meeting minutes that indicated successful efforts to lift financial secrecy provisions to enable companies to disclose BO data, which is expected to take place in the upcoming 2021 EITI Report.</p> <p>Given the lack of a MEM resolution and the fact that material companies did not disclose their BO information, there is no public accessibility of BO data in the Dominican Republic. BO data is not publicly available for extractive companies or for those bidding on or applying for mining, oil and gas projects. EITI reporting reflects the MSG's confirmation that all data points required under the 2019 EITI Standard are included in the DGII BO register but there is no discussion or documented efforts to overcome barriers to public disclosure found in the DGII BO register. Information on legal ownership is publicly available in the Dominican Republic through the FEDOCAMARAS register, though individuals must specifically request this information from the FEDOCAMARAS register for each company of interest. Given that a company</p>
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	<p>may operate under the jurisdiction of multiple Chambers of Commerce if the company has operations in different regions of the country, the practice of making individual requests could prove to be time-consuming and represent a barrier to access to information.</p> <p>Civil society stakeholders consulted highlighted the presence of Dominican public officials as beneficial owners of mining companies in the Panama Papers leak as a clear reason for the publication of BO information. While it is not against the law for public officials to hold interest in extractive projects or companies, civil society stakeholders were of the opinion that this information should be public knowledge. These representatives noted that while BO information can be found for multinational mining companies in the metallic mining sector, the same is not true for beneficial owners of non-metallic mining companies that also have large operations in the Dominican Republic. Mining industry representatives from large multinational companies indicated their willingness to supply BO information and to forego fiscal secrecy laws that prevent such disclosure. These stakeholders noted that direction needed to come from government to ensure proper disclosure of this information. Based on the comments made by the MSG in their response to the draft assessment and by government representatives consulted on the disclosure of BO information in the upcoming 2021 EITI Report, it appears that there has been positive progress since the previous Validation.</p>
<p>New corrective actions and recommendations</p>	
<ul style="list-style-type: none"> • In accordance with Requirement 2.5, the Dominican Republic is required to disclose beneficial, as well as legal, ownership information for all corporate entities and shareholders that apply for or hold a participating interest or shares of equity in an oil, gas or mining license. Furthermore, the Dominican Republic is required to request all companies holding extractive licenses to disclose beneficial ownership information, including at the application stage. This should include all data points listed in Requirement 2.5, including the identity of any politically exposed persons. The Dominican Republic should introduce adequate assurances and publish regular assessments to ensure the reliability and comprehensiveness of this data. Significant gaps or weaknesses in reporting of this information must be disclosed and entities that have failed to disclose beneficial ownership information should be named. To strengthen implementation of Requirement 2.5, the Dominican Republic is encouraged to establish a central public register of beneficial ownership information on all companies holding or applying for mining and petroleum rights. 	

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

Overview of progress in the module

Since the previous Validation, the sole SOE operating in the extractive sector, CORDE, has been fully dissolved with all titles held by CORDE being transferred and revoked by the Commission for Liquidation of State Entities (CLOE). Given the dissolution of CORDE, government stakeholders

confirmed that there are no quasi-fiscal expenditures undertaken by state enterprises in the extractive sector.

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
State participation (Requirement #2.6) <i>Not applicable</i>	<p>The Secretariat's assessment is that Requirement 2.6 is not applicable in the Dominican Republic in the period under review, as in the previous Validation. Where there was a lack of material revenues that made this requirement not applicable in the previous Validation, the one SOE that was previously active, CORDE, has now been fully dissolved with all equity interests transferred to a national wealth fund, FONPER. The 2020 EITI Report clearly describes the process by which these participating interests were transferred to FONPER and notes that CORDE's titleship to mining concessions was transferred to the Commission for Liquidation of State Entities (CLOE) where these mining concessions were revoked. It does not appear that there are any outstanding loans held by CORDE at the time of dissolution but EITI reporting is less clear whether loans or loan guarantees were given to other extractive companies by the government.</p>
Sale of the state's in-kind revenues (Requirement #4.2) <i>Not applicable</i>	<p>The Secretariat's assessment is that Requirement 4.2 is not applicable in the Dominican Republic in the period under review, as in the previous Validation. There is no evidence of in-kind revenues in the mining sector, while oil production in the country is still in the exploration stage. The previous Validation Report found no indication of payments made in-kind, while the scoping study prepared for the 2019-2020 EITI Report found this requirement to be not applicable.</p>
Transactions related to state-owned enterprises (Requirement #4.5) <i>Not applicable</i>	<p>The Secretariat's assessment is that Requirement 4.5 is not applicable in the Dominican Republic in the period under review, as in the previous Validation. The scoping study prepared for the 2019-2020 EITI Report found this requirement to be not applicable and included a reference to the MSG discussions regarding the inapplicability of this requirement. The Report also describes the dissolution of CORDE and the subsequent transfer of activities to the Finance ministry (<i>Ministerio de Hacienda</i>), CLOE and FONPER. However, the government should clarify the number of shares and participation that relevant government entities hold from CORDE's dissolution.</p>
Quasi-fiscal expenditures (Requirement #6.2)	<p>The Secretariat's assessment is that Requirement 6.2 is not applicable, as in the previous Validation. Government stakeholders consulted confirmed that there are no state-owned enterprises in the extractives sector in the Dominican Republic, with the sole SOE, CORDE, being dissolved in 2019. Therefore, there</p>

<i>Not applicable</i>	were no off-budget extractive-funded expenditures by SOEs on behalf of the government. Civil society indicates that there are pending cases of quasi-fiscal expenditures that should be reported but does not provide information to support these assertions.
New corrective actions and recommendations	
N/A	

Production and exports (Requirements 3.2, 3.3)

Overview of progress in the module

The Secretariat's view is that the Dominican Republic has made progress on Requirement 3.2 by disclosing non-metallic mineral sales values, as recommended in the previous Validation. However, stakeholder concerns about production value calculations highlight the need for further improvement. Stakeholders would benefit from having disaggregated production and export figures for metallic and non-metallic minerals, enabling more informed decision-making and strengthening public debate.

Although artisanal and small-scale mining (ASM) was deemed not material by the MSG, estimating ASM production remains relevant for civil society advocacy work and combating illicit financial flows from illegal mining. Efforts are underway to enhance ASM data collection and disclosure, addressing this critical aspect. It is essential for the Dominican Republic to strengthen its policy and institutional framework to combat illicit mining and promote responsible mining practices in the artisanal and small-scale mining sector.

Regarding Requirement 3.3, the country fully meets the objective, disclosing total export volumes and values for metallic and non-metallic commodities. However, the lack of disaggregation by region, company, or project due to confidentiality policies hinders a deeper understanding of the sector. Furthermore, export data calculation methods and ASM information are not provided, calling for further transparency improvements.

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	Summary of progress in addressing the EITI Requirement
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action and assessment	
<p>Production (Requirement #3.2)</p> <p><i>Fully met</i></p>	<p>The Secretariat’s assessment is that Requirement 3.2 is fully met, which is an improvement from the previous Validation. The Secretariat concludes that the objective for this requirement has been fulfilled given that the Dominican Republic publishes the sales value of non-metallic minerals by commodity, which was missing in the previous Validation. However, civil society representatives considered that sales values published by MEM were different from the real production value, raising concerns about how production values are calculated and thus implying that the objective is not yet exceeded.</p> <p>The Dominican Republic discloses total production volumes and sales values of metallic and non-metallic minerals for both 2019 and 2020 fiscal years, and this information is systematically disclosed. Although this information is disaggregated by commodity, it is not further disaggregated by company or region. In their response to the draft assessment, civil society representatives expressed concerns about production volumes and values of non-metallic minerals such as larimar and amber not being disclosed at the required level of disaggregation. Additionally, the rationale behind the average price used for calculating sales values for both metallic and non-metallic minerals is not clear.</p> <p>The 2019-2020 EITI Report describes relevant mining auditing procedures, as well as relevant rules and protocols regulating the quality of information about production. The protocol for auditing procedures of the mining industry includes the legal framework and technical specifications for surface and sub-surface exploration. Although the report states that production values are collected using the Annual Operation Reports from mining licenses, the report does not include further information on how production data has been calculated or the use of national or international baselines to calculate this information. The 2019-2020 EITI Report does not disclose estimates of production data from artisanal and small-scale mining and it does not appear that these estimates are available from third-party sources.</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. While the assessment of Requirement 3.3 was “exceeded” in the previous Validation, the criteria for assessments of “exceeded” now require that all encouraged aspects of the requirement be addressed and that the data be systematically disclosed. The Secretariat concludes that the objective of ensuring public understanding of extractive commodity production levels and the valuation of extractive commodity output is fulfilled, but not yet exceeded pending the disclosure of the methodology for calculating export data and ASM estimates.</p> <p>The 2019-2020 EITI Report discloses total export volumes and the value of exports for metallic and non-metallic commodities. Although this information is disaggregated by mineral, it is not further disaggregated by region, company or project. Stakeholders consulted stated that disaggregated information is not provided due to confidentiality policies (deber de reserva). In their response to the draft assessment, civil society representatives expressed concerns about export volumes and values of non-metallic minerals such as larimar and amber</p>

	<p>not being disclosed at the required level of disaggregation. The EITI-DR website discloses information about export revenues paid by companies to government. Information about silver and gold exports is systematically disclosed on the customs website and information about exports of non-metallic and metallic commodities is disclosed through the Central Bank website.</p> <p>The Dominican Republic does not provide information on how export data has been calculated or if any national or international calculation methodology has been used to this end. Although the country is in the process to regulate ASM, estimates of export data from artisanal and small-scale mining is not included. When consulted, the Independent Administrator expressed that it is not yet possible to know the export values of ASM as there is no existing typology for classifying ASM exports in the regulatory agencies involved. Additionally, government representatives consulted confirmed that ASM has only local demand.</p>
New corrective actions and recommendations	
<ul style="list-style-type: none"> • To strengthen implementation of Requirement 3.2, the Dominican Republic is encouraged to provide information about how disclosed production volumes and values are calculated for both metallic and non-metallic minerals The Dominican Republic is likewise encouraged to provide estimates of ASM production volumes and values. The Dominican Republic is encouraged to further disaggregate production figures by company, region and to further disaggregate by commodity • To strengthen implementation of Requirement 3.3 the Dominican Republic is encouraged to provide information about calculation methods for export data. The Dominican Republic is also encouraged to provide estimates of ASM exports volumes and values. The Dominican Republic is encouraged to further disaggregate export figures by commodity. 	

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

Overview of progress in the module

The Dominican Republic has utilised EITI reporting to enhance transparency in the state's collection of revenues from the extractive sector. Comprehensive disclosures of taxes, revenues, and company payments in the oil, gas, and mining sectors have been achieved. However, some key areas require attention to address backsliding.

The country ensures comprehensive disclosures of company payments and government revenues from the oil, gas, and mining sectors. Nevertheless, it is crucial for the country to strengthen EITI Implementation and ensure that all reporting companies publish their audited financial statements within the scope of the EITI report. This will enhance accountability and allow stakeholders to assess the fair share of payments made by mining projects to the government.

Though progress has been made in data disaggregation by including disaggregated data by individual company, government entity, and revenue stream in the 2019-2020 EITI Report, limited steps have been taken at the subnational level. Strengthening project-level disclosures and disaggregated data would address concerns about extractive sector revenues and ensure mining projects contribute appropriately to the community. Some stakeholders considered that further work on transportation arrangements could be useful in raising awareness of civil society about the way in which extractive commodities are transported in the Dominican Republic. In its comments on the draft assessment, the MSG confirmed that there were no transportation revenues accruing to government or state-owned enterprises. Having disaggregated data at the subnational level could allow the MSG to include revenues that might be relevant for communities and civil society advocacy.

The Dominican Republic has improved data quality and assurance mechanisms and while there is a lack of some publicly available audited financial statements, this is an encouraged aspect of Requirement 4.1. Similarly, the inclusion of non-material companies in the EITI Report should be considered, incorporating the voices of broader constituencies. Addressing concerns, reviewing auditing and assurance procedures, and enhancing subnational data disaggregation will reinforce accountability in the sector.

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>Comprehensive disclosure of taxes and revenues (Requirement #4.1)</p> <p><i>Fully met</i></p>	<p>The Secretariat's assessment is that Requirement 4.1 is fully met, as in the previous Validation. The assessment of Requirement 4.1 is not yet exceeded pending the discussion with constituencies outside of the MSG about the relevance of the inclusion of non-material companies in the scope of the EITI Report and the publication of audited financial statements by companies in the scope of EITI reporting. Multiple civil society representatives consulted stated that a lack of publicly accessible audited financial statements from mining companies prevents the public from knowing whether these companies are fulfilling all their payment obligations under Law 64-00. These discussions could include relevant government agencies from the sector responsible for disclosing mining information. The Secretariat concludes that the objective for this requirement has been fulfilled, given that the Dominican Republic ensures comprehensive disclosures of company payments and government revenues from oil, gas and mining.</p> <p>EITI-DR has agreed on a materiality definition for selecting revenue streams and companies in the scope of reporting, including reporting thresholds and the options considered. The MSG minutes indicate that, in December 2021, the MSG</p>

	<p>discussed the different options to define materiality, which was later approved at the MSG's 08-2021 meeting. The minutes reflect the MSG discussion about the twelve revenues streams considered to be material, the four companies making material payments, the four government entities receiving relevant payments and the materiality threshold. Options and rationale considered by the MSG are included in a separate materiality report.</p> <p>The revenue streams considered material are publicly listed in a separate materiality report, in MSG minutes and in the EITI Report. Although they are not described in these documents, a description is also published on the EITI-DR website. The MSG agreed on excluding certain revenue streams from the scope of EITI disclosures given the lack of materiality of payments related to these streams with a thorough rationale provided in the materiality report.</p> <p>The government fully reported all revenues considered in the materiality threshold, including revenues from non-material companies. Information of material revenues is presented in aggregate and disaggregated by revenue stream. EITI-DR has also demonstrated that no company making material payments to government has been exempted from disclosure and the scoping study prepared for the 2019-2020 EITI Report includes an analysis of material payments and material companies. However, civil society stakeholders expressed concerns on how companies not considered in the scope of reporting but having a substantive impact at the community level are not taken into consideration when preparing the EITI Report.</p> <p>None of the stakeholders consulted expressed concerns about the comprehensiveness of disclosures, the materiality thresholds or any negative impact of the confidentiality policies affecting comprehensiveness. In the Dominican Republic, companies' private data is protected by law 11-92 of the tax code. Therefore, to be able to conduct the EITI Report, reporting companies shared with the Ministry of Mines (through the Ministry of Finance) an authorisation to suspend their right to the confidentiality of their data.</p> <p>The EITI Report describes discrepancies in the reconciliation between material companies and reporting entities. In all cases, an explanation of these discrepancies is included, although there is no evidence of the MSG discussing these discrepancies. In its response to the draft assessment, the MSG confirmed that discrepancies are always discussed during the approval process for EITI Reports and that a consensus is reached before approval so that all constituencies' opinions can be heard. The IA acknowledges that discrepancies are mostly based on delays from reporting companies in sending data to the Independent Administrator. An explicit statement from the Independent Administrator of the impact of these gaps on the comprehensiveness of the report is not included, although the EITI Report specifies that differences found in the reconciliation process represent less than 0.01% of total reconciled revenues. This information is also included in the summary of key findings from the reconciliation process. The Dominican Republic could strengthen the comprehensiveness of data disclosures by improving intra-agency coordination and reinforcing the participation of the national auditing agency.</p>
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Validation of Dominican Republic:
Final assessment of progress in implementing the EITI Standard

	<p>The EITI Report includes a summary of audited financial statements for material companies, although none of them are publicly available. From companies considered in the EITI Report scope as material, DOVEMCO did not provide audited financial statements. DOVEMCO is a Bauxite selling company that has had partial operations since 2016.</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 the period under review, as in the previous Validation. The previous Validation found that DOVEMCO had an agreement with the government of the Dominican Republic to rebuild a road affected by mining operations. However, the last Validation found that this did not constitute an infrastructure or barter agreement as defined in Requirement 4.3 as this infrastructure project as not conducted in exchange for extractive licenses or mining rights. The 2019-2020 EITI Report notes that DOVEMCO has not rebuilt this road as the company has had intermittent operations. Stakeholders did not express concerns related to this requirement.</p>
<p>Transportation revenues (Requirement #4.4)</p> <p><i>Not applicable</i></p>	<p>The Secretariat's assessment is that Requirement 4.4 remains not applicable in the period under review, as in the previous Validation. The scoping studies conducted for the 2015, 2016, and 2019-2020 EITI Reports confirm the inapplicability of this requirement as government entities do not receive transportation revenues that can be considered material under the scope of reconciliation. Some of the civil society stakeholders consulted alleged that there might be transportation revenues that might not be material, but that could have negative impact in communities. However, there is no specific information of this allegation referenced in the EITI Report, in the MSG minutes or mentioned by any other group during consultations.</p>
<p>Level of disaggregation (Requirement #4.7)</p> <p><i>Fully met</i></p>	<p>The Secretariat's assessment is that Requirement 4.7 is fully met. The objective of ensuring that the public can assess the extent to which government can monitor its revenue receipts is fulfilled,</p> <p>The 2019-2020 EITI Report presents data disaggregated by individual company, government entity and revenue stream. However, stakeholders expressed concerns on this requirement given the lack of disaggregated information at the subnational level, particularly for alleged transportation revenues, though the International Secretariat did not find evidence that such transportation revenues exist. In their response to the draft assessment, civil society representatives expressed concerns about the level of disaggregation of non-metallic minerals such as larimar and amber.</p> <p>Although there is no evidence that the MSG has further discussed the scope of this requirement since the previous Validation, the previous Validation report states that each company has only one project in the country, and therefore reporting is allegedly by project. The Dominican Republic could benefit from following the recommendation from the scoping study prepared for the 2019-2020 EITI Report, where it is recommended that the MSG re-evaluate the scope of this requirement however there is no evidence that the MSG discussed the relevance or the barriers for disclosing project level information.</p>

<p>Data timeliness (Requirement #4.8)</p> <p><i>Fully met</i></p>	<p>The Secretariat's assessment is that Requirement 4.8 is fully met, as in the previous Validation. The Secretariat's view is that the objective of ensuring that public disclosures of company payments and government revenues from oil, gas and mining are sufficiently timely to be relevant to inform public debate and policymaking, has been fulfilled, although some stakeholders consulted expressed the need of working on timelier data disclosures.</p> <p>The Dominican Republic has published regular and timely information in accordance with the EITI Board-agreed deadlines. The MSG has agreed on an accounting period and the Annual Progress Report shows the progress on data disclosure activities that have been completed according to the work plan. For the 2019-2020 EITI Report, the original reporting deadline of 31 December 2021 was not met, and the Dominican Republic requested an extension to the EITI Board which was granted on 9 February 2022.</p>
<p>Data quality and assurance (Requirement #4.9)</p> <p><i>Mostly met</i></p>	<p>The Secretariat's assessment is that Requirement 4.9 is mostly met. The Secretariat's view is that the objective of ensuring that appropriate measures have been taken to ensure the reliability of disclosures of company payments and government revenues from the extractive sector has been mostly fulfilled, but not yet fully met pending clarification on the lack of quality assurances from DOVEMCO.</p> <p>The MSG in the Dominican Republic has agreed on a procedure to address data quality and assurance which are described in the materiality report prepared for the 2019-2020 EITI Report. The agreement on these standard procedures is also documented in an MSG minute and are in accordance with the standard procedures endorsed by the EITI Board. Stakeholders consulted, including the IA, did not express concerns about the comprehensiveness and quality of data reported.</p> <p>The information disclosed by the Government of Dominican Republic is subject to national regulations and audits and the information provided for the 2019-2020 EITI Report was endorsed by a high-level official. Government agencies are subject to auditing procedures established by the <i>Camara de Cuentas</i> and, in addition, the executive agencies -including the Ministry of Energy and Mines- are subject to the Office of the Auditor General of the Republic, through the Internal Audit Unit.</p> <p>The information disclosed by companies is subject to the regulations of the fiscal authority (<i>Dirección General de Impuestos Internos DGII</i>), who has the competence to audit the operations of taxpayers. In addition to the power of inspection and audit, the DGII has the competence to determine tax liability and penalties. To do this, the fiscal authority classifies taxpayers based on a risk model as low, medium or high tax risk. Additionally, it performs desktop and on-site inspections, having access to databases of other institutions to cross-check information and verify the data submitted in the tax returns.</p> <p>The information provided by companies participating in the EITI Report was endorsed by a high-level official and copies of companies' audited statements were provided to the IA for review. Although almost all material companies</p>

	<p>provided audited statements, DOVEMCO did not provide this information to the Independent Administrator. For the 2019-2020 EITI Report, none of the audited statements provided by companies are publicly available, although the fiscal framework does not mandate companies to make these documents public.</p> <p>The 2019-2020 EITI Report describes the assurances to be provided by the participating companies and government entities to assure the credibility of the data. For collecting information, the MSG agreed on data collection templates, that were shared with material extractive companies and government entities in January 2022. The data collection request consisted of a cover letter outlining the data collection and reconciliation process. Reporting companies sent to the Ministry of Finance a confidentiality waiver to disclose the tax data of their operations in the country. Stakeholders consulted did not express concerns about the process established for confidentiality waivers.</p> <p>Although stakeholders consulted did not express concerns about the comprehensiveness and quality of data reported, one of the reporting companies -DOVEMCO- did not provide a quality assurance letter to the IA or the audited financial statements.; the materiality report prepared by the Independent Administrator states that only agreed procedures were undertaken and no additional review of auditing procedures was conducted.</p>
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New corrective actions and recommendations

- To strengthen implementation of Requirement 4.1 and according to the standard Terms of Reference for the Independent Administrator agreed by the EITI Board, the MSG and Independent Administrator could consider including in future EITI Reports an explicit and clear statement on the reliability and comprehensiveness of reconciled financial data.
- To strengthen Implementation of Requirement 4.4, the MSG in Dominican Republic could consult and document whether civil society's allegations of transportation revenues being relevant for communities should be included within the reporting scope.
- To strengthen implementation of Requirement 4.7, the Dominican Republic should ensure that reconciled financial data in future EITI Reports is disaggregated by project for revenue streams that are levied on a per-project basis. To do so, the Dominican Republic should determine the revenue streams that are imposed at the level of legal agreement rather than at the company level. To strengthen implementation, the Dominican Republic is encouraged to further disaggregate information by commodity, including non-metallic minerals including those under the materiality threshold.
- To strengthen implementation of Requirement 4.8, the Dominican Republic could consider improving the timeliness of reporting to strengthen value to public debate and policy-making.
- In accordance with Requirement 4.9, the Dominican Republic must guarantee that all reporting companies provide the quality assurances agreed in the reporting scope.

Revenue management (Requirements 5.1, 5.3)

Overview of progress in the module

Extractive revenues enter the Treasury's single account and all earmarked revenues are first recorded in the national budget before being distributed to subnational entities where extractive activities occur. Given the presence of earmarked revenues, the publication of financial reports to ensure accountability and efficiency in their use would provide the public with greater oversight on public expenditures of extractive revenues.

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.</p> <p>The objective of this requirement is to ensure the traceability of extractive revenues to the national budget and ensure the same level of transparency and accountability for extractive revenues that are not recorded in the national budget. The Secretariat's assessment is that the objective has been exceeded.</p> <p>While there was a lack of clarity around retained earnings by CORDE in the previous Validation, this issue has been resolved given the dissolution of CORDE in the period under review. EITI reporting confirms that all extractive revenues are recorded either in the national budget or in subnational budgets. Extractive revenue allocations to funds occur after being recorded in national or subnational budgets. Audited financial statements on the national budget and national revenue classifications can be found on the Digepres website (here and here). During consultations, Ministry of Finance representatives confirmed that all government revenues are deposited in the National Treasury and recorded in the national budget, as established by Article 24 of the Budgetary Law for the Public Sector, No. 423-06. These representatives explained that extractive revenues are used to finance expenditures established in the General Budget of the Nation, unless otherwise determined by law. In its response to the draft assessment, the MSG clarified that all revenues are subject to national revenue classification systems, principally the Budget Classifier Manual, and therefore references to international data standards, such as the IMF's Memorandum of Economic and Financial Policies were not made.</p>
<p>Revenue management and</p>	<p>The Secretariat's assessment is that the Dominican Republic has made some progress in disclosing revenue management and expenditure information,</p>

<p>expenditures (Requirement #5.3)</p> <p><i>Not assessed</i></p>	<p>although gaps in encouraged aspects of Requirement 5.3 remain. Therefore, Requirement 5.3 remains not assessed, pending comprehensive disclosures of all information encouraged to be disclosed.</p> <p>The objective of this requirement is to strengthen public oversight of the management of extractive revenues, the use of extractives revenues to fund specific public expenditures and the assumptions underlying the budget process. The Secretariat’s assessment is that the objective of this requirement is not yet fulfilled.</p> <p>The 2020 EITI Report and government websites such as the General Directorate of Budget and Financial Transparency websites provide information on earmarked extractive revenues and the federal government's budget procedures. While some extractive revenues are recorded in subnational budgets, it does not appear that there are such revenues directed to thematic areas. In its response to the draft assessment, the MSG confirmed that all extractive revenues are recorded in national or subnational budgets. Revenue streams recorded in the federal budget are not distinguishable from one another and budgetary laws regulate revenue expenditures on specific thematic areas. The MSG’s response confirmed that none of these earmarked areas are related to the extractive sector. Audit procedures were not referenced through EITI reporting, though audit reports on the national budget can be found on government websites. Government stakeholders consulted confirmed that there were clear audit procedures associated with the national budget and provided links to the websites for the Directorate General of Government Accounting and Chamber for Accounting where audit reports for the national budget can be found. EITI reporting provides some information on revenue projections, in particular from the two main gold extraction projects operated by PVDC and EnviroGold, and assumptions underpinning the budget. Financial reports describing the management of extractive revenues by certain government funds do not appear to be publicly disclosed.</p>
New corrective actions and recommendations	
<ul style="list-style-type: none"> • To strengthen implementation of Requirement 5.3, the government is encouraged to publicly document financial reports related to earmarked extractive revenues to ensure accountability and efficiency in their use. Furthermore, the government is encouraged to provide revenue forecasts arising from the extractive sector and the proportion of future fiscal revenues from this sector, other than those already provided for gold production. 	

Subnational contribution (Requirements 4.6, 5.2, 6.1)

Overview of progress in the module

The subnational contribution of the extractive sector is of high interest to stakeholders in the Dominican Republic. While there are no material direct subnational payments, there are significant subnational transfers and EITI reporting has informed public debate and policy making on this matter. Progress has been made since the previous Validation to enable the public to better understand notional and actual subnational transfers, though certain stakeholders consider that further company disclosures are needed in order to verify that the amounts being transferred are in line with statutory requirements. While there are no mandatory social expenditures, there are mandatory environmental expenditures made by extractive companies and voluntary expenditures are of high interest to stakeholders and could be an area for disclosure in upcoming reports. The Dominican Republic MSG should continue discussions on the applicability of Requirement 6.1 to ensure a common understanding of what is required from the 2019 EITI Standard.

Progress by requirement and corrective actions

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

EITI Requirement / past corrective action and assessment	Summary of progress in addressing the EITI Requirement
<p>Subnational payments (Requirement #4.6)</p> <p><i>Not applicable</i></p>	<p>The Secretariat's assessment is that Requirement 4.6 is remains not applicable in the period under review, as in the previous Validation. The previous Validation explains that the only subnational payments applicable to extractive companies derive from the General Law on Environment and Natural Resources. It entitles municipalities where production is taking place to receive 5% of the "net benefits" generated. The 2019-2020 EITI Report states that for the period under review, the MSG reviewed the applicability of this requirement and found that only one license had legal obligation to make this payment. However, the company operating this license did not report any benefit as it was closing operations and therefore, this requirement remains as not applicable.</p>
<p>Subnational transfers (Requirement #5.2)</p> <p><i>Mostly met</i></p>	<p>The Secretariat's assessment is that Requirement 5.2 is mostly met. The recommendation from the previous Validation to "assess and disclose any discrepancies between the formulas and actual amounts transferred (1) from the central government to FOMISAR and (2) from FOMISAR to municipalities" has been mostly fulfilled.</p> <p>The objective of this requirement is to enable stakeholders at the local level to assess whether the transfer and management of subnational transfers of</p>

	<p>extractive revenues are in line with statutory entitlements. The Secretariat's assessment was that the objective is fulfilled. In its comments to the draft Validation report, the civil society constituency insisted that these transfers are not clear due to an improper base of revenue figures used for the calculation of these transfers.</p> <p>Dominican Republic EITI has demonstrated that two forms of subnational transfers of extractive revenues exist in the mining sector and has described the process for calculating transfers based on corporate income tax (consulted CSO representatives do not consider corporate income tax to be an adequate base from which to calculate subnational transfers and maintain that the base of calculation should be drawn from 'net benefit' of mining operations) and based on a flat fee. For the former, the amount transferred consists of 5% of the base of calculation, though no transfers were made in the period under review (there was a transfer by CORMIDOM in 2021). For the latter, 50% of the flat fee set on the extraction of physical materials is directed to affected communities. The value of subnational transfers of mining revenues in 2020 are provided by FOMISAR and are broken down by each subnational government beneficiary. Budgeted and actual amounts are provided and a reconciliation of these differences is performed in the 2020 EITI report. Audited financial statements of FOMISAR transfers can be found on the DR EITI website. Differences between what was supposed to be transferred and what was transferred in practice are detailed in EITI reporting, which addresses the corrective action from the previous Validation. The Validation Committee reviewed the case at its 31 October 2023 meeting. Following comments from Validation Committee members, the Committee agreed to downgrade the assessment of Requirement 5.2 on subnational transfers from 'fully met' to 'mostly met', given the lack of consensus on the accuracy of calculations of subnational transfers of mining revenues.</p>
<p>Social and environmental expenditures (Requirement #6.1)</p> <p><i>Mostly met</i></p>	<p>The Secretariat's assessment is that Requirement 6.1 is mostly met despite differing opinions among stakeholders as to whether this requirement is applicable in the Dominican Republic, with government and industry stakeholders considering that it is not applicable while civil society considers that this requirement is applicable. In the previous Validation, Requirement 6.1 of the 2016 EITI Standard (that only covered social expenditures) was considered not applicable as it was agreed that there were no mandatory social expenditures mandated by law or contracts. The 2019 EITI Standard expanded reporting requirements of Requirement 6.1 to require the disclosure of mandatory environmental expenditures, when considered material, and encourage the disclosure of voluntary environmental payments. The objective of this requirement is to enable public understanding of extractive companies' social and environmental contributions and provide a basis for assessing extractive companies' compliance with their legal and contractual obligations to undertake social and environmental expenditures. Based on available documentation and consultations, the objective of this requirement is mostly fulfilled as differing opinions expressed by stakeholders and a lack of consensus on the applicability of the requirement prevents a clear public understanding of</p>

	<p>extractive companies' social and environmental contributions and adherence to legal and contractual obligations.</p> <p>Concerning social expenditures, there have been no changes to laws or terms of contracts since the previous Validation that have imposed mandatory social expenditures by companies and voluntary social payments by companies were not disclosed in the 2019-2020 EITI Report. Industry stakeholders consulted confirmed that social expenditures were voluntary in nature and were defined through Corporate Social Responsibility plans.</p> <p>Concerning environmental expenditures, Articles 47 and 162 of Law 64-00 on the Environment and Natural Resources mandate, respectively, the payment of 10% of the total costs of physical works and investments, and certain fees depending on the category of environmental authorisation needed by metallic mining companies. Further resolutions lay out costs associated with environmental authorisations for non-metallic mining companies and for the renewal, modification, or loss of these environmental authorisations. Government stakeholders consulted confirmed that environmental payments are made through this law and all payments are collected by the Ministry of the Environment and Natural Resources. The 2020 Scoping and Materiality Report provides unilateral disclosures from the Ministry of Environment and Natural Resources on all environmental payments made in 2020 and concludes that these payments are not considered material in the period under review given that these payments amount to less than 1% of total government revenues, which is the materiality threshold agreed upon by the MSG for the 2020 EITI Report. Environmental expenditures were not reported by companies.</p>
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New corrective actions and recommendations

- In accordance with Requirement 5.2, the Dominican Republic must ensure that it publishes an assessment of any discrepancies between the amount of subnational transfers calculated in accordance with the relevant revenue sharing formula and the actual amount that were transferred between the central government and each relevant subnational entity in the period under review by EITI reporting, reflecting the differences of opinion between stakeholders on the variables used in the calculation of subnational transfers of extractive revenues. To strengthen implementation, the Dominican Republic is encouraged to provide information on how extractive revenues earmarked for specific programmes of investments at the subnational level are managed, and actual disbursements.
- In accordance with Requirement 6.1, the Dominican Republic EITI should review annually whether changes in laws and terms of extractive contracts have introduced any new requirements for extractive companies to undertake mandatory environmental payments to government or social or environmental expenditures. The Dominican Republic should ensure that any material mandatory environmental payments to government or social or environmental expenditures are comprehensively and reliably disclosed. To strengthen implementation, the Dominican Republic EITI is encouraged to disclose voluntary social and environmental expenditures.

Background

Overview of the extractive industries

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

History of EITI implementation

The history of implementation is accessible on the [country page](#) of the EITI webpage for Dominican Republic.

Explanation of the Validation process

An overview of the Validation process is available on the EITI website.² The [Validation Guide](#) provides detailed guidance on assessing EITI Requirements, while the more detailed [Validation procedure](#) include a standardised procedure for undertaking Validation by the EITI International Secretariat.

The International Secretariat's country implementation support team include Esteban Manteca and Francisco Paris, while the Validation team was comprised of Riley Zecca, Tatiana Camilo Eisenberg de Alvarenga and Emmanuel Aguilar Burgoa. The internal review for quality assurance was conducted by Francisco Paris, Lydia Kilpi, Alex Gordy 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.

Timeline of Validation

The Validation of Dominican Republic commenced on 1 April 2023. A public call for stakeholder views was issued on 30 January 2023. Stakeholder consultations were held virtually on 24 April 2023 to 22 May 2023. The draft Validation report was finalised on 5 August 2023. Following comments from the MSG received on 27 September 2023, the Validation report was finalised for consideration by the EITI Board.

² See <https://eiti.org/validation>

Resources

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