

# DRAFT STANDARD TERMS OF REFERENCE FOR THE PRODUCTION OF EITI REPORTS [2023 EITI STANDARD]

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MAY 2024 [DRAFT]

## I. INTRODUCTION

This document is a draft standard Terms of Reference (ToRs) for the production of EITI Reports in accordance with the 2023 EITI Standard. The ToRs set out the work to be undertaken to disclose information required under the EITI Standard. To the extent possible, EITI Reports should collate and analyse information from primary sources in order to make this information more accessible and comprehensible. These disclosures are overseen by a multi-stakeholder group (MSG), cover all stages along the extractive industries value chain, and should contribute to a wider public debate on the management of the sector. The EITI Standard is not prescriptive on who should conduct data collection as well as data quality assurance once the entity selected for preparing the EITI report once the data is deemed credible and subject to independent audit, applying international standards. The ToRs underscores the MSG's role in defining and overseeing the reporting process, while providing tools and approaches for MSGs to foster innovation and ensure that EITI reporting is meaningful.

As per EITI requirement 4.9.c, the multi-stakeholder group is required to agree a procedure to address data quality and assurance in line with one of the standard procedures endorsed by the EITI Board. The ToRs provide four (4) possible procedures that the MSG could agree for its EITI **revenue** disclosures to address data quality, depending on the context of existing audit and assurance procedures and practices. The multi-stakeholder group is required to document the rationale for adopting a particular standardised procedure and to apply the standard procedure without any material deviations. The MSG is encouraged to agree an approach to data reliability for the disclosure of **non-revenue** information in accordance with EITI Requirements 2, 3, 5 and 6.

The ToRs address five criteria:

a) **Flexibility and relevance, timeliness and accessibility:** the MSG can adopt the conventional mechanism for EITI reporting, which covers all applicable EITI Requirements. However, the ToRs also provides flexibility for MSGs to prioritise certain disclosures required by the EITI Standard based on their national priorities or key governance questions that the MSG wishes to address, and in line with the strategic priorities of the EITI. Prioritisation of issues to be covered in EITI reporting must guarantee that the most relevant issues for the MSGs are addressed in EITI

Reports, while ensuring that the information mandated under other EITI Requirements that are applicable but not prioritised is either systematically disclosed or covered by other planned complimentary disclosures. The intention is to refocus attention to ensure that EITI Reports are written in a clear, accessible style with consideration for access challenges and information needs of different genders and subgroups of citizens.

**b) Cost effectiveness:** the ToRs introduces a new approach to ensuring the reliability of EITI financial disclosures that draws on approaches adopted by EITI implementing countries with the flexibility introduced by the Board in response to the Covid-19 pandemic. MSGs can therefore adopt quality assurance mechanisms that could be more tailored to country context and more cost effective, such as risk-based approaches, the engagement of supreme audit institutions, and the inclusion of systematically disclosed data published based on international audit practices. This alternative approach to EITI data quality assurances could give countries more options to ensure data reliability according to the context of prevailing government and company audit and assurance practices.

**c) Data quality:** the ToRs maintain the requirement for MSGs to agree an approach to quality assurances for EITI reporting but introduce more options for quality assurances from which MSGs can choose for financial data. MSGs are required to agree an approach to data quality that builds on prevailing audit and assurance practices by both government entities and extractive companies. The ToRs provide a menu of possible procedures that the MSG could agree for its EITI disclosures to address data quality, depending on the context of existing audit and assurance procedures and practices. In accordance with Requirement 4.9.c of the 2023 EITI Standard, the ToRs encourage MSGs to agree an approach to data reliability for the disclosure of non-revenue information in accordance with EITI Requirements 2, 3, 5 and 6.

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**The outcome should be an EITI Report that is:**

- Clearly scoped around the MSG's priority areas;
- Meets the information needs of its target audiences;
- Achieves its objectives, as identified by the MSG;
- Based on a solid understanding of material payments and companies, as well as developments in the extractive industries; and
- Written in a clear, accessible style with consideration for access challenges and information needs of different genders and subgroups of citizens.

The EITI Report should cover those areas of the EITI Standard most applicable and relevant to the country's context, with consideration of a risk-based approach to ensuring the quality of EITI data.

To ensure that the EITI provisions are approachable, it is proposed that the EITI provisions are presented by modules of interconnected requirements in line with the EITI Validation model as follows:

**Financial disclosures:**

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

**Non-financial disclosures:**

- Overview of the extractive sector (Requirements 3.1, 6.3)
- Legal and fiscal framework (Requirements 2.1, 6.4)
- Licenses (Requirements 2.2, 2.3, 2.4)
- Beneficial ownership (Requirement 2.5)
- State participation & SOEs (Requirements 2.6, 4.2, 4.5, 6.2)
- Production and exports (Requirements 3.2, 3.3)
- Revenue allocation (Requirements 5.1, 5.3)
- Subnational contribution (Requirements 4.6, 5.2, 6.1)

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### 1. OBJECTIVES OF THE EITI REPORT

The introduction to the EITI Report should clarify its purpose and objectives. The introduction of the EITI Report should recall the MSG’s priorities for the reporting cycle and the key governance questions that the EITI Report needs to address. It should include an explanation of how the EITI Report contributes to:

- An assessment and mapping of systematic disclosures of government and company data in accordance with the 2023 EITI Standard and the formulation of actionable recommendations for strengthening government and company public disclosure systems.

- Providing a diagnostic between regulations and practices of extractive industry governance, including identifying deviations from the rules in practice.
- Supporting reforms in laws, regulations, administrative procedures and practices of extractive industry governance through concrete recommendations.

The introduction to the EITI Report can further:

- Contextualise this EITI reporting cycle within broader macro-economic environment and development objectives, ongoing and planned reforms of extractive industry governance and public finance management.
- Clarify that the flexibility of the 2023 EITI Standard and Validation allows MSGs to prioritise more meaningful disclosures and take calculated trade-offs at Validation.
- Contextualise this EITI reporting cycle within the country's progress in achieving its objectives for EITI implementation.

### What are the MSG's priorities for this cycle of EITI reporting?

- The following analytical questions could be covered:
  - Demonstrate the direct and indirect contributions of extractive companies to the national economy in the reporting cycle or using a trends analysis.
  - Evaluate whether or not, and to what extent government legal, tax and policy reforms are yielding optimal government revenues.
  - Highlight the effectiveness of (expected and received) subnational transfers and direct subnational company payments.
  - Identify risks of corruption or excessive discretion in key areas of the upstream extractive industry value chain (define which areas).
  - Identify risks of foregone or lost government revenues from the extractive industries to support domestic resource mobilization.
  - Any additional question as agreed by the MSG.

MSGs are encouraged to link objectives for their EITI reporting to the country's objectives for EITI implementation (as defined in the national EITI work plan), ongoing MSG work, recent important developments in the extractive industries and public finance management that have garnered public debate. MSGs can decide to include in the report a thematic focus on a particular topic(s) agreed by the MSG.

#### Relevant guidance notes:

- Updated guidance note on EITI reporting (forthcoming)
- [Addressing corruption risks through EITI implementation](#) (December 2021)

## 2. DESCRIPTION OF REPORTING PROCEDURE AND MSG OVERSIGHT

In embarking on the report design, the MSG shall consider the following:

- **There is no requirement for MSG to contract an Independent Administrator (IA)** for financial and non-financial disclosures. MSGs should consider the degree of systematically disclosed data and its quality when deciding to contract an IA. MSGs

should also consider the ability of the national secretariat to collect the required data without the need for an IA. IAs should facilitate the work realised by the MSG as well as guarantee the quality of the data being reported. The qualifying requirement for the entity (person or company) preparing the EITI Report is the full confidence of the MSG and to be seen as being independent.

- **The MSG may consider including in the ToRs an explicit reference to professional standards like ISRS 4400** (this covers professional standards, including mechanisms for preserving the confidentiality of information prior to publication).
- **The MSG must have oversight of all key steps in the execution of the ToRs**, including agreeing on the scope, quality assurances, data collection mechanisms (e.g. reporting templates or other forms of data submissions) and mapping of systematic disclosures in preparation of the draft EITI Report.
- **The MSG must have oversight of the following minimum deliverables in the scope of the ToRs:**
  - Scoping study
  - Inception report
  - Draft EITI Report
  - Final EITI Report, annex containing data tables and Summary Data File(s)
  - Deliverables can also include the completion of the EITI Transparency Template, particularly in years when a Validation is taking place. The EITI International Secretariat should support in the review of the draft report.

MSGs have an opportunity to select specific disclosures in their EITI Reporting period in line with the priorities they had identified in their work plan and in their Scoping study. However, MSGs should make sure that all EITI Requirements that are not prioritised to be included in the EITI Report are complied with through systematic disclosure of information, where these are available. In this regard, the EITI Report should provide guidance to access that information, verify its quality and provide an analysis for better public understanding.

### 3. DEFINED SCOPE OF DISCLOSURES

**The MSG shall agree on the scope of EITI disclosures:**

- Disclosures of financial information on government revenues
  - What financial data is needed to answer the key governance questions raised by the MSG at the inception of the reporting cycle?
  - Materiality of beneficiary government entities
  - Materiality of revenue streams
  - Materiality of company payments
- Disclosures of non-financial (contextual) information
  - What EITI Requirements are applicable in the country in the period under review?
  - What non-financial data is needed to answer the key governance questions raised by the MSG at the inception of the reporting cycle?
  - Of the applicable EITI Requirements, which does the MSG want to prioritise in this EITI reporting cycle and why?
- Analysis of information required by the EITI Standard that is already systematically disclosed.

## A. FINANCIAL DISCLOSURES OF GOVERNMENT REVENUES (Requirements 4.1, 4.3, 4.4, 4.7, 4.9 and 4.10)

EITI Reporting should be planned and conducted with the aim of adhering to the objectives of these requirements. The overall completeness of this section depends on the extent to which it has effectively and comprehensively addressed these objectives.

- **Mapping of systematic disclosures** compared to Requirements 4.1, 4.3, .4.4, 4.7, 4.9 and 4.10:
  - o In light of the scope of financial disclosures agreed by the MSG in Annex C of this ToRs, what revenue streams, government entities and extractive companies are considered material for EITI reporting?<sup>1</sup>
  - o What information on national government revenues from the extractive industries (including in-kind revenues collected as part of barter-type arrangements and transportation revenues) is routinely disclosed on government and company websites?<sup>2</sup>
  - o What information on extractive company costs is routinely disclosed on government and company websites?
  - o What information on the audit and assurance rules and practices for government revenue disclosures and extractive company payments to government is routinely disclosed on government and company websites?
  
- **Publication of any information that is not systematically disclosed**
  - o Where the information is not systematically published, the MSG shall include the information in this section.

The MSG may decide to present this information alongside the location and a summary and or analysis of the content of the publicly available information, to provide a full picture to the reader.

- **Disclosure of additional (required and encouraged) information** not already published:
  - o What are the gaps in systematically and non-systematically disclosed information on the government's revenues from the extractive industries compared to Requirements 4.1, 4.3, 4.4, 4.7 and 4.9?<sup>3</sup>
  - o What are the gaps in systematically and non-systematically disclosed information on extractive companies' costs compared to Requirements 4.10?
  
- **Assessment of the comprehensiveness and reliability** of the public data:

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<sup>1</sup> EITI Guidance Note on [Defining materiality, reporting thresholds and reporting entities](#) (May 2016)

EITI Guidance Note on [Establishing the scope of EITI reporting](#) (April 2016)

<sup>2</sup> EITI Guidance Note on [Resource-backed loans](#) (August 2023)

EITI Guidance Note on [Infrastructure provisions and barter arrangements](#) (February 2021)

EITI Guidance Note on [Transportation revenues](#) (June 2021)

<sup>3</sup> EITI Guidance Note on [Addressing taxpayer confidentiality](#) (November 2013)

- Is the primary or official data on the government's revenues from the extractive industries complete and sufficiently disaggregated?
- Is the primary or official data on extractive companies' costs complete, reliable and sufficiently disaggregated?
- **Assessment of the accessibility** of systematically disclosed information on government revenues from the extractive industries.
- **Encouragement to include visuals for highlights or to improve public understanding** of government revenues from the extractive industries, which could include time series analysis, comparative analysis of several key extractive projects or other types of analyses and data visualisations.
- **Recommendations** to strengthen both publication and use of data:
  - Are government entities and companies disclosing sufficient information on government revenues and extractive companies' payments to government, as well as on company costs?
  - Are there opportunities for peer learning and exchanging good practice on disclosures related to government revenues and extractive companies' payments to government, as well as on company costs?

**Relevant guidance notes:**

- [Defining materiality, reporting thresholds and reporting entities](#) (May 2016)
- [Establishing the scope of EITI reporting](#) (April 2016)
- [Addressing taxpayer confidentiality](#) (November 2013)
- [Resource-backed loans](#) (August 2023)
- [Infrastructure provisions and barter arrangements](#) (February 2021)
- [Transportation revenues](#) (June 2021)

## B. APPROACHES TO DATA QUALITY

MSGs are required to prioritise comprehensive disclosure of material government revenues with appropriate quality assurances for these EITI disclosures in accordance with Requirement 4.9. MSGs are required to agree and implement quality assurances for their EITI disclosures.

### *Quality assurance option A: Reconciliation with management attestations*

The vast majority of EITI implementing countries have prepared EITI Reports based on a reconciliation of material government revenues and company payments, supported by management attestations from each reporting entity confirming that the financial data reported to the EITI is consistent with the data that underwent audit as part of the entity's financial statements.

#### **Pre-qualifying questions:**

- Have all material government and company entities expected to disclose financial data through the EITI undergone an audit of their financial statements in accordance with international audit standards?
- Is the audit of financial statements of material government entities and companies accessible (at the very least to the MSG) for the period under review in the EITI Report?

**Procedure:** This quality assurance procedure follows the conventional approach to reconciliation of all material company payments with government revenues, that is codified in the [current ToRs](#) for the entity responsible for collating the EITI report, traditionally an independent administrator, under the 2019 EITI Standard. Subject to confirmation that all material reporting entities have had their financial statements audited for the period under review (and that the auditor's opinion was unqualified), the procedure consists of requiring all material government entities and extractive companies to submit a management attestation confirming that data submitted in their EITI reporting templates is consistent with the data contained in their financial statements, which underwent audit. The entity preparing the EITI Report then reconciles the data on all material revenues and payments submitted from government and companies through their EITI reporting templates with a view to resolving discrepancies and concluding on a statement related to the comprehensiveness and reliability of the government extractive revenue data.

#### *Quality assurance option B: Reconciliation with auditor opinions*

Several EITI implementing countries have requested auditor certification of EITI reporting templates. In these cases, it was agreed to request certification of the EITI reporting templates by material companies' external auditors and by the supreme audit institution for material government entities.

#### **Pre-qualifying questions:**

- Have all material government and company entities expected to disclose financial data through the EITI undergone an audit of their financial statements in accordance with international audit standards?
- Are companies represented on the prepared to dedicate financial resources to contract an external auditor to certify the company's EITI reporting template?
- Does the supreme audit institution have the statutory mandate to certify government entities' EITI reporting templates?

**Procedure:** This quality assurance procedure follows the conventional approach to reconciliation of all material company payments with government revenues, that is codified in the [current ToRs](#) for the entity responsible for collating the EITI report, traditionally an independent administrator, under the 2019 EITI Standard. The procedure consists of requiring all material government entities and extractive companies to submit certification of their EITI reporting templates from external auditors in the case of extractive companies and from the supreme audit institution in the case of government entities. The entity preparing the EITI Report then reconciles the data on all material revenues and payments submitted from government and companies through their EITI reporting templates with a view to resolving discrepancies and concluding on a statement related to the comprehensiveness and reliability of the government extractive revenue data.

#### *Quality assurance option C: Reconciliation between revenue-collecting government agencies*

This quality assurance procedure is based on collection of data from material government entities supported by management attestations, combined with a reconciliation of government extractive revenue data between the different material government entities. For example, it may involve the reconciliation of government extractive revenue figures between the Customs and Treasury departments to identify any significant shortcomings in disclosures of government revenues from extractive companies. In countries with weak internal and external statutory government oversight



institutions, this approach can yield valuable findings in the diagnostic of material government entities' financial management systems.

**Pre-qualifying questions:**

- Have all material government and company entities expected to disclose financial data through the EITI undergone an audit of their financial statements in accordance with international audit standards?
- Are the financial management systems for revenue-generating and revenue-collecting government entities' accessible to the entity appointed to prepare the EITI Report?
- Is the MSG confident in the robustness of at least some of the material government entities' financial management systems?

**Procedure:** This includes the following reconciliations, where applicable:

- Reconciliation of state-owned enterprises' EITI reported data with data in their audited financial statements.
- Reconciliation of the Treasury's EITI reported data with those of both authorising and collecting government entities, such as the Tax Department, Customs Department, mining and petroleum line ministries and others.
- Reconciliation of the Treasury's EITI reported data with data from the government's balance sheet.
- Comparison of all government EITI reported data with relevant government publications on government revenues and sectoral notes on the mining and petroleum industries.
- Comparison of all government revenue data per company with available systematic disclosures by extractive companies operating in the country, including mandatory payments to government reports in those jurisdictions with such requirements (Canada, EU, Norway, the UK).
- On the basis of these procedures, the MSG is expected to conclude on an assessment of the comprehensiveness and reliability of the data on government extractive revenues in the EITI Report.

***Quality assurance option D: Systems- and risk-based quality assurance***

EITI implementing countries have piloted alternative approaches to quality assurance of EITI disclosures of government extractive revenue data, through their participation in the EITI pilot on alternative approaches to EITI reporting since 2020. This quality assurance procedure is based on a two-step process, consisting first of an assessment of the risk of material misstatements of government extractive revenues, followed by a plausibility check of actual government revenues disclosed.

**Pre-qualifying questions**

- Is the MSG supported by a well-capacitated national secretariat to implement this risk-based quality assurance approach?
- Is there sufficient information related to internal and external audit and assurance processes and controls within each material government entity available to the entity preparing the EITI Report?
- Is there sufficient information on material extractive companies' key financial performance indicators made available to the entity preparing the EITI Report?

- Is there robust and sustained engagement by relevant government entities and material extractive companies at the inception phase of this approach to ensure a robust risk assessment?

**Procedure:**

A. The first stage of developing a risk assessment consists of four steps:

1. Develop a systematic analysis of the processes and controls of revenue collecting government entities and material extractive companies (which can be updated annually based on a standard procedure).
2. Extending the systematic analysis of the processes and controls of revenue collecting government entities and material extractive companies, based on analysis of internal and external audit institutions' procedures and public reporting.
3. Collate further information from all three constituencies that contribute to a comprehensive risk assessment, including for instance findings of the supreme audit institution's reports, extractive companies' audit findings and cases of corruption among others.
4. MSG review and finalisation of the risk assessment.

B. The second stage of a plausibility check of actual government revenues disclosed consists of four steps:

1. Define a range of expected government revenues based on specific criteria that influence expected government revenues (such as corporate income tax, royalties, etc.) based on information including economic trends, income, production volumes, company data, etc.
2. Collect and collate information for MSG review, allowing for the comparison of expected and actual government revenues, identifying significant differences per company and revenue stream.
3. Based on the risk assessment and initial plausibility check of actual payments, categorize companies and revenue streams under different levels of risk of material misstatement of government revenues. Agree additional quality assurance for companies identified as being at risk of material misstatement (which can include reconciliation of specific payments or of all payments from specific companies).
4. Collect and collate additional information from government entities and material extractive companies to support the completion of additional quality assurances. Based on the findings of the additional quality assurances, the MSG and entity appointed to prepare the EITI Report should conclude on a clear statement about the risk of material misstatement of government extractive revenues in the EITI Report, covering both the comprehensiveness and reliability of the financial data disclosed.

**Relevant guidance notes:**

[Data quality and assurance](#) (July 2016)

## C. COVERAGE OF NON-FINANCIAL DISCLOSURES

The MSG can adopt the conventional mechanism for EITI Reporting, which covers all the groupings of EITI Requirements below. Shall the MSG choose to prioritise certain groupings of EITI Requirements, in accordance with the flexibility allowed in these ToRs, it should clearly document prioritisation decisions and map systematic disclosures. See [Annexe D](#) for the mapping of systematic disclosures.

Each grouping of EITI requirements includes the following sections:

- i) **Mapping of systematic disclosures** : Consider the information that is routinely disclosed on government and company websites. The MSG should include a summary of available information in the EITI Report or to refer to where this information is available.
- ii) **Publication of any information that is not systematically disclosed** : Where the information is not systematically published, the MSG shall include the information in this section. The MSG may decide to present this information the location and a summary/analysis of the content of the publicly available information, to provide a full picture to the reader.
- iii) **Disclosure of additional (required and encouraged) information not already published:** Consider the gaps in the information disclosed, both systematic and non-systematic ways. Consider any additional data needed for a better understanding and to strengthen debate under the EITI provision. Consider the role of the MSG and other stakeholders in gathering additional data or information. Consider comprehensiveness and reliability of the public data and whether to include visuals for highlights or to improve public understanding. Consider recommendations for both the publication and use of data.
- iv) **Assessment of the comprehensiveness and reliability of the public data** : Consider whether the primary or official data is complete, reliable and sufficiently disaggregated.
- v) **Assessment of the accessibility of information** : Consider time series analysis of the data related to these requirements, timeline with key events, maps etc to improve public understanding of the data.
- vi) **Recommendations to strengthen both publication and use of data** : Consider opportunities to strengthen both publication and use of data. Consider if the data disclosed by government entities and companies is comparable. Consider opportunities for peer learning and exchanging of good practice on disclosures.

## D. EITI REPORT CONCLUSIONS ON MSG'S ANALYTICAL QUESTIONS

- This section should present the EITI Report's conclusions on the analytical questions set out by the MSG for the EITI reporting cycle (under Section A of the ToRs).

## E. RECOMMENDATIONS FROM EITI REPORTING

- Recommendations agreed by the MSG on the basis of this EITI reporting cycle, focusing where possible on recommendations for reforms in government and extractive company procedures, systems and practices related to extractive industry governance.
- The section can also include recommendations on comprehensiveness of systematic disclosures, and the accessibility and use of data are considered priorities for the MSG, given the focus areas of interest, including any concerns about gaps and data quality.

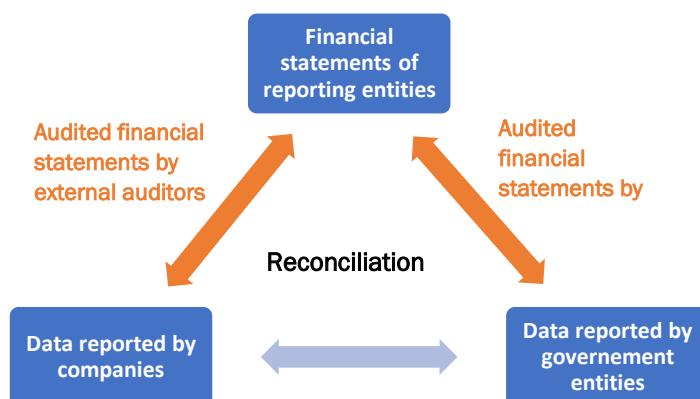


## ANNEXE A: STEP BY STEP APPROACH TO DATA QUALITY ASSURANCE FOR REVENUE DISCLOSURES

### *Option A: Quality assurance option A*

The approach proposed is a conventional one and is widely used by EITI-implementing countries. Data quality is based on the assertion that the financial statements of reporting entities are audited and the payment reported by reporting entities have an acceptable level of accuracy. The second layer of data quality is the reconciliation of all significant payment flows between the reporting templates submitted by companies and government entities. The third layer of data quality assurance is the attestation from senior management about the quality of data.

The role of MSG and the National Secretariat has traditionally been limited. The entity responsible for collating the EITI report, traditionally an independent administrator, leads the entire process, with support from the national secretariat in data collection. The MSG's role consists of approving both scoping and reconciliation reports and overseeing the process. The cost of preparing the report is relatively high. This method relies on reconciliation between reporting templates to ensure that data is reliable and attestation by senior management. This approach is agnostic on whether the payments made by companies are consistent with the legal obligations.



This approach is mainly composed of 2 major steps : scoping phase and reconciliation phase.

**The scoping phase:** This first step aims to identify significant revenue flows and company payments that will be subject to data quality assurance. The scoping sets the basis for producing timely, comprehensive, reliable, and comprehensible EITI data. It involves reviewing and determining which revenue streams from the oil, gas, and mining are significant and, consequently, which companies and government entities should be required to report.

The second step should help identify existing disclosures by government and company reporting entities and help inform recommendations for improving systematic disclosures in line with the EITI Standard. It is also an opportunity for the multi-stakeholder group to consider extending the scope of EITI reporting beyond the minimum requirements to address the objectives outlined in the EITI work plan. Scoping may also investigate likely gaps or issues that may be particularly challenging to include in the EITI Report to identify options, solutions, and recommendations for an appropriate reporting methodology for consideration by the multi-stakeholder group.

Following the establishment of the reconciliation scope, the MSG approves the list of companies, the list of revenue flows, materiality, and all relevant information, such as the fiscal period for the reconciliation exercise.

## Reconciliation phase:

**Data collection:** After establishing the scope of the reconciliation, material companies and government entities are asked to respectively submit material payments and revenue flows collected. The information is usually documented in reporting templates created for this purpose and reporting entities are trained to use those templates prior to submitting the requested information.

The MSG and national secretariat will provide contact details for the reporting entities and assist the entity responsible for collating the EITI report, traditionally an independent administrator, in ensuring that all reporting entities participate fully. The entity responsible for collating the EITI report distributes the reporting templates and collects the completed forms and associated supporting documentation directly from the participating reporting entities, as well as any contextual or other information that the MSG has tasked the entity responsible for collating the EITI report, traditionally an independent administrator, to collect. The IA contacts the reporting entities directly to clarify any information gaps or discrepancies.

**Initial compilation:** The purpose of this phase is to complete an initial compilation and reconciliation of the contextual information and revenue data with a view to identify any gaps or discrepancies to be further investigated.

**Reconciliation:** The purpose of this phase is to investigate any discrepancies identified in the initial reconciliation, and to produce a draft EITI Report that compiles the contextual information, reconciles financial data and explains any discrepancies above the margin of error determined by the MSG, where applicable. The entity responsible for collating the EITI report, traditionally an independent administrator, should contact the reporting entities to clarify the causes of any significant discrepancies or other gaps in the reported data, and to collect additional data from the reporting entities concerned.

**Draft report:** The entity responsible for collating the EITI report, traditionally an independent administrator, submit a draft EITI Report to the MSG for comment that comprehensively reconciles the information disclosed by the reporting entities, identifying any discrepancies, and reports on contextual and other information requested by the MSG. The financial data should be disaggregated by each individual project, company, government entity and revenue stream in accordance with Requirement 4.7. The draft EITI Report should:

- a) describe the methodology adopted for the reconciliation of company payments and government revenues and demonstrate the application of international professional standards.
- b) include a description of all revenue streams, related materiality definitions and thresholds (Requirement 4.1).
- c) include an assessment from the Independent Administrator on the comprehensiveness and reliability of the (financial) data presented, including an informative summary of the work performed by the Independent Administrator and the limitations of the assessment provided.
- d) indicate the coverage of the reconciliation exercise, based on the government's disclosure of total revenues as per Requirement 4.1(d).
- e) include an assessment of whether all companies and government entities within the agreed scope of the EITI reporting process provided the requested information. Any gaps or weaknesses in reporting to the entity responsible for collating the EITI report,

traditionally an independent administrator, must be disclosed in the EITI Report, including naming any entities that failed to comply with the agreed procedures, and an assessment of whether this is likely to have had material impact on the comprehensiveness of the report.

- f) document whether the participating companies and government entities had their financial statements audited in the financial year(s) covered by the EITI Report. Any gaps or weaknesses must be disclosed. Where audited financial statements are publicly available, it is recommended that the EITI Report advises readers on how to access this information.

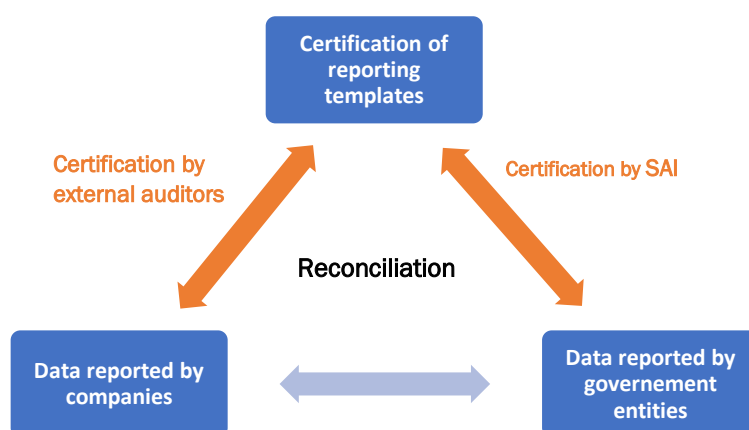
**Final report:** The purpose of this phase is to ensure that any comments by the MSG on the draft report have been considered and incorporated in the final EITI Report.

The entity responsible for collating the EITI report, traditionally an independent administrator, will submit the EITI Report upon approval to the MSG. The MSG will endorse the report prior to its publication and will oversee its publication. Where stakeholders other than the entity responsible for collating the EITI report, traditionally an independent administrator, decide to include additional comments in, or opinions on, the EITI Report, the authorship should be clearly indicated.

### *Option B: Quality assurance option B*

This method is similar to option A and is also widely used by EITI-implementing countries. Data quality is based on the certification of reporting templates by external auditors for companies and supreme audit institutions (SAIs) for government entities. The second layer of data quality is the reconciliation of all significant payment flows between the reporting templates submitted by companies and government entities. The third layer of data quality assurance is the attestation from the companies' auditors and the supreme audit institution or other audit authority for government data.

Similar to annex A, the role of MSG and the National Secretariat is limited. The entity responsible for collating the EITI report, traditionally an independent administrator, leads the entire process, with support from the national secretariat in data collection. The MSG's role consists of approving both scoping and reconciliation reports and overseeing the process. The cost of preparing the report is relatively high. This method relies on reconciliation between reporting templates to ensure that data is reliable and attestation by the respective auditing authorities. This approach is agnostic on whether the payments made by companies are consistent with the legal obligations.



This approach is mainly composed of 2 major steps : scoping phase and reconciliation phase. It involves an additional cost for companies in seeking the opinion of an external auditor on their declarations. It may also be the case that the supreme audit institution may not have the granular

insight required for EITI reporting and there is some training to be done in these instances.

### *Option C: Quality assurance option C*

This option was used by some countries during the COVID 19 crisis. During that period, it was difficult for the independent administration to get in contact with reporting entities, particularly, companies, to provide the requested information. It recognises that government is not a monolith and depending on the context, there might be significant differences in the financial information reported by government entities. This option is aligned with [the flexible reporting process](#), that allows a single source disclosure of EITI data from the government agencies without reconciliation with company data. This option innovates by giving data quality assurance procedures based on the reconciliation of data among government agencies and state-owned enterprises (SOEs).

This quality assurance procedure is based on the collection of EITI data from pertinent governmental entities, supplemented by management attestations, alongside a reconciliation of government extractive revenue among government entities and SOEs. This can encompass the following reconciliations, where applicable:

- Reconciliation of state-owned enterprises' EITI reported data with data in their audited financial statements.
- Reconciliation of the Treasury's EITI reported data with data from both authorizing and collecting government entities, such as the Tax Department, Customs Department, mining and petroleum line ministries, and others.
- Reconciliation of the Treasury's EITI reported data with data from the government's balance sheet.
- Comparison of all government EITI reported data with relevant government publications on government revenues and sectoral notes on the mining and petroleum industries.
- Comparison of all government revenue data per company with available systematic disclosures by extractive companies operating in the country, including mandatory payments to government reports in those jurisdictions with such requirements (Canada, the European Union, Norway, the United Kingdom).

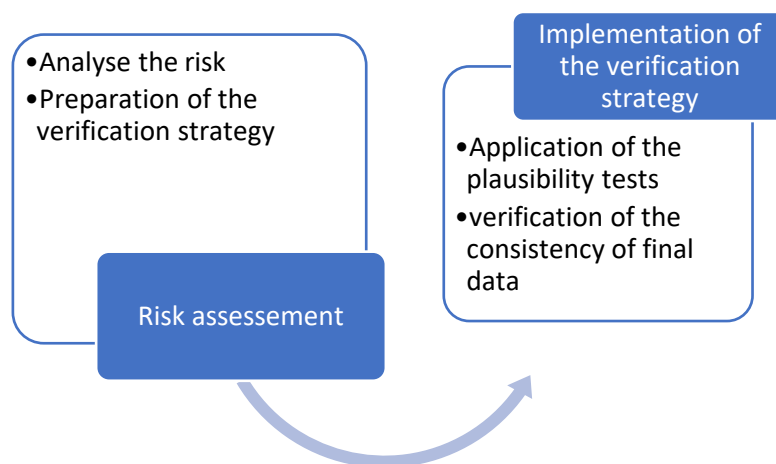
The entity responsible for collating the EITI report, traditionally an independent administrator, and in some instances, the national secretariat, leads the entire process, with support from the national secretariat in data collection. The MSG's role consists of approving both scoping and reconciliation reports and overseeing the process. The multi-stakeholder group (MSG) is also expected to conclude on an assessment of the comprehensiveness and reliability of the data on government extractive revenues in the EITI Report. The cost of preparing the report depends on whether an external third party is contracted to collect the data. This method relies on reconciliation between reporting templates by government agencies to ensure that data is reliable and includes attestation by senior management. This approach is agnostic on whether the payments made by companies are consistent with the legal obligations.



### Option D: Quality assurance option D

This approach aims to optimize resource allocation by aligning the level of effort with the level of risk. This approach aims to implement a more tailored approach to the standard procedures, such as reconciliation, taking in account their level of risk.

The risk-based approach is divided into 2 steps: assessing the risk and implementing the verification strategy :



### Identification of the risk of material misstatement in the EITI data

The scoping phase includes the collection of the payments composing the revenue of the extractive sector, which mainly include all payments of companies holding extractive licenses. Based on the materiality approach agreed by the MSG, material reporting streams / companies will be identified as high-risk and as such will be covered in the scope of the reporting process. They will also be subject to data quality procedures.

The information obtained will be subject to 3 level of disaggregation :

- Per company
- Per payment flow
- Per government agency

This method aims to analyze the level of risk for the different reporting entities, both government entities and companies. Documentation that can be used to determine risk includes reports by supreme audit institutions, historical adjustments in EITI reports, interviews with key stakeholders, audit reports, any other relevant documents. The periodicity of the risk assessment can be 1 to 3 years .

The outcome of this phase is a **mapping of risk level of every reporting entity. The verification strategy** is to reduce the risk to an acceptable level. Following the level of risk of companies' payments, government entities and payment flow, the independent administrator establishes a verification program to reduce the level of risk to an acceptable one.

Level of risk	Examples of procedures to reduce the level of risk
Medium	- Plausibility tests - Direct confirmation -reconciliation with other government agencies reporting templates
High	- Plausibility tests combined with reconciliation of payments - Review of payment proof

## ANNEXE B: KEY QUESTIONS PER THEMATIC GROUP

### I. *OVERVIEW OF THE EXTRACTIVE INDUSTRIES (Requirements 3.1 and 6.3)<sup>4</sup>*

- **Mapping of systematic disclosures** compared to Requirements 3.1 and 6.3:
  - o What information on the extractive industries (including main companies, projects, significant exploration activities) is routinely disclosed on government and company websites?
  - o What information on the extractive industries' contribution to the national economy (including, in absolute and relative terms, contribution to GDP, government revenues, exports, employment and estimates of informal activities) is routinely disclosed on government and company websites?

The MSG should include a summary of available information in the EITI Report or to refer to where this information is available.
- **Publication of any information that is not systematically disclosed**
  - o Where the information is not systematically published, the MSG shall include the information in this section.
  - o The MSG may decide to present this information the location and a summary/analysis of the content of the publicly available information, to provide a full picture to the reader.
- **Disclosure of additional (required and encouraged) information** not already published:
  - o What are the gaps in the information disclosed on the extractive industries (including main companies, projects, significant exploration activities)? This applies to information that is disclosed in both systematic and non-systematic ways.
  - o What are the gaps in the information disclosed on the extractive industries' contribution to the national economy (including, in absolute and relative terms, contribution to GDP, government revenues, exports, employment and estimates of informal activities)? This applies to information that is disclosed in both systematic and non-systematic ways.

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- <sup>4</sup> [Gender-responsive EITI implementation \(March 2022\)](#)  
[Coverage of artisanal and small-scale mining \(ASM\) in EITI reporting \(September 2022\)](#)

- What data is needed to better understand an overview of the extractive industries and the extractive industries' (including informal activities) contribution to GDP, government revenues, exports and employment?
  - How can the MSG engage with other stakeholders to gather additional data or information on the extractive industries and their contribution to the national economy?
  - What data is needed to strengthen understanding and support debate on the extractive industries and their contribution to the national economy?
  - How can data be harmonised and presented for clearer and unified reporting?
- **Assessment of the comprehensiveness and reliability** of the public data:
    - Is the primary or official data on the extractive industries and their contribution to the economy complete, reliable and sufficiently disaggregated?
  - **Assessment of the accessibility** of systematically disclosed information on the extractive industries and their contribution to the national economy.
  - **Encouragement to include visuals for highlights or to improve public understanding**, such as time series analysis of the data related to these requirements (share of EI contribution to GDP over time, contribution of EI revenues to total government revenues over time, development of commodity price over time), and timeline with key events (production of oil field commencing, new discovery, mining operation closure to name a few, new material companies, or acquisitions, transfers of large scale licenses), maps showing the location of mines (including commodities), location of processing plants (where this has an impact on the project-level definition) or oil and gas operations, pipelines.
  - **Recommendations** to strengthen both publication and use of data:
    - Are government entities and companies disclosing comparable data on the extractive industries and their contribution to the national economy?
    - Are there opportunities for peer learning and exchanging good practice on disclosures related to the extractive industries and their contribution to the national economy?

## **I. LEGAL AND FISCAL FRAMEWORK (Requirements 2.1, 2.4 and 6.4)**

- **Mapping of systematic disclosures** compared to Requirements 2.1, 2.4 and 6.4:
  - What information on the legal framework and fiscal regime, including related to the energy transition, is routinely disclosed on government and company websites?
  - What information on the full text of extractives contracts and licenses routinely disclosed on government and company websites? Is a list of all licenses and contracts (including annexes, amendments and riders) publicly accessible, indicating where each document is published?
    - EITI Guidance Note on [Contracts](#) (May 2021).
  - What information on the rules and practices of environmental impact management related to the extractive industries is routinely disclosed on government and company websites?
    - EITI Guidance Note on [Environmental impact of extractive activities](#) (August 2021)
- **Publication of any information that is not systematically disclosed**

- Where the information is not systematically published, the MSG shall include the information in this section. This includes referencing previous EITI Reports that might have covered these disclosures.
  - This includes a summary of the fiscal regime, overview of relevant laws and regulations, a description of different types of contracts and licenses that govern the exploration and exploitation of oil, gas and minerals, and information on roles and responsibilities of relevant government agencies.
  - It is also encouraged to include information on reforms that are underway.
  - This section should also include a description on whether the government's policy on contract transparency has been disclosed and if there is an enabling environment for disclosure of contracts and licenses. Any deviations from legislative or government policy requirements concerning the disclosure of contracts and licenses should also be documented.
  - Have legal and practical barriers to contract disclosure identified during implementation been addressed?
  - The MSG may decide to present this information alongside a summary of the location and content of the publicly available information, to provide a full picture to the reader.
- **Disclosure of additional (required and encouraged) information** not already published:
- What are the gaps in information disclosed on the legal framework and fiscal regime? This applies to information that is disclosed in both systematic and non-systematic ways.
  - Have all extractive contracts and licenses been publicly disclosed?
  - What are the gaps in information disclosed on the full text of extractives contracts and licenses and a list of all licenses and contracts (including annexes, amendments and riders) indicating where each document is published?
  - What are the gaps in information on the rules and practices of environmental impact management related to the extractive industries?
- **Assessment of the comprehensiveness and reliability** of the public data:
- Is the primary or official data on the legal environment and fiscal regime complete, reliable and sufficiently detailed?
  - Is the primary or official data on contracts and licenses complete, reliable and sufficiently detailed?
  - Is the primary or official data on the management of environmental impacts of the extractive industries complete, reliable and sufficiently detailed?
- **Assessment of the accessibility** of systematically disclosed information:
- Can the information on the legal environment and fiscal regime be accessed without limitations?
  - Are contracts and licenses searchable? Can they be accessed or searched for based on company name, project name or license number? Can the documents be downloaded?
  - Can the information on environmental impact assessments and environmental management plan be downloaded?
- **Encouragement to include visuals for highlights or to improve public understanding** of the legal framework and fiscal regime for the extractive industries, contract and license disclosure and environmental impact.
- **Recommendations** to strengthen both publication and use of data:

- Are government entities and companies disclosing sufficient information on the legal and fiscal framework, contracts and licenses, and environmental impact management?

**Relevant guidance notes:**

- [Contracts](#) (May 2021)
- [Environmental impact of extractive activities](#) (August 2021)

## **II. LICENSES (Requirements 2.2 and 2.3)**

Reporting should be done with the aim of adhering to the objectives of these requirements. The overall completeness of this section depends on the extent to which it has effectively and comprehensively addressed these objectives.

- **Mapping of systematic disclosures** compared to Requirements 2.2 and 2.3:
  - What information on license and contract **awards and transfers** is routinely disclosed on government and company websites?
    - EITI Guidance Note on [Contract and license allocations](#) (October 2021)
  - What information on licenses is routinely disclosed on government and company websites, e.g. through a cadastral portal or license register?
    - EITI Guidance Note on [Register of licenses](#) (October 2021)
- **Publication of any information that is not systematically disclosed**
  - Where the information is not systematically published, the MSG shall include the information in this section.
  - This section should include a description of procedures, actual practices and grounds for renewing, suspending or revoking a contract or license, or refer to where this information is publicly disclosed. This should include an explanation of the rules that determine which procedure should be used and why it was selected.
  - It should also include reference to whether the government has disclosed the list of applicants and bid criteria related to any bidding process that took place in the period of reporting.

The MSG may decide to present this information alongside a summary of the location and content of the publicly available information, to provide a full picture to the reader.

- **Disclosure of additional (required and encouraged) information** not already published:
  - What are the gaps in information disclosed on license and contract awards and transfers compared to Requirement 2.2? This applies to information that is disclosed in both systematic and non-systematic ways.
  - What are the gaps in systematically disclosed information on licenses compared to Requirement 2.3, e.g. through a cadastral portal or license register?
  - The EITI Report should include commentary on the efficiency and effectiveness of these systems.
  - What are the legal or practical barriers, if any, to disclosures of information regarding license awards and transfers?
  - The report should document if there are no clear technical and financial criteria for awarding or transferring licenses.
- **Assessment of the comprehensiveness and reliability** of the public data:
  - Is the primary or official data on license and contract awards and transfers complete, reliable and sufficiently detailed?
  - Is the primary or official data on license information (e.g. through a cadastral portal or license register) complete, reliable and sufficiently detailed? Is the

register linked to other government platforms that disclose or hold information on legal or beneficial owners of extractive companies?

- **Assessment of the accessibility** of public data on awards, transfers and register:
  - o Can the information on awards and transfers be accessed without limitations?
  - o Is the license register searchable? Are licenses searchable based on company name, project name or license number? Can the documents be downloaded?
  
- **Encouragement to include visuals for highlights or to improve public understanding** of licensing issues in the extractive industries.
  
- **Recommendations** to strengthen both publication and use of data:
  - o Are government entities and companies disclosing comprehensive information on license and contract awards and transfers, and license registers?

**Relevant guidance notes:**

- [Contract and license allocations](#) (October 2021)
- [Register of licenses](#) (October 2021)

### **III. OWNERSHIP (Requirement 2.5)**

Reporting should be done with the aim of adhering to the objective of this requirement. The overall completeness of this section depends on the extent to which it has effectively and comprehensively addressed this objective.

- **Mapping of systematic disclosures** compared to Requirement 2.5:
  - o What information on legal and beneficial ownership of extractive companies is routinely disclosed on government and company websites?
  
- **Publication of any information that is not systematically disclosed**
  - o Where the information is not systematically published, the MSG shall include the information in this section.
  - o This section should include a description of the MSG's agreed definition of the term beneficial owner, if it is aligned with international standards, includes thresholds and specifies reporting obligations for politically exposed persons. It should also document where this information can be found in the public domain, and the rationale behind the selection of the specific threshold and of the specific ownership or control mechanisms.
  - o A description the laws, rules or policies in place to establish and maintain a public register of beneficial owners, or document where this information can be found in the public domain, including any reforms that are planned or underway.
  - o The EITI Report must include guidance on how to access the information on beneficial owners. This also includes a review of the beneficial ownership register, if established, or any other collection mechanisms set out by the government, including information on number and percentage of companies reporting, level of detail in line with Requirement 2.5, access barriers.
  - o An assessment on whether all applicants and holders of a participating interest in a license or contract have declared beneficial ownership information, and where this information can be found in the public domain.
  - o A statement on whether entities that have failed to disclose have been named.
  - o For publicly listed companies, this section should include links to the stock exchange filings where they are listed, or an assessment on whether this information can be found in the register.

- For state-owned enterprises, whether the information on name of the state(s) owning or controlling the SOE, the level of ownership and details about how ownership or control is exerted is disclosed. If not, it should be disclosed in the Report.
- Information about legal owners and share of ownership of applicable companies or an assessment on whether this information is publicly available.

The MSG may decide to present this information alongside a summary of the location and content of the publicly available information, to provide a full picture to the reader.

- **Disclosure of additional (required and encouraged) information** not already published:
  - What are the gaps in information disclosed on legal and beneficial ownership of extractive companies compared to Requirement 2.5? This applies to information that is disclosed in both systematic and non-systematic ways.
- **Assessment of the comprehensiveness and reliability** of the public data:
  - If the MSG has assessed and documented gaps and weaknesses in disclosure of beneficial ownership information, the Report should describe where this can be accessed.
  - Is the primary or official data on legal and beneficial ownership of extractive companies complete, reliable and sufficiently detailed?
  - Is the definition of beneficial owner comprehensive? Does it cover all corporate vehicles in the jurisdiction, particularly those that pose opacity risks, e.g., trusts?
  - Does the beneficial ownership information reported have sufficient level of detail, in line with Requirement 2.5? Do all politically exposed persons report beneficial ownership information?
- **Assessment of the accessibility** of the public records and data:
  - Can the information on the legal framework for beneficial ownership be accessed without limitations?
  - Is the register searchable by company or beneficial owner? Can the information in the register be downloaded in bulk?
  - Are the beneficial ownership declaration forms searchable? Can they be downloaded?
  - Has the relevant government entity or MSG established an approach to assure or verify the accuracy of the information provided?
  - How comprehensive and reliable is the ownership data disclosed in stock exchange filings?
- **Encouragement to include visuals for highlights or to improve public understanding** of beneficial ownership in the extractive industries.
- **Recommendations** to strengthen both publication and use of data:
  - Are government entities and companies disclosing comprehensive information on legal and beneficial ownership of extractive companies?

**Relevant guidance notes:**

- [Legal approaches to beneficial ownership transparency in EITI countries](#) (June 2019)
- [MSG oversight of beneficial ownership disclosures](#) (March 2020)
- [Beneficial ownership model declaration form](#) (July 2020)
- [Relational database design considerations](#) (December 2021)
- [Building an auditable record of beneficial ownership](#) (August 2022)

- [Defining and capturing data on the ownership and control of state-owned enterprises](#) (February 2023)
- [Using reliable identifiers for corporate vehicles in beneficial ownership data](#) (October 2023)

#### IV. STATE PARTICIPATION (Requirements 2.6, 4.2, 4.5 and 6.2)

Reporting should be done with the aim of adhering to the objectives of these requirements. The overall completeness of this section depends on the extent to which it has effectively and comprehensively addressed these objectives.

- **Mapping of systematic disclosures** compared to Requirements 2.6, 4.2, 4.5 and 6.2:
  - o What information on state participation in the extractive industries (including the rules and practices of SOEs' financial relations with the state and its subsidiaries and joint-ventures) is routinely disclosed on government and company websites? Where are the audited financial statements of each material SOE (or the main financial items (i.e. balance sheet, profit/loss statement, cash flows) where financial statements are not available) publicly accessible?
    - EITI Guidance Note on [Understanding financial statements of state-owned enterprises](#) (October 2021)
    - EITI Guidance Note on [Defining and capturing data on the ownership and control of state-owned enterprises](#) (February 2023)
  - o Does the state (or SOEs on its behalf) collect any government revenues from extractive companies in kind? Are these in-kind revenues material? What information on the sale of the state's in-kind revenues (including extractive companies' in-kind payments to the state (or SOEs on its behalf), and volumes and values of the sales of the state's in-kind revenues, disaggregated by buyer) is routinely disclosed on government and company websites?
    - EITI Guidance Note on [Reporting guidelines for companies buying oil, gas and minerals from governments](#) (September 2020)
    - EITI Guidance Note on [Resource-backed loans](#) (August 2023)
    - EITI Guidance Note on [Infrastructure provisions and barter arrangements](#) (February 2021)
  - o Do material SOEs collect revenues from extractive companies, make transfers to the state or receive transfers from the state in the period under review? Are such SOE transactions material? What information on SOE transactions (including extractive company payments to SOEs, SOE transfers to the state and state transfers to SOEs) is routinely disclosed on government and company websites?
    - EITI Guidance Note on [Understanding financial statements of state-owned enterprises](#) (October 2021)
    - EITI Guidance Note on [Defining and capturing data on the ownership and control of state-owned enterprises](#) (February 2023)
  - o Do material SOEs undertake quasi-fiscal expenditures in the period under review? What information on SOE quasi-fiscal expenditures is routinely disclosed on government and company websites?
    - EITI Guidance Note on [Quasi-fiscal expenditures](#) (September 2020)
- **Publication of any information that is not systematically disclosed**
  - o Where the information is not systematically published, the MSG shall include the information in this section.
  - o The MSG may decide to present this information alongside a summary of the location and content of the publicly available information, to provide a full picture to the reader.



- **Disclosure of additional (required and encouraged) information** not already published:
  - o What are the gaps in systematically and non-systematically disclosed information on state participation in the extractive industries (including the rules and practices of SOEs' financial relations with the state and its subsidiaries and joint-ventures) compared to Requirement 2.6?
  - o What are the gaps in systematically and non-systematically disclosed information on the sale of the state's in-kind revenues (including extractive companies' in-kind payments to the state (or SOEs on its behalf), and volumes and values of the sales of the state's in-kind revenues, disaggregated by buyer) compared to Requirement 4.2?
  - o What are the gaps in systematically and non-systematically disclosed information on SOE transactions (including extractive company payments to SOEs, SOE transfers to the state and state transfers to SOEs) compared to Requirement 4.5?
  - o What are the gaps in systematically and non-systematically disclosed information on SOE quasi-fiscal expenditures compared to Requirement 6.2?
  
- **Assessment of the comprehensiveness and reliability** of the public data:
  - o Is the primary or official data on state participation in the extractive industries (including the rules and practices of SOEs' financial relations with the state and its subsidiaries and joint-ventures) complete, reliable and sufficiently detailed?
  - o Is the primary or official data on the sale of the state's in-kind revenues (including extractive companies' in-kind payments to the state (or SOEs on its behalf), and volumes and values of the sales of the state's in-kind revenues, disaggregated by buyer) complete, reliable and sufficiently detailed?
  - o Is the primary or official data on SOE transactions (including extractive company payments to SOEs, SOE transfers to the state and state transfers to SOEs) complete, reliable and sufficiently detailed?
  - o Is the primary or official data on SOE quasi-fiscal expenditures complete, reliable and sufficiently detailed?
  
- **Assessment of the accessibility** of systematically disclosed information on state participation in the extractive industries, government in-kind revenues, transactions related to SOEs and SOE quasi-fiscal expenditures.
  
- **Encouragement to include visuals for highlights or to improve public understanding** of state participation in the extractive industries.
  
- **Recommendations** to strengthen both publication and use of data:
  - o Are government entities and companies disclosing sufficient information on state participation, including SOE financial relations, the sale of the state's in-kind revenues, SOE transactions and SOE quasi-fiscal expenditures?

**Relevant guidance notes:**

- [State participation and state-owned enterprises](#) (October 2020)
- [Understanding financial statements of state-owned enterprises](#) (October 2021)
- [Defining and capturing data on the ownership and control of state-owned enterprises](#) (February 2023)
- [Reporting guidelines for companies buying oil, gas and minerals from governments](#) (September 2020)
- [Resource-backed loans](#) (August 2023)
- [Infrastructure provisions and barter arrangements](#) (February 2021)

- [Quasi-fiscal expenditures](#) (September 2020)

#### V. **PRODUCTION, EXPORTS AND EMISSIONS (Requirements 3.2, 3.3 and 3.4)**

Reporting should be done with the aim of adhering to the objectives of these requirements. The overall completeness of this section depends on the extent to which it has effectively and comprehensively addressed these objectives.

- **Mapping of systematic disclosures** compared to Requirements 3.2, 3.3 and 3.4:
  - o Did the country produce any extractive commodities in the period under review? What information on production data is routinely disclosed on government and company websites?
    - EITI Guidance Note on [Coverage of artisanal and small-scale mining \(ASM\) in EITI reporting](#) (September 2022)
  - o Did the country export any extractive commodities in the period under review? What information on export data is routinely disclosed on government and company websites?
  - o What information on emissions data is routinely disclosed on government and company websites?
- **Publication of any information that is not systematically disclosed**
  - o Where the information is not systematically published, the MSG shall include the information in this section.

The MSG may decide to present this information alongside a summary of the location and content of the publicly available information, to provide a full picture to the reader.

- **Disclosure of additional (required and encouraged) information** not already published:
  - o What are the gaps in systematically and non-systematically disclosed information on production data compared to Requirement 3.2?
  - o What are the gaps in systematically and non-systematically disclosed information on export data compared to Requirement 3.3?
  - o What are the gaps in systematically and non-systematically disclosed information on emissions data compared to Requirement 3.4?
- **Assessment of the comprehensiveness and reliability** of the public data:
  - o Is the primary or official data on production complete, reliable and sufficiently detailed?
  - o Is the primary or official data on exports complete, reliable and sufficiently detailed?
  - o Is the primary or official data on emissions complete, reliable and sufficiently detailed?
- **Assessment of the accessibility** of systematically disclosed information on extractive industry production and exports.
- **Encouragement to include visuals for highlights or to improve public understanding** of issues related to extractive industry production and exports.
- **Recommendations** to strengthen both publication and use of data:
  - o Are government entities and companies disclosing sufficient information on production, export and emissions?

**Relevant guidance notes:**

- [Coverage of artisanal and small-scale mining \(ASM\) in EITI reporting](#) (September 2022)

**VI. REVENUE MANAGEMENT (Requirements 5.1 and 5.3)**

Reporting should be done with the aim of adhering to the objectives of these requirements. The overall completeness of this section depends on the extent to which it has effectively and comprehensively addressed these objectives.

- **Mapping of systematic disclosures** compared to Requirements 5.1 and 5.3:
  - o What information on distribution of extractive industry revenues is routinely disclosed on government and company websites?
    - EITI Guidance Note on [Quasi-fiscal expenditures](#) (September 2020)
  - o What information on revenue management and expenditures is routinely disclosed on government and company websites?
    - EITI Guidance Note on [Sustainability of revenues from the extractive sector](#) (September 2022)
- **Publication of any information that is not systematically disclosed**
  - o Where the information is not systematically published, the MSG shall include the information in this section.

The MSG may decide to present this information alongside a summary of the location and content of the publicly available information, to provide a full picture to the reader.

- **Disclosure of additional (required and encouraged) information** not already published:
  - o What are the gaps in systematically and non-systematically disclosed information on distribution of extractive industry revenues compared to Requirement 5.1?
  - o What are the gaps in systematically and non-systematically disclosed information on revenue management and expenditures compared to Requirement 5.3?
- **Assessment of the comprehensiveness and reliability** of the public data:
  - o Is the primary or official data on distribution of extractive industry revenues complete, reliable and sufficiently detailed?
  - o Is the primary or official data on revenue management and expenditures complete, reliable and sufficiently detailed?
- **Assessment of the accessibility** of systematically disclosed information on revenue management and expenditures.
- **Encouragement to include visuals for highlights or to improve public understanding** of revenue management and expenditures related to the extractive industries.
- **Recommendations** to strengthen both publication and use of data:
  - o Are government entities and companies disclosing sufficient information on distribution of extractive industry revenues and revenue management and expenditures?

**Relevant guidance notes:**

- [Quasi-fiscal expenditures](#) (September 2020)
- [Sustainability of revenues from the extractive sector](#) (September 2022)

## VII. *SUBNATIONAL CONTRIBUTIONS (Requirements 4.6, 5.2 and 6.1)*

Reporting should be done with the aim of adhering to the objectives of these requirements. The overall completeness of this section depends on the extent to which it has effectively and comprehensively addressed these objectives.

- **Mapping of systematic disclosures** compared to Requirements 4.6, 5.2 and 6.1:
  - o Do direct subnational payments from extractive companies to any subnational government entity exist in the country? Are these direct subnational payments considered material? What information on direct subnational payments is routinely disclosed on government and company websites?
    - EITI Guidance Note on [Subnational payments and transfers](#) (May 2021)
  - o Do subnational transfers of government extractive revenues to any subnational government entity exist in the country? Are these subnational transfers considered material? What information on subnational transfers is routinely disclosed on government and company websites?
    - EITI Guidance Note on [Subnational payments and transfers](#) (May 2021)
  - o What information on social expenditures and environmental payments is routinely disclosed on government and company websites?
    - EITI Guidance Note on [Social and environmental expenditures](#) (January 2021)
  
- **Publication of any information that is not systematically disclosed**
  - o Where the information is not systematically published, the MSG shall include the information in this section.

The MSG may decide to present this information alongside a summary of the location and content of the publicly available information, to provide a full picture to the reader.

- **Disclosure of additional (required and encouraged) information** not already published:
  - o What are the gaps in systematically and non-systematically disclosed information on direct subnational payments from extractive companies compared to Requirement 4.6?
  - o What are the gaps in systematically and non-systematically disclosed information on subnational transfers of government extractive revenues compared to Requirement 5.2?
  - o What are the gaps in systematically and non-systematically disclosed information on social expenditures and environmental payments compared to Requirement 6.1?
  
- **Assessment of the comprehensiveness and reliability** of the public data:
  - o Is the primary or official data on direct subnational payments from extractive companies complete, reliable and sufficiently detailed?
  - o Is the primary or official data on subnational transfers complete, reliable and sufficiently detailed?
  - o Is the primary or official data on social expenditures and environmental payments complete, reliable and sufficiently detailed?
  
- **Assessment of the accessibility** of systematically disclosed information on subnational payments and transfers as well as social expenditures and environmental payments and expenditures.

- **Encouragement to include visuals for highlights or to improve public understanding** of subnational revenue flows, social expenditures and environmental payments and expenditures.
- **Recommendations** to strengthen both publication and use of data:
  - o Are government entities and companies disclosing sufficient information on direct subnational payments, subnational transfers, and social expenditures and environmental payments?

**Relevant guidance notes:**

- [Subnational payments and transfers](#) (May 2021)
- [Social and environmental expenditures](#) (January 2021)

## ANNEXE C: MSG INITIAL SCOPING DECISIONS

These scoping decisions relate to the financial disclosures.

### A. MATERIAL REVENUE STREAMS

1. Full government unilateral disclosure of revenues from the extractive industries, disaggregated by revenue stream
2. Materiality threshold for selecting revenue streams
3. Evidence of options considered for materiality threshold
4. Description of each material revenue stream

### B. MATERIAL GOVERNMENT ENTITIES

1. Full government unilateral disclosure of revenues from the extractive industries, disaggregated by collecting government entity
2. Materiality threshold for selecting government entities
3. Evidence of options considered for materiality threshold
4. Description of roles and responsibilities of each material government entity

### C. MATERIAL COMPANIES

1. Full government unilateral disclosure of revenues from the extractive industries, disaggregated by extractive company
2. Materiality threshold for selecting extractive companies
3. Evidence of options considered for materiality threshold
4. List of extractives projects in which each material company participates

## ANNEXE D: MAPPING OF SYSTEMATIC DISCLOSURES

For those EITI Requirements that the MSG has decided to prioritise ([see Annexe C](#)), the MSG is required to provide a mapping of systematic disclosures on which the EITI Report can be based. The MSG may wish to draw on the EITI Transparency Template for a comprehensive mapping tool.

### I. OVERVIEW OF THE EXTRACTIVE INDUSTRIES

- Systematic disclosures by government entities:
- Systematic disclosures by extractive companies:
- Identified gaps in systematic disclosures:

### II. LEGAL AND FISCAL FRAMEWORK

- Systematic disclosures by government entities:
- Systematic disclosures by extractive companies:
- Identified gaps in systematic disclosures:

### III. LICENSES

- Systematic disclosures by government entities:
- Systematic disclosures by extractive companies:
- Identified gaps in systematic disclosures:

### IV. OWNERSHIP

- Systematic disclosures by government entities:
- Systematic disclosures by extractive companies:
- Identified gaps in systematic disclosures:

### V. STATE PARTICIPATION

- Systematic disclosures by government entities:
- Systematic disclosures by extractive companies:
- Identified gaps in systematic disclosures:

### VI. PRODUCTION, EXPORTS AND EMISSIONS

- Systematic disclosures by government entities:
- Systematic disclosures by extractive companies:
- Identified gaps in systematic disclosures:

### VII. REVENUE COLLECTION

- Systematic disclosures by government entities:
- Systematic disclosures by extractive companies:
- Identified gaps in systematic disclosures:

## VIII. REVENUE MANAGEMENT

- Systematic disclosures by government entities:
- Systematic disclosures by extractive companies:
- Identified gaps in systematic disclosures:

## IX. SUBNATIONAL CONTRIBUTIONS

- Systematic disclosures by government entities:
- Systematic disclosures by extractive companies:
- Identified gaps in systematic disclosures: