

# Broader issues for discussion: Validation model

Implementing countries meeting, 13 June 2024

Based on Board paper 60-5-B



The global standard for the good governance  
of oil, gas and mineral resources.

# Adequacy of Validation scoring I

- Is the lack of equivalency between scores of individual EITI Requirements on the one hand, and average component and overall scores on the other hand a concern in communicating the outcome of Validation?
- Individual EITI Requirement scores of 60/100 equate to an assessment of ‘mostly met’, average component and overall scores of 60/100 equate to an assessment of ‘fairly low’, which can lead to some confusion.

## 2022 Chad Validation

### Stakeholder engagement



SCORECARD BY REQUIREMENT

ASSESSMENT ⓘ

#### Multi-stakeholder oversight

1.1 Government engagement	<div style="width: 60%;"></div>	60
1.2 Company engagement	<div style="width: 60%;"></div>	60
1.3 Civil society engagement	<div style="width: 60%;"></div>	60
1.4 MSG governance	<div style="width: 60%;"></div>	60

## 2022 Timor-Leste Validation

### Outcomes and impact



SCORECARD BY REQUIREMENT

ASSESSMENT ⓘ

#### Outcomes and impact

1.5 Work plan	<div style="width: 30%;"></div>	30
7.1 Public debate	<div style="width: 30%;"></div>	30
7.2 Data accessibility and open data	<div style="width: 30%;"></div>	30
7.3 Follow up on recommendations	<div style="width: 30%;"></div>	30
7.4 Review of outcomes and impact of implementation	<div style="width: 30%;"></div>	30
Effectiveness and sustainability indicators		0.5

# Adequacy of Validation scoring II

- Does the presentation of results in the scorecard support countries in identifying strengths and weaknesses, priorities for follow-up?
- Would it be useful to disaggregate the results by sector? What are concerns?

Requirement		Progress
Licenses	Contract and license allocations (#2.2)	Mostly met
	License register (#2.3)	Mostly met

Requirement		Oil and gas	Mining
Licenses	Contract and license allocations (#2.2)	Mostly met	Fully met
	License register (#2.3)	Fully met	Mostly met

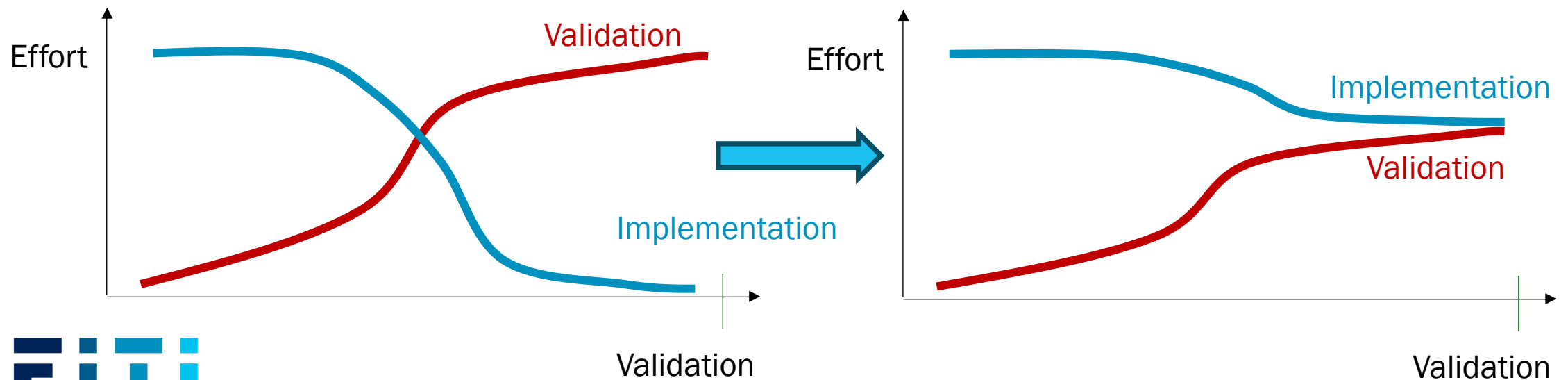


# Modularity of Validation

- Average overall scores allows to achieve a ‘high’ overall Validation score even when certain individual EITI Requirements are not fulfilled.
- Does the current Validation model sufficiently incentivise countries to address all relevant EITI Requirements, while providing flexibility to adapt implementation to national circumstances?

# Cost-effectiveness of Validation and integration into routine implementation

- Feedback from implementing countries: Validation is too cumbersome – detracts from implementation
- What are needs and ideas to better link implementation and Validation?



# Balancing process versus outcomes and impact

- Validation assesses both the disclosures (process) and the outcome of those disclosures, which are specified in the underlying objectives.
- Does Validation give sufficient attention to the *achievement of the outcome* of disclosure and diagnostic practices?
- Have underlying objectives supported countries for more meaningful implementation, work planning?

# Assessment of civil society engagement

- The 2021 Validation model introduced **expanded guidance for Validations of Requirement 1.3** and adherence to the EITI protocol: Participation of civil society. [Guide] – pages 6-14 (!) in the [Validation guide](#)
- Have Validations to date have struck the appropriate balance between the conditions concerning civic space and a range of other considerations related to the EITI process. Consistent in its approach?
- Application of the safeguard clause – consistent?
- Are any refinements of the methodology for assessing the environment for civil society engagement in the EITI process and consequences of Validation necessary?

# Validation of countries with proportionate implementation

- Should there be a standardised approach for countries with small size of extractive industries? The cost of Validation can exceed the total annual value of government revenues from the sector.
- If yes, what would be the commensurate approach? How to assess if a sector is “small”?



# Any other issues to raise?

- Floor is yours

# Next steps

- Board to give a steer on what issues the Validation Committee should pursue.
- Validation Committee to deliberate next steps

# Summary overview

1. Adequacy of Validation scoring – on range and disaggregation of scoring
2. Modular nature of Validation
3. Cost-effectiveness of Validation and integration into routine implementation
4. Balancing process versus outcomes and impact
5. Assessments of civil society engagement
6. Validation of countries with proportionate implementation, in particular with small sectors
7. Others issues?