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MINUTES OF THE 21ST EITI BOARD MEETING

Lusaka, 25-26 October 2012

Thursday 25 October

21-1 Welcome from the Chair and adoption of the agenda
The chair welcomed the Board members, in particular the newly appointed Board members Olivier Bovet, Alan MacLean and Donal Brown. She also welcomed the national coordinators as observers to the Board meeting.

The agenda was adopted.

21-2 Building on achievements – a proposal to improve the EITI
Jonas Moberg introduced the paper, explaining that since the previous meeting of the Board in Peru, the Strategy Working Group (SWG) met in The Hague. The Chair and Secretariat worked with sub-groups of the SWG in developing ‘Building on achievements’, aimed to enhance reliability and comprehensibility of data, make the EITI a better platform for wider reform efforts, and improve validation.

On the basis of discussions and decisions taken during the Board meeting, more detailed proposals would be submitted to the Board before its meeting in Oslo in February.

Inclusion of background Information

Proposal 1: Contextual information

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<th>Proposal</th>
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<tr>
<td>1.</td>
<td>It is proposed that EITI Reports are required to contain basic contextual information that provides the reader with an overview of the sector. This should include information on: (a) Contribution to the economy; (b) Production; (c) Revenues and fiscal systems; (d) Government accounts and budget systems</td>
<td>Approved. Consensus that this should be required, subject to approval of more detailed requirements.</td>
</tr>
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</table>

It was proposed that the Secretariat should develop a standard template for background information to be included in EITI Reports in order to ensure consistency. This would not be exhaustive and countries may decide to include more information.

Clare Short concluded that the Board agreed that this proposal be required.

Actions

The EITI International Secretariat to draft the proposed wording for the standard.

The EITI International Secretariat to develop a standard template for background information.
Proposal 2: Description of allocation

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<tr>
<td>2.</td>
<td>It is proposed that each country is [required/encouraged] to include a description of how extractive industries’ revenues are allocated i.e. EITI Reports should explain how these revenues (cash and in-kind) are recorded in the national budget. Where the governments revenues (cash and in-kind) are not recorded in the budget, the use of these revenues should be explained, with links provided to relevant financial reports as appropriate, e.g. sovereign wealth/development funds, sub-national governments, state-owned companies, etc.</td>
<td>Approved. Consensus that this should be required, subject to approval of more detailed requirements. The issues to be addressed together with proposal 1 on background information.</td>
</tr>
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</table>

It was noted that three of the EITI Principles refers to the use of extractive revenues. However it was stressed that this proposal was not meant to tell governments where to allocate their funds, but to describe, to track and to be transparent about where these funds are and how they have been allocated.

Clare Short confirmed that the proposal was agreed to be required.

Actions
The EITI International Secretariat to draft the proposed wording for the standard.

Proposal 3: Earmarking for programmes or regions

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<td>3.</td>
<td>It is proposed that, where extractive revenues are earmarked for specific programmes or geographic regions, clear targets and objectives are [required/encouraged] so as to maximise accountability and focus on the efficiency with which such resources are used.</td>
<td>Approved, subject to more detailed language. No discussion on whether this would be required.</td>
</tr>
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</table>

It was noted that the focus of this particular proposal was to encourage debate about efficient use of resources.

Clare Short concluded that the proposal was approved.

Actions
The EITI International Secretariat to draft the proposed wording for the standard.

Proposal 4: Mainstreaming EITI data and governments systems

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<td>4.</td>
<td>It is proposed that each country is encouraged to:</td>
<td>Approved. This would be encouraged, subject to approval of more detailed language. Agreed not to use the word “reconciliation” at 4(a), or “timely” at 4(c). Explore opportunities to address this in the</td>
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<tr>
<td></td>
<td>a. provide a reconciliation of data in EITI Reports to data recorded in government budgets and accounts.</td>
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<td></td>
<td>b. provide links to the publicly available records on budgeting and</td>
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expenditures.
c. provide timely information that will further public understanding of the volatile and finite nature of extractive industry revenues.
d. strengthen linkages between EITI and the country’s annual budget and public financial management processes.

The purpose of this proposal was to encourage in-country discussions of topics such as price volatility and the finite nature of natural resources. Board members agreed to encourage strengthening linkages with government accounts and public financial management processes. However, some alterations and clarifications were needed.

Clare Short confirmed that the point was to mainstream the EITI into government systems, and not to create parallel systems. She concluded that the proposal was approved, and that the Secretariat should redraft including the removal of the words ‘timely’ and ‘reconciliation’ and that it considers moving 4.c) to the background section under proposal 1.

**Actions**
The EITI International Secretariat to draft the proposed wording for the standard.

### Data: timely, comprehensive and reliable

#### Proposals 5 and 6: Comprehensive data

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<td>5.</td>
<td>It is proposed to require “comprehensive disclosure of all material oil, gas and mining payments by companies to governments (“payments”) and full disclosure of revenues received by governments from oil, gas and mining companies (“revenues”), including an independent opinion from the reconciler on the comprehensiveness of the data.</td>
<td>Approved. Consensus that this should be required, subject to approval of more detailed requirements.</td>
</tr>
<tr>
<td>6.</td>
<td>It is proposed that the Board reviews what types of taxes (revenue streams) must be included in an EITI Report, and which are optional, and revises the standard reporting templates accordingly.</td>
<td>Approved. Consensus that this should be required, subject to approval of more detailed requirements. Standardised templates to be put forward for the Board to approve.</td>
</tr>
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</table>

The purpose of this proposal was to ensure that EITI reports cover all significant payments and revenues. It was noted that the Board had already agreed to develop a standard reporting template that would be put to the Board for approval. Clare Short concluded that the Board approved proposals 5 and 6 as required, and that the Secretariat further elaborate the language, in consultation with National Coordinators and with reconcilers.

**Actions**
The EITI International Secretariat to draft the proposed wording for the standard in consultation with National Coordinators and reconcilers.
Proposal 7:  Subnational transfers

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<th>Outcome</th>
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<td>7.</td>
<td>It is proposed that implementing countries are [required/encouraged] to disclose subnational transfers where material. As at present, EITI Reports must disclose direct material payments and revenues to subnational levels.</td>
<td>Approved. Consensus that this should be required where mandated by a national constitution or statute, or other revenue sharing/distribution mechanisms, subject to approval of more detailed requirements.</td>
</tr>
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</table>

It was noted that there was a need to differentiate between transfers regulated by law or revenue sharing/distribution mechanisms and transfers made on an ad-hoc basis.

Clare Short concluded that there was consensus that the proposal be required.

Actions
The EITI International Secretariat to draft the proposed wording for the standard.

Proposal 8:  Data quality

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<td>8.</td>
<td>It is proposed to require that EITI Reports must be subject to a credible reporting process ensuring reliable data, including identifying the extent to which the participating entities have been subject to adequate assurance procedures and disclosing related any gaps or systemic weaknesses. The EITI report must include an opinion from the independent administrator on the reliability of the data. Where there are weaknesses in assurance of EITI data, it is proposed that the requirement will be considered met if EITI reports document that reasonable steps have been taken to improve the quality of the company and government auditing, including a process for monitoring adoption of recommendations from previous EITI reporting cycles. In addition, where there are weaknesses in assurance of EITI data, it is proposed that the government and MSG should be encouraged to take steps to verify the quality of the data, e.g., through additional audits and spot checks where feasible.</td>
<td>Approved. Consensus that this should be required, subject to approval of more detailed requirements.</td>
</tr>
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</table>

The proposal would not impose additional audit requirements to what is already recommended, but rather document the extent to which reporting entities have been subject to adequate assurance procedures, identify gaps and systemic weaknesses and make recommendations to strengthen such systems. Further work was required to develop options for ensuring a reliable reporting process. Clare Short concluded that this proposal was approved as a requirement. The Secretariat will redraft, in consultation with reconcilers and other stakeholders.

Actions
The EITI International Secretariat to draft the proposed wording for the standard.
Proposal 9: Disaggregation

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<tr>
<td>9.</td>
<td>(a). It is proposed that it is required that EITI Reports provide information by company and by revenue stream.</td>
<td>(a) Approved. Consensus that this should be required, subject to approval of more detailed requirements.</td>
</tr>
<tr>
<td></td>
<td>(b). It is alternatively proposed that revenues are required to be reported at project level</td>
<td>(b) Deferred. Reaffirm that implementing countries have the flexibility to adopt project-by-project reporting if they choose to do so. Agree to defer a decision until Oslo Board meeting.</td>
</tr>
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</table>

Corinna Gilfillan made a statement urging the companies represented on the board to disassociate themselves from the lawsuit brought by the American Petroleum Institute against the US Securities and Exchange Commission in relation to Dodd-Frank s. 1504. She expressed civil society groups’ disappointment that companies are attempting to overturn transparency legislation that is highly complementary to the EITI, that this lawsuit is incompatible with commitments made through the EITI and was dismayed by what she considered company misrepresentation of the EITI in the lawsuit.

Ibrahim Dankwanbo, Michel Okoko, and Sidi Ould Zeïne stated that they support project by project reporting, as this was already common practice in their countries. Harald Tollan expressed caution, noting that at this moment the Norwegian national tax system would not allow for project by project reporting. Others expressed concern about the lack of clarity about the definition of project.

Donal Brown did not see proposal 9a as controversial, and stated that there seems to be an agreement that it be required. He supported proposal 9b, but with the expectation that the EU legislative process could provide greater clarity by December he suggested deferring the decision on this proposal to the February Board meeting in order to take account of EU rules. This suggestion was broadly supported by the members from the supporting country and the industry constituencies.

Clare Short concluded that 9a should be required, but that there was no consensus on 9b. She suggested that the Secretariat consult with implementing countries and redraft the proposal, with the aim of reaching a conclusion at the February Board meeting in Oslo. She underlined that this deferral did not mean that the EITI process was dependent on developments in the US or the EU.

Actions

The EITI International Secretariat to consult with implementing countries and draft the proposed wording for the standard.

Proposals 10, 11 and 12: State-owned enterprises (SOEs)

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| 10. | It is proposed that EITI Reports are [required /encouraged] to disclose material SOE-government transfers in a disaggregated form, whether monetary or in-kind, and reconcile these transfers. | Approved. Consensus that this should be required, subject to approval of more detailed requirements. Noting “SoE within
Baiba Rubesa referred to the many differences between SOEs in the world, with many different relationships with their governments. To cater to this, she moved that this proposal should not be required but encouraged. Other supported this. A number of implementing countries and civil society members however strongly moved for this to be a requirement.

Clare Short concluded that there was consensus that these proposals were approved to be required, subject to approval of more detailed requirements. The Secretariat will redraft, and will include in the text a confirmation that the proposal refer to SOE operations in their home countries.

**Actions**
The EITI International Secretariat to draft the proposed wording for the standard.

### Proposal 13: Sale of in-kind revenues

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| 13. | (a) It is proposed that it is [required/encouraged] that EITI Reports reconcile information from the buying company on the sale of the state’s share of production, with information from the selling SOE or government agency.  
(b) Alternatively, it is proposed that it is [required/encouraged] that SOE report on the volumes sold and revenues received, broken down by the type/grade of product, month, market and type of buyer, and provide a list of buyers, including term contract holders and spot buyers. | Deferred. Reaffirm the importance of the issue, and aspire to make this a requirement, but note that further work is needed to ensure that any requirements are feasible. Further discussions with implementing countries affected by the proposal are needed. |

Board members noted the management of the state’s share was often an area of perceived corruption and lack of accountability and that further transparency was needed. It was recognised that Iraq’s EITI report reconciled export sales by the SOE and buying companies, while Nigeria’s EITI included unilateral disclosure of SOE sales. However, many Board members considered that more research was required to determine the costs of this extra reporting and how the practical implementation would work.

Jonas Moberg noted that even with further information it would be difficult to provide a cost-benefit analysis of the further implications of the proposal. He proposed that the Board consider a phasing-in period and consult with outside experts where needed.

Clare Short concluded that the aspiration was that the proposal would become required, but that a longer
consultation period was needed to draw lessons learnt from countries that were already making such disclosures and ensure a requirement that was feasible. The Secretariat, drawing on experiences and on outside expertise, would explore current practice and redraft.

**Actions**

The EITI International Secretariat to draft the proposed wording for the standard.

**Proposal 14 – Social expenditures**

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<td>14.</td>
<td>It is proposed that disclosure of social expenditure remains encouraged</td>
<td>Approved. Proposal that disclosure should be required when social expenditure is a contractually required, and encouraged otherwise.</td>
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</table>

Jonas Moberg reminded the Board that during the Board meeting in Peru, there was no support for this to be made a requirement. He also reminded the Board that disclosure of social expenditures is already encouraged (requirement 9g). Baiba Rubesa said it would be wise to look at existing standards, such as guidance by the Global Reporting Initiative (GRI).

After further discussion, Clare Short concluded that publication of contractually agreed social expenditures would be **required**. Publication of discretionary social expenditures was agreed to remain **encouraged**.

**Actions**

The EITI International Secretariat to draft the proposed wording for the standard clarifying the difference between contractual and discretionary payments as well as between payments to government entities and those to third parties; and considering using the existing GRI standard.

**Proposal 15: Transit fees**

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<tr>
<td>15.</td>
<td>It is proposed that implementing countries are [required/encouraged], where material, to disclose payments and revenues related to the transportation of oil, gas and minerals.</td>
<td>Approved. Consensus that this should be strongly encouraged, subject to further clarity on the payments covered, and to approval of more detailed wording.</td>
</tr>
</tbody>
</table>

Jonas Moberg informed the Board that this issue was not applicable to all countries. It featured most pertinently in Chad and in the outreach country Ukraine. This would require the drafting of a template capturing ‘reverse’ payments, and may also entail the involvement of other – neighbouring – countries which may make obtaining information difficult.

Clare Short concluded that there was consensus to **approve** this proposal to be **strongly encouraged**, taking into consideration the need for greater clarity of defining what kind of transit payments would be covered. The Secretariat will redraft the text; on this basis the qualification ‘strongly encouraged’ could also be revisited.
**Actions**

The EITI International Secretariat to draft the proposed wording for the standard.

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### Proposals 16 and 17: Licenses and beneficial ownership

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<th>Outcome</th>
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| 16. | (a) It is proposed that implementing countries are required, unless there are significant barriers, to disclose basic information regarding each license, including license type, coordinates of the tenements, license holders, date of application, date of granting and date of expiration or first renewal deadline.  
(b) Alternatively, it is proposed that implementing countries are required to provide a summary and a link to publicly available information regarding the licensing of companies covered by the EITI Reporting process. MSGs would be encouraged to particularly focus on the licenses that were held, awarded and transferred during the accounting period covered by the EITI Report. MSGs would also be encouraged to provide additional information relating to the beneficial ownership for each active license. | **Approved.** Proposal that this should be required, subject to approval of more detailed requirements that would give MSGs some flexibility in the most practical and cost effective approach. Where sub-national governments also issue licenses, MSGs agree how this would be phased-in. A minor infraction would not threaten compliance. There was a consensus that information disclosed should include the beneficial owners of companies, provided that a practical and detailed requirement could be developed. |

| 17. | It is proposed that implementing countries are [required/encouraged] to disclose key information related to tender bids and auctions, such as name of applicants and selected winner, bid amount and compliance with technical requirements. | **Agreement in principle** that this should be required, subject to approval of more detailed requirements regarding the technical requirements that would have to be disclosed, noting the commercial confidentiality. |

Paolo de Sa underlined the importance of licence transparency in natural resource governance. Over 50% of all EITI implementing countries had already made this information public. Adding every single licence to the report would be cumbersome, but countries could refer to information that was already available through databases or internet portals. Difficulties arose in federalized countries, where databases also existed on sub-national levels. Paolo de Sa recommended the adoption of 16b rather than 16a, and 17.¹

Board members generally agreed that the proposals under 16 should be required, but that consideration and flexibility should be given to countries in their implementation of this requirement. As a general comment, Edward Bickham stressed the need, where the Board is considering technically complex proposals, for the board to have access to expert advice.

Clare short concluded that proposal 16 was **approved to be required**, and that there was in principle agreement that proposal 17 should be **required**, subject to approval of more detailed language.

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¹ Paolo de Sa’s background paper is included as an annex to ‘Building on Achievements’.
Proposal 18: Contracts

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| 18.| (a) It is proposed that EITI implementing countries are required/encouraged to disclose on a government website any contracts that establish the terms attached to the grant and operation of a license.  
(b) Alternatively, it is proposed that implementing countries may decide to make contracts public.  
(c) Alternatively, it is proposed that the disclosure requirements are limited to contracts or projects that generate the material revenue streams included in the EITI Report. | Consensus that contract disclosure should be referenced (18b “implementing countries may decide to make contracts public”), with several calls further investigation re: “requiring” or “encouraging” contract disclosure (18a). A compromise was offered that “requiring” could be subject to the redaction of commercially sensitive sections, and/or limiting the requirement to new contracts. It was also agreed to formally survey implementing countries regarding their position (“required”, “encouraged”, or “may decide”). |

Jonas Moberg mentioned that a number of National Coordinators were supportive of requiring contract transparency, while some would want to encourage this given possible legal obstacles. Azerbaijan had expressed opposition to contract transparency.

Some Board members noted the need to respect confidentiality clauses, in particular in production sharing agreements and preferred that EITI should avoid any reference to contract transparency. Others saw contract transparency as part and parcel of resource transparency: contract transparency was needed in order to value revenues. They proposed that this become a requirement, depending on further clarity on possible legal obstacles and a broad formal round of consultations amongst implementing countries.

Harald Tollan, alternate for Donal Brown, was in favour of contract transparency, but stated that it was important to consider the content of the disclosure as revealing certain commercially sensitive technological, geological and financial information in contracts would decrease the negotiating position of a country. Mark Pearson proposed that the EITI work out a template that contain basic information without revealing sensitive information. Olivier Bovet suggested looking at the IFC option, once experience has been gained (it will only start in May 2013).

Anthony Richter proposed that MSGs could agree a redaction policy, allowing for exclusion of trade and commercial secrets. He further suggested that the proposal might apply to new contracts only. Corinna Gilfillan, Jean Claude Katende, Ibrahim Dankwombo and Hannah Owusu-Koranteng felt that 18b represented no change to the status quo and as such was of no added value.

Clare Short concluded that Board members agreed to 18b and that there was consensus to explore options for encouragement or requirement of 18a. This should include consultations with implementing governments and MSGs on proposals 18a and 18b, and options to further explore should include the possibility of redaction and whether the proposal should only apply to new contracts. A questionnaire to implementing countries would be circulated in draft. The Secretariat would also explore drafting a contract disclosure template.

**Actions**

The EITI International Secretariat to consult with implementing governments and to explore drafting a contract disclosure template.

*Friday 26 October*
## Proposal 19: Civil society participation

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<td>19.</td>
<td>It is proposed that the Board in Sydney appoints a working group to consider whether the EITI’s practices are consistent regarding the effective participation of civil society representatives.</td>
<td>Agreed.</td>
</tr>
</tbody>
</table>

Board members agreed that further analysis was needed on the implementation and effectiveness of the provisions related to civil society participation.

Clare Short concluded that this proposal was **adopted**, and that the work of the working group would take place after Sydney with involvement from the outreach, validation and rapid response committees.

### Actions

The new Board recommended to appoint a working group in Sydney to focus on civil society participation.

## Proposal 20: Workplan

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<td>20.</td>
<td>It is proposed that MSGs must always have a current workplan, fully costed, formally endorsed and accessible to the public. These plans must include a statement of agreed objectives relevant to the implementing country based on the EITI Principles. The plans must set out the specific activities which are required to meet these objectives with measurable and time bound targets, using appropriate indicators where feasible. The scope of EITI implementation and links to other reforms should then be tailored to contribute to these desired objectives.</td>
<td>Agreed.</td>
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It was explained that this proposal meant to bring the workplan from a document that focused on validation and minimum requirements, to a document which defined and managed the in-country ambition to stimulate debate and induce change. As a general remark, Clare Short did note that the Board could not afford to become too rigid about the new requirements that would be adopted, and that nuance continued to be important during validation. She concluded that this proposal was **adopted**, and that the Secretariat should elaborate further guidance.

### Actions

The EITI International Secretariat to elaborate further guidance.

## Proposals 21 and 22: Use of data

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<td>21.</td>
<td>It is proposed that the EITI standard requires the publication of EITI data files, and encourages MSGs to make EITI Reports machine readable, exploiting opportunities to classify and code the information so that it can be compared with other public financial information.</td>
<td>Agreed.</td>
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<tr>
<td>22.</td>
<td>It is proposed that, based on the standard reporting template, implementing countries are required to submit a core set of data from each published EITI Report which will feed into the EITI global report database.</td>
<td>Standard reporting template to be encouraged at this stage.</td>
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</table>
Considering the limited experience on this issue and the likelihood of in-country complications, Jonas Moberg proposed to encourage machine readable data for now, to draw on and develop good practice and to further explore opportunities before making this a requirement.

Anthony Richter suggested linking up with new and emerging initiatives on data standardisation such as the OGP or the Open Data Initiative.

Clare Short concluded that these proposals were adopted, and that they are encouraged until further experience has been gained.

**Actions**
The EITI International Secretariat to develop wording for the standard.

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**Proposal 23: Validation in context**

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<td>23</td>
<td>It is proposed that implementing countries are required to submit annual self-assessments as part of the annual progress report (current requirement 21-c), assessing performance against the EITI Requirements and against wider commitments agreed in the workplan.</td>
<td>Agreed.</td>
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Clare Short underlined the importance of self-assessments, which provide an additional manner in which implementing countries can demonstrate the impact of the EITI. She proposed that these assessments are not solely performed by the MSGs, but that these are broader exercises, which could for example also allow citizens to voice what they expect from the implementation process. Jonas Moberg added that this proposal was meant to stimulate MSGs taking possession of their own process, to improve ownership, and to ensure the EITI becomes more firmly rooted in broader in-country reform processes.

Clare Short concluded that this proposal was adopted, pending necessary redrafting.

**Actions**
The EITI International Secretariat to develop wording for the new standard.

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**Proposal 24: Annual review of reports**

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<th>Proposal</th>
<th>Outcome</th>
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<tbody>
<tr>
<td>24</td>
<td>It is proposed that all EITI Reports are compiled and analysed annually, with particular reference to timeliness, comprehensiveness, data reliability, and whether the discrepancies have been addressed.</td>
<td>Agreed.</td>
</tr>
</tbody>
</table>

Jonas Moberg explained that this proposal built on the experience from the ‘Extracting Data’ reports. It was part of the Secretariat’s work on documenting implementation progress and impact, and as such would not be a requirement for implementing countries.
Clare Short concluded that the proposal was adopted, and that the Secretariat would call on external expertise where needed. It would also explore the possibility (including cost) of fully or partly outsourcing this exercise.

**Actions**

The EITI International Secretariat will redraft the proposal, and will explore the option of fully outsourcing this exercise.

### Proposal 25: Expert Panel

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<th>Proposal</th>
<th>Outcome</th>
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<tbody>
<tr>
<td>25.</td>
<td>It is proposed that the Board in Sydney appoints an Expert Panel to review EITI’s impact globally and in implementing countries, for an initial period of two years.</td>
<td>No decision as yet.</td>
</tr>
</tbody>
</table>

Stuart Brooks requested further information on how this panel would operate. If the panel would regularly visit implementing countries, costs might be underestimated at 150,000 USD per year. There might also be a question of partiality, depending on the composition of the panel, or if they visit one country but not another.

Anthony Richter suggested establishing a panel to oversee EITI evaluation exercises carried out by consultants. This would retain the prestige of the panel, but also cater to the concerns expressed.

Clare Short supported this idea. She concluded that the Secretariat should further elaborate this proposal through a Terms of Reference and a cost overview, and then present a revised proposal to the Board in Oslo.

**Actions**

The EITI International Secretariat to develop a Terms of Reference and a cost overview in time for Sydney.

### Proposals 26 and 27: What and How to validate

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<th>#</th>
<th>Proposal</th>
<th>Outcome</th>
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<tbody>
<tr>
<td>26.</td>
<td>It is proposed that, as at present, Validation should assess progress against all EITI Requirements and determine whether they are met or unmet. What is being validated will change in line with the proposal to revise and simplify the requirements as set out below.</td>
<td>Agreed.</td>
</tr>
</tbody>
</table>
| 27.| 27a. It is proposed that the current pass/fail assessment is complemented by more nuanced assessments. This could be done through a simple numerical grading (or awarding of for example stars). The awarding would be complemented by narrative reports.  
27b. It is proposed that the nuanced assessment is applied to all requirements. It could for example elaborate on the present no progress - meaningful progress - Compliance distinctions in the present Rules, adding a fourth distinction for where countries have exceeded the minimum requirements.  
27c. Alternatively, it is proposed that a nuanced assessment is only applied to innovations and efforts to exceed requirements. | More work required to flesh out a nuanced assessment system. |
Jonas Moberg introduced the proposals for a revised Validation system, which would retain the current met/unmet system but include more nuanced assessment. This would encourage progress towards achieving compliance and incentivise countries that go beyond the minimum. He explained that proposal 26 confirmed the current binary ‘met/unmet’ system, that 27a concerned a basic agreement that this system is complemented, and that 27b and 27c were alternative ways of applying a nuanced assessment. The exact form of the nuanced assessment was not yet elaborated.

There was scepticism about the use of an elaborate numerical ranking system. Julie McDowell cautioned that 27b would be complex for the Validation Committee. Jonas Moberg noted that the Validation Committee, and the Board, would continue to experience difficulties in determining whether a requirement was met or unmet, but a slightly more nuanced system, for example with four levels, would facilitate judgement calls.

Clare Short concluded that there was a consensus for proposal 26 that the pass/fail system needs to be retained, and that the Board recognised the need to go beyond this. The Secretariat would tighten the language, and present a number of options to capture more clearly what a new system could look like.

**Actions**

The EITI International Secretariat to develop the nuanced assessment proposal.

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### Proposals 28, 29 and 30: When and who to validate, and who pays

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<tr>
<th>#</th>
<th>Proposal</th>
<th>Outcome</th>
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<tr>
<td>28</td>
<td>It is proposed that all implementing countries should be validated every three years.</td>
<td>Agreed for all compliant countries. Existing rules to remain for candidates.</td>
</tr>
<tr>
<td>29</td>
<td>29a. It is proposed that, as at present, Validation should be undertaken by independent validators, but that the modalities for procurement and contracting of validators are changed. 29b. It is proposed that procurement and contracting is overseen by the EITI Board and the Secretariat. The Secretariat would administer the tender process for each Validation, and draw on a small pool of accredited validators. The Secretariat would review technical and financial proposals and present a shortlist to implementing countries, allowing them to select one of the shortlisted validators. The contract would be between the validator and the Secretariat. 29c. It is alternatively proposed that, as at present, procurement and contracts remain with the implementing countries.</td>
<td>29b agreed.</td>
</tr>
<tr>
<td>30</td>
<td>30a. It is proposed that Validation is financed by the EITI international management/MDTF. At present, implementing countries are required to finance the majority of the Validation cost (Policy note #4). MDTF funds the majority of EITI Reports. It is suggested that this is revised so that implementing countries are required to finance part of the EITI reporting costs. This would ensure that EITI reporting becomes more mainstreamed into government systems, while the global quality assessment is mainstreamed into the international process. 30b. It is alternatively proposed that Validation is financed through an</td>
<td>30a agreed in principle subject to further exploration of the cost implications and implications for the financial sustainability of the EITI.</td>
</tr>
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</table>
Sidi Ould Zeïne commented that most of the National Coordinators would be open to a Validation every three years, although some found it a short period. The National Coordinators would also be in favour of proposal 29b, with the procurement overseen by the Secretariat.

Olivier Bovet proposed to change ‘implementing countries’ to ‘compliant countries’ in proposal 28, for clarification.

Clare Short concluded that there was consensus to adopt proposals 28 and 29b, and that the Secretariat should give an indication of the costs involved and propose financing options. The Secretariat should also explore possibilities for encouraging use of local consultants as partners for the international validators.

**Actions**
The EITI International Secretariat will redraft the proposal, including an indication of costs and financing options.

### Changes to the way the EITI is set out.

**Proposal 31: Condensing to seven requirements**

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<th>#</th>
<th>Proposal</th>
<th>Outcome</th>
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<tbody>
<tr>
<td>31</td>
<td>It is proposed that the current EITI Criteria, Requirements and additional proposals for new minimum requirements are condensed to the following seven requirements:</td>
<td>Agreed in principle.</td>
</tr>
<tr>
<td></td>
<td>The EITI requires:</td>
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</tr>
<tr>
<td></td>
<td>1. Effective multi-stakeholder oversight and stakeholder engagement.</td>
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<td></td>
<td>2. Timely publication of EITI Reports.</td>
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<td></td>
<td>3. EITI reports that are comprehensive, including full government disclosure of extractive industry revenues, and covering all material payments to government by oil, gas and mining companies.</td>
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<td></td>
<td>4. A credible reporting process ensuring reliable data</td>
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<td></td>
<td>5. That EITI reports are comprehensible and publically accessible, and contribute to public debate.</td>
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<tr>
<td></td>
<td>6. That the government and the multi-stakeholder group take steps to act on lessons learnt, address discrepancies and recommendations from the reconciler, and ensure that EITI implementation is sustainable.</td>
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<tr>
<td></td>
<td>7. That the government and the multi-stakeholder group identify and deliver on wider commitments demonstrating adherence to the EITI Principles.</td>
<td></td>
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</table>

Clare Short reminded the Board that there would be further discussion on nuance, and that requirement 7 would be revisited to reflect the outcome of this discussion. Jonas Moberg added that the point of this exercise was to
move away from 40 pages of tightly knit rules to a simpler, clearer and more concise set of requirements. These new requirements would need to encapsulate the provisions in the current rules. Edward Bickham raised the importance of amending requirement three to cover not only conventional revenues but also value transfers relating to barter arrangements.

Clare Short concluded that the Board agreed to reduce the number of requirements to 7, and that further discussion and drafting was needed.

**Actions**
The EITI International Secretariat to further develop the core requirements.

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**Proposal 32: Sign-up Requirements**

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<th>Proposal</th>
<th>Outcome</th>
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<tbody>
<tr>
<td>32.</td>
<td>It is proposed that the five sign-up requirements remain broadly the same but that they include a provision on applying for adapted implementation, i.e. should a country wish to deviate from the implementation requirements, it may in its candidature application or in advance of the reporting process seek pre-approval for such for alternative approaches to implementation.</td>
<td>Agreed in principle but guidance note is required.</td>
</tr>
</tbody>
</table>

Jonas Moberg noted that a number of implementing countries such as Iraq and Nigeria were already adapting implementation due to valid national and constitutional reasons. This proposal would make it easier for countries considering implementing EITI to circumvent prohibitive factors.

Some Board members were concerned that this proposal could provide a loophole for countries who want to exclude key elements of natural resource management although it was pointed out that any such flexibility was explicitly subject to Board approval.

Clare Short concluded that the Board agreed to further explore the proposal. The Secretariat would draw up a draft guidance note.

**Actions**
The EITI International Secretariat to prepare a guidance note.

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**Proposal 33: Integrating Policy Notes**

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<th>Proposal</th>
<th>Outcome</th>
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<tbody>
<tr>
<td>33.</td>
<td>It is proposed that the current Policy Notes are integrated into the requirements, annexes and Validation chapter as appropriate.</td>
<td>Agreed.</td>
</tr>
</tbody>
</table>

Clare Short concluded that the Board agreed to this proposal.
Next steps
Jonas Moberg suggested that the Secretariat immediately began to redraft and consult with a number of Board members and with the National Coordinators. The Secretariat would also call on experts when needed, and discuss with reconcilers. A draft paper would be distributed at the end of January, well in advance of the next Board meeting in Oslo on 26-27 February. The Secretariat would seek input from implementing countries on contract transparency, SOE sales and on project-by-project reporting, with Board approval of any consultation documents.

Actions
The EITI International Secretariat to draft the revised EITI Standard in consultation with implementing countries, experts and Board members.

21-3 Report from the Head of Secretariat
Jonas Moberg provided an overview of actions by EITI stakeholders and the EITI International Secretariat since the 20th Board meeting in Peru, including: training seminars in Abidjan, Cologne and Lusaka (GIZ, World Bank and International Secretariat), the scoping study by the World Bank on EITI implementation in Brazil, the UNGA resolution tabled by Belgium, the EITI Chair’s meetings with the OECD, the French Government and the autumn meetings of the World Bank and the IMF in Tokyo, and the EU and World Bank-funded National Coordinators meeting in Lusaka.

21-4 Report from the Validation Committee
21-4-A Validation extension request from Chad
Eelco de Groot, Chair of the Validation Committee, introduced the Validation extension request from Chad. In light of the publication of Chad’s 2007-2009 EITI Reports on 15 October, the Validation Committee proposed to defer the decision on Chad until it had analysed the report and other recent supplementary information. The Validation Committee would put forward a recommendation to the Board, for decision by circular. The Board agreed with this approach.

Actions
The EITI International Secretariat to provide further information to the Validation Committee for a final recommendation.

21-4-B Final validation report from Guinea
Eelco de Groot introduced the Guinean validation report. The Validation Committee’s assessment was that Guinea had achieved meaningful progress in implementing EITI. The Board agreed that Guinea had not achieved compliance and concluded that in accordance with the transitional procedures in the 2011 edition of the EITI rules, Guinea would retain its status as a Candidate country for another 18 months (i.e. until 26 April 2013), by the end of which it must have completed a Validation that demonstrates compliance, including requirement 5(e) regarding regular and timely reporting. If Guinea did not achieve Compliant status by this deadline it would be delisted. The full decision is presented in annex A below.

Actions
The EITI International Secretariat to inform Guinea of its decision.

21-4-C Final validation report from Iraq
Eelco de Groot and Eddie Rich introduced the Iraq Validation report, proposing that the Board defer the decision
on Iraq. The Validation Committee had received an update noting that a MSG decision related to funding restrictions of civil society organisations represented on the Iraqi MSG had not yet been reversed. The MSG was due to meet on 12 November to discuss the issue. The Validation Committee considered that it was not possible at this stage to conclude that requirement 4 related to civil society participation was met. The Committee would await the outcomes of the Iraqi MSG meeting before reconsidering the recommendation on Iraq’s compliance. The Board supported this approach.

**Actions**

The Validation Committee to consider further evidence from the Iraq EITI.

21-4-D Secretariat Review of Mozambique

The Board considered the Secretariat Review for Mozambique. It concluded that Mozambique had completed all the remedial actions requested by the Board and agreed that Mozambique be designated EITI Compliant. In accordance with the EITI Rules, Mozambique must be revalidated within five years (i.e. by 26 October 2017). The full decision is presented in annex A below.

**Actions**

The EITI International Secretariat to inform Mozambique of their compliance status.

21-5 Implementation Progress Report and Brief Report from the World Bank MDTF

**Implementation Progress Report**

Jonas Moberg presented the new EITI country webpages and the Implementation Progress Report. He flagged the following issues for consideration by the Board:

- A number of countries might not achieve compliance after a second validation. The question was whether these countries be automatically delisted.
- The deadline for regular and timely reporting is at the end of this year for many countries. The Board would need to consider the consequences for the countries struggling to meet this deadline.
- According to the 2011 Rules, Compliant countries were required to publish an annual activity report by 1 July 2012. The Board would need to consider the consequences for the countries that had not yet produced such reports.

Michel Okoko found that the colour-coding in the IPR did not provide an appreciation of recent efforts. Sam Bartlett referred to the country pages in the on-line IPR which contained the most up-to-date information, including suggestions for implementation support. The colour-coding was meant to flag concerns to the Board in a simple and clear manner.

Edward Bickham noted that many countries risked missing deadlines. He felt that it was desirable not to respond in a draconian fashion to technical or relatively minor infractions, but noted that excessive flexibility around deadlines and requirements would undermine the Standard. He suggested that the Board consider a ‘two or three strikes and you’re out’ approach, which would lead to automatic revalidation after an agreed number of infractions. He also suggested that arrows are used in the implementation report to indicate the direction of each country’s status / progress.

Clare Short concluded that the Secretariat would draft options that the Board might consider in response to the
issues related to deadlines. She underlined that the Board needed to stick to its principles, but that there was also a need for some flexibility.

**Actions**

The EITI International Secretariat to set out options for the Board on the implications of a second failed validation, lack of report timeliness, and failure to publish annual activity reports.

**MDTF**

Paolo de Sa explained that the World Bank MDTF team would need to consider the implications of the Strategy Review for the Trust Fund, for example where validation was concerned. He confirmed that MDTF contributors recently completed the requirements for an extension of the Fund’s implementation period for another three years until 2016.

Clare Short welcomed remarks by the new WB president on increasing efficiency, and hoped that bureaucratic procedures would be simplified soon.

21-6 Report from the Outreach and Candidature Committee

Anthony Richter, Chair of the Outreach and Candidature Committee, introduced the recommendation to re-admit Sao Tome e Principe as an EITI Candidate country.

The Board endorsed the recommendation, and congratulated the government and the MSG for their progress.

**Actions**

The EITI International Secretariat to inform Sao Tome e Principe of its candidature.

21-7 Report from the Governance Committee

Baiba Rubesa, Chair of the Governance Committee announced that the Code of Conduct would be distributed to the Board for agreement in Oslo. She appealed to supporting countries representatives to join the Governance Committee.

Baiba introduced the recommendation to extend the suspension of Madagascar by one year. She noted that Madagascar could request suspension to be lifted at any time.

Edward Bickham urged the Board to reconsider whether suspension was still valid given the progress that Madagascar had made. He referred to the transitional government in place, to which a number of Ambassadors (notably from Switzerland and South Africa) recently presented their credentials, the continued progress with EITI implementation and the multi-stakeholder support for lifting the suspension. He pointed out that a continued suspension might have consequences for funding current implementation work and for momentum in-country. Robert Moidokana added that a number of transitional bodies had been set up by regional actors, with approval from the Southern African Development Community (SADC). He also referred to the May 2013 deadline that the UN established for presidential elections.

Eddie Rich reminded the Board of the procedural point that the paper put before it needed to have a decision on whether or not to extend since the deadline of suspension has passed. He added that Madagascar had, on 8 October, formally requested to have suspension lifted. He also reminded the Board that it had based the suspension of Madagascar on recognition of its government by the African Union, which still had not recognised the Government. In response to Edward Bickham’s concerns about funding, he confirmed his understanding that Madagascar would be open to a resumption of World Bank and African Development Bank funding even with an
extension of its suspension.

Baiba Rubesa highlighted that there was no guidance on how to deal with suspended countries (for example, on the question of whether or not they should be invited for meetings of National Coordinators).

Clare Short concluded that suspension should be extended, with the possibility of lifting being kept under review.

**Actions**

The International Secretariat to inform Madagascar of the extension of its suspension and will be subject to a further review in the coming months depending upon political progress.

The Governance Committee to submit the EITI Code of Conduct for EITI Office Holders and an EITI disclosure policy for the Oslo Board meeting.

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**21-8 2013 Workplan**

Jonas Moberg introduced the workplan, and confirmed that it would contain caveats that needed to be added depending on the outcomes of the strategy review process. He suggested that the Board would not discuss the document in Lusaka, but that members of the Board provide written comments. The Secretariat would then distribute a final draft by circular for approval by the Board.

Clare Short concluded that the Board agreed with this approach, and invited Board members to provide comments.

**Actions**

The International Secretariat to circulate the draft 2013 workplan, including budget, for comment by the Board.

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**21-9 Report from the Finance Committee**

Eddie Rich introduced papers on the 2012 January-June unaudited accounts and the 2013 Budget on behalf of the Finance Committee. He highlighted background papers on the EITI Funding Strategy and Investment and Currency Policy Report that had been distributed to the Board. On the 2012 figures, he noted that, although expenditure was on track with the budget, fundraising this year had been more successful than forecast. The carryover from 2011 of USD $740,000 was expected to be doubled at the end of this year. The Finance Committee had agreed to review this situation after the 2013 EITI Global Conference.

The 2013 Budget would be considered by the Board alongside the 2013 workplan.

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**21-10 6th EITI Global Conference**

Sam Bartlett introduced the paper on the Global Conference by setting out the progress on objectives, programme, invitations, management, funding and media. Clare Short noted that the Development Assistance Committee of the OECD had suggested a meeting in the margins of this Conference.

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**21-11 2013 Board Meetings**

Jonas Moberg reminded Board members that the next meeting was confirmed for Oslo on 26-27 February, and invited the Board to convene a meeting of its outgoing and incoming Board around the Conference in Sydney. He also suggested a further meeting in September 2013.

Anthony Richter raised the conversation from the Governance Committee that three year rather than two year
terms be considered for the next Board. The Governance Committee was asked to prepare a paper on the matter for the Oslo Board meeting.

**Actions**

The International Secretariat to circulate proposed dates and venues for the 2013 Board meetings,

The Governance Committee to prepare a proposal on extended the Board term to three years.

**Any other business**

Baiba Rubesa suggested that the Oslo Board meeting begin with housekeeping issues such as finance and workplan to ensure that they are given due consideration. This proposal was accepted by the Board.

Stuart Brooks sought guidance on requests to companies for financial contributions from governments or MSGs. Jonas Moberg suggested that the Governance Committee provides draft guidance noting that such contributions could be considered as long as they are transparent and shared amongst the companies. Ad-hoc MSG activities were more suited to such contributions than long term support.

Edward Bickham asked if an EITI evaluation was to be undertaken before the Global Conference. The Board agreed that it should first finalise and absorb the implications of the strategy review.

**Actions**

The International Secretariat to propose that the Oslo Board agenda consider housekeeping items first.

The Governance Committee to develop guidance on requests for financial and in-kind contributions from MSGs.

**List of participants**

**Chair**

The Rt. Hon. Clare SHORT

**Countries**

**Implementing Countries**

Mr Sidi OULD ZEÎNE, Chairman of National Committee, EITI Mauritania

Mr Florent Michel OKOKO, Chairman of the Executive Committee, EITI Congo
Alt: Mr Robert MOÏDOKANA, EITI National Coordinator, Central African Republic

Mr Ibrahim DANKWANBO, Accountant General, Nigeria
Alt: Mr Roosevelt Gasolin JAYJAY, Liberia

**Supporting Countries**

Alt: Mr Mark PEARSON, Director General, External Relations, Natural Resources Canada

Mr Donal BROWN, Head of Africa Regional Policy and Programmes, Department for International Development, United Kingdom
Alt: Mr Harald TOLLAN, Senior Advisor, Ministry of Foreign Affairs, Norway

Mr Olivier BOVET, Senior Programme Manager Trade Promotion, SECO, Switzerland
Civil Society Organisations

Mr Dorjdar NAMKHAIJANTSAN, Manager, Open Society Forum, Mongolia
Alt: Mr Mericio J. DOS REIS, Director, Luta Hamutuk Institute, Timor-Leste

Ms Hannah OWUSU-KORANTENG, Wacam, Ghana

Mr Jean Claude KATENDE, Président National de l'ASADHO, Association Africaine de Défense des Droits de l'Homme, coordinateur PCQVP, Democratic Republic of Congo

Ms Corinna GILFILLAN, Head, Global Witness, USA
Alt: Mr Eelco DE GROOT, Senior Policy Officer, Cordaid, the Netherlands

Mr Anthony RICHTER, Chairman, Revenue Watch Institute, USA

Companies including Investors

Ms Baiba RUBESA, Manager of Corporate Social Responsibility, Statoil ASA

Mr Stuart BROOKS, Manager, International Relations, Chevron
Alt: Mr Guillermo GARCIA, Transparency Manager, ExxonMobil Corporation

Mr Jim MILLER, Vice President, Environmental Affairs, Freeport-McMoRan, Copper&Gold Inc.
Alt: Mr Edward BICKHAM, Advisor, International Council on Mining and Metals

Ms Debra VALENTINE, Group executive, Legal & External Affairs, Rio Tinto

Mr Alan McLEAN, Head of Group Tax, Royal Dutch Shell

Ms Julie McDOWELL, Head of SRI, Standard Life Investments
Alt: Mr David DIAMOND, Head of SRI, Allianz GI Europe

Board Secretary

Mr Jonas MOBERG, Head of EITI Secretariat, Oslo

Observers

Mr. Koenraad ADAM, Ambassador of Belgium in Tanzania

Mr Javier AGUILAR, Deputy Program Manager, World Bank

Mr Manpreet Singh ANAND, Senior Policy Advisor, Chevron

Mr Bady BALDE, Extractive Industries Governance Expert, African Development bank (AfDB), Tunisia

Ms Angela Cassell BUSH, Deputy Minister of Finance, Ministry of Finance, Liberia

Ms Diana CORBIN, Operations Officer, Donor Relations EITI, World Bank

Mr Hervé CRONEL, Conseiller spécial, Chargé de l’Economie et du Développement durable, International Organisation of the Francophonie
Ms Justine DE DAVILA, DFID, UK
Mr Paulo De SA, Manager, Oil, Gas and Mining Policy Division, World Bank
Mr Anton Mélard DE FEUARDENT, Fair Links, France
Mr Daniel FISCHER, Sectoral Department, Governance and Human Rights, GIZ Germany
Mr Farid FARZALIYEV, State Oil Fund, Azerbaijan
Mr Jordi FERRARI, Ministry of Foreign Affairs, France
Ms Marti FLACKS, Deputy Director, Office of Energy Programs, U.S. Department of State
Ms Alexandra GILLIES, Head of Governance, Revenue Watch Institute (RWI)
Mr Bobby GOSSAI, Senior Policy Advisor, Ministry of Natural Resources and the Environment, Guyana
Ms Moeno Hotta, Researcher, Embassy of Japan, Lusaka
Mr Ledum MITEE, Chairman, NEITI Nigeria
Mr Christian MOUNZEO, Vice President, EITI Executive Committee, Republic of Congo
Mr Jacob MUKETE, Division Manager at the Governance Economic Management and Financial Reform Department (OSGE), AfDB
Mr Brendan O’DONNELL, Global Witness
Mr Abdul OMAR, EITI Consultant (Mozambique and Tanzania), World Bank
Mr Christian PETERS, Delegation of the European Commission, Zambia
Mr Anwar RAVAT, World Bank
Mr Lodewijk Gualthéorie van WEEZEL, Legal Counsel, Upstream International, Shell
Ms Erica WESTENBERG, EITI Policy Officer, Revenue Watch Institute (RWI)
Mr Joe WILLIAMS, International Secretariat, Publish What You Pay (PWYP)
Ms Keiko YAMANAKA, Economic Bureau, Embassy of Japan, Zambia

EITI International Secretariat

Mr Sam BARTLETT, Regional Director
Mr Wouter BIESTERBOS, Strategic Advisor
Mr Tim BITTIGER, Regional Director
Ms Leah KROGSUND, Executive Secretary
Mr Anders KRÅKENES, Communications Manager
Mr Francisco PARIS, Regional Director
Mr Eddie RICH, Deputy Head of Secretariat
Ms Dyveke ROGAN, Country Manager
Ms Chantal SPIT, Conference Manager
Annex A

EITI BOARD DECISION ON GUINEA

The Board agreed that Guinea has made meaningful progress in implementing the EITI. In accordance with the transition procedures for the 2011 Edition of the EITI Rules\(^2\), the Board agreed that Guinea will have its candidacy renewed for 18 months (i.e. until 26 April 2014), by the end of which it must have completed a Validation that demonstrates compliance with the 2011 edition of the EITI rules, including requirement 5(e) regarding regular and timely reporting. If Guinea does not achieve Compliant status by this deadline it will be de-listed.

The Board congratulated the government, companies and civil society organisations in Guinea for the progress made in implementing the EITI. The Board also thanked the validator and all stakeholders involved in the validation process.

The validator found that Guinea has not met a number of the EITI requirements. The validator expressed concerns regarding the lack of a clear definition of materiality, the failure of companies and government entities to disclose all material payments and revenues, and to the failure to sufficiently disseminate the EITI reports.

In all decisions on Validation the Board places a priority on the need for comparable treatment between countries and the need to protect the integrity of the EITI brand. The Board reviewed the validator’s report in detail. On several issues, the Board shares the validator’s concerns. The Board also disagreed with the validator’s assessments on a number of requirements. The Board found that requirements 5, 9, 11, 12, 13, 14, 15, 17 and 18 were not met, and established the following corrective actions that need to be addressed in order for Guinea to achieve compliance:

1. The Steering Committee should agree and publish a comprehensive (time-bound and costed) work plan (requirement 5) that: (1) covers the publication and dissemination of the next EITI report and steps toward regular and timely EITI reporting thereafter; (2) addresses the recommendations from previous reconciliation reports and from the validator; and (3) addresses the corrective actions highlighted below. The Steering Committee should agree a clear definition of “material payments and revenues” and incorporate this definition into the reporting templates and reconciliation process for the next EITI report (requirement 9). This should specifically address the materiality of payments by companies in the exploration phase, and barter agreements.

2. The next EITI report should clearly demonstrate that all entities that make or receive material payments are participating in the reporting process (requirement 11).

3. The Steering Committee should take steps to ensure that company and government disclosures to the reconciler are based on audited accounts to international standards and agree an approach for addressing these issues (requirements 12 & 13);

4. In accordance with the agreed definition of materiality (see point 2, above), the Steering Committee should ensure that all material mining payments by companies to government have been disclosed to the reconciler and incorporated into the next EITI Report (requirement 14);

\(^2\) [http://eiti.org/files/Minutes_17th_Meeting_EITI_Board_Amsterdam.pdf](http://eiti.org/files/Minutes_17th_Meeting_EITI_Board_Amsterdam.pdf)
5. In accordance with the agreed definition of materiality (see point 2, above), the Steering Committee should ensure that all material mining revenues received by the government have been disclosed to the reconciler and incorporated into the next EITI Report (requirement 15);

6. The Steering Committee should agree a process for addressing recommendations for remedial actions outlined in previous EITI reports and document progress in addressing these (requirement 17);

7. The Steering Committee should ensure that EITI reports are publicly accessible in such a way as to encourage that its findings contribute to public debate (requirement 18).

In accordance with Policy Note 3, the Steering Committee may request a waiver from the requirement to undergo a second Validation on the grounds that the remedial actions necessary for achieving compliance are not complex and can be undertaken quickly. If the Board deems that a second Validation is not necessary for it to make a determination of whether the country has achieved compliance, then the Board will waive the requirement for a second Validation and empower the EITI International Secretariat to prepare an assessment for the Board. The waiver request must be submitted well in advance of the end of a country’s maximum candidacy period, and the country must be prepared to undertake a Validation in the event the waiver is denied. The Board does not envisage granting a waiver unless it is confident that the EITI International Secretariat’s assessment can be undertaken quickly and objectively.

**EITI BOARD DECISION ON MOZAMBIQUE**

The EITI Board designates Mozambique as EITI Compliant as of 26 October 2012. In accordance with the EITI Rules:

- Mozambique must be revalidated within 5 years (i.e., by 26 October 2017);
- Stakeholders in the process may call for a new validation at any time within that period if they think the process needs reviewing;
- Where valid concerns exist that a country has become EITI Compliant, but its implementation of the EITI has subsequently fallen below the standard required for Compliance, then the Board reserves the right to require the country to undergo a new validation or face delisting from the EITI; and
- In accordance with the 2011 edition of the EITI Rules, Mozambique is required to produce EITI reports annually. EITI Reports should cover data no older than the second to last complete accounting period (i.e., Compliant countries must publish an EITI report by 31 December 2012 to meet the requirement for timely reporting).

- In accordance with requirement 21(c), Mozambique is required to publish a public report annually on the previous year’s activities, detailing progress in implementing the EITI and any recommendations from the validator.

The Board congratulates the government of Mozambique for its sustained commitment and leadership of the EITI process. The Board also congratulates the Mozambique MSG for its efforts and effective leadership in EITI implementation. The Board calls on the government and multi-stakeholder working group to ensure that the Board’s recommendations are implemented in full, and tasks the EITI International Secretariat with providing regular progress reports to the EITI Board.