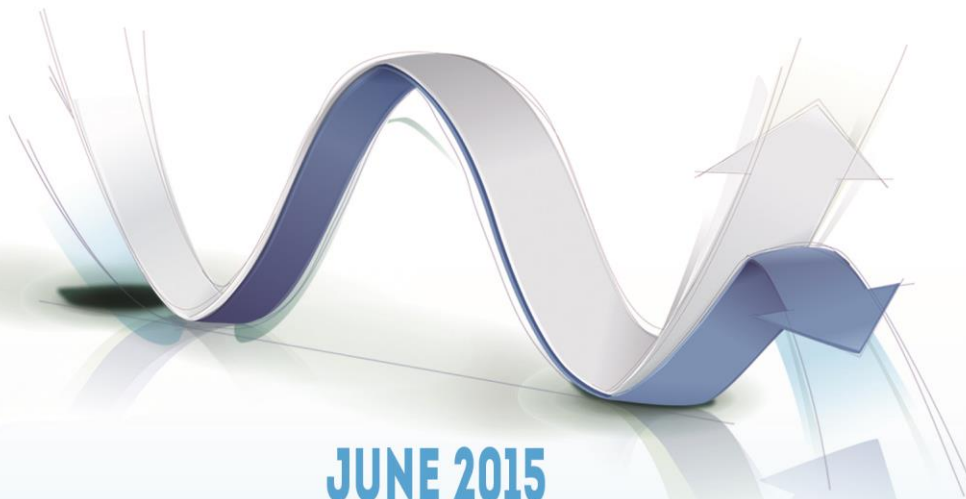


ANNUAL ACTIVITY REPORT 2014



JUNE 2015

IEITI

Annual Activity Report

2014

June 2015

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1/ GENERAL ASSESSMENT OF YEARS PERFORMANCE

IEITI had witnessed during the previous year a huge development in dissemination activities through multiple workshops in Iraqi provinces and local city councils in Baghdad.

Dissemination included widest possible number of parliaments, governmental entities, universities, local city councils, etc.

The year 2014 also had a development and expansion in the field of covering annual reports to include the local consumption and mentioning the available information from KRG.

The obstacles though still represented by KRG lack of information and Ministry of Industry and Minerals unavailability of revenues which leads to the incompleteness of information presented in the report.

Summary of Activities:

- i. Al- Karada Workshop 23/ 11/ 2014
- ii. Al -Kadimya Workshop 25/11/2014
- iii. Workshop Basra 19/11/2014
- iv. Workshop Basra 20/11/2014
- v. Dissemination workshop for provinces except Kurdistan 17/9/2014
- vi. -Dissemination plan for KRG- workshop 18/9/2014
- vii. Beirut mission with the world bank and the responsible partner of Ernest and Young and EITI 23/10/2014

Recent MSG Meetings (Item 9)

- i. The 26th meeting at the general secretariat of the council of ministers' building 30/12/2013
- ii. The 27th meeting at the general secretariat of the council of ministers' building 10/4/2014
- iii. The 28th meeting at the general secretariat of the council of ministers' building 4/6/2014
- iv. The 29th meeting at the general secretariat of the council of ministers' building 1/9/2014
- v. The 30th meeting at Oil Marketing Company (SOMO) 10/11/2014
- vi. The 31th meeting at MoO 17/12/2014

2/ (A) ASSESSMENT OF PREFORMANCE AGAINST TARGETS AND ACTIVITIES SET OUT IN THE WORKPLAN

No.	Activity as required in the work plan	Activity as actually implemented	Assessment	Outcomes
1	Organize Tripartite workshop in regard to accountability and responsibilities of parties related to producing IEITI Report (9) ¹	Workshop in Beirut 19- 23, October,2014 was attended by IEITI,EITI,WB,Reconciler (E&Y)	-This workshop helped adopting the new EITI standard in 2012 Report - it provided necessary funding for IEITI implementation	-Bridging the Gap in general information deficit identified in the scoping study - Mainstreaming of EITI process in the oil industry - Adopting the new EITI standards in the next reports - Extension of WB grant
2	Capacity Building and Training for civil society in IEITI monitoring (10)	- Workshop in Baghdad, MoO on 3, June 2014 (1day) to discuss development of IEITI Reports which was attended by EITI, MSG,IOCs, Reconciliation Firms,RWI,Civil Society and Media	Develop the new Reports of IEITI	- Better understanding of IEITI, EITI new Standards and Extractive Sector by CSOs
3	Capacity Building and Training for Iraqi Oil Companies involved in IEITI implementation (11)	Workshop in Basrah, Oil Cultural Center on 20,November,2014(1 day) was attended by South Oil Company	Increasing Awareness to role of IOCs in IEITI	Better understanding of IEITI
4	Training for IOCs	Workshop in Basrah, Oil Cultural Center on 19,November,2014 (1 day)was attended by representatives of IOCs (LUKE OIL, Exxon Mobil, PETRONAS,	Increasing Awareness to role of IOCs in IEITI	-Better understanding of IEITI - Determining a date for discussing IOCs representatives

¹ These numbers are paragraphs of the work plan

		ENI,SHELL,KuwaitEnergy,TOTAL)operating in Basrah's Fields		in Basrah or Dubai
5	Capacity Building for government agencies related to IEITI oversight and Management (12)	- Workshop in MoO on 17, September, 2014 (1 day) was attended by Baghdad Governorate Council officials to discuss mechanism of disseminating 2012 report. - workshop in Baghdad, Al-Karrada on 23, November,2014 (1 day) to discuss mechanisms of raising public awareness of IEITI -workshop in Baghdad, Al-Kadhimya on 25, November,2014 (1 day) to discuss mechanisms of raising public awareness of IEITI	The workshop succeeded to get many entities to disseminate the IEITI report	- Better understanding of IEITI and extractive sector issues. - Dissemination of the report to SC organizations.
6	Training for reporters and media (13)	- Workshop in Baghdad, MoO on 3, June 2014 (1 day) to discuss development of IEITI Reports which was attended by EITI, MSG,IOCs, Reconciliation Firms,RWI,Civil Society and Media(including Al-Sumariya TV, Al-Iraqia TV, Al-Hurra Iraq TV, The Middle East Newspaper, Iraqi Center of Media Freedom, and a number of independent journalists)	The workshop succeeded to set the light through media on IEITI reports	Better understanding of IEITI and extractive sector issues by the media enhanced quality of information dissemination
7	EITI Report completed by Independent reconciliation firm and submitted to IEITI MSG Council (21)	IEITI 2012 report was submitted in December 2014	IEITI succeeded to publish the report with the new standards in due time although the challenges	Enables IEITI to prepare to the fifth(2013) and sixth(2014) report
8	Publish and Disseminate IEITI Report (22)	Details on this found in Paragraph 2, B in this report	Good Application of IEITI dissemination plan	- Raising Public Awareness - EITI report Publicly available and widely disseminated
9	Public Workshop to discuss the	- workshop in five Iraqi provinces (Al-Najaf,Karbalaa, Al-Qadissya,Babil and Al-	The workshop was very successful in explaining IEITI role and Defining	-Raising Public Awareness - EITI report

	IEITI Report (23)	Muthanna)12-16, July 2014	extractive sector issues and	Publicly available and widely disseminated. - Wide dissemination of report to SC organizations.
10	Civil Society representatives in MSG Council Elections	<p>- Workshop in MoO on 18, August, 2014 (1 day) to discuss postponing the election CS representatives in MSG Council due to security situation.</p> <p>- Elections was held on 15, November, 2014 in Baghdad, Oil Cultural Center and was attended by a huge number of civil society organizations</p>	<p>- this workshop guaranteed a wider participation by the provinces(Al-Anbar, Salahuldeen, Ninevah and Diyala in the elections</p> <p>-The elections witnessed a wide attendance and followed transparent procedures</p>	<p>- the elections were postponed to be held in November, 2014</p> <p>- minor restructuring by adding more seats to the civil society and other constituents</p> <p>- four members were elected to be the new CS representatives in MSG Council</p>

2 / (B)According to the requirement 2-7/A the annual activity report is published at the IEITI link according to the work plan of the IEITI as shown below.

Activities	Progress
Civil society election	The event accomplished at 15/11/2014 The attendance was more than 600 guest representing 400 Civil Society organization
IOCs workshop	The event isn't accomplished, because the IOCs didn't cooperate with the IEITI
Media Conferences , meetings	Events of this year- detailed in this report- including workshops and seminars witnessed a wide media coverage that included meetings with IEITI Secretary General, IEITI staff and the audience.
IEITI Updating INFO	It is happening periodically

Local workshops	Workshops are happening periodically (mentioned and reviews above)		
Conferences to obtain an external support	The external support has achieved through the work shop of 23/10/2014 in Beirut when Mr. Mourad Belguedj (the consultant of the WB) has attended to provide the required financial support.		
Dissemination of the report	Accomplished as shown in the table below		
	First: Iraqi Universities and Institutes		
	No.	Recipient Entity	Number of Distributed Reports
	1	University of Baghdad	98
	2	Al-Nahrain University	49
	3	Al-Mustansiriya University	56
	4	University of Baghdad/ Political Science Collegue	10
	5	Al-Iraqiya University	49
	6	University of Technology	43
	7	Al-Imam Al-Sadiq University	28
	8	Technology Institute	70
	9	Sadr Al-Iraq Collegue	21
	10	Madinat Al-Elm Collegue	28
	11	Al-RafidainCollegue	37
	12	Al-Mansour Collegue	42
	13	Al-Israa' Collegue	25
	14	Al-HikmaCollegue	21
	15	Baghdad Collegue for Economical Science	20
	16	Al-TurathCollegue	25
	17	Al-FarahidiCollegue	14
18	DijlaCollegue	35	
19	Al-Ma'moonCollegue	28	

Second: State Ministries and Oil Companies

No.	Recipient Entity	Number of Distributed Reports
20	Ministry of Oil/ The minister office	15
21	Deputy of the Ministry for Distribution affairs	15
22	Deputy of the Ministry for Refineries affairs	15
23	Deputy of the Ministry for Extractive affairs	15
24	Deputy of the Ministry for Gas Industry	15
25	South Oil Company and Oil Companies	144
26	Ministry of Education	28
27	Ministry of Transportation	35
28	Ministry of Labour	28
29	Ministry of Agriculture	35
30	Ministry of Water Resources	28
31	Ministry of Industry	21
32	Ministry of Human Rights	28
33	Ministry of Commerce	28
34	Ministry of Reconstruction and Housing	28
35	Ministry of Justice	28
36	Ministry of Planning	35
37	Ministry of Finance	28
38	Ministry of Culture and Media	28
39	Ministry of Higher Education	42
40	Ministry of Telecommunication	42
41	Ministry of Science and Technology	35
42	Ministry of Youth and Sport	42
43	Ministry of Municipalities and Public Work	21
44	Ministry of Foreign Affairs	42
45	Ministry of Tourism and Antiquities	28
46	Ministry of Migration and Displaced	28
47	Ministry of Environment	50

Third :Bodies, Institutions and Courts		
No.	Recipient Entity	Number of Distributed Reports
48	Supreme Judicial Council	56
49	The Federal Supreme Court	43
50	The Central Criminal Court	77
51	Political Prisoners Foundation	33
52	Martyrs Foundation	50
53	Bait Al-Hikma Institution	39
54	Commision of Integrity	88
55	Al-Karkh Federal Court of Appeal	41
56	Al-Rasafa Federal Court of Appeal	35
57	National Olympic Committee of Iraq	20
58	Iraqi National Intelligence Service	64
59	Iraqi Hajj and Umrah Commission	64
60	Central Bank	64
61	Endowments of the Christian, Ezidean&SabianMandaeen Religions Divan	30
62	Media and Telcommunication Body	39
63	National Security Advisory	43
64	Federal Board of Supreme Audit	38
65	Shiite Endowment Divan	43
66	Sunni Endowment Divan	13
67	General Secretariat of the Shiite holy shrines	73
68	Turkmen Club	60
69	Faily Kurds Institution	54
70	Iraqi Engineers Union	50
71	Dar al-Tarbiya Library	44
72	Dar Al-Jawahiry Publishing House	35
73	Dar Al-Kutub Al-I'lmiya Library	30
74	Al-Nahdha Library	54
75	Maktabat Adnan Library	20
76	Al-Dhiaa' Al-Baghdady Library	48
77	Al-Sharqiya Library	18
78	Dar Al-Nubalaa' Library	37
79	Al-Nafa'is Library	22
80	Dar Al-Doctor Library	44
81	Hanash Library	15
82	Sutoor Library	40

	83	Shanasheel Library	33
	84	Public Library	32
	85	Al-Maktaba Al-I'lmiya Library	63
Fourth: Civil Society Organizations			
	86	Rafidi Al-Iraq Al-Jadidi institution	30
	87	Akad cultural Institute	45
	88	Women's Organization for the good of women	35
	89	Al-Wid humanitarian Organization	27
	90	Al-Amal Al-Jadid Organiation	30
	91	Al-Amal Gathering Organization	33
	92	Hana Organization	25
	93	Protecting Environment Organization	30
	94	Women for Peace Organization	40
	95	Iraqi Center for International Judging	37
	96	Human Rights Organization	40
	97	Al-Ta'akhi Humanitarian Association	30
	98	Al-Tadhamun Association	42
	99	The Iraqi Student Organization	55
	100	Aware youth Thinking Gathering	50
	101	Noor Al-Haq Organization	35
	102	Adhwaa' Al-Marji'iya Organization	25
	103	Al-Manar Organization	25
	104	Individual Development Organization	30

3 / ASSESSMENT OF PERFORMANCE AGAINST EITI REQUIRMENTS

Requirement	Progress
<p>Requirement (2) The reports should be published at the exact date</p> <p>Requirement 1(1.6) The final dates for the reports and the validation</p>	<p>A progress was achieved through committing with the dates of reports issuing in spite of the big challenges where facing because of the new editing related to the new standards of the EITI.</p>

<p>Requirement (3.7) The report should describe the extractive revenue distribution.</p>	<p>The indicated progress registering all the revenues which were determined in the budget of 2012, where mentioned as a link in the report.</p>
<p>Requirement (3.8.C) Encouraging the MSG to include additional INFO in the report, the INFO should be about the revenue and expenditure.C:Updated information from the government to enhance the understanding of public and social dialogue about issues of sustaining revenues and depending on resources. This could include the assumptions adopting perceptions of performance during the next years of budget cycle regarding the expected production and prices of goods and expectations of revenues coming from extractive industries and the percentage of future financial revenues expected from extractive industries.</p>	<p>Marketing's study were produced by SOMO gives an idea about the expected produce with the prices of the achieved revenues in the future, and there will be reference to the general budgets in the next reports</p>
<p>Requirement (4.1) The MSG must prepare updated work plan include full costs and coincide with final deadlines to deliver reporting and validation reports determined by EITI board. F: it is reviewed and updated annually and the details must be expanded to include treatment of issues such as management of revenues and expenditures(3.7-3.8) , transportation payments(4.1.f) estimated social expenditures (4.1.e), subnational transfers(4.2.e)beneficial ownership(3.11) and contracts(3.12), according to requirement 1.3.g (VIII) the MSG should document discussions and decisions.</p>	<p>The progress in included clarification of management revenues and expenditures, social expenditures, beneficial ownership and contracts. The details of the social expenditures were mentioned according to the geographic areas of the IOCs which work in the extractive field in the chapter of developing the oil fields.And the subnational transfers were not mentioned which include Petrodollar</p>

<p>Requirement (4.2.e) Subnational transfers: if the transfers between national and subnational entities produced from extractive industries and imposed by the institution or national law, The MSG should study it so the decision is: is it substantial transfers or not in order to include it in the report or not.</p>	<p>The solutions were found and mentioned in the TORs of 2013 and 2014 reports, sub national transfers- petrodollar- were discussed and it was decided to study this issue widely so it may be added to the next reports</p>
<p>Requirement (3.11) Beneficial ownership</p>	<p>N/A</p>

4 / Overview of the multi- Stakeholder group's responses to the recommendation from reconciliation and validation, if applicable.

No.	Lessons Learned	Source	Procedure	Assessment
1	The rate of Materiality : Determined in the report of 2011 and 2012 as 1%	2012 Report, Page 87	The progress that added was determining the materiality as 0.5% according to the recommendations of reconciliation.	To ensure getting any quantities from MIM
2	Reporting Deadlines	2011 Report Page 61, 2012 Report Page 87	The achieved progress was bidding the report to PWC with giving it the enough time to complete the report.	Early reporting deadlines give enough time to The MSG Council, Civil Society and relate researchers to discuss the report

3	Quality of The Reporting Templates	2012 IEITI Report	Putting new mechanism to co-ordinate obtaining the documents according to the report templates	More flexibility in comparing data
4	Field Work Facilitation: Recommendation, The MSG Council to have more extensive and direct involvement each in its respective group for the facilitation of gathering and commitment to deadlines	2011 Report, Page 61 and Report 2012, Page 88	-There are suggestions to adopt this mechanism in 2013 and 2014 Reports - There are suggestions to form committees from the MSG to communicate with the independent administrator.	The independent Administrator says there will be a difficulty in communicating with committees technically and that will be treated
5	Signatures: Recommendation, Future Guidelines need to emphasize on the importance of signing off the submitted templates	2011 Report, Page 61	This recommendation was adopted in 2013,2014 Report ToRs	These signatures gives credibility to the numbers in templates and to the validation
6	Auditor's report: Recommendation, It is recommended that buyers provide their audited financial statements to SOMO annually, Moreover, National Oil Companies need to be audited in accordance with International Accounting Standards and International Financial Reporting Standards	2011 Report, Page 61 and Report 2012, Page 87	there is no progress due to the unavailability of the legal legislation	We agree with this recommendation

5 /Any specific strength and weakness identified in EITI PROCESS.

1- Obstacle

KRG Limited Participation: The unavailability of the data gives low effectiveness in the reconciliation, because the INFO is taken from any website or resource.

Treatment

- Asking the KRG to provide the data templates to meet the reconciliation.
- Asking the representative of the KRG in MSG council to obtain the information.
- Adding an academic member from KRG to represent civil society in MSG council in order to add more press on obtaining data.
- Giving CSO an opportunity to find a solution.

2- Obstacle

Ministry of Industry and minerals : The unavailability of the mineral industries' plans therefore there are no companies contracted with the ministry of minerals, the consumption is sell to the private sector companies, the reconciliation can't be met in this case, because there is only one source.

Treatment

- Encouraging the MIM to carry out the strategic plan where defined in the report of 2012.
- Approve the rate of materiality 0.5% to cover any possible production of minerals.

3- Obstacle

IOCs Responses: -

Lack of response from IOCs to IEITI National Secretariat invitation to elect their representatives in the MSG including letters from Minister of Oil, SOMO Company and PCLD directorate.

Treatment

- Nominating the IOCs representatives in the MSG to coordinate with the National Secretariat to facilitate holding a workshop to specify the IOCs nominatives.
- Basrah's workshop attendance weren't enough to meet the goal, so there was planning to hold workshop in Dubai once we reach to a good number of participation to reach the goal as much as IEITI can.
- Using ToRs to guarantee more response from IOCs.
- EITI will be contacted to coordinate with IOCs operating in Iraq.

6 /Total costs of implementation

No.	Activity	Cost as indicated in work plan	Cost allocated for 2014	Actual Cost	Comments
1	Consultant Salaries	\$ 150,000 (7,8)*	\$ 150,000	\$ 136,816	-
2	Staff Training	\$ 100,000 (7)*	\$ 70,000	\$ 75,126	The cost is planned for 2014 and 2015
3	Office Equipment	\$ 60,000 (7)*	\$ 12,000	\$ 7,837	The timeframe in the work plan extends to several years
4	Workshops (Training for Civil Society, MSG, Media), Report Dissemination Activities	\$ 345,000 (9,10,11,12,13,14,15,23)*	\$ 100,000	\$ 77,459	- security situation restrict holding activities in certain areas (Diyala, Al-Anbar,Ninevah, Salahuddin,Kirkuk, Kurdistan) - other activities are planned to be held in 2015
5	Production of IEITI report by Independent Reconciler	\$ 200,000	\$ 200,000	\$ 200,000	-
6	Update and develop annual cost work plan	\$ 25,000 (25)*	-	-	This activity was undertaken by IEITI implementation team
7	Advertising in local media, newspapers	\$ 50,000 (32)*	\$ 25,000	\$ 2,573	- Unavailability of media consultant. - the cost is planned for 2014 and 2015
8	Printing IEITI materials	\$ 50,000 (33)*	\$ 25,000	\$ 12,865	This cost is planned for 2014

					and 2015
9	Hospitality of arrangements for local & international figures	\$ 40,000 (34)*	\$ 20,000	\$ 1,463	-This cost is planned for 2014 and 2015 - Some planned events were cancelled and in other cases some invited figures couldn't come to Iraq

*: paragraph in the work plan

Staff of the IEITI

Contracts: 16 person

MoO Employees (Appointed): 4 persons

7/ Any additional comment

No additional comment

8 /Has this activity report been discussed beyond the MSG?

The reports were discussed and decided inside the MSG after completing all MSG suggestions internally.

9/DETAILS OF MEMBERSHIP OF MSG DURING THE PERIOD

Recent MSG Meetings

The 26th meeting at the council of ministers building 30/12/2013

- 1-The meeting discussed the final acceptance of the final draft of 2011 report, the report doesn't contain Kurdistan documents, because Kurdistan wasn't co-operated in this regard
- 2- Hiring an independent auditor/firm in the financial team of the IEITI according to the requests of the world bank.

The 27th meeting at the council of ministers building 10/4/2014

- 1-Discussing the suggestion of the EITI of developing the conclusion of the reports according to the new standards.
- 2- Choosing committee members to run the civil society election; the members were
 - Alaa Mohie El Deen(SG)
 - Mahdya Abid (member of Baghdad city Council)
 - Representative from the integrity
 - HusseinKalanter representative on Civil society
 - AbdulsahibNajim representative of the committee of the legal accountants
 - Dr. Othman Al Aboody, Council of ministers' representative

The 28th meeting at the council of ministers building 4/6/2014

The meeting was attended by Eddie Rich (Deputy Head) and Pablo Valverde, and the following was discussed:

- 1 -Review of the new standards within the gap analysis of RWI
- 2- Discussing the TORs
- 3-Changing the member Farooq Tobbya by Dr.Nihdal Abdul Zahra - Mardaw
(Directorate of the federal financial supreme audit board)

4-The suggestion of transparency alliance of issuing a formal executive work to develop the IEITI work.

The 29th meeting at the council of ministers building 1/9/2014

At this meeting the MSG discussed the following points

- 1- Discussing the last review of the 2012 report and getting the agreement on postponing its issuance until November.
- 2- Discussing the final preparations for the civil society election (invitees, attendees and logistic procedures) with agreeing on postponing the election until the end of November.
- 3- Restructuring the MSG through the decision of adding the director general of the Technical dept. and the director general of the PCLD, adding four civil society organization one of them was supposed to represent Kurdistan and the another should represent the woman element, adding new MSG members (academic member, media member, a representative of the private sector and a representative of legal accountants society), review the workshops of provinces via data show to the MSG members.

The 30th meeting at Oil Marketing Company (SOMO) 10/11/2014

- 1-The meeting discussed and finalized the date of the civil society election.
- 2-discussing the TORs of the 2012.
- 3-the outcomes of Beirut meetings was discussed too.
- 4-editing the draft of TORs of validation according to the requirements of the EITI with editing the protocol of the civil society organizations.

The 31th meeting at MoO 17/12/2014

- 1-The meeting agreed on the results of the elections of the civil society, the chosen members who won the elections where (Saeed YassenMousa, Ali Neema, Khalid Alnaqshbandi, Feryal Abdulsada abood

2- The meeting discussed also issuing an invitation to produce the report of 2013 and 2014 to the reconciliation companies.

The meeting agreed on putting a chapter for Kurdistan -4 explains the details of what information is found on via any recourse from the internet or etc., the meeting comes to support the extractive role in Kurdistan for its role in the Iraqi economy development.

The Statistic of the attendance to the MSG meetings:

The average of attendance is 14 out of 20 members