

International Secretariat 2017 Work plan

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INTERNATIONAL SECRETARIAT

2017 WORK PLAN

1 Summary for 2017

The 2017 Work plan sets out the EITI International Secretariat's understanding of its responsibilities for 2017 as established by the Board, including its new role on information gathering for Validation. These activities comprise the 'minimum case budget' of USD 5.5m which form the main structure of this work plan. Under this scenario, lack of resources would mean that some implementation activities would be squeezed out. In the view of the Secretariat, it is simply not possible to undertake 17 Validations, implementation of additional beneficial ownership requirements, and support to new countries, with less resources than last year. These means that less progress in countries and potential opportunity costs in not supporting more efficient and effective systems in many countries.

The added responsibilities following the revisions to the Standard in 2016, particularly related to beneficial ownership disclosure and Validation, have revealed that the current level of staff resources is not sustainable. To execute its tasks and responsibilities, and to meet the pressing needs of its mandate, the International Secretariat considers it necessary to slightly increase its staff and other resources in 2017. It is foreseen that a 'medium case budget' of USD 5.9m will be required to ensure that implementation support is not suffering at the expense of the Secretariat's new role on Validation.

Some further activities to support this work to help achieve a more efficient, relevant and effective EITI over the long term make up a 'high case budget' of USD 6.3m. Many of those activities might end up being funded by project specific support.

2016 was a momentous year for the EITI with an updated Standard, a new Chair, a new Board, and the first Validations under the 2016 Standard. Meanwhile, another year of low commodity prices and the release of the Panama papers brought new relevance and challenges to the EITI. Whilst it cannot and should not seek to solve all the challenges of the sector, the EITI has proven in 2016 to be a useful, relevant, credible and robust effort.

The fall in commodity prices has significantly impacted the fiscal position of resource-rich countries. In response, many are seeking to reform their natural resource governance and revenue systems. This provides an opportunity to address inefficiencies and improve governance. The fall in commodity prices intensifies the need for technical assistance in resource-rich, low-income countries. The EITI, alongside its key partners, has the expertise, experience, access and leverage to make a major contribution in this area.

The Panama papers were a stark reminder of the importance of the new EITI requirements on beneficial ownership reporting to tackling issues of tax evasion and improper allocation of licenses and contracts. Ensuring openness and minimising the possibilities for undue secrecy requires efforts not only with tax havens, but also in countries where the money comes from. These are often the resource rich countries that make up the EITI membership. The UK "Tackling Corruption Together Summit" in May saw over 20 countries make commitments towards ending ownership secrecy. The EITI has been working on this already over the past two years with 51 countries exploring what full disclosure of real company ownership in their countries would look like through the development of

roadmaps to address full disclosure in the sector by 2020. This work has revealed major practical as well as political challenges. The evidence is clear: these efforts will require far more resources – technical as well as financial – than previously thought.

The 15 Validations undertaken in the last six months of 2016 show clearly how governments, companies and civil society have turned to the EITI to help address these challenges. Attitudes and practices on issues such as beneficial ownership, commodity trading, contract transparency and disclosing payments broken down by company, and have rapidly evolved, and trust continues to be built between stakeholders. Conversations in implementing countries are now less about events and technical processes, and more about what the EITI reveals about improving the extractive sector and making suggestions about policy. Furthermore, many of these issues could not have been foreseen under the EITI five years ago.

All of this work was done with less staff than in 2015. Much implementation support was squeezed out in 2016 which makes upcoming Validations more challenging and opportunities for progress were missed. The fact that the technical assistance by a number of entities such as the World Bank has declined further compounds the needs.

Governance of the oil, gas and mining sectors remains an enormous challenge. In 2017, the EITI International Secretariat will focus on improving implementation to make the EITI an ever sharper, more mainstreamed, more relevant, and more influential tool. It will oversee 17 Validations under the 2016 Standard.

The proposed budget represents a best attempt to cost the minimum and additional functions set out in the work plan. Over time, it is envisaged that work on such issues as mainstreaming the EITI will reduce the needs and costs for the Secretariat.

Five key areas have been identified by the Board for 2017:

- **Mainstreaming and appropriate implementation**

If resources allow, much of the implementation support in 2017 will be focused on helping countries move away from the current bureaucratic and slow EITI reporting procedures to something that is much more focused on country-specific challenges and recommendations for reform. Countries should have routine disclosures of available data, and the EITI Requirements should rather help focus on addressing key areas where governance challenges have been identified. With limited resources and a varied array of implementing countries, the Secretariat will seek a stronger steer in 2017 on how to engage with the countries – especially those with small or nascent sectors or those with well-developed disclosure systems.

- **Validation**

Subject to Board approval of the Validation schedule, 17 countries are expected to undergo Validation in 2017. Stakeholders should be encouraged to move away from thinking about the EITI as “pass/fail” and more about the four levels and using the process as an opportunity to strengthen implementation. Whilst the Board in 2016 agreed to a more cost efficient Validation procedure, it puts a greater burden on the Secretariat. This requires that some of the costs that were previously spent on external validators are directed to information gathering.

- **Beneficial ownership and commodity trading and other frontier areas–**

By 2017, 51 countries will have roadmaps about how they intend to make full disclosure of the beneficial owners of the extractive companies that bid, operate and invest. It is increasingly clear

that the implementation of these roadmaps will require intense technical support from the Secretariat and other technical assistance providers beyond what was originally envisaged. In addition, the Board expressed support for a pilot project on transparency in commodity trading. Four countries have confirmed their participation (Chad, Ghana, Nigeria and the Republic of the Congo) and some others have expressed interest.

- **Governance**

The Board and the International Secretariat will implement the recommendations of the Board.

- **Funding**

The Board and the Secretariat will implement the recommendations of the 2016 funding review and will undertake an expenditure review.

It should be remembered that these actions will take place on top of the day to day functions of the Secretariat including, to the extent possible, providing ongoing support to the implementing countries as they undertake the various elements of their implementation and developing good practice guidance and materials; organising of the Board and Committee meetings, including the preparation of papers and research; and the management and administration of the Secretariat itself.

2 Explanation of the work plan

This work plan establishes the Board's instructions to the Secretariat on actions for the year. In addition, it establishes some additional actions that the Secretariat considers would help achieve a more efficient, relevant and effective EITI over the long term.

Section 3 sets out the proposed tasks of the International Secretariat in 2017 as set out under the minimum budget with indications in boxes of what could be done with more money or project-specific funding. Sections 4 and 5 cover other requirements of the Secretariat according to the Articles of Association: the support to the EITI Board, and the management, funding and monitoring of the International Secretariat respectively. Each section indicates the requested associated costs of the functions and actions outlined, with the requested budget found in Section 7. Annex 3c sets out the key indicators for the performance of the Secretariat against each of these functions. Section 8 outlines the key risks foreseen to the delivery of the work plan, including lower than expected revenue and the implications.

Section 6 sets out a multi-year outlook.

This work plan also serves to explain the key objectives, activities, and outcomes of the Secretariat to potential contributors and donors.

3 Tasks and actions in 2017

The actions in the work plan 2017 reflect the lessons of the process so far, and the direction in which the Board has indicated that it wishes the EITI to go. Activities beyond these Board instructions or

Secretariat mandate, like training¹ for implementers, tends to be considered as additional project-specific funding.

Whilst the implementation of the EITI expands and becomes more complicated, the sector is still in contraction. More needs to be done with less. At the same time, with so few resources coming from the sector, these are more precious than before and the EITI is one of the only ongoing *functioning* global mechanisms to ensure that they are used well.

Many of the elements of the high case scenario are around deploying resources now to save money in the future or to set off further impact. If sufficient funding is available, the EITI will explore ways for the process to be less costly in countries and internationally – through more mainstreamed and open data collection and presentation processes, more coordinated technical assistance, more effective implementation through peer learning, and more efficient Validation procedures. It will also look more at how the EITI process can lead to reforms for improved governance in the sector.

3.1 Support to implementing countries

In 2017, the International Secretariat will provide support, as resources allow, to all implementing countries. Support to implementation will focus on ensuring that implementing countries make progress under the EITI Standard and harness the EITI as a tool to improve the governance of their natural resources. More broadly, support for the EITI in implementing countries will be dependent on the successful release of grants from World Bank administered EGPS.

Specifically, support to implementation will focus on the following objectives:

- Each implementing country has a coherent work plan that addresses key governance challenges.
- Each implementing country has a well-functioning multi-stakeholder group (MSG) to ensure effective participation of relevant state and non-state actors.
- Each implementing country has published comprehensive, relevant, reliable and accessible data, in a timely manner to inform public debate and increase the public understanding of how their natural resources are managed.
- EITI reporting is embedded in government agencies managing the sector to build strong, transparent and resilient government systems.
- Each MSG continues to promote innovative approaches to improving the governance of the sector, including by implementing recommendations emerging from EITI reporting and Validation.

¹ Training refers to activities where those involved in EITI implementation learn from each other. These include implementing country stakeholders, the Secretariat and other experts on how to implement the EITI Standard. Given the technical nature of many of the EITI Requirements, many of these activities are necessary for successful implementation. Feedback suggests that the involvement of the International Secretariat in these activities is highly valued.

- Each implementing country has reviewed the outcomes and impact of EITI implementation and published its findings in the MSG Annual Activity Report.

For each country, the Secretariat identifies key issues and develops detailed strategies and action plans on how to support countries to address these issues. Progress of implementation is monitored through Implementation Progress Reports Internal (IPRI), Implementation Progress Reports (IPR) and regular regional team meetings.

The intensity of the support will vary from country-to-country, depending on the size of the sector covered, the quality of its institutions and stakeholder's commitments to use the EITI to improve the governance of their natural resources. Countries with a weak institutional environment tend to face greater challenges in implementing the Standard. These countries tend to have weaker capacities, but generally stand to benefit the most from implementing the EITI Standard. In countries like Afghanistan, Iraq and Mali, such good governance processes can help address security and migration challenges. Demand for direct support depends also on where countries are in the implementation cycle. More than 40 countries have produced at least one report under the EITI Standard and (subject to Board approval) 17 countries have Validation deadlines in 2017. By the end of the year, all 51 implementing countries are expected to adopt a work plan for 2017, publish an EITI Report covering at least 2014 data, and review the outcome and impact of EITI implementation in their 2016 annual progress report.

An important element of the Secretariat support to countries' MSGs will be provided through the new implementers portal (www.guide.eiti.org) as part of the EITI website. This portal will contain notes, examples and templates, as well as links to partners' materials. This portal will be available in at least five languages and will improve the accessibility and searchability of guidance materials.

Recognising that the provision of this support to countries is far wider than itself, the EITI International Secretariat will continue to seek to undertake light coordination of the support of partners including the World Bank, the regional development banks, NRGi, PWYP and the bilaterals especially GIZ, the Norwegian Oil for Development and DFID. This coordination needs to take place both internationally to ensure coherent thematic and regional support, but also at the country level with the continuation of 'Friends of...' groups. More work needs to be done to explain the different roles and responsibilities of each technical assistance provider. As the custodian of the EITI Standard, most implementing countries request the involvement of the International Secretariat in delivering training and on much other advice. Other technical assistance providers, especially the World Bank and NRGi, can provide support on some of the wider reform issues to which the EITI can link.

At the Board level, a meeting of implementing country representatives in Berne in October 2015 decided to establish a Coordination working group. This working group later developed sub-constituency guidelines which were adopted at the National Coordinators Meeting in Lima in February 2016. This working group is now establishing the institutional framework for implementing country Board members to collect feedback from implementing countries for input into the Board's discussions. The International Secretariat will provide facilitation and language support to this group in its initial phases.

Actions

1. Where possible, analyse terms of reference (ToRs) for Independent Administrators, scoping studies, reporting templates, draft and final EITI Reports, work plans and Annual Progress Reports to provide comments and feedback to MSGs.
2. Develop and share guidance notes and EITI briefs on thematic issues, overseen by the Implementation Committee.

3. Provide access to the new implementers portal (guide.eiti.org) as part of the EITI website containing all guidance notes, examples and templates, as well as links to partners' materials.
4. Monitor progress in EITI implementation and coordinate support with partners and technical assistance providers.
5. Identify linkages with other efforts promoting good governance and sharing good practice.
6. Work closely with National Coordinators and other stakeholders in-country to ensure effective functioning of MSGs.
7. Support the work of the implementing countries working group.

Sharing good practices through peer learning workshops, staff exchanges, virtual communities of practice, case studies of good practice, etc., remains important in order to inspire better implementation. The Secretariat will continue to facilitate such sharing of experience both participating in-person at events and through online platforms such as webinars, e-forums, the EITI implementer's portal, etc.

8. The International Secretariat will develop a 2017 training plan including funding sources and working with partners, to cover workshops on implementation and further thematic issues. Training activities will target national secretariats, National Coordinators and MSG members, as well as other actors such as legislators and media. This is expected to be financed on an a la carte basis through project specific funding.

If sufficient funding is available², the Secretariat will:

- Facilitate peer learning between implementing countries by organising regional trainings for each region and by supporting the implementing countries working group (which facilitates peer consultations amongst implementing countries). As in previous years, the International Secretariat will seek to tailor training materials according to thematic interests and needs in implementing countries, such as artisanal and small-scale mining, beneficial ownership, commodity trading, communications, open data, and revenue allocations etc. Help facilitate pre-Validation self-assessments where requested, viable, appropriate and funded. There will also be continued emphasis on linking work plans to broader country priorities for the extractive sector, and increased focus on topics such as mainstreaming transparency, implementing the beneficial ownership roadmap, acting on recommendations from EITI Reports and documenting impact.

Budget allocation – implementation support

It is foreseen that USD 1,551,000 of the budget (of which USD 1,070,000 are allocated staff costs) is spent on support to implementing countries. Most of the training will need to be covered by project-specific funding and thus is only a minor part of the minimum budget.

It is expected that support to implementing countries will equate to around 34% of total staff time (weighted with salary) and training for a further 5%. Thus, almost half of all staff time is spent on support to implementing countries.

² In this work plan, where a box begins "If sufficient funding is available..." it indicates what would be done in the medium or high budget case or should there be project-specific funding to support these activities.

3.2 Undertaking Validation

Validation is an essential feature of EITI implementation. It provides all stakeholders with an impartial assessment of whether EITI implementation in a country is consistent with the provisions of the EITI Standard. The Validation report also addresses the impact of the EITI, the implementation of activities encouraged by the EITI Standard, lessons learnt in EITI implementation, as well as any concerns stakeholders have expressed and recommendations for future implementation of the EITI. Through Validation, countries receive recognition for their efforts and progress, including those beyond the core requirements. The new Validation process should lead to greater focus on continual improvement.

In 2016 the EITI Board changed the Validation model because the previous system was inadequate and financially unsustainable. The new model leverages the International Secretariat's knowledge and expertise, combined with external and independent quality assurance. The information gathering and stakeholder consultation undertaken by the International Secretariat is included for the first time as a core cost. Subject to Board approval, 17 Validations are scheduled for 2017.

In accordance with the EITI Standard, these Validations will be carried out in three stages with the initial data collection and stakeholder consultation undertaken by the EITI International Secretariat. Based on these consultations, the International Secretariat will prepare a report making an initial evaluation of progress against requirements in accordance with the Validation Guide. The report is submitted to the Independent Validator who prepares the Validation report for submission to the Board. Finally, the Validation Committee will review the Validator's assessment and any feedback from the MSG and makes a recommendation to the EITI Board on the country's compliance with the EITI Requirements.

Some of the 15 countries that underwent Validations in 2016 will likely request follow-up second Validation (secretariat review) in 2017. This will require further detailed desk reviews, stakeholder consultations and possibly country visits from the International Secretariat in 2017. It is difficult to foresee with accuracy the number and intensity of secretariat reviews that will be required in 2017 until the Board completes its review of the 2016 Validations.

It is also likely that some countries will request an early Validation. Such requests are at the Board's discretion, and the financial implications of these requests can be considered on a case-by-case basis.

At the end of 2017, the Secretariat will conduct an analysis of what the Validation process reveals about EITI impact, which requirements have been the most challenging and most important, and what clarifications might be required either in the Standard or the Validation Guide.

Actions

9. For 17 countries, review the relevant documentation, visit the country and consults stakeholders. This will include meetings with the MSG, the Independent Administrator and other key stakeholders, including stakeholders that are represented on, but not directly participating in, the multi-stakeholder group. The Board maintains a standardised procedure for data collection.
10. Undertake around five second validations (previously called secretariat reviews) to assess corrective actions from the 2016 Validations.
11. Conduct an analysis of the Validation process so far by end of 2017.

If sufficient funding is available, the Secretariat will:

- Facilitate national and regional pre-Validation assessments.

- Conduct more extensive impact analyses as part of Validation.

Budget allocation – Validation³

It is foreseen that USD 1,100,000 (of which 840,000 are allocated staff costs) will be spent on Validation from the core budget. It is envisaged that it will require at least 26% of staff time. Of this, USD 170,000 is allocated from project-specific costs (World Bank EGPS funding) for funding the Validator for the 17 Validations.

3.3 Strengthening the EITI Standard as a global standard

3.3.1 Mainstreaming and appropriate implementation

While EITI Reports will continue to fill transparency gaps in many countries, a key focus will be on encouraging implementing countries to consider what information about the extractive sector is currently available in government systems and taking steps towards mainstreaming transparency. The Board is presently considering an action plan to encourage implementing countries to work towards mainstreaming EITI implementation. EITI implementing countries are increasingly making the information required by the EITI Standard routinely available through government and corporate reporting systems (databases, websites, annual reports, data portals, etc.). This increases the timeliness and accessibility of data, and can significantly reduce the cost of EITI implementation. The EITI Standard 2016 includes a number of provisions that encourage this approach. This action plan focuses on low cost activities to promote mainstreaming and open data. Additional technical and financial assistance is needed to accelerate these efforts though much of the support will come from realigning existing support to implementing countries and encouraging implementing countries to take the lead in establishing cost effective work plans to address mainstreaming.

Another key focus will be on making sure that recommendations from EITI reporting are better oriented towards strengthening auditing practices and legal, regulatory and administrative systems for managing the extractive sector; and that recommendations from EITI reporting are adequately considered and, where relevant, followed up. This, alongside further emphasis on setting clear national objectives for implementation and documenting the progress and results related to these, should contribute to better documentation of the overall impact of the EITI.

In 2017, the Secretariat will encourage some countries (e.g. Colombia, Kazakhstan, Kyrgyz Republic, Norway and Timor Leste) to formally start implementing EITI through the mainstreaming procedures. All countries will be encouraged to undertake a light-touch stock-take along the value chain to see what kind of information is already systematically collected. From this, it is hoped that further work will be reduced down the line.

Furthermore, in recent years, Germany, Norway, the UK, and the US, have joined the EITI. Australia,

³ Staff time spent on validation is higher here than in previous Board papers. This is for four reasons: 1) previous estimate did not include any pre validation work, second Validations, the staff time needed to support the Validation Committee, and Validation follow-up (explaining corrective actions). These are now included. 2) There are some "up front costs" in building capacities and procedures. We expect the unit costs to decline as staff get more experience with this work. 3) Costs associated with adhering to WB grant and procurement procedures are higher than expected. 4) Some cases (eg Nigeria) are more complicated and time-consuming than expected.

France and the Netherlands might join soon. These countries come to the table with different challenges which will test the robustness and appropriateness of the Standard. Alongside countries with small or nascent extractives sectors like Malawi, Sao Tome, Seychelles and Solomon Islands, and the limited resources of the Secretariat, there is a need to review the appropriate levels of engagement and types of support that the Secretariat can be expected to provide. The Secretariat will develop a strategy for engaging with countries with small sectors or well developed sector, including how to plug into existing projects where integrated financial management systems are being implemented.

Actions

12. Implement the Towards Mainstreaming action plan.
13. Develop a strategy for engaging with countries with small sectors or well developed sectors, including how to plug into existing projects where integrated financial management systems are being implemented.

If sufficient funding is available, the Secretariat will:

- Support national secretariats in mobilising funding and technical assistance for this area of work.

3.3.2 Thematic issues

The International Secretariat will give priority to deepening implementation by continuing its focus on thematic issues such as beneficial ownership and commodity trading.

The release of the Panama papers in early 2016 pointed the finger at the use of anonymous shell companies to hide or launder money. This problem feeds corruption and tax evasion. For citizens of resource rich countries, the risk of losing out on extractive revenues is particularly acute. The EITI has taken a lead in addressing this. By 2020 companies that bid for, invest or operate extractive assets in an EITI country must report the name, nationality, and country of residence of the beneficial owner. Furthermore, politically exposed persons in the extractive sector who own extractive assets will be identified and published. This means that countries that produce oil, gas and minerals will know who the owners of the companies that develop their natural resources are, regardless of where these companies are registered, and regardless of how many layers there are between these companies and their ultimate beneficial owners.

By 2017, each implementing country will have a roadmap for full beneficial ownership by 2020 which will need implementation with potentially intense support from the Secretariat, the Secretariat facilitated beneficial ownership working group, and other partners. The Secretariat will undertake an analysis of the roadmaps to draw out key lessons and points of intervention/support. It will consider whether to facilitate a pledging conference to support the funding and technical needs in the roadmaps.

The Board has agreed to undertake a pilot project to improve transparency in commodity trading. All countries where “in-kind” revenues are material have been invited to participate and it is expected that between four and twelve will do so. They will pilot innovative approaches on transparency in commodity trading building on the requirements in the EITI Standard.

The Secretariat will assist these countries to produce commodity trading reports; model reporting templates; a guidance note; and a report on the main findings of the pilot, including lessons learnt and recommendations. Towards the end of the year, it will assess the effectiveness and lessons of the pilot. It will seek to use the pilot to reach out to commodity traders to support the EITI internationally.

The Secretariat will continue to support implementing countries in their work on artisanal and small-scale mining, contract transparency, state-owned enterprises and subnational implementation. It will put a particular emphasis on encouraging the scope and recommendations of reports to be relevant to wider reforms and be turned into policy changes.

Subject to the Board's agreement on a project by project policy, the Secretariat will support countries to align their EITI reporting with the requirement including more detailed guidance.

The International Secretariat will, with the help of the Chair and Board members, continue to forge linkages with relevant international processes, such as the Open Government Partnership, the World Economic Forum, the G8 and G20 processes. With more OECD (Organisation for Economic Cooperation and Development) countries now implementing the EITI and enacting their own listing requirements, there is a major opportunity to ensure that EITI processes are embedded in global and national systems with strong read-across and interoperability.

Actions

14. Update its "Reports to results" publication to highlight the potential for the EITI to lead to policy change.
15. Provide support to implementing countries in the implementation of their beneficial ownership roadmaps. Develop further guidance as necessary and keep stakeholders updated on progress.
16. Undertake an analysis of the roadmaps in Q1 2017 to draw out key lessons and points of intervention/support. Consider whether to facilitate a pledging conference to support the funding and technical needs in the roadmaps.
17. Facilitate the EITI beneficial ownership working group providing support, guidance and direction to the implementing countries and advice to the Board.
18. Support countries to align their EITI reporting with the project by project requirement including more detailed guidance.

If sufficient funding is available, the Secretariat will:

- Consider lessons learnt from Validation in terms of implications for the further development of the EITI Standard.
- Support national secretariats in mobilising funding for these areas of work.
- Work closer with implementing countries at the work plan stage to ensure that the EITI is better aligned with national priorities (requirement 1.5) and at all stages, especially with the development of the Annual Progress Reports, to ensure that recommendations from EITI reporting and Validation are followed-up (requirement 7.3).
- Oversee the implementation of the commodity trading pilot, including supporting country efforts to explore innovative approaches to transparency in the sector. Use the pilot to reach out to commodity traders to support the EITI internationally. Assess the effectiveness and lessons of the commodity trading pilot in Q4.
- Consider further thematic projects with a view to strengthen EITI implementation in country and possibility for impact, for example in areas such as tainted assets, state-owned companies, sub-national implementation, contract and license transparency, revenue management and environmental payments.
- Strengthen collaboration and networks with Parliamentarians working on extractive issues.

3.3.3 Communication, open data, integration with government systems and public dialogue

In 2016, the International Secretariat launched a new **website and data portal**. This website focuses more on in-country issues and the visualisation of EITI data. The website draws on summary data from

EITI Reports which enables other stakeholders to present and analyse EITI data. Thematic pages now also draw more on EITI data to better illustrate and explain how the EITI has contributed to issues such as beneficial ownership and contract transparency. The International Secretariat will continue to refine this website and update the information and guidance.

With the release of the Panama papers and other global interests in the sector, the International Secretariat will continue to strengthen its **engagement with the media** at the international levels.

The **2017 Progress Report** will highlight the key achievements of the EITI in the past year and show examples of how countries are using the EITI to improve their sector governance.

News items, newsletters and social media will continue to highlight the core features of countries' EITI Reports and important developments in countries. Information is communicated in the EITI monthly newsletter to 7,550 subscribers and on social media.

The Secretariat will support countries to explore options to **make EITI data more accessible**, while recognising resource and capacity constraints. The Secretariat will roll out its Open Data policy, provide advice and support to implementing countries in developing their open data policies, document best practices and contribute to the development of open data tools and applications.

Together with supporting organisations and building on international best practice, the International Secretariat will work with implementing countries to **improve the consistency of EITI data**, including conforming with international data standards, especially of the World Bank and the IMF.

To improve the use of data, the Secretariat will work with partners to develop tools to help ensure data is interpreted and understood, support efforts to identify existing needs at country level for open data, and plug into the IMF's pilot cases of national accounts for natural resources sector. It will develop an online tool for training on use of data and opportunities for countries.

Actions

19. Produce regular website content, including a complete EITI data portal, and a 2017 EITI Progress Report that documents how the EITI leads to change in countries, including the findings from EITI Reports and thematic issues.
20. Produce and distribute news items, newsletters and social media updates.
21. Support implementing countries, in accordance with the open data policy to promote and develop open data, draw on international data codes and standards and encourage all stakeholder to make better use of EITI data.
22. Develop an online tool for training on use of data and opportunities for countries.

If sufficient funding is available, the Secretariat will:

- Create a guidance note on key features of a good website and support countries in developing their national EITI websites
- Create a board decision database
- Create a 'validation booklet' comprising of all guidance notes
- Create a network of EITI data users perhaps using the GOXI platform.
- Expand the EITI's multimedia outputs: training videos, podcasts, infographics

Budget allocation - communications and data

It is foreseen that USD 600,000 of the budget (of which USD 375,000 are allocated staff costs or 12% of staff time) is spent on communications and data.

Costs other than staff time are spent on translations (50%), website and data portal development (10%) and videos and printed materials (40%).

In addition, it is foreseen that USD 160,000 of the budget (including 4% of staff costs) is spent on **stakeholder relations and advocacy**.

3.3.4 Outreach

The objectives, strategies and priorities for the Secretariat's work on outreach are set out in the *Outreach Strategy*, as approved by the EITI Board. Given the current funding environment, active outreach activities are foreseen to be limited though there clearly are some opportunities to bring some important players into the fold, particularly Mexico and Tunisia which have already made significant commitments at the Open Government Partnership. Parallel outreach efforts will be provided to prospective supporting companies, investors and civil society organisations.

The International Secretariat will utilise the guidance materials that have been developed to support outreach activities. This includes [guidance on how to become a candidate country](#), and on [developing a work plan](#) and [establishing an MSG](#). This guidance will often be supplemented with materials that address the circumstances in prospective implementing countries.

Actions

1. Coordinate EITI outreach in accordance with the Board's 2017 outreach strategy.

If sufficient funding is available, the Secretariat will reach out to at least five EITI target countries to increase the EITI global reach and influence.

Budget allocation – outreach

It is foreseen that USD 160,000 of the budget (of which USD 60,000 are allocated staff costs or 2% of staff time) is spent on outreach activities.

Summary of implementation support under different budget scenarios

	Implementation Mainstreaming, BO, commodity trading, open data, other	Training	Validation	Outreach	Coordination
Minimum case budget	<ul style="list-style-type: none"> • Support to the Implementation Committee • Limited support to implementation mostly remotely (monitoring, reviewing, analysing, providing feedback) • Implementation support remains mostly limited to remote support • Focus on ensuring clarity in defining national priorities and communicating results and impact • Develop guidance • Development of “limited engagement” policy. 	<ul style="list-style-type: none"> • No regional training 	<ul style="list-style-type: none"> • Support to the Validation Committee • Six Validations scheduled January 2017, and then 11 additional Validations, with some delayed to later in 2017. • Conduct up to 5 second Validations (previously called secretariat reviews) following up corrective actions from the 2016 Validations. 	<ul style="list-style-type: none"> • Support to Outreach and Candidature Committee • Country specific activities only in Mexico and Tunisia 	<ul style="list-style-type: none"> • Limited coordination based on teleconferences and e-mails.
Medium case budget	<ul style="list-style-type: none"> • Visits to priority countries only • More focus on mainstreaming • Do more to ensure that EITI is better aligned with national priorities (requirement 1.5) and that recommendations are followed-up (requirement 7.3). 	<ul style="list-style-type: none"> • Project specific support upon availability of support • Training in priority countries 	<ul style="list-style-type: none"> • Six Validations scheduled January 2017, and the remaining Validations scheduled for 2017 (option 3c) • Conduct up to 7 second Validations (previously called secretariat reviews) following up corrective actions from the 2016 Validations. • Implementation support is limited to remote support and key in-country activities • Administrative efforts related to seek regional/project-specific funding 	<ul style="list-style-type: none"> • Focus on five priority countries 	<ul style="list-style-type: none"> • Annual coordination meeting around one of the Board meetings.
High case budget	<ul style="list-style-type: none"> • Visits to most implementing countries • Consider further thematic projects with a view to strengthen EITI implementation in country and possibility for impact. 	<ul style="list-style-type: none"> • Regional training in all regions • National Coordinators Meeting 	<ul style="list-style-type: none"> • Six Validations scheduled January 2017, and the remaining Validations scheduled for 2017 (option 3c) 	<ul style="list-style-type: none"> • Full implementation of the outreach plan 	<ul style="list-style-type: none"> • Establish strong mechanism of communication and division of roles.

3.4 Support to the EITI Board

The International Secretariat will work with the Chair and the Board to prepare agendas, provide activity reports, oversee translation of documents and make other practical arrangements for Board meetings. Given the significant Validation workload, the International Secretariat will organise at least three EITI Board meetings in 2017. It might be possible for at least one of these meetings to be limited to just Board members to save costs. It provides the Board and its Committees with the necessary support and documentation for decisions taken both in Board meetings and through Board circulars. The current EITI Board and its Committees will work in three languages, English, French, Russian, with some limited Spanish support provided.

There are currently seven civil society organisations (CSO) Board members and alternates from non-OECD countries on the EITI Board. Apart from providing support and ensuring that they attend all EITI Board meetings, the EITI is also mandated to provide them with communication support to enable them participate effectively in the work of the Board. The objective with the communications support is to facilitate the active roles and participation of Board Members and their Alternates. Specifically, the funding is meant to enable active participation in the relevant EITI Board committee meetings by dialling into conference calls with interpreters where necessary and the facilitation of consultations with regional constituencies before and after Board meetings.

The International Secretariat will work with the Chair and the Board – mostly through its Committees and Working Groups⁴ – to develop policy proposals and recommendations. For 2017, the Secretariat will work with Board Committees on a number of tasks on their respective agendas:

- Finance and Audit Committees: strategically manages the EITI's financial resources and monitors the budget, as well as reviewing the 2016 audit report. It will focus in 2017 on implementing the outcomes of the Funding Review and undertaking an Expenditure Review.
- Governance and Oversight Committee: addresses issues relating to the governance of the EITI. In 2017, its main focus will be on strengthening the EITI's internal governance, including suggesting improvements to constituency guidelines, and rolling out the committee's new oversight functions.
- Implementation Committee: oversees EITI policy and progress with implementation of the EITI Standard, including reviewing Implementation Progress Reports, EITI Reports, and the impact of the EITI. In 2017, it will have particular focus on the implementation of the beneficial ownership roadmaps, the commodity trading pilots, the 'towards mainstreaming' action plan, and considerations of appropriate levels of engagement across countries.
- Outreach and Candidature Committee: defines priority outreach countries, and elaborates and refines strategies for outreach to specific countries. Assesses candidature applications (including applications expected from Mexico, the Netherlands and Tunisia).
- Rapid Response Committee: monitors events that could put EITI stakeholders or processes in EITI implementing countries at risk, and makes recommendations to the Board for possible responses.

⁴ More information on the Committees can be found in their ToRs on www.eiti.org.

- Validation Committee: reviews Validation reports and second Validations (secretariat reviews). Subject to Board approval, 17 Validations are expected in 2017, with additional second Validations following up corrective actions from the 2016 Validations.

Recommendations from the governance review are expected to be approved by the EITI Board by 2017. In 2017, the International Secretariat will assist the Governance and Oversight Committee in the implementation of the recommendations in the time and manner agreed by the Board.

Actions

2. Organise at least three EITI Board meetings in 2017.
3. Facilitate regular Committee meetings and ensure a smooth flow of work between them and the Board.
4. Implement the recommendations of the governance review as agreed by the Board.

In addition, it might be wise for the Validation Committee to meet at least twice in person to discuss the initial and draft Validation reports to ensure a well-informed discussion.

Budget allocation – Support to the EITI Board

It is foreseen that USD 780,000 of the budget (of which USD 210,000 are allocated staff costs) or 7% of staff time) is spent on support to the Board, plus costs to support the new Chair of USD 185,000 of the budget (of which USD 25,000 are allocated staff costs or at least 1% of staff time).

4 Management, funding and monitoring

4.1 Management of the International Secretariat

Despite a wider programme – including a major Global Conference and the completion of 15 Validations – the Secretariat had the same staff headcount in 2016 as in 2015 (21). This is unsustainable. Whilst these elements were delivered, it involved long hours and a lot of implementation being squeezed out, which will have a cost in terms of the Validation results. In order to undertake the 17 Validations envisaged, the secretariat's reviews, the support to beneficial ownership and commodity trading, and to maintain a minimum level of on-going implementation support in 2017, at least three additional senior staff would be required.

By the end of 2016, the International Secretariat will have 21 full time staff. Two part-time staff members provide additional support: one French language co-ordinator and one part-time senior advisor (see organisational chart in Annex A and staff allocation to work areas in Annex D).

Staff development is key in building internal capacity. The on-going training process needs to be strengthened. Developing communication and presentation skills, analytical skills related to validation, and training on the oil and gas sector is a priority. Programmes to place staff in other institutions for shorter periods of time will also be continued.

The funding formula collapsed in 2015 – providing insufficient funds, proving unfair amongst contributors, and unpredictable for the budget planners. 2016 has been a year of piecemeal fundraising with more ad hoc project-specific funding than previous years whilst a new funding formula was being developed.

Even if a new funding formula is agreed for 2017, it will not immediately guarantee sufficient and

predictable funding. It is likely that again the Secretariat will rely on considerable project-specific funding and will be operating on bare bone resources. An expenditure review will explore the Secretariat's spending including benchmarking its costs against similar organisations. In addition, the Secretariat will continue to approach foundations to seek their interest in funding.

As the Finance Committee has confirmed on a number of occasions, the International Secretariat has strong and robust financial, administrative and human resource systems.

The Oslo office is likely to move to new premises in 2017. The move to a new floor during 2016 was temporary as the building is to be demolished. The EITI increase in office rent from USD 4,000 per month in 2015 to USD 6,500 per month in 2016, is still below market rate, so an additional cost is likely for an office of similar standard and location in Oslo. At the same time, modern offices tend to be more efficient allowing for better utilisation and lower total rent area.

Actions

5. Implement the outcomes of the 2016 Funding Review and track its effectiveness against sustainability, fairness and predictability.
6. Undertake an Expenditure Review by March 2017.
7. Undertake a light touch review of potential support from foundations.
8. Recruit new staff members, with an expected new increase of three, whilst continuing to provide assistance to existing staff to deliver on their objectives.
9. Secure suitable office accommodation and ensure a smooth relocation in 2017.

If sufficient funding is available, the Secretariat will seek to recruit up to six new staff members to meet the needs of implementation set out in section 3.

Budget allocation – Management of the International Secretariat

It is foreseen that USD 610,000 of the budget (of which USD 290,000 are allocated staff costs or 9% of staff time) is spent on management and administration of the Secretariat.

4.2 Monitoring and evaluation

EITI stakeholders measure and understand impact in different ways. For some, it is about improved trust and less conflict, for others it is about growth. For other stakeholders, it is about enacting stronger laws at home and sanctioning non-reforming regimes. For others again, it is about incremental opening of democratic space and improved accountability of their governments.

Coupled with the difficulties of establishing causality, measuring the impact of the EITI is challenging. While it is important to have quantitative information, it is even more important to have the right kind of information and to have it used. This requires more serious analysis, in words and numbers.

Many of the academic analyses – most of which are positive⁵ - struggle also with the EITI being a moving target, having evolved significantly overtime. With academic work taking time to compile and publish, it is

⁵ Find the research page at

https://eiti.org/publications?search_api_views_fulltext=&field_doc_type_public=4853&field_doc_publisher=&field_doc_published_date%5Bmonth%5D=&field_doc_published_date%5Byear%5D=&field_doc_published_date_1%5Bmonth%5D=&field_doc_published_date_1%5Byear%5D=

often out of date in analysis the impact of the EITI.

For these reasons, case studies continue to provide the main empirical evidence of impact. The published Validations will probably be the richest source of evidence with each containing major sections on impact assessment.

The Secretariat will:

10. Publish the 2017 EITI Progress Report showcasing examples from the Validation exercises.
11. Facilitate contacts and draw attention to good case studies and solid research, whether it demonstrates impact or not.
12. Report to the Board on its own performance through implementation, outreach and finance reporting regularly submitted to the Board.
13. Assess performance of staff following procedures agreed in the staff manual.

If sufficient funding is available, the Secretariat will conduct an impact assessment on lessons learned from Validation, including:

- What has Validation taught us about impact of the EITI?
- How to increase the impact from reporting processes.

Additionally, the Secretariat monitors the set of indicators that were developed by the Board in 2010 and revised in 2015. These and are detailed in Annex C.

5 2017-19 multi-year outlook

The 2017 work plan includes some long term strategic plans that have been agreed by the Board. These include undertaking Validation, a towards mainstreaming action plan, and improving the governance and funding of the EITI itself. In addition, the Board has agreed beneficial ownership and commodity trading as thematic areas of work. Actions taken in 2017 will need rolling out, elaboration, further refinement, and adjusting in 2018 and 2019 in order to make the EITI a more useful and relevant tool for informing better governance. If successful, the International Secretariat to act increasingly as a facilitator of conversations between peer countries about how the Standard can best be used to strengthen government systems and inform public debate. By 2019, it is foreseen that EITI processes will be significantly less about reporting and increasingly about systematic disclosure in government and corporate systems, and the implementation of reforms identified by the process.

In line with the decisions in Lima, EITI implementation and messaging will need to be carefully tailored to move from a mindset of compliance/non-compliance to the more nuanced satisfactory/meaningful/inadequate/no progress. Some adjustments and clarifications to the Standard, its requirements and how to assess them might need to be developed.

At the same time, this will need to be balanced with trying to move the focus from the technical aspects of the Standard to highlighting how it can make a difference in diverse settings. This might be described as a move from how to do the EITI more to what to do with the EITI. Countries have emerged as leaders in different aspects of using the EITI to deliver transparency, accountability, debate and reform. The International Secretariat will continue to acknowledge, encourage and incentivise such actions and create the platform for these efforts to inform and inspire other countries. With more focus on enabling countries to use of the EITI to go beyond the Standard, the International Secretariat's role as convener, facilitator, and documenter, rather than a technical adviser, will continue to evolve at a gathering pace. Consequently, to make multiplicative progress will require more peer learning workshops, staff

exchanges, online communities of practice, case studies of good practice, country news items, blogs, etc. If the EITI is increasingly embedded in government systems, the EITI's and the Secretariat's own roles should over time become smaller but will, in the meantime, require significant resources.

A major challenge for the Secretariat will be how to engage with countries with either a nascent or small sector and also those with well-developed sectors with strong systems of disclosure. The development and implementation of an appropriate engagement strategy will be critical in managing the demand for Secretariat services over the next three years.

6 2017 Budget

6.1 Summary

The Secretariat considers a minimum budget of USD 5.5m as necessary to deliver the 2017 Work plan. This is a 26% increase on the 2016 forecasted outturn and 6% higher than the 2016 budget. Please note the following elements:

- **The expectations on the International management have changed considerably in 2016.** It is now expected to undertake the time consuming data gathering exercises for validation, support to countries on beneficial ownership roll-out, and the addition of new countries. This validation work (including pre-validation work, preparations, capacity-building and secretariat reviews) is expected to cost USD 1.1m in staff, consultation and travel costs. The current budget is not sustainable. Even under this minimum budget, many implementation support activities will be squeezed out.
- **Medium term growth is low:** the budget of USD 5.5m is 10% higher than the USD 5.0m outturn seen in the years 2013 (adjusted for global conference), 2014 and 2015. The budget in 2016 was 5.2m.
- The 2017 budget **includes project specific costs to cover the independent validator** which is paid by a World Bank grant.
- **2016 was an atypical year:**
 - Following the funding shortfall in 2015, expenditure in 2016 was minimised in order to cater for unpredictable contributions in 2016.
 - The relative strength of the dollar continued to work in favour of the Secretariat that has more than half of its costs in NOK. This partly explains that the final forecasted outturn is less than the budget originally sought.
 - With no increase in staff, efforts to deliver a successful Global Conference crowded out implementation efforts in the first half of the year.
 - The revised validation model put increased efforts on staff and crowded out implementation efforts even further in the second half of the year.
- Whilst the Secretariat's fundraising so far in 2016 is better than in 2015, **the existing voluntary funding model makes planning difficult.** A positive outcome of the funding review is expected to result in a more predictable funding model and will allow for needed actions to address the imbalance between resources and tasks in the Secretariat.

A second scenario of medium growth and a third scenario of high growth are also presented. A medium scenario would ensure that implementation support activities are not squeezed out, and a high case

scenario would enable activities that support the EITI Board's long term strategic priorities and would cover activities that might otherwise have to be project-specific funded such as capacity-building workshops and commodity trading. The risks to the expected revenue are set out in section 7.

A three-year outlook is included. The three-year outlook is based on gradual growth in addition to special events such as the 2019 Global Conference as well as the need for new offices by the summer of 2017.

The reserve of USD 0.5m (agreed to be increased to NOK 4.8m from 2016) that can be called upon when needed, contributes towards financial sustainability. Due to the financial challenges of the Secretariat the actual transfer to the reserve account has not yet been made. With the Secretariat obtaining most revenue in US dollars and with more than half of its costs in NOK, there is always unpredictability due to currency fluctuations.

6.2 2017 budget

A minimum budget of USD 5.5m is proposed. Included in the minimum budget there are project specific funded validation activities of USD 0.2m which is committed by the World Bank EGPS. Other project specific funded activities such as capacity building workshops and commodity trading are not budgeted for. The Secretariat foresees increased expenditure on salaries, office, while travel and accommodation costs are lower due to the Global Conference expenses seen in 2016.

Overall **salaries**, the most significant type of expenditure, are expected to increase by 15% due to a combination of inflation (3.5%)⁶, performance-related salary increases (around 2%), and new staff (around 9.5%). **Office expenses** are expected to increase from USD 0.38m to USD 0.43m in 2017 to cover a relocation in the second half of the year and increased office rent. **Travel and accommodation expenses** are expected to decrease from USD 1.3m to USD 0.8m in 2017 due to the significant costs related to the Global conference seen in 2016.

Most significantly, the EITI Board agreed in 2016 that the EITI International Management⁷ should finance and procure EITI **Validation**. 17 Validations are expected in 2017. These are expected to take up 26% of staff time in addition to direct costs, leading to an increased budget line in the 2017 accounts of USD 1.1m.

With the new reporting format having been established in 2015, historic figures are presented separately in table 1, while the 2016 and 2017 forecast and budget is presented in table 2.

⁶ This inflation rate is based on the Norges Bank's inflation rate of 3.0% (<http://www.norgesbank.no/en/Statistics/Inflation/>) plus 0.5% to allow a cushion.

⁷ EITI International Management refers to the International Secretariat, Board and Conference.

Table 1: EITI historic figures**EITI Reporting - Historic 2010-2015**All figures in **US D thousands**

Item	2010	2011	2012	2013	2014	2015*
	Actual	Actual	Actual	Actual	Actual	Actual
<u>Core contribution, Government of Norway</u>						
Government of Norway	603	669	583	0	714	310
<u>Supporting countries, International Development Agencies (IDAs) and NGOs (approximately 50% of remaining requirement)</u>						
Civil Society					-	-
Supporting countries and IDA's	1 328	2 317	2 436	3 656	2 394	2 398
<u>Private sector (approximately 50% of remaining requirement)</u>						
Investors	4	14	13	10	10	9
Oil and Gas	749	1 003	1 254	1 205	1 263	1 110
Mining and Minerals	130	816	635	904	634	575
Non-extractives	0	0	0	10	16	10
Total Revenues	2 814	4 821	4 921	5 784	5 031	4 411
<u>Costs</u>						
Implementation	207	162	200	706	471	1 602
Outreach	105	151	169	212	214	263
Board meetings	458	428	496	605	559	959
Communications	95	226	173	461	536	546
Chair's support	154	86	35	35	50	33
Project consultants	107	305	168	186	145	
Salary	1 403	1 922	1 779	2 260	2 363	
Other staff expenses	93	72	173	155	252	
Office expenses	179	363	562	452	381	
Conference	219	958	261	1 442	54	124
Training						476
Shareholder rel. /Int. advocacy						219
Management & Admin						619
Validation						239
Total Expenditure	3 020	4 672	4 017	6 512	5 026	5 080
Net result	(206)	149	904	(728)	5	(669)

*2015 figures includes an allocation of staff costs to each function

Table 2: EITI 2016 and 2017 forecast and budget: MINIMUM SCENARIO**EITI Budget 2017**

All figures in USD thousands

Item	2016 Forecast	2016 Budget	2017 Budget	%increase vs 2016 Budget	%increase vs 2016 Forecast
Countries					
Government of Norway	304	325	325	0,0 %	6,9 %
Supporting countries and IDA's	1 642	2 594	2 255	-13,1 %	37,3 %
Implementing countries *	-	-	150		
Civil Society and Foundations					
Civil Society and Foundations	-	10	10	0,0 %	-100,0 %
Private sector					
Investors	7	10	50	400,0 %	614,3 %
Oil and Gas	1 316	1 505	1 580	5,0 %	20,1 %
Mining and Minerals	894	751	950	26,5 %	6,3 %
Non-extractives	55	5	10	100,0 %	-81,8 %
Revenues	4 218	5 200	5 330	2,5 %	26,4 %
Project-specific funding					
Training, assessments, Global Conference	1 417	1 510	-	-100,0 %	-100,0 %
Validation	147	969	170	-82,5 %	15,6 %
Total Revenues including project-specific funding	5 781	7 679	5 500	-28,4 %	-4,9 %
Costs by function					
Implementation	1 374	1 880	1 551	-17,5 %	12,9 %
Outreach	125	325	160	-50,8 %	28,0 %
Board meetings	700	776	780	0,5 %	11,4 %
Communications	700	750	600	-20,0 %	-14,3 %
Chair's support	150	150	185	23,3 %	23,3 %
Training	512	760	354	-53,4 %	-30,9 %
Stakeholder rel./Int. advocacy	145	145	160	10,3 %	10,3 %
Management & Admin	625	473	610	29,0 %	-2,4 %
Global conference	1 000	1 450			
Validation	450	969	1 100	13,5 %	144,4 %
Total Costs by function	5 781	7 678	5 500	-28,4 %	-4,9 %
Costs by type					
Salary	2 650	3 188	3 042	-4,6 %	14,8 %
Other staff expenses	100	155	128	-17,4 %	28,0 %
Office expenses	380	330	430	30,4 %	13,2 %
Travel and accomodation**	1 501	2 593	820	-68,4 %	-45,4 %
Translation & Interpretation	450	693	575	-17,0 %	27,8 %
Project consultants	550	570	400	-29,8 %	-27,3 %
Other expenses	150	150	105	-30,1 %	-30,1 %
Total Costs by type	5 781	7 679	5 500	-28,4 %	-4,9 %
Net result	-	-	-		

*According to the proposed funding model, implementing countries are requested to provide USD 10,000 a year. This figure is intended to partly cover the costs of their validations every three years. Given the complexity of making such contributions for some countries, no sanction is proposed for non-contributing countries, at least in the first year. It is foreseen that 15 out of 51 implementing countries will make a contribution (each of USD 10k) in 2017. Since it is difficult to predict this new revenue line, the estimated figures for 2018 and 2019 are kept flat at this stage.

** In 2016 Global conference costs included as travel and accomodation. The conference was mostly project-specific funded.

With a successful outcome of the funding review and its continued efforts to strengthen the EITI funding base, the Secretariat expects to be able to raise sufficient funding in 2017 to cover these costs. It helps that since 2010, financial support to the EITI has been considered overseas development assistance by the OECD's Development Assistance Committee's working group on Statistics. This means that OECD

countries that contribute financially towards the EITI management can be considered as development assistance.

This forecast is based on the expectation of a more predictable funding following the outcome of the funding review:

- So far in 2016, two new supporting companies have made financial contributions to the EITI and contributions from companies are significantly higher than at the same time in 2015.
- First time financial contributions have been received from supporting countries such as Belgium and are expected from the European Commission and the United States.

As before there is a continued need to focus on widening the funding bases such as towards financial institutions and foundations, in order to avoid increases in requested contributions.

6.3 Scenarios and outlook for the 2017 Budget

The budget includes three scenarios: a minimum, medium and high case budget. Each also outlines the 3 year outlook for these scenarios.

6.3.1 Minimum case scenario

The minimum case scenario of the budget, proposed by the Secretariat, responds to the delivery of the work plan with a significant increase in validation information gathering efforts but at the cost of a reduction in implementation support. This would see an increase in staff by three persons.

Table 3: Work plan scenario of minimum case**EITI Budget years 2017-2019****Workplan scenario MINIMUM**

All figures in USD thousands

Item	2016 Forecast	2016 Budget	2017 Budget	% increase	2 018 Budget	% increase	2 019 Budget	% increase	%increase 2016-2019
Countries									
Government of Norway	304	325	325	6,9 %	325	0,0 %	325	0,0 %	6,9 %
Supporting countries and IDA's	1 642	2 594	2 255	37,3 %	2 355	4,4 %	2 555	8,5 %	55,6 %
Implementing countries*			150		150	0,0 %	150	0,0 %	
Civil Society and Foundations									
Civil Society and Foundations	-	10	10		50	400,0 %	50	0,0 %	
Private sector									
Investors	7	10	50	614,3 %	50	0,0 %	50	0,0 %	614,3 %
Oil and Gas	1 316	1 505	1 580	20,1 %	1 650	4,4 %	1 675	1,5 %	27,3 %
Mining and Minerals	894	751	950	6,3 %	1 000	5,3 %	1 035	3,5 %	15,8 %
Non-extractives	55	5	10	-81,8 %	10	0,0 %	10	0,0 %	-81,8 %
Revenues	4 218	5 200	5 330	26,4 %	5 590	4,9 %	5 850	4,7 %	38,7 %
Project-specific funding									
Training, assessments, Global Conference	1 417	1 510	-	-100,0 %	-		1 500		5,9 %
Validation	147	969	170	15,6 %	150	-11,8 %	150	0,0 %	2,0 %
Total Revenues including project-specific funding	5 781	7 679	5 500	-4,9 %	5 740	4,4 %	7 500	30,7 %	29,7 %
Costs by function									
Implementation	1 374	1 880	1 551	12,9 %	1 695	9,3 %	1 920	13,3 %	39,7 %
Outreach	125	325	160	28,0 %	170	6,3 %	180	5,9 %	44,0 %
Board meetings	700	776	780	11,4 %	800	2,6 %	830	3,8 %	18,6 %
Communications	700	750	600	-14,3 %	615	2,5 %	640	4,1 %	-8,6 %
Chair's support	150	150	185	23,3 %	185	0,0 %	185	0,0 %	23,3 %
Training	512	760	354	-30,9 %	370	4,5 %	400	8,1 %	-21,9 %
Stakeholder rel./Int. advocacy	145	145	160	10,3 %	165	3,1 %	75	-54,5 %	-48,3 %
Management & Admin	625	473	610	-2,4 %	640	4,9 %	670	4,7 %	7,2 %
Global conference	1 000	1 450			-		1 500		50,0 %
Validation	450	969	1 100	144,4 %	1 100	0,0 %	1 100	0,0 %	144,4 %
Total Costs by function	5 781	7 679	5 500	-4,9 %	5 740	4,4 %	7 500	30,7 %	29,7 %
Costs by type									
Salary	2 650	3 188	3 042	14,8 %	3 150	3,6 %	3 285	4,3 %	24,0 %
Other staff expenses	100	155	128	28,0 %	130	1,6 %	150	15,4 %	50,0 %
Office expenses	380	330	430	13,2 %	500	16,2 %	525	5,0 %	38,2 %
Travel and accommodation**	1 501	2 593	820	-45,4 %	835	1,8 %	2 365	183,2 %	57,6 %
Translation & Interpretation	450	693	575	27,8 %	600	4,3 %	625	4,2 %	38,9 %
Project consultants	550	570	400	-27,3 %	415	3,8 %	430	3,6 %	-21,8 %
Other expenses	150	150	105	-30,1 %	110	4,9 %	120	9,1 %	-20,0 %
Total Costs by type	5 781	7 679	5 500	-4,9 %	5 740	4,4 %	7 500	30,7 %	29,7 %
Net result	-	-	-		-		-		

*According to the proposed funding model, implementing countries are requested to provide USD 10,000 a year. This figure is intended to partly cover the costs of their validations every three years. Given the complexity of making such contributions for some countries, no sanction is proposed for non-contributing countries, at least in the first year. It is foreseen that 15 out of 51 implementing countries will make a contribution (each of USD 10k) in 2017. Since it is difficult to predict this new revenue line, the estimated figures for 2018 and 2019 are kept flat at this stage.

** In 2019 Global conference costs included as travel and accommodation. In previous years the conference has mostly been project-specific funded.

2017

13% increase in Implementation as Validation increases with 144%.

3.5% inflation adjustment to salaries plus 2 % adjustment for performance and promotion and another 9% for three new staff.

Office expenses to increase in second half due to office move.

2018

9% increase in Implementation, minor increases in Outreach and Board meetings. Full effect of office move.

2019

4,4% overall increase.

Global conference budget of USD 1.5m added.

6.3.2 Medium case

The medium case scenario seeks to show the benefits of added revenue on the delivery of the work plan. Five new staff would be added to support the plans for implementation support activities and data

gathering for validation. Such an increase would significantly strengthen the ability to deliver many of the work plan activities, including how much guidance information would be received by implementing countries and how much support the Secretariat could provide to implementing countries particularly in assisting countries with roadmaps on beneficial ownership.

Table 4: Work plan scenario of medium case

EITI Budget years 2017-2019

Workplan scenario MEDIUM

All figures in USD thousands

Item	2016 Forecast	2016 Budget	2017 Budget	%increase vs 2016 Forecast	2018 Budget	% increase	2019 Budget	% increase	%increase 2016-2019
Countries									
Government of Norway	304	325	325	6,9 %	325	0,0 %	325	0,0 %	6,9 %
Supporting countries and IDA's	1 642	2 594	2 455	49,5 %	2 615	6,5 %	2 725	4,2 %	66,0 %
Implementing countries*			150		150	0,0 %	150	0,0 %	
Civil Society and Foundations									
Civil Society and Foundations	-	10	10		50	400,0 %	50	0,0 %	
Private sector									
Investors	7	10	50	614,3 %	50	0,0 %	50	0,0 %	614,3 %
Oil and Gas	1 316	1 505	1 710	29,9 %	1 780	4,1 %	1 830	2,8 %	39,1 %
Mining and Minerals	894	751	1 020	14,1 %	1 100	7,8 %	1 130	2,7 %	26,4 %
Non-extractives	55	5	10	-81,8 %	20	100,0 %	20	0,0 %	-63,6 %
Revenues	4 218	5 200	5 730	35,8 %	6 090	6,3 %	6 280	3,1 %	48,9 %
Project-specific funding									
Training, assessments, Global Conference	1 417	1 510	-	-100,0 %	-		1 500		5,9 %
Validation	147	969	170	15,6 %	150	-11,8 %	150	0,0 %	2,0 %
Total Revenues including project-specific funding	5 781	7 679	5 900	2,1 %	6 240	5,8 %	7 930	27,1 %	37,2 %
Costs by function									
Implementation	1 374	1 880	1 755	27,7 %	1 940	10,5 %	2 020	4,1 %	47,0 %
Outreach	125	325	160	28,0 %	175	9,4 %	180	2,9 %	44,0 %
Board meetings	700	776	780	11,4 %	810	3,8 %	820	1,2 %	17,1 %
Communications	700	750	600	-14,3 %	620	3,3 %	650	4,8 %	-7,1 %
Chair's support	150	150	185	23,3 %	185	0,0 %	185	0,0 %	23,3 %
Training	512	760	550	7,4 %	600	9,1 %	650	8,3 %	27,0 %
Stakeholder rel./Int. advocacy	145	145	160	10,3 %	170	6,3 %	175	2,9 %	20,7 %
Management & Admin	625	473	610	-2,4 %	640	4,9 %	650	1,6 %	4,0 %
Global conference	1 000	1 450			-		1 500		50,0 %
Validation	450	969	1 100	144,4 %	1 100	0,0 %	1 100	0,0 %	144,4 %
Total Costs by function	5 781	7 679	5 900	2,1 %	6 240	5,8 %	7 930	27,1 %	37,2 %
Costs by type									
Salary	2 650	3 188	3 232	22,0 %	3 390	4,9 %	3 525	4,0 %	33,0 %
Other staff expenses	100	155	128	28,0 %	150	17,2 %	155	3,3 %	55,0 %
Office expenses	380	330	440	15,8 %	510	15,9 %	530	3,9 %	39,5 %
Travel and accomodation**	1 501	2 593	1 020	-32,0 %	1 055	3,4 %	2 550	141,7 %	69,9 %
Translation & Interpretation	450	693	575	27,8 %	600	4,3 %	615	2,5 %	36,7 %
Project consultants	550	570	400	-27,3 %	415	3,8 %	430	3,6 %	-21,8 %
Other expenses	150	150	105	-30,1 %	120	14,5 %	125	4,2 %	-16,7 %
Total Costs by type	5 781	7 679	5 900	2,1 %	6 240	5,8 %	7 930	27,1 %	37,2 %
Net result	-	-	-		-		-		

*According to the proposed funding model, implementing countries are requested to provide USD 10,000 a year. This figure is intended to partly cover the costs of their validations every three years. Given the complexity of making such contributions for some countries, no sanction is proposed for non-contributing countries, at least in the first year. It is foreseen that 15 out of 51 implementing countries will make a contribution (each of USD 10k) in 2017. Since it is difficult to predict this new revenue line, the estimated figures for 2018 and 2019 are kept flat at this stage.

** In 2019 Global conference costs included as travel and accomodation. In previous years the conference has mostly been project-specific funded.

2017

Approx 25% increased Implementation, increase in outreach and communications budgets.

3.5% inflation adjustment to salaries plus 2 % adjustment for performance and promotion and another 16% for five new staff.

Two senior and junior staff in first half and two additional staff members in second half.

New premises during 2017: added annual cost to office expenses.

2018

Overall 5.8% increase

Salary increased by 5% to allow for inflation, performance and promotion.

2019

Global conference budget of USD 1.5m added

6.3.3 High case

The high case scenario seeks to show the benefits of further added revenue on the delivery of the work plan. Six staff would be added to support the plans for implementation support activities, commodity trading pilot and capacity building workshops. Such an increase would significantly strengthen the ability to deliver many of the work plan activities, including how much guidance information would be received by implementing countries and how much support the Secretariat could provide to implementing countries particularly in assisting countries with roadmaps on beneficial ownership.

Table 5: Work plan scenario of high case**EITI Budget years 2017-2019****Workplan scenario HIGH**

All figures in USD thousands

Item	2016 Forecast	2016 Budget	2017 Budget	%increase vs 2016 Forecast	2018 Budget	% increase	2019 Budget	% increase	%increase 2016-2019
Countries									
Government of Norway	304	325	325	6,9 %	325	0,0 %	325	0,0 %	6,9 %
Supporting countries and IDA's	1 642	2 594	2 655	61,7 %	2 815	6,0 %	2 925	3,9 %	78,1 %
Implementing countries*			150		150	0,0 %	150	0,0 %	
Civil Society and Foundations									
Civil Society and Foundations	-	10	10		50	400,0 %	50	0,0 %	
Private sector (approximately 50% of remaining requireme									
Investors	7	10	50	614,3 %	50	0,0 %	50	0,0 %	614,3 %
Oil and Gas	1 316	1 505	1 840	39,8 %	1 910	3,8 %	1 960	2,6 %	48,9 %
Mining and Minerals	894	751	1 090	21,9 %	1 170	7,3 %	1 200	2,6 %	34,2 %
Non-extractives	55	5	10	-81,8 %	20	100,0 %	20	0,0 %	-63,6 %
Revenues	4 218	5 200	6 130	45,3 %	6 490	5,9 %	6 680	2,9 %	58,4 %
Project-specific funding									
Training, assessments, Global Conference	1 417	1 510	-	-100,0 %	-		1 500		5,9 %
Validation	147	969	170	15,6 %	150	-11,8 %	150	0,0 %	2,0 %
Total Revenues including project-specific funding	5 781	7 679	6 300	9,0 %	6 640	5,4 %	8 330	25,5 %	44,1 %
Costs by function									
Implementation	1 374	1 880	2 031	47,8 %	2 215	9,1 %	2 280	2,9 %	65,9 %
Outreach	125	325	160	28,0 %	175	9,4 %	185	5,7 %	48,0 %
Board meetings	700	776	780	11,4 %	810	3,8 %	830	2,5 %	18,6 %
Communications	700	750	700	0,0 %	720	2,9 %	750	4,2 %	7,1 %
Chair's support	150	150	185	23,3 %	185	0,0 %	185	0,0 %	23,3 %
Training	512	760	574	12,1 %	625	8,9 %	675	8,0 %	31,8 %
Stakeholder rel./Int. advocacy	145	145	160	10,3 %	170	6,3 %	175	2,9 %	20,7 %
Management & Admin	625	473	610	-2,4 %	640	4,9 %	650	1,6 %	4,0 %
Global conference	1 000	1 450			-		1 500		50,0 %
Validation	450	969	1 100	144,4 %	1 100	0,0 %	1 100	0,0 %	144,4 %
Total Costs by function	5 781	7 679	6 300	9,0 %	6 640	5,4 %	8 330	25,5 %	44,1 %
Costs by type									
Salary	2 650	3 188	3 342	26,1 %	3 520	5,3 %	3 805	8,1 %	43,6 %
Other staff expenses	100	155	128	28,0 %	150	17,2 %	155	3,3 %	55,0 %
Office expenses	380	330	530	39,5 %	550	3,7 %	570	3,6 %	50,0 %
Travel and accomodation**	1 501	2 593	1 120	-25,4 %	1 155	3,1 %	2 325	101,3 %	54,9 %
Translation & Interpretation	450	693	575	27,8 %	600	4,3 %	615	2,5 %	36,7 %
Project consultants	550	570	500	-9,1 %	515	3,0 %	700	35,9 %	27,3 %
Other expenses	150	150	105	-30,1 %	150	43,1 %	160	6,7 %	6,7 %
Total Costs by type	5 781	7 679	6 300	9,0 %	6 640	5,4 %	8 330	25,5 %	44,1 %
Net result	-	-	-		-		-		

*According to the proposed funding model, implementing countries are requested to provide USD 10,000 a year. This figure is intended to partly cover the costs of their validations every three years. Given the complexity of making such contributions for some countries, no sanction is proposed for non-contributing countries, at least in the first year. It is foreseen that 15 out of 51 implementing countries will make a contribution (each of USD 10k) in 2017. Since it is difficult to predict this new revenue line, the estimated figures for 2018 and 2019 are kept flat at this stage.

** In 2019 Global conference costs included as travel and accomodation. In previous years the conference has mostly been project-specific funded.

2017

Approx 35% increased Implementation and outreach budget and 23% increase in Communications.

3.5% inflation adjustment to salaries plus 2 % adjustment for performance and promotion and another 20% for six new staff.

Two senior and junior staff in first half and three additional staff members in second half.

New premises during 2017: added annual cost to office.

2018

Overall 5.4% increase

Salary increased by 5% to allow for inflation, performance and promotion.

2019

Global conference budget of USD 1.5m added

7 Risks to work plan

The Secretariat foresees two major risks to this budget. Firstly, that increased funding from partners is not forthcoming. Apart from implementing countries, no (sub)constituency has suggested an increase in the 'recommended' contribution and some organisations might see 'required' minimum contribution to be a supporter as a reason to lower their contribution or even withdraw. Others might be happy to continue to make contributions below the minimum contribution. The biggest risk is that a few supporting countries start to drop off their support. However, most of these have established multi-year funding arrangements and are setting up new and, in most cases, more generous funding arrangements. Others are still not providing support at the recommended amount. It has been suggested that the shortfall might be filled through funding from foundations. Whilst more work on this is foreseen in 2017, the Secretariat has spent many years seeking this type of support and initial analysis suggests that the returns are unlikely to meet the gaps and the initial inputs of staff time might be high. The Board will need to monitor the revenue closely and advise on how to deal with shortfalls. Overall, the risk of a shortfall on total revenue is high.

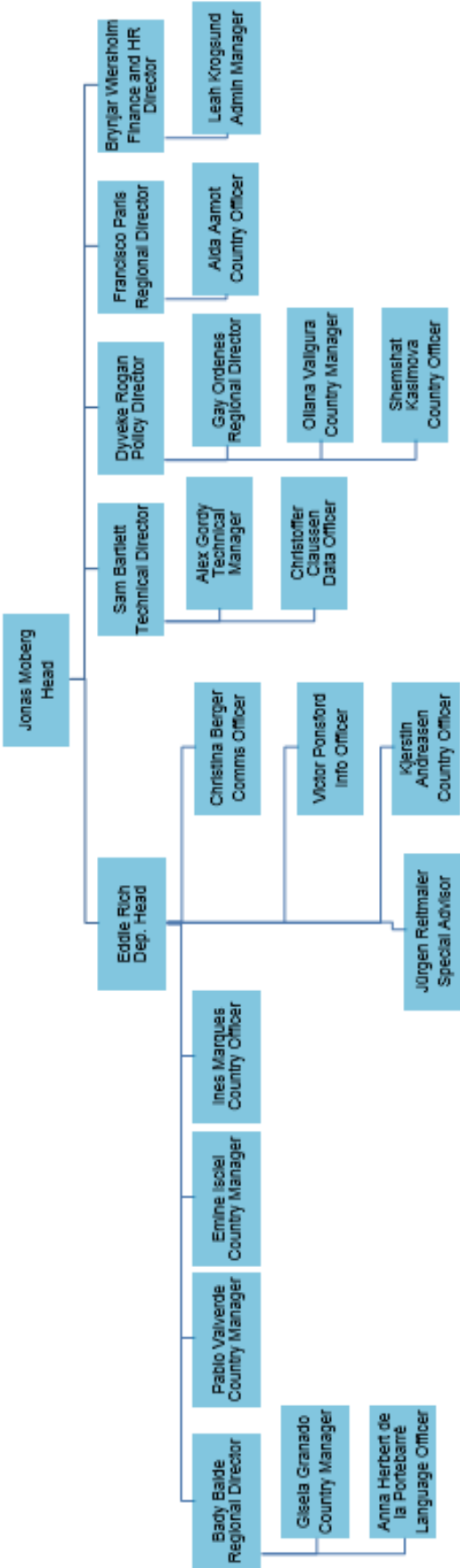
Given the likelihood of this risk, it is foreseen that the recruitment would be staggered throughout the year as evidence of sufficient sustained funding becomes clear. If there is not sufficient funding, the recruitments will not proceed. Other activities, such as Board meetings, might then be proposed to be cut. The Board, through its Finance Committee, will continue to monitor the accounts on a quarterly basis.

Secondly, that the dollar falls. The dollar has been strong against the NOK for over two years. As most of the contributions to the budget are made in dollars and more than half of the spending (including staff costs) are made in NOK, the stronger the dollar the greater the contribution in NOK terms. If the rate shifts significantly the other way in 2017, the budget will be squeezed.

The Board might, of course, wish to undertake other activities in the course of 2017 not foreseen in this budget. The Secretariat will try to spell out the cost implications of any new activities in papers to Committees.

Annex A - EITI International Secretariat Organisational Diagram

EITI organogram 2016



Annex B - Key Performance Indicators (KPIs)

B.1 Summary

This annex presents a number of indicators at two different levels: (i) output from the International Secretariat activities funded through the Secretariat budget and (ii) outcomes achieved in EITI implementation throughout the whole universe of implementing countries. This follows the International Secretariat's commitment to keep tracking a set of key performance indicators – KPIs - that allow continued assessment of the “value for money” provided by the Secretariat and learning from experience, improving delivery, planning, and allocation of resources. It also aims to identify and demonstrate results obtained through the EITI implementation.

B.2 Background

Since 2010, the EITI Board has sought to monitor the results achieved through the implementation of the EITI Standard that could be directly associated with the work of the Board and International Secretariat. For that purpose, a set of indicators was approved by the Board (see Board Circular 75). These indicators were aimed at addressing three different aspects:

1. Agency effectiveness (i.e. the EITI). This responds to the “value for money” question. The indicators to be monitored for this relate to the inputs and outputs to/from the EITI as an agency (mostly the International Secretariat as the supporting unit of the International Board, the decision-making body).
2. Attributable outcomes. This responds to the question of what concrete results have been achieved, totally or partially, as the result of the agency's activities, products, interventions and steering.
3. Big picture indicators. Although not attributable to any single organisation (not the least, to the EITI Board and Secretariat), selected proxy indicators in areas such as investment climate, human capital spending, corruption, poverty, all related to goals sought by the EITI, are aimed to shed light on general context and the direction of change.

The International Secretariat had expanded in recent years. Not only is it serving a larger number of countries but also its role in providing guidance and training for implementing countries has constantly evolved. Consequently, its budget has been increased. The “value for money” question continues to be important to monitor. Additionally, the more complex tasks related to the Standard also bring the need to monitor progress in its implementation across countries. Section B.3 provides indicators aimed at facilitating this assessment.

Since 2015, when the EITI Standard became fully operational (i.e. all countries report using the Standard) 35 implementing countries have published almost 60 reports following the EITI Standard. Features requirements. Features such as contract transparency, disclosing information on licensing, budget distribution and expenditures are now regularly included in EITI reporting. Together with other aspects such as timeliness for publishing reports, data readability, subnational reporting, there is now a richer amount of available information that allow monitoring the work of the EITI more thoroughly. Similarly, the format and ways in which the EITI is delivering outputs, including communication tools, is changing. It is expected, and desirable, that EITI information is increasingly delivered in digital format (open data, portals, and websites). For these reasons, the set of indicators approved by the Board in 2010 and expanded in last year's work plan are reported in Section B.4

The International Secretariat has not this year refreshed the Scanteam's 2010 evaluation exercise of checking the evolution of a number of big picture indicators. We considered that the likelihood of obtaining substantial different results from last year's with a sample of just one more year were slim. The International Secretariat will consider updating this exercise for 2018.

B. 3 Secretariat effectiveness

This largely corresponds to the set of “**agency effectiveness indicators**” agreed in 2010 (Board Circular 75). They respond to the “value for money” question. The focus is on identifying the main components of the International Secretariat budget (“the money”) and the main output of the Secretariat as an agency (“the value”). We have included two new areas, validation and training, to highlight the increased role of the International Secretariat in providing direct training to implementing countries and the new role in the Validation processes. We have included two new areas, validation and training, to highlight the increased role of the International Secretariat in providing direct training to implementing countries and the new role in the Validation process.

A couple of results are worth highlighting. First, as in other years when the global conference has taken place, the resources allocated for this concept distort the share of the rest or areas in which the budget is broken down. This is especially the case when only the first semester of 2016 is considered. Secondly, the Secretariat indicators for 2016 suggest that the impact of squeezed implementation support is already being felt. It is noted, however, that the Secretariat has maintained its usual commitment of visiting countries. In this period, a significant number of missions were related to data gathering and stakeholder's consultations and assisting countries in their preparations for validation.

Secretariat effectiveness indicators			
Area	Indicator	2016 Financial info (Jan-Jun), all figures in US\$ Indicators (Jan-Sep)	2015 All figures in US\$
Support to implementing countries	Budget allocation (% of total)	571 000 (19.80%)	1 602 000 (31.54%)
	% of staff time allocated	40%	61% (incl. training & validation)
	Number of guidance notes issued/revised:	20	3
	Number of National Secretariats circulars issued:	5	9
	Number of missions to implementing countries:	28	29
	Number of reports reviewed:	21	13
	Number of extension requests, suspensions and others processed:	5	10
	Number of rapid responses processed:	0	1
	Number of National coordinators meetings held (regional, global):	1 global, 2 regional	4 regional

Secretariat effectiveness indicators <i>continued</i>			
Area	Indicator	2016 Financial info (Jan-Jun), all figures in US\$ Indicators (Jan-Sep)	2015 All figures in US\$
Outreach	Budget allocation (% of total)	59 000 (2.05%)	263 000 (5.18%)
	% of staff time allocated	4%	8%
	Number of capacity building/rising awareness events held	2	3
	Number of guidance notes issued/revised	20	3
	Number of visits to outreach countries	7	14
	Number of candidature applications processed	2 received	1
Board and chair support	Budget allocation (% of total)	348 000 (12.07%)	992 000 (19.53%)
	% of staff time allocated	8%	9%
	Number of Board meetings held	3	3
	Number of participants in Board meetings (incl. observers):	295	276
	Number of side events held during Board meetings:	6	7
	Number of Board circulars issued:	15	19
	Number of Committee meetings held:	40	51
	Number of missions and/or visits that included the Chair:	1	7
Relation with stakeholders	Budget allocation (% of total)	51 000 (1.77%)	219 000 (4.31%)
	% of staff time allocated	4%	5% (includes Global Conference)
	Number of meetings held (incl. donor coordination roundtables, companies)	15	6
	Number of joint staff meetings (with World Bank)	0	3
	Number of supporting companies (total accumulated)	115	92
	Number of supporting investors (total accumulated)	152	97
	Number of supporting countries.	19	18
Global Conference	Budget allocation (% of total)	963 000 (33.39%)	124 000 (2.44%)
	% of staff time allocated	2%	<i>Previously part of 'Stakeholder relations'</i>
	Number of participants	1,200	NA
	Number of countries represented in the national expo	54 (49 members + others, e.g. Germany, Map X, etc.)	NA

Secretariat effectiveness indicators <i>continued</i>			
Area	Indicator	2016 Financial info (Jan-Jun), all figures in US\$ Indicators (Jan-Sep)	2015 All figures in US\$
Communication	Budget allocation (% of total)	389 000 (13.49%)	546 000 (10.75%)
	% of staff time allocated	13%	8%
	Number of news items published in EITI website	41	81
	Number of mentions in media (Factiva)	1,568	2,512
	Number of social media (Facebook, tweeters) items	Facebook: 38 Tweets: 190	Facebook: 102 Tweets: 289
	Number of users and posts in Yammer	users NA posts NA	users NA posts NA
	Number of blogs published in EITI website	30	38
	Number of newsletter issued	8	9
	Number of "other publications" issued (incl. mentions in media, case studies, impact stories, Progress report)	54	44
	Number of videos published	4	3
	Number of videos published	4	3
Management & administration	Budget allocation (% of total)	327 000 (11.34%)	619 000 (12.19%)
	% of staff time allocated	13%	10%
Training	Budget allocation (% of total)	49 000 (1.70%)	476 000 (9.37%)
	% of staff time allocated	4%	<i>Previously part of implementation</i>
	Number of people trained:	61	506
Validation	Budget allocation (% of total)	127 000 (4.40%)	239 000 (4.71%)
	% of staff time allocated	11%	<i>Previously part of implementation</i>
	Number of Validations processed:	0 (15 in progress)	1
	Number of initial data collection and stakeholder consultations (previously Secretariat reviews) conducted:	3 (another 12 in progress)	6

C. 4 EITI outcomes

This corresponds to the set of “**attributable outcomes**” agreed in 2010 (Board circular 75). The implementation of the EITI Standard requires countries to regularly compile, process and communicate information along the value chain of the extractives activities. The process to achieve this mandate is governed by a multi-stakeholder group and requires resources provided by the country ‘stakeholders and external supporters. The Standard also requires countries to review the outcomes and impact of EITI implementation. The proposed set of indicators aims at capturing this with the caveat that most outcomes are the result of varied factors making direct attribution not possible. For example, if a country achieves compliance with the Standard, this is certainly the consequence of many efforts. However, it is reasonable to consider that the International Secretariat is significantly associated with the outcomes of the Standard’s implementation.

C. 4 EITI Outcomes

EITI Outcomes					
Area	Indicator	To Sept 2016		2015	
General indicators from the Standard	Number of compliant countries	31		31	
	Number of implementing countries	51		49	
	Number of countries with up-to-date work plans / total number of implementing countries	42/49		36/49	
	Number of countries that publish annual progress report on time/total number of countries	31/49		39/49	
	Number of countries that publish EITI report on time/total number of countries eligible for publication	21/46		35/41	
Revenue disclosure	Number of fiscal years reported in total (yearly and accumulated)	305 (43)		261 (45)	
	Total (trillion US\$) amount of revenue disclosed (accumulated)	USD	2.09	USD	1.98
	Average size (in %) of net discrepancies reported in EITI Reports	19.64% (Seychelles 100% discrepancies included)		5.25% Reports published in 2015 only	
	Number (average) of reports (reporting cycles/ fiscal years) published to become compliant	2.4/4.2		2.4/4.2	
	Timeliness (interval of time between end of fiscal year and data published)	26.88 (based on reports published in 2016)		25.32 (based on reports published in 2015)	
	% of reports published using open data formats/ total number of reports published	18%		38%	
	% of countries that submitted summary data	59% (12% more with partial information)		69% (5% more with partial information)	
	Average cost of reports per fiscal year reported (US\$)*	NA		82,000	

EITI Outcomes			
Area	Indicator	To Sept 2016	2015
		<i>(Based on 2016 Progress Report)</i>	<i>(Based on sample of 25 countries, June 2015)</i>
	% of countries that include information about licensing (register, allocation).	34%* (45% more with partial information)	62% (34% more with partial information)
	% of countries that include production volumes	77%* (9% more with partial information)	66% (17% more with partial information)
	% of countries that disclose beneficial ownership	0%* (25% more with partial information)	0% (34% more with partial information)
	% of countries that include sub-national revenues	20%* (9% more with partial information)	28% (10% more with partial information)
Value Chain	% of countries that include social payments	45%* (16% more with partial information)	24% (14% more with partial information)
	% of countries that, according to government policy, contracts can be fully or partially disclosed	TBC*	TBC*
	% of countries that, in practice, contracts are fully or partially disclosed	TBC*	TBC*
	% of countries (SOEs) that disclose information in accordance with 3.6 (rules, quasi-fiscal expenditures, BO)	TBC*	TBC*
	% of countries (NOCs) that disclose information in accordance with 4.1.c (sales of in-kind)	TBC*	TBC*
	Number of sessions on EITI website annually (monthly)	157 210 (18 606)	275 155 (22 930)
	Number of articles and/or news items mentioning the EITI (Factiva)	1,849	2,427
	Number of subscribers to newsletter	7,560	7,308
Debate & impact	Recommendation identified/follow-ups (from a selected number of countries)	NA	50% are on strengthening government reporting 8% on data accessibility 13% on government audit practices 29% on wider governance issues 70% are followed up in subsequent EITI)

* The International Secretariat will update these indicators according to the first full year of Summary Data from the website by 31 December 2016

Workplan Elements			Q1		Q2		Q3		Q4						
#	Action Items		LEAD	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
3.1 Support to implementing countries															
1	Where possible, analyse terms of reference (ToRs) for independent Administrators, scoping studies, reporting templates, draft and final EITI Reports, work plans and Annual Progress Reports to provide comments and feedback to MSGs.	CMs													
2	Develop and share guidance notes and EITI briefs on thematic issues, overseen by the Implementation Committee.	CMs													
3	Provide access to the new implementers portal (guide.eiti.org) as part of the EITI website containing all guidance notes, examples and templates, as well as links to partners' materials.	CB													
4	Monitor progress in EITI implementation and coordinate support with partners and technical assistance providers.	CMs													
5	Identify linkages with other efforts promoting good governance and sharing good practice.	CMs													
6	Work closely with National Coordinators and other stakeholders in-country to ensure effective functioning of MSGs.	CMs													
7	Support the work of the implementing countries working group.	GG/GO													
8	The International Secretariat will develop a 2017 training plan. If sufficient funding is available, the Secretariat will: Facilitate peer learning between implementing countries by organising regional trainings for each region and by supporting the implementing countries working group. Help facilitate pre-Validation self-assessments where requested, viable, appropriate and funded.	AA CMs CMs													
3.2 Undertaking Validation															
9	Validation: for 17 countries, review the relevant documentation, visit the country and consults stakeholders.	CMs													
10	Undertake around five second validations (previously called secretariat reviews) to assess corrective actions from the 2016 Validations.	CMs													
11	Conduct an analysis of the Validation process so far by end of 2017. If sufficient funding is available, the Secretariat will: Facilitate national and regional pre-Validation assessments. Conduct more extensive impact analyses as part of Validation.	SB CMs CMs													
3 Strengthening the EITI Standard as a global standard															
3.3.1 Mainstream and appropriate implementation															
12	Implement the Towards Mainstreaming action plan.	CMs													
13	Develop a strategy for engaging with countries with small sectors or well developed sectors. If sufficient funding is available, the Secretariat will: Support national secretariats in mobilising funding and technical assistance for this area of work.	DR CMs													
3.3.2 Thematic issues															
14	Update its "Reports to results" publication to highlight the potential for the EITI to lead to policy change.	VP													
15	Provide support to implementing countries in the implementation of their beneficial ownership roadmaps. Develop further guidance as necessary and keep stakeholders updated on progress.	CMs													
16	Undertake an analysis of the roadmaps in Q1 2017 to draw out key lessons and points of intervention/support. Consider whether to facilitate a pledging conference to support the funding and technical needs in the roadmaps.	DR													
17	Facilitate the EITI beneficial ownership working group providing support, guidance and direction to the implementing countries and advice to the Board.	DR													
18	Support countries to align their EITI reporting with the project by project requirement including more detailed guidance. If sufficient funding is available, the Secretariat will: Support national secretariats in mobilising funding for these areas of work. Work closer with implementing countries at the workshop stage to ensure that the EITI is better aligned with national priorities (requirement 1.5) and at all stages, especially with the development of the Annual Progress Reports, to ensure that recommendations from EITI reporting and Validation are followed-up (requirement 7.3). Oversee the implementation of the commodity trading pilot. Use the pilot to reach out to commodity traders to support the EITI internationally. Assess the effectiveness and lessons of the commodity trading pilot in Q4. Consider further thematic projects with a view to strengthen EITI implementation in country and possibility for impact, for example in areas such as tainted assets, state-owned companies, sub-national implementation, contract and license transparency, revenue management and environmental payments.	SB/CMs CMs CMs DR/CMs DR/CMs DR													
3.3.3 Communication, open data, integration with government systems and public dialogue															
19	Produce regular website content, including a complete EITI data portal, and a 2017 EITI Progress Report.	Comms													
20	Produce and distribute news items, newsletters and social media updates.	Comms													
21	Support implementing countries, in accordance with the open data policy to promote and develop open data, draw on international data codes and standards and encourage all stakeholder to make better use of EITI data.	SB													
22	Develop an online tool for training on use of data and opportunities for countries. If sufficient funding is available, the Secretariat will: Create a guidance note on key features of a good website and support countries in developing their national EITI websites Create a board decision database Create a 'validation booklet' comprising of all guidance notes Create a network of EITI data users perhaps using the GOX platform. Expand the EITIs multimedia outputs: training videos, podcasts, infographics	SB/CC Comms Comms Comms Comms Comms													
3.3.4 Outreach															
23	Coordinate EITI outreach in accordance with the Board's outreach strategy. If sufficient funding is available, the Secretariat will reach out to at least five EITI target countries to increase the EITI global reach and influence.	CMs CMs													
3.4 Support to the EITI Board															
24	Organise at least three EITI Board meetings in 2017.	JM													
25	Implement the recommendations of the governance review as agreed by the Board.	JM													
26	Facilitate regular Committee meetings and ensure a smooth flow of work between them and the Board. If sufficient funding is available, four Board meetings might be held in 2017 ensuring that all countries undertaking Validation receive timely results from the process. In addition, it might be wise for the Validation Committee to meet at least twice in person to discuss the initial and draft Validation reports to ensure a well-informed discussion.	CMs JM SB													
4 Management, funding and monitoring															
4.1 Management of the International Secretariat															

