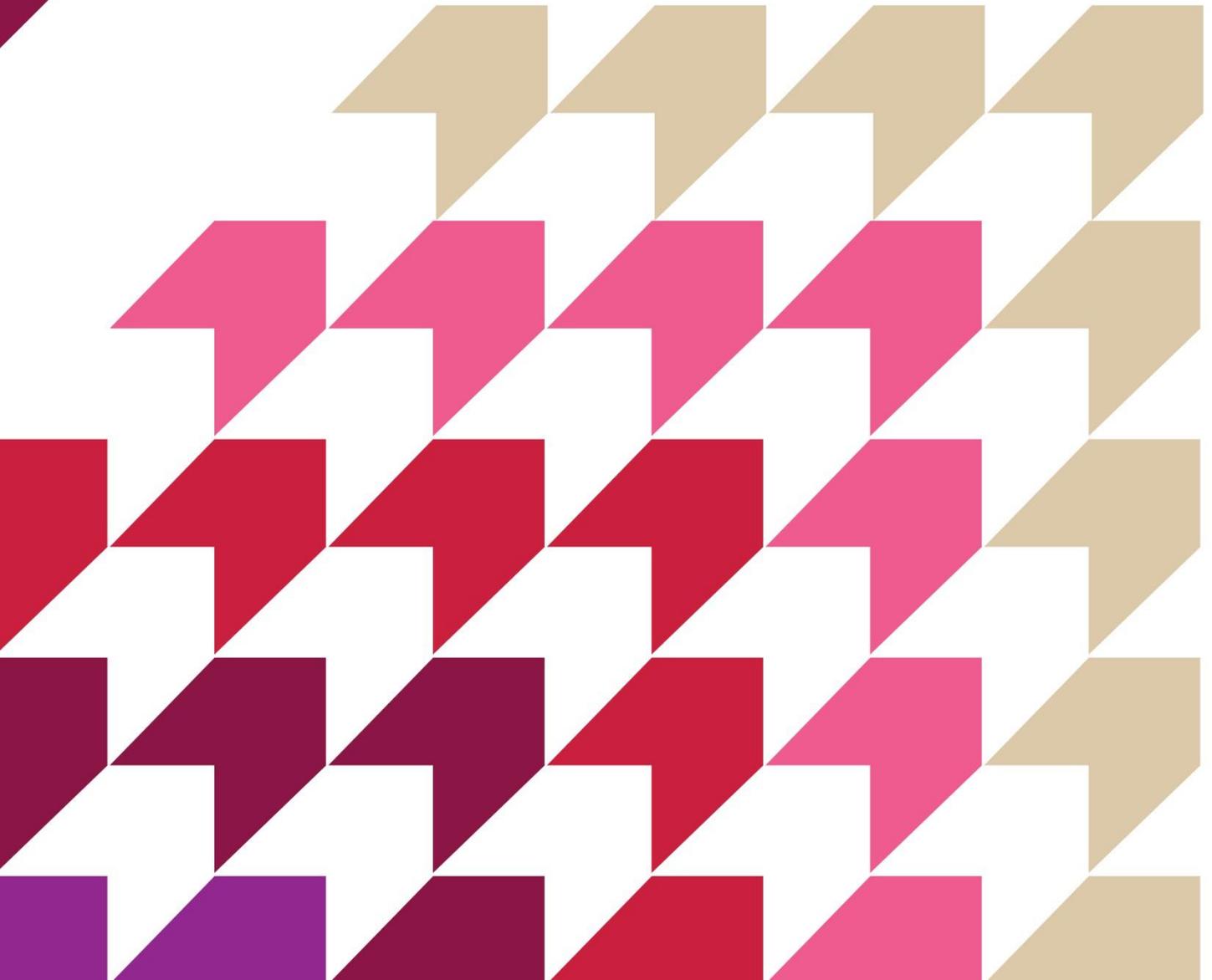


# Annual Activity Report 2015

June 2016



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## **1/ GENERAL ASSESSMENT OF YEARS PERFORMANCE**

**T**he year 2015 – like the previous years- was full of political, security and economic challenges, which had a role in putting a spoke in the wheel of moving forward towards tangible results in the field of establishing transparency and anti-corruption.

Iraqi EITI, though, had maintained- through the adherence of the Stakeholders Council and dedication of the National Secretariat staff- its consistent march towards achieving its goals in offering the public the opportunity to observe the process of revenues flow in the extractive industries sector, through continuing to publish its annual reports- which was positively reflected by both publishing 2013 report, and assigning the Independent Administrator firm to produce 2014 report.

One of the outstanding challenges as per IEITI reports was still the KRG data, which witnessed no new development from the previous years, resulting in depending on the publically available data. Also, IEITI succeeded in 2015 to achieve the widest dissemination of reports since the issuance of 2010 report, and sought for a meaningful outreach through active participation in meetings, seminars and workshops, challenging –by that- all the obstacles and difficulties Iraq is facing.

### **Summary of Activities:**

No.	Activity	Impact	Goal achieved by work plan	
1	Minister of Oil Adil Abdulmahdi visit; the National Secretariat's office at Ministry of Oil on the second of Feb. 2015 witnessed Minister of Oil support. The visit was concerned of IEITI needs and recent achievements of the implementation team; it also discussed the grant of the World Bank and MoO allocations.	Providing for IEITI convenient offices in MoO, Minister of Oil certainty for providing any required support through MoO commitment in IEITI, also instructing NOCs to have the same commitment.	Goal number 15	
2	World Bank Mission meetings were held in Baghdad- Iraq, from 22 to 27/2/ 2015. Following subjects were discussed in the meetings:		Goal number (7) of updated work plan 17/2/2014	
	- Review in detail, the accomplished work since last mission in October 2014 by WB and IEITI (Grant second tranche release, use of funds, EITI workshops and outreach events etc.) and KRG details relevance to the 2012 and 2013 reports(accuracy, cross-checking sources, etc..).			Extending the grant until 30/4/2016
	Capacity building and cost training program of new staff, which Iraqi EITI could discuss and agree with EITI International Secretariat.			Impact: Training process was approved within its costs.
	The situation in terms of independent Accountant's verified the financial year 2014 operating expenses.			Agreeing on the financial reports of the independent auditor for 2014 year

	Discuss the expenditures and operating costs eligible to MDTF.	2012 recommendations are taken under consideration to improve 2013 report.	
	Other items relevant to the maintenance of compliance status and of becoming fully validated.	Agreeing on 2013 TORs according to the standards of 2013 to improve the quality of the reports.	
3	One of the most important activities can return to our implementation as new support is the visit of the Secretary General Alaa Mohie.El.Deen to the religious leader Sayed Hussein Alsadr who is considered a key social figure, he cares for the humanitarian matters for Muslims and non-Muslims within academic projects, he is considered one of the most important old religious, isolated leaders in Islam specifically in Iraq.	Sayed Hussein Alsadr urged the SECRETARY GENERAL to continue his hard duties of attacking and stopping the corruption providing his fully support in corruption this event was achieved in 11/ 3 one year instead of / 2015.	Goal number (25) of work plan above.
4	Opening of biddings of 2013 and 2014 reports on 17/ 3/ 2015.	Making the timing of completing the report one year not two years.	Goal number (25) and (21) from work plan mentioned above.
5	The National Secretariat supports Akad institute in a workshop held at Al Basrah University through IEITI reports on 18/ 4/ 2015, IEITI shared the Akad Institute with huge number of NS's reports of 2009, 2010, 2011 and 2012; the workshop had achieved different messages and one of the related messages to the IEITI were public awareness which can reach a full	Expanding the social debate in Al Basrah province about the extractive industries in Iraq.	Goal number (15) and (22) from work plan mentioned above.

	image for the citizens through the project of dissemination about the progress of Iraq which had recently reached to.		
6	The National Secretariat participates in a seminar “Returning the Stolen Money Due to Corruption” on 5/ 9/ 2015 at the Oil Cultural Center; The IEITI is an initiative which contribute in different activities, any activity helps to defend the corruption in the society. The workshop had showed the ways of fighting the corruption even if the society doesn’t serve the CSI in that level.	Public Awareness about the role of IEITI, stopping the corruption and stealing money.	Goal number (15) and(22) from work plan mentioned above
7	World Bank Mission meetings were held in Beirut, Lebanon from 31/5 to 4/6 2015	Having the initial agreement on the next grant	Goal number (26) from work plan mentioned above
8	Workshop in Beirut, Lebanon titled from 8-11/ 6/ 2015; the workshop was organized by NRG1 and was attended by 12 of Iraqi parliamentarians, 6 of MSG members, 6 of CSOs members and 6 of National Secretariat staff, the workshop discussed the mechanisms of analyzing IEITI reports, and connecting them to a wider sector.	Making IEITI implementation in Iraq more meaningful	Goal number (10), (12) and (14) from work plan mentioned above.
9	The National	Having great support	Goal number (25) from work plan

	Secretariat meets some Parliamentarians in Beirut privately after holding the biggest event which collect the capacity building of the CS, Government and IEITI to coordinate with them and focus on Parliament's support to IEITI on 10/ 6/ 2015.	from parlanmantrains committees (Energy committee, financial committee, integrity committee, economic committee)	mentioned above
10	9. On 11/ 8/ 2015, The National Secretariat participates in EITI Community of Practice (CoP) Webinar on EITI Validation Consultation.	Contact with different countries to participate in (EITI)	Goal number (25) from work plan mentioned above
11	On 10/ 12/ 2015, The International Secretariat publishes IEITI 2014 Annual Activity Report. (IEITI considers any step is an activity or progress in its history)	APR had come to show the society the activities of the IEITI in 215.	Goal number (21) from work plan mentioned above
12	IEITI National Secretariat participates in (The First Economic Forum of Baghdad), it is a workshop in Babylon Hotel on 10/ 10/ 2015; this workshop discussed "the social benefits of IOCs projects" and was organized by Awan Organization (CSO). IEITI were invited to participate in this public awareness to leave its stamp on the attendees	Expanding the social debate and the public awareness about projects of social benefits, which considered one of EITI requirements.	Goal number (15) and (22) from work plan mentioned above
13	The Secretary General Alaa Mohie.El.Deen, 2 of MSG members and a representative of PCLD;	Workshop's impact on attendees was studying the Azerbaijan experience, participating	Goal number (10),(11) and(12) from work plan mentioned above

	participate in the Regional EITI training for MSG& NC from Eastern Europe, Central Asia and MENA, 13-15/10, 2015 in Istanbul, Turkey.	in the experimental project of Beneficial ownership (PBO).	
14	Participation of Secretary General Alaa Mohie.El.Deen in a meeting in Bern, Switzerland, on 20/ 10/ 2015, the meeting which was co-hosted by EITI and the Swiss Government brought together representatives from governments including national oil companies commodity trading companies, civil society organizations and academia	Explaining the role of EITI in bringing transparency in the trade of oil between national oil companies and commodity trading companies)	Goal number (12) from work plan mentioned above
15	World Bank supervision mission meetings were held in Beirut, Lebanon on 14-20 Nov. 2015.		Goal number (26) from work plan mentioned above
16	Issuance of IEITI 2013 report on 10/12/2015.		
	The National Secretariat participates in workshop “social benefits of IOCs for the sake of Iraqi citizen” on 10/ 12/ 2015; this workshop was organized by Rafidai Al-Iraq Al-Jadid organization (CSO). The workshop had achieved the same goals any participation of the IEITI does.	Depend some mechanisms to carry out the social benefits projects by the extractive companies to participate the representatives of local governments and organizations of civil society all to determine the projects that serve the Iraqi citizen.	Goal number(21) and (15) from work plan mentioned above

### **MSG Meetings**

1. The 32th meeting at the general secretariat of the council of ministers' building on 23/2/2015, attended by Mr. Mourad Belquedj (World Bank consultant).
2. The 33th meeting at SOMO on 20/3/2015 (Discussing templates of 2013 and 2014 reports).
3. The 34th meeting at the general secretariat of the council of ministers' building on 3/8/2015.
4. The 35th meeting at the general secretariat of the council of ministers' building on 12/10/2015.
5. The 36th meeting at the general secretariat of the council of ministers' building on 7/12/2015.

\*Details of these meetings are described in paragraph 9 of this report.

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

No.	Goals according to work plan	Activity as required in the work plan	Activity Implemented	Assessment	Outcomes
1	Establish and operate EITI Secretariat Office	a- Appoint Secretariat staff b- Setting up Proper working environment: Office equipment – 2 Laptops, 2 Computers, 2 Printers, 1 Copier, 1 fax machine, and internet services, etc. c- Staff Training and Induction into EITI's rules and procedures	a- Providing for IEITI convenient offices in MoO, Minister of Oil certainty for providing any required support through MoO commitment in IEITI, also instructing NOCs to have the same commitment. b- IEITI supplements of 2015 are briefly complete for each employee and each one's needs. Training of PWC( reconciliation company)	a- MSG assessment were positive according to this sponsoring from the minister and the government, I, it is governmental support to achieve IEITI in the middle of the ministry; each department deals with IEITI with much care. b- All the supplements from the pens to the desks are covered in IEITI. C-IEITI keeps training its staff on the standards and the requirements of EITI, also it is one of the most important conditions in the contract of the reconciliation company every year.	This support submitted IEITI in nowadays life, increased the main role of the initiative. All these targets are happened for an achieved purpose.
2	Review of Regulatory framework to identify potential obstacles to EITI implementation	a- Appoint legal consultant to undertake legislative working group audit on relevant laws and regulations & Public Relation Communication Consultant & CSO Certifying. b- Draft amendments to relevant laws and regulations (where necessary) and present to IEITI	a- A legal consultant was appointed. Public relations & CSO Certifying consultant is appointed. b- Meetings were held with the legal parliamentarian committee to discuss putting the mechanisms for writing law drafts and amendments, these efforts are still in progress	These achievements promoted IEITI and expanded its relations to have relations those support the initiative Instead of considering it as resource of living only.	These Steps are forwardly to make IEITI more successful.

3	Organize tripartite workshop in regard to accountability and responsibilities of parties related to producing EITI reports	Prepare and conduct tripartite meeting and workshop on EITI process including local stakeholders.	The National Secretariat meets some Parliamentarians in Beirut privately after holding the biggest event which collect the capacity building of the CS, Government and IEITI to coordinate with them and focus on Parliament's support to IEITI on 10/ 6/ 2015.	Different kinds of mutual processes to achieve IEITI through giving more knowledge to government instead of government's lack of IEITI future, updates, news and planes.	These Steps are forwardly to make IEITI more successful.
4	Capacity building and training for Civil Society in EITI monitoring	<p>a- Training session on specific issues of interest, informational sessions</p> <p>b- Assist Civil Society to identify specialist training courses and possible sources of funding to participate.</p> <p>c- Contract international specialists to deliver focus groups and training sessions on extractive industries related issues.</p>	<p>Note: These activities of the capacity building has carried out in one big event as shown below;</p>	<p>Note: Since the activities are combined in one big event, IEITI gives one assessment as shown below.</p>	<p>Note: Since the activities are combined in one big event, IEITI gives one outcome as shown below.</p>
	Capacity building and training for Iraqi Oil Companies involved in EITI implementation	<p>a- Workshop and training session on specific issues of interest and information</p> <p>b- information and discussion within industry in relation to EITI</p>	<p>a- Workshop in Beirut in cooperated with NRCI in (Lebanon) 8-11, Jun, 2015 and was attended by Parliamentarians, IEITI NS staff, MSG and CS.</p> <p>b- Workshop in Baghdad- Babylon Hotel, titled "the projects of social benefits of IOCs, on 10/10/2010, this workshop is held by the civil society's organization Awan and Rafidi AL- Iraq</p>	<p>a- Helped parliamentarians to better understanding to amend any laws.</p> <p>b-Activation the role of EITI in following up the goal of Transparency.</p> <p>c-This workshop applied understanding adopting the new EITI standard of 2013 Report.</p> <p>d- It provided necessary Information about the mechanism of getting information.</p>	<p>a- Helped parliamentarians to better understanding to amend any laws</p> <p>b- Activation the role of EITI in following up the goal of Transparency.</p> <p>c- This workshop applied understanding adopting the new EITI standard of 2013 Report.</p>

	Capacity building and training for government agencies related to EITI oversight and management	Lectures workshops and training session for civil servants, members of parliament etc.			
	Capacity Building and training for economic correspondents and reporters of media	-Workshop and training session on specific issues of interest, informational sessions, etc. -Information and discussion among			
	Capacity Building for stakeholder Iraq EITI Council	Organize study tour to country successfully implementing EITI (Azerbaijan, Australia, Kazakhstan, Nigeria, etc.)			

<sup>1</sup> These numbers are paragraphs of the work plan

5	Companies and Ministry of Finance to produce reports on corporate taxes and fees paid to and received by each party respectively	Each company and Ministry of Finance to report in accordance with agreed reporting template and submit said reports to EITI Reconciler	On 10/ 12/ 2015, The International Secretariat publishes IEITI 2014 Annual Activity Report.	Previous APR was good for publishing what MSG and IEITI had achieved so far, and it is in continual difference for better every year, after having all this cooperation from EITI.	APR is an addition to IEITI staff and MSG before the public; it increases our thoughts for the next year of each APR.
6	EITI Report completed by Independent reconciliation Firm and submitted to IEITI Stakeholders Council	a- Reconciler collects and analyses processes, payments and revenue data for IRAQ as defined by the Terms of Reference of the IEITI b- Reconciler/Auditor submits the compliance report to IEITI for acceptance or rejection	The activity was carried out through an independent administrator, he has applied a draft on the report of 2013 to the MSG In 10/12/2015*	Reconciliation company achieves at each part of the work a small report explains each point's difficulty or each point's needs or what is useful for public more by discussing these events with MSG.	These achievements give experiences to IEITI staff and MSG in order not to repeat the items every year of work in the reports.
7	Activity number (21) from work plan	a- Reconciler collects and analyses processes, payments and revenue data for IRAQ as defined by the Terms of Reference of the IEITI b- Reconciler/Auditor submits the compliance report to IEITI for	IEITI 2013 report was published on 10/ 12/ 2015	IEITI succeeded to produce and publish the report with the new standards due time although the challenges are existed	Enables IEITI to provide clear documents on the extractive industries to the Iraqi society through Tweeter, FB. Instagram, global website of transparency, Iraqi journalist's website.

8	Publish and Disseminate IEITI Report (22)	<p>a- EITI report posted on EITI web sites;  b- EITI report highlighted widely in local media (e.g., popular version of the report, via newspaper articles, on local radio in local languages  c- Develop a wider dissemination.  d- Strategy for the EITI report (e.g., informational sessions or workshops in the urban and rural areas to explain the findings of the EITI report, etc.)  d- Implement communication and outreach strategy over 2-3 years</p>	<p>a- Publishing the reports were wide plan of steps that had been achieved by the IEITI staff  b-The report was published through IEITI, EITI, Iraqi alliance for transparency in extractive industries, Iraqi journalist's, PWYP and most of social media websites.</p>	Good Application of IEITI dissemination plan	<p>a- Raising Public Awareness about the extractive industries  b- EITI report Publicly available and widely disseminated  c- IEITI put wide strategic plane to achieve dissemination in the south, poor provinces of Iraq.  d-This strategic plane will be achieved in 2016</p>
9	Public Workshop to discuss the EITI Reconciliation Report.	Organize stakeholder workshop for experts to discuss report	Workshop was prepared and planned for, but IEITI had received an apology from the EITI for their inability of attendance.		-
10	<ul style="list-style-type: none"> <li>- IRAQ EITI Handbook published</li> <li>- Updated IEITI Handbook</li> </ul>	<p>a- Agree the contents of the handbook.  b- preparation and publication and distribution of new Iraq EITI handbook in Arabic &amp; English.</p>	As a result for the plane of producing 2014 report, this handbook is postponed.		-
	Undertake activities to continue implementation of EITI and stabilization of EITI	Develop cost annual work plan For 2014-2015.	Last developed work plan was approved by MSG on 7 Dec. 2015		-

	Obtain support from Government (long term) and donors on implementation of EITI - .	a- Make proposal for grant funding to EITI Multi-Donor Trust Fund (MDTF) to support EITI implementation b- Develop projects and submit requests to govt	a- World Bank Mission meetings were held in Baghdad- Iraq, from 22 to 27/2/ 2015. b- World Bank Mission meetings were held in Beirut, Lebanon from 31/5 to 4/6 2015 C-World Bank supervision mission meetings were held in Beirut, Lebanon on 14-20 Nov. 2015.	Approved the chance of continuing the grant of WB	It is a motivation to do more in IEITI project.
	Follow-up on the EITI recommendations for improvement issued by the reconciler	Follow-up actions to be determined following recommendations in EITI report	a- MSG discussed the recommendations of the previous report, MSG decisions. b-MSG discussed the importance of submitting the financial reports according to the international accounting standards on the obtained data from the national companies. C-MSG recommended improving materiality percentage from 1 % to the new rate 0.5 %	Recommendations give positive chance of change for the better to be applicable with all requirements of EITI	It is a motivation to do more in IEITI Initiative
4	EITI Validation(28)	IEITI to select validator from OSLO pre-approved list of validators and validator to be contracted by Government to undertake validation of EITI implementation in Iraq Validation for 2011, 2012, 2013 & 2014 Reports will be required.	National Secretariat participates in EITI conference of developing validation reports on 11 August 2015	This participation guaranteed good acknowledge of what had been decided or discussed by the EITI about candidates countries Validation	a- This participation was able to increase IEITI the new updates of the validation's requirements to achieve all what can support and submit IEITI's validation. b-Exchange social opinions to better understand the needs and challenges of developing validation reports.

	Publication and dissemination of EITI validation report	EITI validation report posted on government, EITI, and other web sites and highlighted in local media	Was not implemented in 2015		
5	Outreach and informational activities (15)	<p>a- Discussions on press release/newspaper articles, web site</p> <p>b - Workshops in rural areas.</p> <p>c - Production of information brochures, articles, etc.</p>	<p>a-IEITI National Secretariat participates in a workshop (Returning stolen money due to corruption) on 9/5/2015.</p> <p>B-Journalistic announcement from the NS about role of IEITI on Public Awareness.</p> <p>c-Journalistic articles about IEITI role</p> <p>d-Advertising materials; hats, flash memory, desk watches, T-shirts, Diaries, Flags of IEITI.</p> <p>E-Iraqi EITI participation in the first economic seminar.</p> <p>responsibility of the extractive industries companies.</p>	Information mentioned in IEITI reports enriched the public dialogue, social projects, to expand Iraqi's role in EITI.	Information in IEITI reports have become a legal reference to returning the stolen money

6	Outreach and informational activities (15)		for the iraqi citizen's sake, this activity was implemented by Awan's Institute and Rafdi Al Iraqi Al jaded 9/10/2015	<ul style="list-style-type: none"> <li>- Opening new outdoors to discuss the best investment of the projects of the social responsibility of the Extractive Industries Companies</li> <li>- These activities urged the extractive companies to implement and concern the social company's investment, improve the environment damages from the extractive areas, in addition to the advantages of local societies in these areas.</li> </ul>	<ul style="list-style-type: none"> <li>- Expand the public base to require from the extractive companies to improve the projects of social responsibility according to the social needs.</li> <li>- Produce local instructions in some oil provinces to organize such projects.</li> </ul>
	Holding Yearly Celebration IEITI conferences	Prepare a conference after completion of the IEITI report for 2011 & 2012	Wasn't implemented in 2015.		

**2 / (B) ACCORDING TO THE REQUIREMENT 2-7/A THE ANNUAL ACTIVITY REPORT IS PUBLISHED AT THE Iraqi EITI LINK ACCORDING TO THE WORK PLAN OF THE Iraqi EITI AS SHOWN BELOW.**

First: Iraqi Universities and Institutes	No.	Recipient Entity	Number of Distributed Reports
	1	University of Baghdad	98
	2	Al-Nahrain University	49
	3	Al-Mustansiriya University	56
	4	University of Baghdad/ Political Science college	10
	5	Al-Iraqiya University	49
	6	University of Technology	42
	7	Al-Imam Al-Sadiq University	28
	8	Technology Institute	70
	9	Sadr Al-Iraq college	21
	10	Madinat Al-Elm college	28
	11	Al-Rafidain College	37
	12	Al-Mansour college	42
	13	Al-Esraa' college	25
	14	Al-Hikma college	21
	15	Baghdad college for Economical Science	20
	16	Al-Turath college	25
	17	Al-Farahidi college	14
	18	Dijla college	35

	19	Al-Ma'moon college	28
<b>Second: State Ministries and Oil Companies</b>			
	<b>No.</b>	<b>Recipient Entity</b>	<b>Number of Distributed Reports</b>
	20	Ministry of Oil/ The minister office	15
	21	Deputy of the Ministry for Distribution affairs	15
	22	Deputy of the Ministry for Refineries affairs	15
	23	Deputy of the Ministry for Extractive affairs	15
	24	Deputy of the Ministry for Gas Industry	15
	25	South Oil Company and Oil Companies	144
	26	Ministry of Education	28
	27	Ministry of Transportation	35
	28	Ministry of Labor	48
	29	Ministry of Agriculture	35
	30	Ministry of Water Resources	28
	31	Ministry of Industry	21
	32	Ministry of Human Rights	28
	33	Ministry of Commerce	28
	34	Ministry of Reconstruction and Housing	28
	35	Ministry of Justice	28
	36	Ministry of Planning	35
	37	Ministry of Finance	28
	38	Ministry of Culture and Media	28
	39	Ministry of Higher Education	42
	40	Ministry of Telecommunication	42
	41	Ministry of Science and Technology	35
	42	Ministry of Youth and Sport	21
	43	Ministry of Municipalities and Public Work	21
	44	Ministry of Foreign Affairs	49
	45	Ministry of Tourism and Antiquities	28
	46	Ministry of Migration and Displaced	28
	47	Ministry of Environment	35
<b>Third :Bodies, Institutions and Courts</b>			

<b>No.</b>	<b>Recipient Entity</b>	<b>Number of Distributed Reports</b>
48	Supreme Judicial Council	56

	49	The Federal Supreme Court	43
	50	The Central Criminal Court	77
	51	Political Prisoners Foundation	33
	52	Martyrs Foundation	50
	53	Bait Al-Hikma Institution	39
	54	Commission of Integrity	88
	55	Al-Karkh Federal Court of Appeal	41
	56	Al-Rasafa Federal Court of Appeal	35
	57	National Olympic Committee of Iraq	20
	58	Iraqi National Intelligence Service	64
	59	Iraqi Hajj and Umrah Commission	64
	60	Central Bank	64
	61	Endowments of the Christian, Ezidean & Sabian Mandaean Religions Divan	30
	62	Media and Telecommunication Body	39
	63	National Security Advisory	43
	64	Federal Board of Supreme Audit	38
	65	Shiite Endowment Divan	43
	66	Sunni Endowment Divan	13
	67	General Secretariat of the Shiite holy shrines	73
	68	Turkmen Club	60
	69	Faily Kurds Institution	54
	70	Iraqi Engineers Union	50
	71	Dar al-Tarbiya Library	44
	72	Dar Al-Jawahiry Publishing House	35
	73	Dar Al-Kutub Al-'Imiya Library	30
	74	Al-Nahdha Library	54
	75	Maktabat Adnan Library	20
	76	Al-Dhiaa' Al-Baghdady Library	48
	77	Al-Sharqiya Library	60
	78	Dar Al-Nubalaa' Library	37
	79	Al-Nafa'is Library	22
	80	Dar Al-Doctor Library	44
	81	Hanash Library	40
	82	Sutoor Library	40
	83	Shanasheel Library	33
	84	Public Library	32
	85	Al-Maktaba Al-'Imiya Library	63
<b>Fourth: Civil Society Organizations</b>			
	86	Rafidi Al-Iraq Al-Jadidi institution	30
	87	Akad cultural Institute	45
	88	Women's Organization for the good of women	35
	89	Al-Wid humanitarian Organization	27

	90	Al-Amal Al-Jadid Organiation	30
	91	Al-Amal Gathering Organization	33
	92	Hana Organization	25
	93	Protecting Environment Organization	30
	94	Women for Peace Organization	40
	95	Iraqi Center for International Judging	37
	96	Human Rights Organization	40
	97	Al-Ta'akhi Humanitarian Association	30
	98	Al-Tadhamun Association	42
	99	The Iraqi Student Organization	55
	100	Aware youth Thinking Gathering	50
	101	Noor Al-Haq Organization	35
	102	Adhwaal' Al-Marji'iya Organization	25
	103	Al-Manar Organization	25
	104	Individual Development Organization	30

### 3 / ASSESSMENT OF PERFORMANCE AGAINST EITI REQUIREMENTS

No.	Requirement	Progress
1	<p>Requirement (2) The reports should be published at the exact date</p> <p>Requirement 7.4/a/ii The final dates for the reports and the validation</p>	<p>2013 Report was published on 10, December, 2015. Also, Preparation for 2014 Report was well underway during this year, which will result in publishing the report in the first half of 2016.</p>
2	<p>Requirement (5.3) The EITI report must describe the distribution of revenues from the extractive industries.</p>	<p>In 2013 report a link of Federal Iraqi budget was put, this budget contains all the achieved revenues with its administrative strategy.</p>
3	<p>Requirement (3.8.C) 3.8: Encouraging the MSG to include additional INFO in the report, the INFO should be about the revenue and expenditure.</p> <p>C: Updated information from the government to enhance the understanding of public and social dialogue about issues of sustaining revenues and depending on resources. This could include the assumptions adopting perceptions of performance during the next years of budget cycle regarding the expected production and prices of goods and expectations of revenues coming from extractive industries and the percentage of future financial revenues expected from extractive industries.</p>	<p>Governance and central audit extractive fields by the mutual management, to ensure the accountability and efficiency, the report should include a link to the budget with putting a proper assumption to the revenues from oil sales, going to commodity trading.</p>
4	<p>Requirement (6.1)a Where material social expenditures by companies are mandated by law or the contract with the government that governs the extractive investment, implementing countries must disclose and, where possible, reconcile these Transactions. Where such benefits are provided in kind, it is required that implementing countries disclose the nature and the deemed value of the in kind Transaction. Where the beneficiary of the mandated social expenditure is a third party, i.e. not a government agency, it is required that the name and function of the beneficiary be disclosed. Where reconciliation is not feasible, countries should provide unilateral company and/or government disclosures of these Transactions.</p>	<p>These were explained in 2013 report</p>

5	Requirement (4.4) Transportation:	Not applicable
6	Requirement (5.2) Subnational transfers	Independent administrator wasn't able to achieve the reconciliation in the report because there was an administrative issue between the central government and local government.
7	Requirement (2.5) BeneficialOwnership	Iraq was selected as one of the countries that will participate in the pilot project on beneficial ownership.
8	Discretionary Social Expenditure	

**4 / OVERVIEW OF THE MULTI- STAKEHOLDER GROUP'S RESPONSES TO THE RECOMMENDATION FROM RECONCILIATION AND VALIDATION, IF APPLICABLE.**

No.	Lessons Learned	Source	Procedure	Assessment
1	The rate of Materiality	2013 report, Page 89	MSG recommended improving materiality percentage from 1 % to the new rate 0.5. %	The assessment of materiality has come to reflect a decrease from 800 million to 400 million dollars on 2013 report; this can increase transparency in the documentation of the report.
2	Reporting Deadlines	2013 report, Page 89	Engaging with PwC firm ( to produce 2013 Report) was made in an early stage which allowed more time to perform the reconciliation tasks and obtain variance justifications	Early reporting deadlines give enough time to The MSG Council, Civil Society and related researchers to discuss the report better.
3	Quality of The Reporting Templates	2013 report, Page 89	<ul style="list-style-type: none"> <li>- MSG approved the necessity of contracting with the independent administrator early.</li> <li>- Contracting with PwC had done to produce 2013 report.</li> <li>- MSG improved the types of the templates of obtaining documentation to the companies and all related people.</li> </ul>	- More flexibility in comparing data.

4	Field Work Facilitation	2013 report, Page 90	Previous years reports showed the difficulties occur during obtaining the data from concerned parties due to bureaucracy or lack of authorization, which delays data collection efforts.	MSG recommended communicating with an appropriate management level at each entity to authorize full access of data for IEITI team at early stages to avoid delays and miscommunications in this regard.
5	Signatures:	2013 report, Page 90	<ul style="list-style-type: none"> <li>- This recommendation was adopted in ToRs of 2013 and 2014 Report</li> <li>- MSG adopted the recommendations of the independent administrator on signing the given samples from the companies by an in charge person.</li> </ul>	Future guidelines need to emphasize on the importance of signing off the submitted templates
6	Auditor's report According to the international accounting standards	2013 report, Page 90	<ul style="list-style-type: none"> <li>- MSG discussed the importance of applying the international accounting standards on the obtained data from the national companies.</li> <li>- There were serious attempts in applying International Accounting Standards such as the efforts of the Federal Board of Supreme Audit in enforcing the Standards.</li> </ul>	<ul style="list-style-type: none"> <li>- It is recommended that buyers provide their audited financial statements to SOMO annually, Moreover, National Oil Companies need to be audited in accordance with International Accounting Standards and International Financial Reporting Standards</li> <li>- This procedure contributed pushing the national and international companies to give their reports to the auditor according to the international accounting standards.</li> </ul>

## **5 /ANY SPECIFIC STRENGTH AND WEAKNESS IDENTIFIED IN EITI PROCESS.**

### **Obstacle 1**

Lack of Resources in the North Area of Iraq: Iraq's low expectations toward the fine tuning of each year's report still the same since we had this great experience of IEITI. This was and still the same obstacle we try to overcome each time we reach, every year we create a plan with no huge success of improving our lack of information's obstacle in the KRG.

### **Treatment**

The year of 2015 was different; we hired The Iraqi Energy Institute after stimulating their ability to make change of having different journey for this chapter. This continual urging and hardworking upon this important phase will continue since it is required even if the IEITI obtained the same results. Here IEITI created such solutions could help in this regard; Preparing workshops and conferences in the KRG to define the importance of the IEITI.

Adding new seat for Kurdish member in the MSG. IEITI reports should be disseminated in KRG, the Kurdish copies of the reports should be disseminated by the members of MSG, CSIs in the KRG. In 2014 report IEITI had contracted with Iraqi Energy Institute this institute is for researches and studies, they had made an individual study for mining and KRG Oil sales data. The new changes for the future of 2017 in IEITI's mechanism might enable the IEITI from having new national champion while that would increase our chance of strengthening the IEITI relation through having new entrances for what our reports lack in new different, official and eligible ways.

### **Obstacle 2**

The second obstacle of IEITI for the 2015 was repeated according to the same weak Mining sector which can be considered the second importance after KRG. There is an obvious weakness of issuing creative plans to improve our mining industries sector that kind of obstacles is difficult since it is not achieved in the right way to be attached according to IEITI need in its reports.

### **Treatment**

IEITI finds difficulty of recognizing if there are contracted companies with the ministry of minerals. The ministry sells the consumption to the private sector companies that make the mission of reconciliation not real and IEITI can't achieve it.

### **Obstacle 3**

IOCs and National Oil Company's lack of contacting and attendance; IEITI witnessed numerous numbers of meetings and events, the implementation team still facing the same obstacle every year which is concerned in the international oil companies' lack of attendance and responding to the IEITI events. We have also the National Oil Company like SOC; they do not attend the Iraqi EITI events since the changes of the governments at the end of 2015. This obstacle keeps making the MSG's internal system incomplete, considering the IOCs an important element in the complementary distribution of the council of the IEITI.

### **Treatment**

The available solution might be cornered in direct contact between the EITI and the IOCs representatives, considering the EITI a foreign combination might be able to dominate the logistical or mental coordination in subjective way among, this kind of solution might have a mutual process between the two combinations representing in the general advantage of all sides. Mostly Some workshop's attendance didn't meet the goal, so there was planning to

hold workshop in Dubai, once the IEITI reach to a good number of participation to reach the goal as much as IEITI and EITI can afford.

**Obstacle 4**

The difficulty of ensuring IEITI'S funds through the year of 2015 and also 2016

**Treatment**

Having strong support from the government – through IEITI champion to achieve the financial support.

## 6 / TOTAL COSTS OF IMPLEMENTATION

No.	Activity	Cost as indicated in work plan	Cost allocated for 2015	Actual cost	Comments
1	Consultant salary Including the fees Of the Independent Administrator	\$ 310,000 (7,8)* (for 2 years 2014 and 2015)	\$ 160,000	\$ 192,350	This number represent salaries of staff and part of payments of Independent Administrator
2	Staff training	\$ 100,000 (7)* ( for 2 years)	\$ 30,000	\$ 30,508	-
3	Office equipment	\$ 60,000 (7)* ( for 2 years)	\$ 48,000	\$ 14,679	-
4	This amount is divided into two kinds of expenditures; implemented Workshops abroad and implemented workshops inside in addition to Training for Civil Society, report Dissemination Activities, etc.)	\$ 345,000 (9,10,11,12,13,14,15,23)* ( for 2 years)	\$ 245,000	\$ 93,220	-
5	Develop annual cost work plan	\$ 25,000 (25)* ( for 2 years)	–	–	These activities are undertaken by IEITI executive team
6	Advertising local media	( for 2 years)	\$ 25,000	\$ 300	Unavailability of media consultant
8	Printing IEITI Materials	\$ 50,000 (33)* ( for 2 years)	\$ 25,000	\$ 12,452	-
9	Hospitality of arrangements for local & international figure	\$ 40,000 (34)* ( for 2 years)	\$ 20,000	\$ 6,710	-

\* Paragraphs in the work plan

## **Staff of the IEITI**

Contracts: 16 people

Ministry of Oil Employees (Appointed): 2 people work as (placement)

Ministry of Electricity (Inspector General Office) Employees (Appointed): 5 people (placement)

## 7/ any additional comment

### Impact on the central government

- As a result to the data in IEITI reports about the contracts, the public debate expanded on the subject of the obtained benefits of the production were existed in the contracts, the contracts are signed by the companies. This pushes MoO to look carefully about these mounts then negotiating the companies to decrease the amounts of production from 11,700 million dollar to 8 million.
- The data of the report contributed in direct way to reprogramming paying the costs of the extractive companies.
- Somo - oil marketing company has submitted in all her contracts a condition of commitment in IEITI that comes as a result to the public debate that IEITI keep motivating.
- The data of oil marketing in IEITI reports contributed to create an academic discussion about the international oil markets.

### IEITI Impact on local government

According to the data and documentations of the producing companies in IEITI reports, and what has come through local government's role in the field of the held contracts with these companies. All this encouraged the local government to work hardly appearing its real role through the following:

- 1- In Al Basrah province; The governs committee of the province decided to determine 30% from 5 million dollar of the total cost of the projects of the social responsibility, this determined rate is distributed for each company as 35 million dollar yearly for training the unemployed youth to be qualified to work in the oil companies.  
Note: this event explained above has attached formal letter here
- 2- Al Muthana province; As a result of following- up the data of the social responsibility of the companies registered in IEITI reports, the local government noticed 8, 335 million dollar wasn't spent by the operating companies in the province, a committee was framed the committee's members from the province governs of Al Muthana, CSI, IOCs; the committee mastered running this amount for the social responsibility sake.
- 3- Missan Province; Committee was framed to follow-up the contribution of the social responsibility projects also in each oilfield in the province. The committee of Al Hlfaya province carried out 20 project in the districts and far areas near from the oilfield, all these projects achieve the highest benefit to the local societies.
- 4- Projects that can contribute in electricity achievement's continuity were submitted in Al Ahrar district the area is related to the province of Waist, all are carried out by the extractive companies to improve the services for citizens.
- 5- Thi Qar Province; the governs council recommended to make a combined committee from the province council and the executive government, CSI, IOCs to improve the management of the social benefits cervices. These improvements are considered a condition on each rich area in Iraq must be taken under consideration to implement justice and transparency in Oil sector.

See the following formal letters below.



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### IEITI impact academically

IEITI contributed in developing MA degree's theses, researches and studies through the qualitative data were provided in IEITI reports as shown below;

- 1- Producing a book under the name of Iraq oil (Transparency in corruption balance to Dr Nabeel Jaafer,Hasim Sami, the book narrated IEITI reality in Iraq.
- 2- MA theses named analyzing investments policies in the extractive industries with focusing on the held contracts of the central government and KRG contracts after 2003.
- 3- Research about the local consumption in Oil and Gas and its relation to oil production for the researcher Dr Raheem Al Sharrq, in his research he depended on IEITI reports data.

### **IEITI Impact on society**

IEITI contributed in raising social debate and public discussion that helped CSI in Iraq to follow up and analyze IEITI reports, submitting recommendations, to improve the management of extractive industries sector resources. For the first time over 400 CSI pay that much care for social awareness, participating with the local governments planning to manage the provinces sources accurately, for better investment in the future.

### **8 /HAS THIS ACTIVITY REPORT BEEN DISCUSSED BEYOND THE MSECRETARY GENERAL?**

The report is sent to MSG as draft, they discussed it with their related entities of CSI,IOCs, NOCs, in addition to receiving recommendations and comments of these entities t be approved finally. In addition the APR were sent to some research entities to give their opinions and comments.

## **9/DETAILS OF MEMBERSHIP OF MSG DURING THE PERIOD**

### **The 32<sup>nd</sup> meeting at the council of ministers building on 23/2/2015**

Meeting Agenda and Decisions:

- 1- Discuss and approve the TORs of 2013 and 2014 reports.
- 2- Determine the companies that will be invited for the bidding of 2013-2014.
- 3- Determine the MSG members that will participate in the committees of (opening and evaluation of biddings for 2013 and 2014 Reports)
- 4- Naming two persons to occupy the seats of the private sector and the academic establishments in the MSECRETARY GENERAL.

### **The 33<sup>rd</sup> meeting at Oil Marketing Company SOMO on 26/3/2015**

Meeting Agenda and Decisions:

- 1- Review and discuss the report presented by evaluation committee about the offers for 2013 and 2014 reports.
- 2- Approval on rewarding IEITI 2013 Report to PwC firm (winner of the bidding).
- 3- Review and approve the inception report of PWC.
- 4- Review the International Secretariat's comments on ToRs 2013 and 2014 reports.
- 5- Discuss the suggestion of training some of MSG members.

### **The 34<sup>th</sup> meeting at the council of ministers building on 3/8/2015**

Meeting Agenda and Decisions:

The MSG reviewed the steps and procedures followed by the National Secretariat to prepare the report and approved the final draft of the report.

### **The 35<sup>th</sup> meeting at the council of ministers building on 12/10/2015**

Meeting Agenda and Decisions:

1. Discuss the second draft of IEITI work plan for years 2016- 2018 and approving this plan after taking into consideration the amendments approved in this meeting.( MSG approved the second draft after having the required changes)
2. Review a report from PwC firm explaining the preparation of 2013 and 2014 reports
3. Discuss and approve travel and accommodation allocations for MSG members who come from other provinces other than Baghdad.

### **The 36<sup>th</sup> meeting at Council of Ministers building 7/12/2015**

The meeting held at 09:00 to discuss the agenda of the meeting including the final draft of 2013 report and the final draft of the work plan for the years of 2016-2018, IEITI suggestions to change the TORs of 2014. The following items were discussed.

- 1- Discuss and approve the final draft of 2013 report.
- 2- Discuss and approve the final draft of IEITI work plan for 2016-2018.
- 3- Discuss the suggestion of the National Secretariat to rewrite the TORs of 2014 report.
- 4- Determine 31, March 2016 as a final date to produce the report of 2014.

### **The Statistics of the attendance to the MSG meetings:**

The average of attendance is 82%