

17TH EITI BOARD MEETING, AMSTERDAM, 9 JUNE 2011

Minutes

EITI International Secretariat Oslo, 20 July 2011

MINUTES OF THE 17TH EITI BOARD MEETING

Beurs van Berlage, Amsterdam 9 June 2011

17-1 Welcome by the Chair and adoption of agenda

Clare Short welcomed everyone to the meeting. She reminded Board Members that they can contribute towards the agenda by suggesting items when the draft agenda is sent by board circular. The agenda was accepted.

17-2 Board procedures

The Head of the Secretariat, Jonas Moberg, introduced paper 17-2 with an outline of procedures that the EITI Board is either bound by, or that have evolved. The paper provided background and collated current procedures.

Several Board members highlighted the importance of Francophone Board members receiving translated Board papers and Board Circulars in good time to be able to fulfil their obligations. Clare Short said that the Secretariat had taken measures to further strengthen its translation and interpretation capacity and now aims to send out French translations within two days of issuing English versions.

Jelte van Wieren raised the issue of whether non-Board members could serve on Board committees, suggesting that the governance committee addresses this matter.

17-3 Brief report from the Secretariat

Jonas Moberg briefed the Board on some of the activities carried out by Secretariat staff since the last Board meeting, including support to the Board and various committees/working groups, implementation support, outreach to main target countries and companies, communications and website, training seminars, multilateral meetings, meetings with delegations, and boosting support on reconciliation reporting.

The International Secretariat aims to conduct its activities in a fully transparent manner. Jonas noted that if there are papers or documents that Board members want to see, they are invited to request them from the International Secretariat.

17-4 Implementation Progress Report, including Yemen and Côte d'Ivoire

Jonas introduced the new format of the Implementation Progress Report. It was now split into two parts: a summary version that was included in the Board papers and a more detailed version available on the internal area of the EITI website. Although there was encouraging progress in most countries and an increased quality of reporting, he highlighted that there were ten countries where implementation was "off-track".

Board members noted the concerns raised by the Secretariat about progress in a number of countries, including Gabon, Peru, Côte d'Ivoire and Burkina Faso, and noted the importance of the Board addressing such concerns early on.

Côte d'Ivoire

Tim Bittiger was invited to update the Board on the EITI process in Côte d'Ivoire. The MSG has invited the reconciler to travel to Abidjan and finalise the latest EITI reconciliation report. It remains unresolved whether the Validation report that was finished on 11 November 2010 could still be recognised as a valid base for determining

the country's status. The Secretariat will provide the Board with an options paper for resolving this issue. There has been no reply to the letter that Clare Short sent to President Alsanne Ouattara, but the national secretariat has provided the requested update on next steps with EITI implementation.

Yemen

Eddie Rich briefed the Board on the situation in Yemen. He referred board members to Board Circular 103 where the International Secretariat recommended suspending Yemen under the provisions of EITI Policy Note 5.

The Board agreed to suspend Yemen as it was manifestly clear that after the prolonged period of violence and instability, the MSG has not been able to meet and the EITI Principles and Criteria are not currently capable of implementation. As a suspended country, Yemen will be considered as a "Compliant Country (suspended)" for the period of suspension, with the suspended status clearly indicated on the EITI website and elsewhere. Yemen will be suspended for up to one year, i.e. to 8 June 2012. If the Board concludes that the Principles and Criteria are not being adhered to within the year, the country may be de-listed, i.e. lose its status as EITI Compliant and as an EITI implementing country.

The Board tasked the Secretariat with writing a letter conveying the Board's decision to President Saleh, and encouraged the Government to apply to lift the suspension as soon as the current situation has improved.

Board members requested that the Governance Committee look into finding a mechanism for how the Board can make decisions between board meetings when there is no clear consensus in the Board.

Peru

Francisco Paris updated the Board on recent steps taken by Peru's MSG towards meeting the required remedial actions. Epifanio Baca Tupayachi reported to the Board that early signals from the incoming administration in Lima indicated that they were supportive of the EITI process.

Azerbaijan

The Board was made aware of a statement by the Azerbaijan civil society coalition expressing concerns about the EITI process in Azerbaijan and raising the possibility that civil society members of the multi-stakeholder group might ask for a new Validation. The government of Azerbaijan responded that it was willing for the country to undergo a new Validation if this were necessary to demonstrate its commitment to the EITI. The Secretariat was tasked with distributing both statements by board circular.

Action

The Secretariat to provide the Board with an options paper for how to deal with Validation in Côte d'Ivoire.

The Secretariat to write a letter conveying the Board's decision to the President of Yemen.

The Governance committee to address the issue of whether non-Board members could serve on Board committees.

The Governance committee to look into finding a mechanism for how the Board can make decisions between board meetings when there is no clear consensus in the Board.

The Secretariat to distribute the statement from the Azerbaijan CSO collation and the response from the government of Azerbaijan by board circular.

17-5 EITI Rules – Transition procedures for the 2011 edition of the EITI Rules

Mark Pearson introduced the paper on behalf of the Validation Committee, and Sam Bartlett presented a summary

of the proposal. The transition proposal was developed to ensure that the Rules are at all times clear and predictable. Implementing countries would need time to adjust, as there are EITI reports, Validations and secretariat reviews underway based on the 2009 version of the EITI Rules. The essential features of the proposal were presented:

1. Any country admitted as a candidate from 1 July 2011 shall be subject to the 2011 edition of the EITI Rules;
2. Compliant countries are encouraged to make the transition to the 2011 edition of the EITI Rules as soon as possible. Compliant countries should complete EITI reports in progress under the current Rules. Subsequent reports must be conducted in accordance with the 2011 edition of the EITI Rules. The provisions of Requirement 5(e) regarding regular and timely reporting will be mandatory after 31 December 2012 (i.e., Compliant countries must publish an EITI report by 31 December 2012 that meets the requirement for regular and timely reporting). Compliant countries are required to publish an annual report as per requirement 21c no later than 1 July 2012.
3. Countries currently implementing EITI but not yet Compliant are required to meet Requirement 5(e) of the new Rules on regular and timely reporting by 31 December 2012 or the end of their maximum candidacy period, whichever is later. In the interim (prior to 31 Dec 2012), the Board may apply the previously established principle that countries where EITI reporting is irregular and/or the published data is substantially out of date will not be designated Compliant.
4. Countries currently implementing EITI but not yet Compliant that conduct Validation, request a secretariat review, or are granted a waiver from a second Validation in 2011 will be assessed in accordance with the current edition of the Rules. Where the Board determines that the country has made meaningful progress but not achieved compliance, the country will have its candidacy renewed for 18 months, by the end of which it must have completed a Validation that demonstrates compliance with the 2011 edition of the EITI Rules. If the country does not achieve Compliant status by the end of the 18 month period it will be de-listed.
5. Candidate countries with Validation deadlines in 2012 and 2013 will be assessed in accordance with the 2011 edition of the EITI Rules. Their Validation deadlines will be extended by 6 months to allow MSGs to make the necessary adjustments to adapt EITI reporting to the new Rules. If the Validation at the end of this period demonstrates that the country has made meaningful progress but not achieved compliance, the country will have its candidacy renewed for 18 months, by the end of which it must have completed a second Validation that demonstrates compliance with the 2011 edition of the EITI Rules. If the country does not achieve Compliant status by the end of the 18 month period it will be de-listed.

The Board endorsed the proposal as set out in detail in Annex 1.

The Board tasked the Secretariat with communicating the transitional arrangements to the 2011 edition of the EITI Rules to the affected implementing countries, and to adopt a risk-based approach to identifying, in good time, countries which may find it challenging to secure compliance with the 2011 Rules, including providing technical assistance to countries on challenging issues such as addressing barter-type contracts in EITI reporting. The Secretariat should report back on progress with this work at each Board meeting so that any difficulties can be pre-empted and crises avoided. Board members noted that the new arrangements place an onus on the Board, the Secretariat and EITI supporters to help countries to ensure that they are in a position to meet their new deadlines.

Action

The Secretariat to communicate the transitional arrangements to the 2011 edition of the EITI Rules to implementing countries.

17-6 Report from the Validation Committee

17-6-A Validation Committee Draft Terms of Reference

On behalf of the Validation Committee, Mark Pearson presented the draft of the Terms of Reference for the Validation Committee, of which the Board took note. These largely followed the work practices adopted by the previous committee.

Jonas Moberg highlighted that the Terms of Reference included a review of the Validation model. This was not a task that should be underestimated, and would require consultation with validators and many stakeholders. Edward Bickham suggested that this review should include a review of the panel of validators, including looking at the effectiveness and quality of their work; whether (where relevant) they are competent in French, and whether there is sufficient consistency between validators.

17-6-B Congo re-application assessment

Congo-B's application for renewal of its candidate status was considered. Mark Pearson presented a recommendation on behalf of the Validation Committee. The Board adopted the recommendation, approving the re-application from the Congo to extend its EITI Candidate status. The Board established a new Validation deadline of 9 December 2012 in accordance with the transitional arrangements for the 2011 edition of the EITI Rules. Board members emphasised the need to closely and regularly review progress towards EITI implementation in Congo and other countries that re-apply.

17-6-C Sierra Leone re-application assessment

Sierra Leone's application for renewal of its candidate status was considered. Mark Pearson presented a recommendation on behalf of the Validation Committee. The Board adopted the recommendation, approving the re-application from Sierra Leone for extending candidate status. The Board established a new validation deadline of 9 December 2012 in accordance with the transitional arrangements for the 2011 edition of the EITI Rules.

17-6-D Madagascar request for extension

Prior to their validation deadline of 9 March, Madagascar had submitted a request for an extension until the end of October 2011. Mark Pearson reported that the Validation Committee was not able to reach a consensus and provided therefore the Board with four options. Eddie Rich was invited to update the Board on the situation in Madagascar. The EITI MSG was meeting and had recently agreed a first EITI reconciliation report, as well as selecting a Validator. They had therefore met the four required remedial actions set out by the Board in Berlin in May 2010, though well behind time and some questions remained about the legitimacy of the MSG set-up. Several board members expressed doubts about the legitimacy of the government and whether granting it an extension would imply recognition of the government.

Following deliberations, the Board agreed to grant a conditional extension until 30 September 2011, making it clear that it would in parallel consider how the EITI will deal with implementation in countries with disputed or unrecognised governments.

The Board emphasised that this decision does not set precedent for how it will deal with EITI implementation in countries with governments that are disputed or not recognised. The Board tasked the Governance Committee to propose a framework for the Board in considering such cases, by the next Board meeting in October 2011. The Board tasked the International Secretariat with conveying the decision to the government of Madagascar. The EITI status of Madagascar will be conditional on the outcome of the Board's consideration of the Governance Committee's recommendations.

17-6-E Gabon renewal of candidature

Tim Bittiger informed the Board that Gabon had not completed the remedial actions agreed by the Board by the deadline of 18 April 2011. The assumption was that Gabon was unable to finish its 2008-2009 report in time. He noted that the Validation Committee, taking into account the transition to the 2011 edition of the EITI Rules, had recommended that Gabon should have its Candidacy renewed for 18 months and will have to complete a second Validation demonstrating Compliance by 9 December 2012 or face delisting from the EITI.

Mark Pearson presented the recommendation on behalf of the Validation Committee. The Board decided to renew Gabon's EITI Candidate status for 18 months (until 9 December 2012), by which time Gabon will be required to have completed an EITI Validation that demonstrates compliance with the 2011 edition of the EITI Rules. If Gabon does not achieve Compliant status by 9 December 2012, it will be de-listed. The provisions of Requirement 5(e) in the 2011 edition of the EITI Rules regarding regular and timely reporting will be mandatory after 31 December 2012.

Board members raised concerns about the report from the Secretariat that indicated that progress in EITI implementation in Gabon appears to be slowing down.

It was agreed that the Gabon multi-stakeholder group should agree and publish a new work plan within three months (by 9 September 2011) that addresses the corrective actions agreed by the Board, sets out the actions needed to achieve compliance with the 2011 edition of the EITI Rules, and includes a schedule for a new validation to be completed by 9 December 2012.

In taking this decision the Board called on the government to renew its commitment to the EITI, and requested that the International Secretariat together with supporting organisations take steps to encourage stakeholders to quickly resume their work towards achieving Compliance.

Action

The Validation Committee to conduct a review of the Validation model.

The Governance Committee to propose a framework for how EITI deals with EITI implementation in countries with governments that are disputed or not internationally recognised.

The Secretariat to convey the Board's decisions to the governments of Congo, Sierra Leone, Madagascar, Congo, and Gabon, and to monitor progress in the countries closely.

The Board to decide Madagascar's EITI status, in the light of the framework agreed by the Board for dealing with EITI implementation in countries whose governments are not internationally recognised.

17-7 Briefing by the World Bank

Anwar Ravat, EITI Program Manager at the World Bank, briefed the EITI Board on the work of the MDTF and its strategic priorities, following a request for such a briefing from several board members. The MDTF currently has a role in 50+ countries, and in 31 of the 35 EITI implementing countries. Since MDTF's inception, no country request for support has not been met. As more countries are becoming Compliant, the focus is increasingly on post-compliant technical assistance, i.e., deepening the EITI process and making it sustainable.

Board members thanked Anwar Ravat and the World Bank for the report, and for its extensive support to EITI. Following questions from Board members, Anwar Ravat informed the Board that they are exploring how to adopt procedures for smaller allocations, and that country-by-country impact analysis is a high priority. Board members suggested that the EITI should consider alliances with other international institutions.

17-8 EITI Evaluation (introduction by Arne Disch, Scanteam)

Clare Short invited Diana Corbin, EITI Operations Officer at the World Bank, to brief the Board on the summary findings of the EITI Evaluation on behalf of the Outcome Indicators Working Group. The main findings were that EITI has built a credible international brand. There were important achievements including the establishment of multi-stakeholder groups, reconciliation reports, public debate, and increased demand for transparency in the sector. At the societal level, the EITI had created some links to broader governance reform sector, but largely within the sector. The EITI had not contributed significantly to improved accountability. At the organisational level the EITI was found to be fit to purpose, but that capacity and management should be strengthened in some areas. The report had three options that it suggested the Board should consider: 1) status quo 2) broaden existing consensus, but maintain existing EITI Validation 3) provide a more broad-based standard in line with the EITI principles where the certification scheme is based on a sliding scale. Generally, the evaluators recommended developing a comprehensive results framework, to track EITI's performance on the national and international level.

Arne Disch, from Scanteam, was invited to present the Evaluation Report. He thanked the Board for an interesting task. He said that while impressed by the strong political consensus that the EITI had been able to establish at the highest political level, the current EITI Validation methodology did not capture the ambitions of the EITI Principles. Further, it currently did not recognise all the innovations that are found in EITI countries, and should be more dynamic as framework conditions were changing. EITI countries, he noted, had functioning multi-stakeholder groups, and these could be used to link to other initiatives and institutions, such as the IMF, at the country level.

Clare Short and other Board members thanked Scanteam for the evaluation report, and took note of their recommendations. In discussion some preliminary observations were made about the recommendations. It was agreed that the report would be made public on the EITI website following the Board meeting together with a brief statement describing how the Board intends to take forward its consideration of the ScanTeam recommendations.

17-8-C Strategy Working Group

Jonas Moberg briefly introduced the proposal to establish a Strategy Working Group to take forward issues from the evaluation, the working groups and the board retreat. Jelte van Wieren suggested that a smaller group could produce a "green paper" to be considered by the EITI Board. Diarmid O'Sullivan suggested the paper should include a broad list of proposals, and decide at the next Board meeting which proposals to take forward. Clare Short invited Board members to volunteer for the working group, and said that the process would be open for all Board members and their alternates.

The Board agreed that there was a need to carefully consider the EITI's strategic options and decided to establish a Strategy Working Group. Board members were invited to join the Working Group. The Secretariat was tasked with preparing a proposal for committees and/or working groups to take forward the issues arising from the evaluation, the working groups (on outcome indicators, CSO participation, Rules revision, and incentivising compliant countries), and the Board retreat. In consultation with relevant committees, the Secretariat should propose Terms of Reference by the end of June 2011.

Action

The Secretariat to propose Terms of Reference for the Strategy Working Group by the end of June 2011.

17-9 Finance Committee: Terms of Reference for Revenue Review and Finance Committee

Dorjdari Namkhajantsan introduced the ToRs for the Finance Committee and recalled the Board's request for a revenue review. The key questions were whether the funding principles are fit for purpose, how to ensure

sufficient funding for sustainable future, and how to ensure better use of existing resources. Eddie Rich, was invited to brief the Board further, and added that a draft revenue review would be presented to the Board at its next meeting, with a final revenue review to be completed by November this year. Keith Ruddock suggested that the companies would be open to discuss increased contributions from their constituency.

Action

The Finance Committees to provide the Board with a draft Revenue Review for discussion at the next Board meeting.

17-10 Governance Committee: brief report

Keith Ruddock reported briefly on behalf of the Committee, and outlined the Committee's likely recommendation on quorums for meetings of the Board committees. The proposal was that each constituency should have at least one member present. At least one member should be from implementing countries in all the Committees except the ones which implementing country issues were less pertinent, e.g., Finance and Audit. This would have the consequence that some of the committees would need to be supplemented with new implementing country representatives.

Clare Short said that the Secretariat would circulate a new proposal, and that it should be feasible to have implementing country representatives in all the relevant committees.

Action

The Governance Committee to make a final recommendation on Committee quorums.

The Secretariat to seek implementing country representation in all relevant committees.

17-11 Next meeting

Jonas Moberg introduced the plans for the Board meeting in Indonesia, noting the opportunities for Board members and other stakeholders to engage with stakeholders on the ground.

Any other business

Candidacy and Outreach Committee

Jelte van Wieren briefed the Board on the first meeting that had been held the day prior the Board meeting. Anthony Richter was chosen as the Chair of the committee. The ToRs had been revised, and would be sent out to the Board shortly. It was agreed to ask the International Secretariat to collate information on current outreach efforts.

Proposed board meeting in February 2012

Clare Short proposed that the Board would meet 14-15 February 2012 in Abuja, Nigeria. As hosts for that Board meeting, Ibrahim Dankwanbo invited everyone to Abuja. Shahmar Movsumov expressed his willingness to host a future EITI Board meeting in Baku.

Summary of actions

The Secretariat to provide the Board with an options paper for how to deal with Validation in Côte d'Ivoire.

The Secretariat to write a letter conveying the Board's decision to the President of Yemen.

The Secretariat to communicate the transitional arrangements to the 2011 edition of the EITI Rules to implementing countries.

The Secretariat to convey the Board's decisions to the governments of Congo, Sierra Leone, Madagascar, Congo, and Gabon, and to monitor progress in the countries closely.

The Secretariat to propose Terms of Reference for the Strategy Working Group by the end of June 2011.

The Secretariat to seek implementing country representation in all relevant committees.

The Secretariat to distribute the statement from the Azerbaijan CSO collation and the response from the government of Azerbaijan by board circular.

The Validation Committee to conduct a review of the Validation model.

The Finance Committees to provide the Board with a draft Revenue Review for discussion at the next Board meeting.

The Governance Committee to propose a framework for how EITI deals with EITI implementation in countries with governments that are disputed or not recognised.

The Governance committee to address the issue of whether non-Board members could serve on Board committees

The Governance committee to look into finding a mechanism for how the Board can make decisions between board meetings when there is no clear consensus in the Board.

The Governance Committee to make a final recommendation on Committee quorums.

The Board to decide Madagascar's EITI status, in the light of the framework agreed by the Board for dealing with EITI implementation in countries whose governments are not internationally recognised.

Board Members

Chair

The Rt. Hon. Clare SHORT

Implementing Countries

Mr Abdoul Aziz ASKIA, Permanent Secretary, EITI Niger

Mr Christian MAMBU, National Coordinator, EITI DRC

Alt: **Mr Florent Michel OKOKO**, Chairman of the Executive Committee, EITI Congo

Mr Ibrahim DANKWANBO, Account General, Nigeria

Alt: **Mr Roosevelt Gasolin JAYJAY**, Minister of Lands, Mines & Energy, Liberia

Mr Shahmar MOVSUMOV, Executive Director, State Oil Fund, Azerbaijan

(Alternating for **Mr Erry Riyana HARDJAPAMEKAS**, Head of the Interim Secretariat, EITI Indonesia)

Supporting Countries

Mr Stephen GALLOGLY, Director for International Energy and Commodity Policy, State Dept., United States

Alt: **Mr Mark PEARSON**, Director General, External Relations, Science and Policy Integration, Natural Resources Canada

Ms Justine DE DAVILA, Governance Adviser, Extractives Growth and Resilience Team, Department for International Development, United Kingdom

(Alternating for **Mr José María Fernández LOPEZ de TURISO**, Director General of Planning and Evaluation of Development Policies, Ministry for Foreign Affairs and Cooperation, Spain)

Mr Jelte VAN WIJEREN, Head Good Governance Division, Ministry of Foreign Affairs, Netherlands

Alt: **Mr Jean-Luc BERNASCONI**, Head of Operations and Deputy Head, Economic Cooperation and Development, State Secretariat for Economic Affairs (SECO)

Civil Society Organisations

Mr Dorjdari NAMKHAIJANTSAN, Open Society Forum, Mongolia

Alt: **Mr Mericio J. DOS REIS "Akara"**, Luta Hamutuk Institute, Timor-Leste

Ms Hannah OWUSU-KORANTENG, Wacam, Ghana

Alt: **Mr Sabit BAGIROV**, Center for Economic and Political Research, Azerbaijan

Mr Jean Claude KATENDE, Association Africaine de Défense des Droits de l'Homme, PWYP Coordinator, Democratic Republic of Congo

Alt: **Mr Ali IDRISSE**, Réseau pour la Transparence et l'Analyse Budgétaire/PWYP, Niger

Mr Diarmid O'SULLIVAN, Global Witness, United Kingdom

Alt: **Mr Eelco DE GROOT**, Cordaid, The Netherlands

Mr Epifanio BACA TUPAYACHI, Grupo Propuesta Ciudadana, Peru

(Alternating for **Mr Anthony RICHTER**, Revenue Watch Institute, United States)

Companies including Investors

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

Mr Stuart BROOKS, Manager, International Relations, Chevron
Alt: **Mr Guillermo GARCIA**, Head of Revenue Transparency, ExxonMobil

Mr Olivier LOUBIÈRE, Corporate Business Ethics Advisor, AREVA
Alt: **Mr Jim MILLER**, Vice President, Environmental Affairs, Freeport-McMoRan, Copper&Gold Inc.

Mr Edward BICKHAM, Advisor, International Council on Mining and Metals
(Alternating for **Dr R. Anthony HODGE**, President, International Council on Mining and Metals)

Mr Keith RUDDOCK, General Counsel, Exploration & Production, Royal Dutch Shell
Alt: **Ms Elodie GRANT GOODEY**, Communications and External Affairs, British Petroleum

Mr David DIAMOND, Head of SRI, Allianz GI Europe
(Alternating for **Ms Julie McDOWELL**, Head of SRI, Standard Life Investments)

Secretary to the Board: **Jonas Moberg**, Head of Secretariat

Observers

Ms Marta ABRANTES, International Relations & Enlargement, Directorate-General for Energy, European Commission

Mr Didier Kokou AGBÉMADON, EITI Secretariat, Togo

Mr Javier AGUILAR, Deputy Program Manager, World Bank

Ms Zainab AHMED, EITI Nigeria (NEITI) National Coordinator, Nigeria

Mr Manpreet ANAND, Chevron

Ms Gro ANUNDSKAAS, Assistant Director General, Ministry of Petroleum and Energy, Norway

Ms Sally APLIN, First Secretary, Australian Embassy, The Hague

Mr Michael BARRON, Policy & Corporate Affairs Manager, BG Group

Ms Karla BASSELIER, Attaché Analyst, Federal Public Service Foreign Affairs, Foreign Trade and Development Co-operation, Belgium

Mr Wouter BIESTERBOS, Senior Policy Officer, Good Governance Division, The Netherlands

Mr Olivier BOVET, Programme Manager Trade Promotion, State Secretariat for Economic Affairs SECO

Mr Antonio CALIRI, Ministry of Foreign Affairs, Italy

Ms Diana CORBIN, Operations Officer, Donor Relations Extractive Industries Transparency Initiative (EITI), WB

Mr Hervé CRONEL, Special Adviser to the Secretary General, International Organisation of the Francophonie

Mr Marcello DELL'ORSO, Ministry of Foreign Affairs, Italy

Mr Arne DISCH, Managing Partner, Scanteam, Norway

Mr Farid FARZALIYEV, State Oil Fund, Azerbaijan

Ms Nicola GORDON-SMITH, Assistant Secretary, Trade Competitiveness and Advocacy Branch, Trade and Economic Policy Division, Department of Foreign Affairs and Trade, Australia

Ms Lotte de GROOT, Good Governance Division, MFA, the Netherlands

Ms Sophia HARDING, Programme Officer, Publish What You Pay (PYWP)

Mr Rovshan ISMAYILOV, Economist, Oil Contracts Department, State Oil Fund, Azerbaijan

Ms Carine KHAWAM, Canadian International Development Agency

Ms Saskia de LANG, Special Energy Envoy, Ministry of Foreign Affairs, The Netherlands

Mr Geir LØKKEN, Ministry of Foreign Affairs, Norway

Mr Ron LYEN, Director, International Affairs Division, Natural Resources, Canada

Mr Carlo MERLA, PWYP Africa Regional Coordinator

Mr Mohammed MOTIWALA, Energy and Natural Resources Division, US State Department

Mr Gilbert MAOUNDONODJI, Coordinator GRAMPTC, Chad

H.E. Birgitta NYGREN, Ambassador, Ministry of Foreign Affairs, Sweden

Ms Agnès Solange ONDIGUI OWONA, Coordinator of the Technical Secretariat, EITI Cameroon

Ms Marta PEDRAJAS, Head of Economic Development Policy Planning Unit, Ministry of Foreign Affairs, Spain
Mr Christian PETERS, Programme Officer, Economic Governance and Budget Support, European Commission
Ms Suzanne RASTOVAC, Good Governance Division, MFA, the Netherlands
Mr Anwar RAVAT, Program Manager, EITI, Oil, Gas and Operations Unit, World Bank
Mr Paulo de SA, Manager, Oil, Gas and Mining Policy Division, World Bank
Mr Jannick SAEGERT, Federal Ministry for Economic Cooperation and Development, Germany
Ms Bea Ten TUSSCHER, Director, Human Rights, Gender Equality, Good Governance & Humanitarian Aid Department, Germany
Mr Lodewijk Gualtherie van WEEZEL, Legal Counsel, Shell International BV
Mr Sayon Henry YAIDOO, Head of Secretariat, Liberia Extractive Industries Transparency Initiative (LEITI)
Ms Gabriele ZÖLLER, Federal Ministry for Economic Cooperation and Development, Germany

EITI International Secretariat

Mr Sam BARTLETT, Technical and Regional Director
Mr Tim BITTIGER, Regional Director
Ms Marie-Ange KALENGA, Regional Director
Ms Leah KROGSUND, Executive Secretary
Mr Anders Tunold KRÅKENES, Communications Manager
Mr Francisco PARIS, Regional Director
Mr Jürgen REITMAIER, Special Adviser
Mr Eddie RICH, Deputy Head of Secretariat

ANNEX 1: TRANSITION PROCEDURES FOR THE 2011 EDITION OF THE EITI RULES

Preamble

On 16 February 2011 the EITI Board agreed a new edition of the EITI Rules¹ (hereafter referred to as “the 2011 edition of the EITI Rules”). It replaces an earlier version that was entitled *EITI Rules including the Validation Guide* issued on 24 February 2010 (hereafter referred to as “the previous edition of the EITI Rules”). On 9 June 2011 the EITI Board agreed the following procedures for how the 2011 edition of the EITI Rules will come into force.

Transitional arrangements

Any country admitted as a Candidate from 1 July 2011 onwards shall be subject to the 2011 edition of the EITI Rules.

The Board agreed that the 35 countries currently implementing the EITI are grouped according to their progress in EITI reporting and Validation, with transitional arrangements tailored to each group as follows:

Group 1 - Compliant countries: (Azerbaijan, Liberia, Timor-Leste, Ghana, Mongolia, Kyrgyzstan, Niger, Nigeria, Central African Republic, Norway, Yemen)

- No change to the existing Validation deadline.
- Compliant countries are encouraged to make the transition to the 2011 edition of the EITI Rules as soon as possible. Compliant countries should complete EITI reports in progress under the previous edition of the EITI Rules. Subsequent reports must be conducted in accordance with the 2011 edition of the EITI Rules.
- In the event that the Board calls for a new (early) Validation, the Board will consider the status of EITI reporting in the relevant country and determine an appropriate deadline for completing a Validation that will be conducted in accordance with the 2011 edition of the EITI Rules.
- The provisions of Requirement 5(e) regarding regular and timely reporting will be mandatory after 31 December 2012 (i.e., Compliant countries must publish an EITI report by 31 December 2012 that meets the requirement for regular and timely reporting).
- All Compliant countries are required to publish an annual report as per requirement 21(c) as soon as possible and no later than 1 July 2012. The report should include an update on efforts to ensure compliance with the 2011 edition of the EITI Rules.

Group 2 - Candidate, close to Compliant Countries: (Cameroon, Gabon, DR Congo, Kazakhstan, Mali, Mauritania, Peru)

- No change to the deadline to request a secretariat review.
- The secretariat review will be conducted in accordance with the previous edition of the EITI Rules. Following the completion of that review:
 - Countries declared Compliant will be treated as per group 1;
 - Any country that does not request a secretariat review, or that does not achieve compliance following a secretariat review, will have its candidacy renewed for 18 months, by the end of which it must have completed a Validation that demonstrates compliance with the 2011 edition of the EITI Rules. If the country does not achieve Compliant status by the end of the 18 month period it will be de-listed.

¹ The 2011 edition of the EITI Rules and the previous edition are available online: <http://eiti.org/document/rules>. A summary of the major changes is also available: <http://eiti.org/news-events/2011-edition-eiti-rules>

- Required to meet Requirement 5(e) of the new Rules on regular and timely reporting by 31 December 2012 or the end of their maximum candidacy period, whichever is later. In the interim (prior to 31 Dec 2012), the Board may apply the previously established principle that countries where EITI reporting is irregular and/or the published data is substantially out of date will not be designated Compliant.

Group 3: Candidate Countries (meaningful progress after Validation): (Congo, Sierra Leone)

Note: In Brussels the Board agreed that these countries would retain their status as Candidate countries, subject to a clearly defined and agreed work plan for achieving Compliant status, including a schedule for the next EITI Validation. These applications have been processed (see annex 2).

- If the submitted work plans are satisfactory, these countries will have their candidacy renewed for 18 months from the date of the Board's decision. At the end of this period the country must have completed a Validation that demonstrates compliance with the 2011 edition of the EITI Rules. Any country that does not achieve Compliant status by this deadline will be de-listed.
- Required to meet Requirement 5(e) of the new Rules on regular and timely reporting by 31 December 2012. In the interim (prior to 31 Dec 2012), the Board may apply the previously established principle that countries where EITI reporting is irregular and/or the published data is substantially out of date will not be designated Compliant.

Group 4. Candidate Countries (with Validation deadlines in 2011): (Madagascar, Tanzania, Albania, Burkina Faso, Mozambique, Zambia)

- Noting the rationale underpinning the Board's decision in Paris to grant Tanzania an extension² the Validation deadlines for Albania, Burkina Faso, Mozambique and Zambia were extended by 6 months to 14 November 2011. Should the final reports be submitted by 1 September 2011, the Board commits to considering those reports at the Board meeting scheduled for 25 & 26 October 2011;
- The Validation will be conducted in accordance with the previous edition of the EITI Rules.
- Following the completion of Validation:
 - Countries declared Compliant will be treated as per group 1;
 - A country that has made meaningful progress but not achieved compliance will have its candidacy renewed for 18 months, by the end of which it must have completed a Validation that demonstrates compliance with the 2011 edition of the EITI Rules. If the country does not achieve Compliant status by the end of the 18 month period it will be de-listed;
 - The MSG may request a waiver from the requirement to undergo a second Validation on the grounds that the remedial actions necessary for achieving compliance are not complex and can be undertaken quickly. It will be within the discretion of the Board to determine whether to grant the waiver request. If the waiver request is made in 2011 and subsequently granted, the secretariat review will be conducted in accordance with the previous edition of the EITI Rules regardless of the date of the Board decision.
- Required to meet Requirement 5(e) of the new Rules on regular and timely reporting by 31 December 2012 or the end of their maximum candidacy period, whichever is later. In the interim (prior to 31 Dec 2012), the Board may apply the previously established principle that countries where EITI reporting is irregular and/or the published data is substantially out of date will not be designated Compliant.

Group 5. Candidate Countries (with Validation deadlines in 2012 or 2013): (Afghanistan, Iraq, Chad, Indonesia, Togo, Guatemala, Trinidad and Tobago, Guinea)

² The Board has noted that the 2011 edition of the EITI Rules gives countries 2.5 years to complete Validation (an increase in 6 months compared to the previous edition of the EITI Rules). The Board agreed that in the interests of fairness, these four countries are granted an extension of six months to complete Validation. This is a one-off decision, to reflect the transition from the current to the new Rules, and will not set a precedent for interpretation of the new Rules once they come into force. For further detail on the Tanzania decision, refer to :

http://eiti.org/files/FINAL_Minutes_of_the_15th_Board_Meeting_Paris_1_March.pdf

- Each country's current Validation deadline will be extended by 6 months to allow countries to bring their EITI reporting in line with the 2011 edition of the EITI Rules;
- Validation will be conducted in accordance with the 2011 edition of the EITI Rules;
- A country that has made meaningful progress but not achieved compliance will have its candidacy renewed for 18 months, by the end of which it must have completed a Validation that demonstrates compliance with the new Rules. If the country does not achieve Compliant status by the end of the 18 month period it will be de-listed;
- Required to meet Requirement 5(e) of the new Rules on regular and timely reporting by 31 December 2012 or the end of their maximum candidacy period, whichever is later. In the interim (prior to 31 Dec 2012), the Board may apply the previously established principle that countries where EITI reporting is irregular and/or the published data is substantially out of date will not be designated Compliant.

Group 6. Others. (Côte d'Ivoire).

- Côte d'Ivoire – To be advised, subject to the Board's deliberations on the final Validation report from Côte d'Ivoire.