Minutes

EITI International Secretariat   31 October 2014

Contents

MINUTES OF THE 28TH EITI BOARD MEETING

14 OCTOBER 2014

28-1 Welcome and adoption of the agenda

The Chair opened the meeting by introducing new Board members from the supporting countries constituency. The Board welcomed Maria Inmaculada Montero-Luque, Policy Officer, European Commission, and her alternate Marine de Carne De Trecesson, Ambassador, Corporate Social Responsibility, Ministry of Foreign Affairs, France. The Board also welcomed Mary Warlick, State Department, USA, alternate to Mark Pearson. The Chair noted that although the Board was quorate, many Board members and their alternates from the implementing countries constituency were absent. Following a recommendation from the Governance Committee, the Board agreed that Board Members who were not able to attend Board meetings could follow proceedings through Skype. The Chair noted that in case of unavailability, Board Members should convey their views in writing ahead of the meeting.

The Chair suggested minor changes in the order of the agenda. The agenda was adopted.

28-2 Report from the Head of the Secretariat

Jonas Moberg expressed his gratitude to the Government of Myanmar for hosting the meeting. He also acknowledged the extensive collaboration between stakeholders and the International Secretariat in preparation of the Board meeting and side events. Jonas provided an update on Secretariat activities since the last Board meeting, noting the following:

- There were intense activities in preparing for the publication of the first batch of **EITI Reports** under the EITI Standard. As many as 38 EITI Reports were expected by the end of the year. Assisting countries with EITI reporting had been a key aspect of the Secretariat's activities since the last Board meeting in July.

- The Secretariat had carried out a number of training activities, including regional **training sessions** for National Coordinators in Addis Ababa and in Dakar as well as mostly in-country training for MSGs'. Around 20 countries had taken part in regional or in-country training during the last couple of months. Incoming visits to the International Secretariat included Federal judges from Nigeria and delegations from Myanmar, Namibia and Sierra Leone and Russia. The Secretariat had begun developing a new training strategy for 2015.

- **Communication efforts**, which included the publication of blogs, news items and updated factsheets, including a new Chinese factsheet. The Secretariat had also started preparatory work for a new design of the EITI website that would shift the focus from the EITI as an organisation to

implementing countries and the information it generates.

- The work on **data standards** was progressing in collaboration with the IMF to integrate IMF coding in the production of EITI Reports.

28-2-A Implementation Progress Report (IPR) June-September 2014

Jonas introduced the IPR by stressing the need to focus on progress and challenges in various countries rather than the format of the report. Without forming a definite trend of deterioration or improvements over the previous three months, some countries would have difficulties in meeting the end of year reporting deadlines. **Albania**, **Liberia** and **Kazakhstan** had published reports based on the new Standard.

Almost all implementing countries had published **Annual Activity Reports**. The Secretariat had published a summary of findings from these reports on the EITI website.

The IPR flagged six countries facing significant challenges: **Afghanistan, Central African Republic, Indonesia, Sao Tome and Principe, Tajikistan and Yemen**. Jonas noted that **Iraq** could also be part of this list and called on Eddie Rich to provide more details on countries facing instability and conflict.

Eddie reported on the wide spread of humanitarian, political and security crises affecting EITI countries, including the Ebola crisis in **Guinea**, **Liberia, and Sierra Leone**; the deteriorated security situation caused by Boko Haram in **Nigeria**; the conflict in the Middle East, especially the Islamic States of Iraq, Syria and the Levant (ISIL); and civil wars in **Libya**, **Ukraine and Yemen**.

Eddie highlighted the link between fragility and resource rich countries, and suggested that this link was part of the rationale for the EITI. He noted that near breakdown of law and order could hinder EITI effectiveness, and civil society engagement in the process. He stressed that the response to these challenges varied country by country using various tools in the EITI Standard. When requested by implementing countries, extension of deadlines in accordance with EITI Requirement 1.6.d could be an adequate response from the Board. In other cases, suspension could be necessary, in accordance with EITI Requirement 1.7. Delisting was also available as an extreme measure. Despite the dire situation in many countries, Eddie reported that the EITI process often continued under difficult circumstances. **Sierra Leone** had submitted an extension request for its reporting deadline. The Secretariat expected a request from **Liberia** to postpone Validation scheduled to commence in July 2015. **Iraq** had made progress in reporting despite delays in the data collection process. **Yemen** had been suspended three times in the past due to delays in reporting and the country was likely to miss its reporting deadline again in December 2014. In **Ukraine**, the civil war had derailed implementation, but increased the need for information from EITI Reports. Implementation was stalled in the **Central African Republic** although the deployment of a UN peace keeping mission in September could improve the security situation. The International Secretariat was due to conduct a review on the implementation of corrective actions in **Afghanistan,** but its challenging circumstances could delay the review.

Jim Miller recommended that the Chair write on behalf of the EITI Board to the MSGs in countries facing significant challenges, to convey the Board's support and encouragement. The Chair noted that she had written to leaders of Ebola-affected countries in West Africa. She agreed to review other cases and write as appropriate.

Faith Nwadishi reported on her visit to **Ethiopia**. She noted that following her meetings with Ethiopian civil society in the previous two weeks, civil society groups would hold a general assembly in November to designate their representatives to the MSG. She also inquired about the situation of civil society in **Niger**, following Ali Idrissa's brief arrest in July.

Regarding the situation in **Niger**, Abdoul Aziz Askia noted that Ali Idrissa's arrest was regrettable and that all stakeholders had united in condemning Ali's arrest and asked for his immediate release. Ali Idrissa expressed gratitude to the Chair and others Board members for their support. He added that while freedom of expression was not a major concern in Niger, he cautioned against eroding the space for civil society.

Fabby Tumiwa pointed out that the conditions for local CSOs in **Myanmar** were still challenging and referred to the press release issued by the Myanmar Alliance for Transparency and Accountability the day before. He asked for an update on progress with the issues raised during the discussion of Myanmar's candidature application, including the inclusion of beneficial ownership and contract transparency as well as the enabling environment for civil society, in particular in the regions. In response, Dyveke Rogan explained that contract transparency and beneficial ownership were included in the TORs for the scoping study and that this included assessing the feasibility of contract disclosure as well as identifying a methodology for reporting on beneficial ownership. She recognised the valid concerns for space for civil society participation at the subnational level and noted that there had been encouraging developments in the last months, including several conversations at the MSG level, establishment of four subnational pilots and outreach events to Kayin, Kachin and Mandalay.

Marinke van Riet noted that despite the political instability in **Ukraine**, the MSG was functioning, but delays in the disbursement of the MDTF grants remained a major obstacle to EITI implementation. Paolo de Sa explained that the grant application had not been finalised. In responding to Marinke van Riet's inquiry about the double-standard that seemed to apply to suspension, citing the example of **Central African Republic** and **Iraq**, Jonas explained that the Central African Republic was suspended following a coup d'état in March 2013 and that the violence that erupted afterwards made EITI implementation practically impossible. A transition government took office in January 2014 and requested a renewal of the suspension. Violence in Iraq had not significantly disrupted activities in Bagdad and the change of government was within the framework of Iraq's constitution. Marinke Van Riet also underlined the important challenge that was still ahead of the Board with the implementation of the new Standard, given that many countries were already facing significant delays and will probably need an extension of their

reporting deadline by the end of the year.

Maria Inmaculada Montero-Luque commended the International Secretariat on the thematic focus of the IPR on **data accessibility**. She requested clarification on the relationship between IMF and the Secretariat on the reporting templates. She recommended that the summary table of EITI Reports should include a column on comparability of EITI data with other sources.

Ali Idrissa requested an update on the progress of reforms affecting the State Owned Enterprises (SOEs) in the **Democratic Republic of Congo**. Bady Balde reported that there had been progress since the last Board meeting. Stakeholders remained engaged in the review of the mining code. More disclosure was expected from SOEs as part of the next EITI Report under the EITI Standard.

28-2-C Outreach Progress Report June-September 2014

Jonas Moberg introduced the OPR highlighting the following:

- **Australia** had completed its EITI pilot, which recommended to the government implementation of the EITI Standard. Companies were particularly supportive of the process. Jonas had met the Industry Minister, Hon Ian Macfarlane on 24 September.

- **Mexico** had approved energy reform legislation and continued to look positively at EITI implementation but a formal announcement to implement the EITI might take time.

- **Germany** had made progress towards implementation of the EITI. The Chair was due to attend an EITI-launch meeting in late November.

- A delegation from the **Russian's** Ministry of Economy visited the Secretariat in July.

- **Lebanon** was interested in implementing the EITI and the government was due to host a regional conference in October.

- Clare and Jonas visited **Malaysia** ahead of the Board meeting. Both the government and Petronas had expressed interest in continuing discussions.

Alan McLean inquired about progress in **Gabon**. The International Secretariat reported that the government was considering the submission of an application to the EITI.

Michel Okoko and Pablo Valverde had visited **Equatorial Guinea** in September and met with stakeholders who appeared committed to submitting a candidature application.

Manuel Adamini called for looking jointly at the different reports and documents such as the IPR, the OPR, the Outreach strategy, the International Secretariat Workplan and the Scanteam EITI/MDTF report. While welcoming Manuel's suggestion, Jonas noted that the IPR and OPR were not designed to reflect a full picture of progress, but rather focused on challenges.

Fabby Tumiwa highlighted that **Laos** had shown interest in the EITI on repeated occasions in the last years. Jonas noted that political support remained uncertain.

Faith Nwadishi asked at what point countries that had made commitment to implement the EITI but did not submit a candidature application could still be considered as committed. The International Secretariat explained that this would vary from country to country, depending on the potential for EITI and likelihood of success.

Maria Inmaculada Montero-Luque reported that with the adoption of the EU accounting and transparency directive, more EU countries were expected to join the EITI. Countries like **France** had translated the EU directive into national legislation in September, the **UK** is finalising its own draft Regulation, **Italy** had forwarded the Directive for approval by the Italian Parliament and **Switzerland** had communicated its intentions to amend the existing rule and regulation regarding transparency of extractive companies in order to align them with provisions made in the EU Directive on Accounting and Transparency and in the US Dodd-Frank Act, Section 1504.

Marinke van Riet extended an invitation on behalf of Civil Society in **South Africa** to the Chair to attend the Alternative Mining Indaba summit. Clare noted that a recent government reshuffle opened new opportunities for discussions in South Africa, but that she had not received an invitation from CSOs in South Africa. Marinke also reported more interest from local civil society groups to form a PWYP coalition to work on mandatory disclosures and/or the EITI.

Pekka Hukka reported that the Outreach and Candidature Committee was reviewing the effectiveness of the outreach strategy, including how to respond to countries showing interest in implementing the EITI.

Actions

The OCC with the support from the International Secretariat to review the outreach strategy.

28-3 Report from the World Bank MDTF, including presentation on progress with the World Bank/IMF Revenue Management Strengthening Project

Paolo de Sa explained that the EITI-MDTF was being phased out and being replaced by a facility that would provide a more comprehensive response to governance challenges along the entire value chain of the extractive industries. The SEGOM division that provided support to EITI had become part of a global practice, which included a new trust fund, the Extractive Global Practice Support (EGPS). This trust fund was expected to be in place in January 2015. The EITI-MDTF, which was due to expire in December 2015, had published its second annual activity report. In order to reduce the transaction cost, and address the issue of the grant being too small and too short-sighted, the Bank was shifting to a 5-year programme.

Andrew Schloeffel made a presentation on the **World Bank/IMF Revenue Management Strengthening Project**. The project aimed to improve data interoperability by the following steps: conducting a desktop

review of international good practices; fields visits (if required); suggesting options for improved standardised reporting of EITI data, options for providing improved access to EITI data; and testing EITI data reported under the Standard. Andrew stressed that the project was not aimed at prescribing rules for EITI data reporting nor limiting the freedom of MSGs to report information in ways that best suited their needs.

Manuel Adamini commented that comparable data was welcomed by investors allowing credit rating agencies to use EITI data in its risk analysis and country assessments. Other Board members raised concerns for an additional burden to countries, as well as that the IMF Revenue Management standard did not meet the open data definition which is so crucial for civil society.

Jonas Moberg explained that this project was in line with EITI Requirement 6 and therefore the World Bank/IMF project would not impose any additional requirements.

28-2-B Azerbaijan (closed session – Board members and their alternates only)

The Board discussed Azerbaijan during several closed sessions. Subsequent to an invitation from the Government of Azerbaijan, the fact-finding mission had taken place on 19-22 September 2014. Some in the Industry constituency considered that validation should proceed as scheduled in mid- 2015, thus allowing more time for remedial action. The implementing country constituency expressed concern about the consequences of the Board's decision for Azerbaijan's continued engagement in the EITI. The following was agreed by the Board on 15 October and circulated to Board members and alternates through Board circular 180 for final agreement on a no-objection basis:

The Board discussed the findings of the fact-finding mission and agreed that the situation for civil society in Azerbaijan was unacceptable. EITI implementation could not take place with the current circumstances for civil society.

All civil society Board members called for immediate suspension in accordance with Requirement 1.7.a.

The Board based its discussion on the report from the fact-finding mission, which found that Requirement 1.3(a-e) was not being adhered to. The EITI Board called on the government of Azerbaijan to reaffirm its commitment to work with civil society and ensure an enabling environment for civil society participation in the EITI. The EITI Board further requested that the government and the EITI multi-stakeholder group in Azerbaijan take steps to ensure that civil society could resume its role in the EITI process and carry out the tasks foreseen in the EITI workplan, including by ensuring that civil society representatives substantively involved in the EITI process are able to:

(i) Freely access and use funding to carry out their activities, including those of the EITI Coalition. Specifically, the government should ensure that the EITI Coalition and its members and employees are able to access their bank accounts and register new grants for the purpose of activities related to the EITI process and natural resource governance, and any further restrictions on NGO operations in natural

resource governance should be avoided.

(ii) Speak freely about the EITI process and express views on natural resource governance without fear or threat of reprisal or harassment of civil society members substantively involved in the EITI process. Specifically, the government should ensure that the Coalition is able to freely access space for public events related to the EITI and facilitate public awareness campaigns and debates related to the EITI process and natural resource governance.

 (iii) Organise training, meetings and events related to the EITI process and natural resource governance.

The EITI Board agreed that progress on these actions, in addition to adherence to all EITI Requirements based on Azerbaijan's 2013 EITI Report, would be assessed in conformity with the EITI Standard with early Validation to commence on 1 January 2015 and be completed no later than early February 2015 for discussion by the Board at its February meeting. Should Validation conclude that Azerbaijan has met all EITI Requirements, Azerbaijan will maintain its status as compliant with the EITI Requirements in accordance with Requirement 1.6.b. Should Validation conclude that Azerbaijan has made meaningful progress towards achieving EITI Compliant status but has not met all of the requirements, Azerbaijan will have its status downgraded from compliant to candidate in accordance with Requirement 1.6.b. Should Validation conclude that Azerbaijan has made no meaningful progress with EITI implementation, Azerbaijan will be delisted in accordance with Requirement 1.6.b. Should Validation conclude that it is manifestly clear that a significant aspect of the EITI Principles and Requirements is not being adhered to, the EITI Board will suspend or delist Azerbaijan in accordance with Requirement 1.7.a.

It was proposed that a high-level mission might visit Baku to help convey the above.

Actions

The EITI Board to consider a high-level mission to Baku to convey the Board's decision.

Azerbaijan to undertake early Validation in accordance with the EITI Standard to commence on 1 January 2015.

15 OCTOBER 2014

28-4 Report from the Implementation Committee

Daniel Kaufman reported that the Implementation Committee had discussed and agreed in principle the draft Terms of Reference (TORs) for Validators, including the civil society protocol that was submitted to the Board for consideration.

28-4-A Terms of reference for Validators, including civil society protocol

Dyveke Rogan introduced the paper, highlighting the following:

- The TOR for Validators were aimed at guiding validators on how to assess compliance with the EITI Requirements, including the type of evidence that should be gathered to substantiate such assessment.

- The suggested TORs were structured around three pillars for the assessment: 1) oversight of the process by the Multi-Stakeholder Group; 2) disclosure of payments and revenues and the contextual information; and 3) outcomes and impact of the process. Similarly, the proposed civil society protocol was aimed at providing guidance on how civil society participation in the EITI process should be assessed.

The Chair noted that these proposed papers were draft documents and that the Committee was seeking agreement by the Board in principle. Further consultation with implementing countries and validators was needed before the final version could be submitted to the Board for approval via circular. The expectation was that the TOR and protocol would come into force by 1 January 2015. Alan McLean pointed out that the agreement reached in principle should apply to any Validation that occurs before the scheduled batch of Validations for 2015.

Michel Okoko suggested that in addition to the protocol for civil society, the Board should consider a similar protocol for governments and for companies. Stuart Brooks recalled that this issue had been considered in the past, and companies had concluded that a protocol was not required. Brendan O'Donnell suggested that key recommendations from the upcoming MSI Integrity report should be reviewed as part of these wider consultations. Dyveke pointed out that the documents had already incorporated issues identified in the early versions of the MSI Integrity report, such as conflict of interest. The Chair noted that she had not seen the MSI Integrity report, which is still in draft form. It was agreed that the main findings should be shared with the Board, when final."

Dyveke reported that the Committee had reached a consensus on Option 1 in section 2.6 that read: "For contextual purposes, the EITI Board will review the broader environment in which the EITI operates for

example by reference to indicators or other types of assessments relevant to the issue addressed in 2.1-2.5 above."

Regarding the selection of Validators, Jim Miller and Maria Inmaculada Montero-Luque requested further information about the applicable procedures and guidelines. Sam Bartlett reminded the Board that the EITI Standard in Section 3.3 of the Validation Guide (p.38) established the process by which countries could express their consent to the selection of the validator. Dyveke reported that the Board had agreed in Mexico that the Validation Committee would develop procedures for validator procurement and review the existing pool of validators as soon as the TORs had been agreed. Matthew Bliss recommended further consultation between the Implementation Committee and the Validation Committee in finalising the TORs.

Regarding the issue of project-by-project reporting, Dyveke reported that the Implementation Committee had agreed to recommend to remove the footnote, and to stress the word "provided" by putting it in bold. The language in the TOR would thus be consistent with the language in the Standard, i.e. "Reporting at project level is required, provided that it is consistent with the United States Securities and Exchange Commission rules and the forthcoming European Union requirements." There continued to be differing interpretations of the language in Provision 5.2(e) with respect to whether project-level reporting is currently required or not. However, the Board agreed amendments to the TOR for Validators as suggested by the Implementation Committee.

Actions

The Validation Committee to develop procedures for procurement of validators and review the current pool of validators.

The International Secretariat to consult implementing country MSGs and validators on the TORs for validators and the civil society protocol, and present an updated version to the Board for approval via circular.

28-4-B Update on the beneficial ownership pilot

Dyveke Rogan provided an update on progress on the beneficial ownership pilot. From the originally committed 14 countries, **Iraq** had withdrawn its participation and **Trinidad and Tobago** had decided to postpone the implementation of the pilot. Progress had been made in **Liberia**, **Togo**, and **Zambia**. **Nigeria** adopted a two stage process: to first disclose corporate ownership, then the beneficial owner, which meant that at the moment they are not piloting beneficial ownership. Dyveke added that while countries were encouraged to continue considering disclosure of beneficial ownership, a cut-off date in mid-2015 was proposed in order to evaluate the pilot. Common issues which countries were having to work through included defining beneficial ownership, the potential need for a legislative base and selecting the appropriate lead agency.

Mack Dumba reported that the **Democratic Republic of Congo had** made progress in overcoming legal obstacles and that the MSG had agreed a materiality threshold of 3% for ownership reporting. Faith Nwadishi welcomed the initial approach in **Nigeria** but alerted that much more training and resources were needed to trace beneficial ownership especially with indigenous operators. Brendan O'Donnell welcomed progress in countries like **Mongolia** and the **United Kingdom** which had incorporated beneficial ownership in legislation, and the progress in **Myanmar**, whereby companies had already started to disclose their beneficial owners on request, was encouraging. He raised concerns about the timing of the pilot projects, and advised against elongated scoping studies, and noted that while progress in Nigeria was welcomed, it did not constitute disclosure of beneficial owners. He offered to share Global Witness's experience on addressing this beneficial ownership issue to any MSG interested. Manuel Adamini highlighted that this type of information was useful to investors to help monitor compliance with various regulations.

Actions

The International Secretariat to continue monitoring and supporting the pilot.

28-4-C Sierra Leone: Reporting deadline extension request

Eddie Rich introduced the paper, highlighting that SLEITI had begun working on the next reporting cycle but that data collection was difficult due to Ebola. Sierra Leone had asked for a six months extension to the reporting deadline. Jim Miller suggested granting an open-ended extension. Alan Knight seconded Jim's suggestion. There were no objections to an open-ended extension. Eddie confirmed that the language of the decision would be modified to reflect this agreement. The Board approved the recommendation to extend Sierra Leone deadline due to the Ebola outbreak, while making it clear that the extension was open ended subject to improvements in the country.

Actions

The International Secretariat to modify the language to make the extension open ended.

The Chair to write to the Government of Sierra Leone conveying the Board decision and expressing the Board's support and encouragement.

28-4-D Joint EITI Secretariat and WB EITI MDTF TA review: Draft Scanteam report

Arne Disch presented[1] key findings of the Scanteam review. He pointed out that the review was mainly structured in two parts to address: 1) the technical assistance (TA) support provided to EITI implementing countries and 2) the issue of funding for this TA. He emphasised that while the EITI Rules had provided both an arena and a collaborative model for collective action, the EITI Standard required a new set of capacities.

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[1] Slides of the presentation are attached in Board Circular 181.

Equally important was ensuring the mainstreaming of the EITI through reform processes and government systems. Arne highlighted that TA providers should consider a regional approach to channel most of the assistance. Scanteam suggested the creation of regional hubs of expertise, capacity development and provision of guidance and interactive learning. The Chair noted that there was an opportunity to free up resources from one off grants to a more comprehensive package that would make better use of the resources available. Paulo de Sa added that provision of TA was delivered beyond the grant system and that the Bank was seeking to streamline its procedures in an integrated approach to maximise on the synergies between various support along the value chain.

Board members, including Jim Miller, Manuel Adamini and Alan McLean commented on the idea of regional hubs. It was recommended that this regional hub should include knowledge centres, think tanks, universities and other local bodies as the primary source of training. However, it was pointed out that interpreting EITI and its priorities cannot be contracted out and it would be essential to preserve the delicate balance achieved through the multi-stakeholder process at the level of the International Board should not be open to reinterpretation according to the political agendas of local partners. This would need to be tightly controlled.

Jonas welcomed the recommendations in the report and suggested that the draft report be considered by all Board committees and that the International Secretariat could collate the comments and provide Scanteam with the feedback.

Actions

The International Secretariat to collate comments from Board members and provide feedback to Scanteam by 31 October.

28-5 Report from the Validation Committee

Brendan O'Donnell reported that the Validation Committee had considered the Secretariat Reviews for Chad and Indonesia and had reached a consensus in both cases. He called on the Secretariat to introduce the papers.

28-5-A Secretariat Review: Chad

Bady Balde introduced the paper. Chad's original Validation deadline was 15 October 2012, but the country experienced difficulties in the recruitment of an accredited Validator and requested an extension of the deadline. At its meeting in Lusaka in October 2012, the Board extended the Validation deadline by six months to 23 May 2013. The final Validation Report, which concluded that Chad had not met all the requirements, was submitted to the International Secretariat on 23 May 2013. The Board agreed with the Validator's findings and requested corrective actions for Requirements 5, 8, 9, 11, 12, 13, 14 and 15 and

tasked the International Secretariat to conduct a review by 23 August 2014, in accordance with the EITI Rules (2011 edition).

In response to the Board's decision, the High National Committee (HNC) published a new workplan in December 2013 in accordance with EITI Requirement 5. With regards to reporting requirements (9, 11, 12, 13, 14 and 15) Chad published its 2012 EITI Report in March 2014. More importantly, the government undertook important reforms to lift barriers to implementation as requested by EITI Requirement 8. These reforms included strengthening government records keeping systems, which allowed real-time monitoring of US $2 billion in annual revenues from the oil and gas sector for the first time. The HNC subsequently invited the International Secretariat to assess whether the remaining EITI Requirements had been met.

The International Secretariat conducted a review in September 2014 and concluded that all remedial actions had been completed and the outstanding Requirements had been met. The Validation Committee approved the Secretariat's conclusion and recommended that Chad is designated compliant with the EITI Requirements. **The Board did not have questions or concerns and agreed with the Committee's recommendation that Chad be designated EITI Compliant.** The Board decision is set out in Annex A.

Dr. Ali A. Hamit E. Moutaye, Advisor to the President of Chad on Mining, Energy and Petroleum, welcomed the Board decision and reiterated the government commitment to implement the EITI Standard, particularly to foster an enabling environment for civil society to play its role as a stakeholder in the implementation and consolidation of the EITI. He informed the Board that the 2013 Chad EITI Report under development would include: (i) advances on sale of oil; (ii) funding and grants made by State Owned Enterprises (SOE); (iii) improving the extension of licensing procedures, and (iv) publication of licenses and contracts.

Actions

The Chair to write to the Government of Chad to inform them of the Board's decision.

28-5-B Secretariat Review: Indonesia

Brendan O'Donnell introduced the Secretariat Review for Indonesia, noting the complexity of the case and the extensive and thorough review conducted by the International Secretariat in consultation with the Validation Committee. He highlighted that Indonesia's oil and gas EITI Report was an example of good practice as it already included project level reporting as regulated in the EITI Standard. With regards to the EITI Report on the mining sector, while Indonesia is not currently meeting the requirement 11(a), the rules allow for enough flexibility to enable validation through requirement 11(c) given the commitment by the government to deal with exceptional obstacles, as confirmed by stakeholders from the country and the region. In these exceptional circumstances and with these caveats, the Validation Committee was satisfied that the Report provided a comprehensive account of revenues received by the government. Brendan

highlighted that the government made a commitment to issue a decree that would increase the coverage of the mining report, and encouraged the new Indonesian administration to pledge their commitment to the EITI, timely reporting and fully comprehensive reports. He recommended that progress on these commitments should be monitored, and that a timeframe should be established for Indonesia to provide a fully comprehensive mining report. He concluded that the Validation Committee recommended that Indonesia was designated compliant with the EITI Requirements.

Manuel Adamini asked why Indonesia was assessed red in the IPR. The Secretariat explained that despite the recommendation for compliance with the EITI Rules, Indonesia was still facing challenges such as a government in transition, forthcoming changes to the local secretariat, delays with the 2012 EITI Report which was due to be prepared in accordance with the EITI Standard.

The Board endorsed the recommendation and concluded that Indonesia is compliant. The Board's decision is set out in Annex A.

The Indonesian delegation expressed gratitude for the Board decision and noted that EITI in Indonesia was an integral part of the open government policy. As such, it had become a unique focal point facilitating dialogue among stakeholders in promoting wider reforms of a very complex sector.

Actions

The Chair to write to the Government of Indonesia to inform them of the Board's decision.

28-6 Report from the Outreach and Candidature Committee

28-6-A Candidature assessment: Colombia

Pekka Hukka reported that the Outreach and Candidature Committee recommended to the Board that Colombia was designated Candidate. He called on the Secretariat to provide further details. Francisco Paris recalled that Colombia announced its commitment to implement the EITI at the Global Conference in Sydney in May 2013 and had since then been preparing for implementation. The Committee noted that the Colombian MSG has agreed to explore options to incorporate information on environmental management into future EITI reporting. The Committee welcomed this, and asked that the International Secretariat to monitor and report on progress. On the issue of adapted implementation for subnational reporting, the Secretariat concluded that an adapted implementation may not be necessary as subnational payments may not be material.

Board members welcomed the innovative approach from Colombia and encouraged more peer to peer learning across countries. The EU renewed its commitment to support implementation of Colombia's workplan. Manuel Adamini noted investors' interest in EITI implementation in Colombia as it related to export of coal to Europe. Dani Kaufmann noted that, given the importance of assessing the environmental

costs of extraction to stakeholders in Colombia, the MSG should be applauded for their agreement that the Ministry of Mines will head a technical working group to establish a methodology for disclosing payments related to environmental issues by 30 June 2015 and the Board looks forward to following their progress. He also noted the impressive diversity of the CSOs who participated in the EITI process in Colombia, but noted that it is imperative that improvements be made regarding the enabling environment in certain regions and the security of activists at the local level. He recommended close monitoring of progress. **The Board agreed with the Committee's recommendation to admit Colombia as an EITI Candidate country.** The Board's decision is set out in Annex A.

Actions

The Chair to write to the Government of Colombia to inform them of the Board's decision.

28-6-B Candidature assessment: United Kingdom

Matthew Hedges, Chargé d'Affaires of the UK Embassy in Myanmar, was invited to make a statement on behalf of the Government of the United Kingdom. In his statement, Matthew reiterated the UK government's commitment to take on a leadership role in terms of EITI implementation. This was reflected in the UK MSG's agreement on project level disclosure in line with the EU Directives as well as inclusion of beneficial ownership information in the first reconciliation report. He highlighted that the agreed objectives reflected his government's domestic and international priorities to promote transparency and open government.

Pekka Hukka introduced the paper on behalf of the Outreach and Candidature Committee, which recommended that the Board designate the United Kingdom candidate country implementing the EITI Standard. The Secretariat clarified that the MSG had discussed issues around tax confidentiality and level of disaggregation. The Secretariat welcomed the UK commitment to full implementation of beneficial ownership.

Many Board members raised the issue of participation of parliamentarians in the MSG as part of the civil society constituency. Jonas Moberg explained that the article of association defined different constituencies and EITI Requirement 1.3.f stated the following:

> The multi-stakeholder group must comprise appropriate stakeholders, including but not necessarily limited to: the private sector; civil society, including independent civil society groups and other civil society such as the media and unions; and relevant government entities which can also include parliamentarians.

He concluded that in many cases, parliamentarians were seen as part of the civil society constituency.

Michel Okoko commented that the UK implementation again raised the issue of representation of implementing countries and supporting countries on the Board. Jonas explained that three supporting

countries have become implementing countries: Norway, the United States and the United Kingdom. All countries had in the past indicated a wish to remain in the supporting countries sub-constituency.

The Board welcomed the UK as a candidate country implementing the EITI. The Board decision is set out in Annex A.

Actions

The Chair to write to the Government of the United Kingdom to inform them of the Board's decision.

28-7 Report from the Governance Committee

Alan McLean briefed the Board on the committee's deliberations regarding the introduction of requirements for supporting companies. The Committee had concluded that the current provisions in the EITI's Articles of Association, especially in Section 5.5, constitute a basis for ensuring that all **constituencies** are in line with the EITI Principles. He welcomed all constituencies' comments on the Draft EITI Constituency Guidelines (Section 7 of the EITI Standard) and appealed to all to make sure that the guidelines are updated and adopted. The Committee will report on this on the next Board meeting.
Alan also briefed the Board on the discussions of the policy of **recusal**. The Committee found it unnecessary to refine the current practice in the form of an expressed policy. He invited comments on this issue.
Marinke Van Riet reminded the Board on the pending questionnaire related to the Board's own performance.

Actions

The Governance Committee to gather comments from all constituencies on the draft EITI Constituency Guidelines by the next Board meeting.

28-8 Draft International Secretariat 2015 Workplan

Jonas Moberg introduced the paper highlighting that, as usual practice, this was a draft workplan to be agreed in principle subjected to additional comments by Board members. The draft had been discussed by the Finance and Governance Committees. The suggested workplan rested on three overarching priorities: support for implementation of the EITI Standard; strengthening the EITI as a global standard; and supporting strong governance of the EITI. Jonas highlighted that the implementation of the EITI Standard was a demanding challenge with the International Secretariat only having doubled its staff body while the number of implementing countries had quadrupled.
A number of Board members noted that the current times were times of budget tightening in many constituencies and called for the Secretariat to present in future years various budget scenarios as part of the annual workplan . It was pointed out that cumulatively the mid-year revision of the 2014 Budget combined with the proposed uplift for 2015 amounted to an increase of over 20% over the original 2014

baseline. Pekka Hukka welcomed the multi-year outlook exercise proposed for 2015 and highlighted the need for updating the performance indicators according to the expanding scope of the Standard. Jonas reminded that the Secretariat was committed to revise the key performance indicators in 2015. Alan Knight pointed out that issues like new sources of funding, such as charitable foundations for supporting specific projects and a sunset clause for actual financing arrangement should also be considered. Jonas welcomed the inclusion of long-term forecasting. Manuel Adamini called for better integration of all EITI regular documents such as the workplan, budget, IPR and OPR and offered assistance in this regard. Jonas welcomed this proposal. It was agreed that the Secretariat should produce options for the 2015 Budget with a multi-year outlook and which would show the choices to be made and impact on activities were the budget to be frozen or only increased by 5% for initial consideration by the Finance Committee and then the Board.

Actions

Board members to provide further comments to the workplan via email.

The International Secretariat to send via Board Circular the final workplan for Board approval.

28-9 Report from the Finance Committee

28-9-A 2014 Financial updates and 2014 Revised Budget

28-9-B Budget 2015: Proposed change of accounting methods from cash to accrual accounting

Natalia Yantsen introduced Board papers 28-9-A Financial updates, including preliminary accounts January-June 2014 and 2014 revised budget and 28-9-B Budget 2015 – Proposed change of accounting method from cash to accrual accounting. Natalia highlighted that the Committee had suggested to approve a budget increase over 2014 of US $0.3m (8%) and to change from cash to accrual accounting for EITI accounting records from 2015 onwards. Maria Inmaculada Montero-Luque suggested to approve the Committee proposal and informed the Board that Switzerland had pledged to support the International Secretariat budget in 2014 by an amount of CHF200,000 for 2014. A pledge in the same amount is being considered by the Swiss government for the years 2015 and 2016.

The Board also expressed its gratitude to the assistance provided by Duncan Robertson from the ICMM in advising the International Secretariat on its accounting practices.

28-10 2015 Board Meetings and 2016 Global Conference

Eddie Rich introduced the paper noting that given the increased level of activities in preparing for the Global Conference and what the EITI Article of Associations permitted, the Secretariat recommended that

the Global Conference and the Members meetings were held in the first half of 2016. Michel Okoko suggested, on behalf of EITI implementing countries in Africa, that the next Global Conference take place in Africa, more specifically in Equatorial Guinea. Jim Miller suggested that in the case of choosing Indonesia, Jakarta could be a better option than Bali. Maria Inmaculada Montero-Luque suggested that, for the sake of ensuring some geographical balance, Latin America could be an excellent location, which will also help to encourage countries in the LAC region to implement the EITI. Clare Short asked Board members to provide feedback to the International Secretariat including possible locations and themes.

Actions

The Secretariat to refine the options for the Conference and report to the Board.

The Secretariat to facilitate the establishment of a conference working group.

28-11 Any other business

Jonas Moberg reported that the Republic of Congo had invited the Board to hold its next meeting in Brazzaville. The EITI-DRC Executive Committee welcomed the opportunity to co-host the Board meeting between Kinshasa and Brazzaville. Jim Miller expressed support for the proposals and suggested Tenke Fungruma would welcome a visit from Board members to its facilities. Some Board members objected to the suggested dates on 17 and 18 February 2015 and requested that additional options were considered.

Actions

The International Secretariat to request availability of Board Members for the next meeting in February and suggest alternatives.

Participant List (Non-attendance in grey)

Chair

The Rt. Hon. Clare SHORT

Countries

Implementing Countries

Mr Abdoul Aziz ASKIA, Permanent Secretary, Niger
Alt: **Mr Didier Vincent Kokou AGBEMADON,** Togo

Mr Florent Michel OKOKO, Chairman of the Executive Committee, Republic of Congo
Alt: **Mr Jeremy Mack DUMBA**, National Coordinator, Democratic Republic of Congo

Mr Gbehzohngar M FINDLEY, MSG Member, President Pro Tempore of the Liberian Senate, Liberia
Alt: **Mr Seth TERKPER**, Minister of Finance, Ghana

Mr Fernando Torres CASTILLO, National Coordinator, Peru
Alt: **Mr Alfredo PIRES**, Secretary of State for Natural Resources, Timor-Leste

Mr Shahmar MOVSUMOV, Executive Director, State Oil Fund, Azerbaijan
Alt: **Mr Bazarbaij NURABAEV**, Chairman, Committee of Geology and Subsoil Use, Ministry of Industry and New Technologies, Kazakhstan

Supporting Countries

Mr Mark PEARSON, Director General, External Relations, Science and Policy Integration, Natural Resources Canada, Canada
Alt: **Ms Mary WARLICK**, State Department, USA

Mr Pekka HUKKA, Ambassador, Ministry of Foreign Affairs, Finland
Alt: **Ms. Annemie WITTOCKX**, CSR, Economic trade missions, EITI & Global Compact, MFA, Belgium

Ms Maria Inmaculada MONTERO-LUQUE, Policy Officer, European Commission, Belgium
Alt: **Ms Marine de Carne DE TRÉCESSON**, Ambassador, Corporate Social Responsibility, Ministry of Foreign Affairs, France

Civil Society Organisations

Mr Gubad IBADOGLU, Senior Researcher, Economic Research Center, Azerbaijan
Alt: **Ms Natalia YANTSEN**, Director, PA "Tax Standards Formation", member of the NSG Kazakhstan from dialogue platform of NGOs and NGO Coalition "Oil revenues - under the control of society", Kazakhstan

Ms Faith NWADISHI, Executive Director, Koyenum Immalah Foundation/National Coordinator Publish What You Pay, Nigeria
Alt: **Mr Brendan O'DONNELL**, Oil Campaign Leader, Global Witness

Mr Ali IDRISSA, Coordinateur National du ROTAB PCQVP, Niger
Alt: **Mr Jean Claude KATENDE**, Président National de l'ASADHO, Association Africaine de Défense des Droits

de l'Homme, coordinateur PCQVP, Democratic Republic of Congo

Mr Daniel KAUFMANN, President, Natural Resource Governance Institute (NRGI)
Alt: **Mr Fabby TUMIWA**, Executive Director, Institute for Essential Services Reform (IESR), Indonesia

Ms Marinke van RIET, International Director, Publish What You Pay (PWYP)
Alt: **Mr Matthew BLISS**, Director Extractives, Cordaid, the Netherlands

Companies including Investors

Mr Jean-François LASSALLE, Directeur Affaires publiques, Total, France   Alt:
Ms Carine Smith IHENACHO, Vice President Legal, Statoil

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

Mr Jim MILLER, Vice President, Environmental Affairs, Freeport-McMoRan, Copper&Gold Inc. Alt:
Mr Ian WOOD, VP Sustainable Development, BHP Billiton

Ms Debra VALENTINE, Group Executive, Legal & External Affairs, Rio Tinto
Alt**: Mr Alan KNIGHT**, General Manager, Social Responsibility, ArcelorMittal

Mr Alan McLEAN, Executive Vice President, Tax and Corporate Structure, Royal Dutch Shell
Alt: Ms Elodie GRANT GOODEY, Head of Societal Issues and Relationships, BP (via SKYPE)

Mr David DIAMOND, Director Global Co-Head of ESG, Allianz Global Investors
Alt: **Mr Manuel ADAMINI**, Head of ESG-research, ACTIAM, Netherlands

Board Secretary

Mr Jonas MOBERG, Head of EITI Secretariat, Oslo

Observers

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

Ms Kelly Suzanne ALDERSON, Communications Officer, World Bank

Mr Aasmund ANDERSEN, Revenue Development Foundation, Norway

Ms Silke ALBIN, Bundesministerium für Wirtschaft und Technologie Internationale Rohstoffpolitik, Berlin
Mr Timurali AVGONOV, National Coordinator, EITI Tajikistan

Mr Ruslan BAIMISHEV, National Coordinator, EITI Kazakhstan

Mr Luke BALLENY, EITI Coordinator, International Council on Mining and Metals (ICMM)

Mr Gabriel BALEOS, Open Data, Philippines

Ms Vanda BOSCARATTO, Head of Commercial Section,Embassy of Italy, Yangon

Mr Edward BICKHAM, Consultant, International Council on Mining and Metals (ICMM)

Mr Kassongo BIN NASSOR, Director, Public Relations, Freeport McMoRan/Tenke Fungurume, Democratic Republic of Congo (DRC)

Ms Edie BOWLES, Senior Operations Manager, World Bank Myanmar

Ms Vicky BOWMAN, Director, Myanmar Centre for Responsible Business

Ms Dorina CINARI, National Coordinator, EITI Albania

Ms Marie-Sybille CONNAN, Senior ESG Research Analyst, Allianz Global Investors, France

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

Ms Justine DE DAVILA, Senior Extractives Adviser, Department for International Development (DFID), UK
Mr Le Bemadjiel DJERASSEM, Minister of Petroleum and Energy, Chad

Mr Arne DISCH, Managing Partner, Scanteam, Norway

Ms Ingrid DANA, Senior Advisor, Ministry of Foreign Affairs, Norway

Mr Paulo De SA, Manager, Oil, Gas and Mining Policy Division, World Bank

Ms Ambarsari Dwi CAHYANI, National Coordinator, EITI Indonesia

Ms Kerstin FAEHRMANN, Head of Division, Energy, Infrastructure, Raw Materials, Federal Ministry for Economic Cooperation and Development (BMZ), Germany

Mr Farid FARZALIYEV, National Coordinator, EITI Azerbaijan

Ms Alexandra GILLIES, Natural Resource Governance Institute (NRGI)

Mr Dylan GÉLARD, Democratic Governance Division, Ministry of Foreign Affairs, France

Ms Elda GUTERRES DA SILVA, National Coordinator, EITI Timor-Leste

Mr Matthew HEDGES, Deputy Head of Mission, Embassy of the United Kingdom, Bangkok

Mr Karybek IBRAEV, National Coordinator, EITI Kyrgyz Republic

Ms Emma IRWIN, Technical Advisor, EITI Myanmar

Ms Hidemi ISHIKURA, Economic Security Division, Economic Affairs Bureau, Ministry of Foreign Affairs, Japan

Ms Nurirdzuana ISMAIL, Manager External, Petronas

Ms Elvira JANTURAYEVA, EITI Kazakhstan

Mr Jurriaan J. JONGSMA, Legal Counsel, Shell

Mr Konah D. KARMO, Acting Head of Secretariat, Liberia Extractive Industries Transparency Initiative (LEITI), Liberia

Ms Asmara KLEIN, EITI Programme Coordinator, Publish What You Pay (PWYP), UK

Ms Lena LINK, Advisor, Sector Programme "Good Financial Governance", GIZ, Germany

Mr Declan MAGEE, Team Leader Inclusive Growth & Livelihoods/First Secretary, DFID Burma

Ms Annie MAGNUS, adviser, Oil for Development, Norwegian Development Aid (NORAD)

Mr Gilbert MAOUNDONODJI, 1st Vice President of the EITI High National Council, Chad

Mr Rogier MARCHAND, Programme Manager, Extractives, Cordaid

Mr Kana NABIA, National Coordinator EITI, Chad

Ms Alessandra ORDENES, National Coordinator, EITI Philippines

Mr Rockson ORELLY, National Coordinator, EITI Solomon Islands

Mr Vidar OVESEN, Independent Consultant, Norway

Dr Emy PERDANAHARI, Head of EITI Indonesia Secretariat

Ms Cao PHUONG LAN, Ministry of Industry and Trade, Vietnam

Ms Haley RICE, Transparency and Governance Officer, Department of State, USA

Mr Meng SAKTHEARA, Secretary of State, Ministry of Mines and Energy, Cambodia

Mr Matthieu SALOMON, Asia-Pacific Project Manager, Natural Resource Governance Institute, Indonesia

Ms Umesha de SILVA, Policy Analyst, Natural Resource Governance, Thematic and Sectoral Policy, International Development, Canada

Mr Tsolmon SHAR, National Coordinator, EITI Mongolia

Mr Phichit SIMONE, Director of Mines, Department of Mines, Lao PDR

Mr Cheap SOUR, Director General, Ministry of Mines and Energy, Cambodia

Mr Ismael SUNGA, National Coordinator, EITI Papua New Guinea

Ms Margaret SUTHERLAND, Assistant Director, UK EITI Implementation, United Kingdom

Mr Phalthoun THIENGLAMAY, World Bank, Lao PDR

Mr Colin TINTO, Campaigner, Global Witness

Ms Tanja USTVEDT, Senior Adviser, Oil for Development, Norwegian Development Aid (NORAD)

Ms Erica WESTENBERG, EITI Policy Officer, Natural Resource Governance Institute (NRGI)

Mr Alan WOLFE, TI WA Co-convener & Consultant to TI's proposed 'Mining & Corruption' programme, Australia

Myanmar EITI representatives

Mr Htun Hla AUNG, Director General, General Administration Department, Ministry of Home Affairs

Mr Nyi Nyi KYAW, Director General, Forestry Department, Ministry of Environmental Conservation and

Forestry

Mr Myo Myint OO, Managing Director, Myanmar Oil and Gas Enterprise, Ministry of Energy

Mr Win HTEIN, Director General, Department of Mines, Ministry of Mines

Mr Li HONGYUAN, Standing Deputy General Manager, CNMC Nickel Co., Ltd.

Mr Tin Thit, Sein YAUNG, SO (Green) Activities

Mr Htun Myint AUNG, 88 Generation (Peace and Open Society)

Mr Wong AUNG, Shwe Gas Movement

Ms Moe MOE, HTUN, Green Trust

Mr MOE, MEITI MSG CSO alternate

Mr Saw Moe MYINT, MEITI MSG CSO alternate

Ms Dau NOI, Myanmar

Mr Zaw WIN, Mining consultant, Myanmar

Ms Tin Su Su MAR, Pyo Pin

EITI International Secretariat

Mr Bady BALDE, Regional Director

Mr Sam BARTLETT, Regional Director

Mr Wouter BIESTERBOS, Regional Director

Mr Richard DION, Regional Director

Ms Shemshat KASIMOVA, Country Officer

Ms Leah KROGSUND, Administrative Manager

Mr Francisco PARIS, Regional Director

Mr Eddie RICH, Deputy Head of Secretariat

Ms Dyveke ROGAN, Regional Director

Annex A: Board decisions on country status and extension requests

Board decision on the Azerbaijan

The EITI Board called on the government of Azerbaijan to reaffirm its commitment to work with civil society and ensure an enabling environment for civil society participation in the EITI. The EITI Board further requested that the government and the EITI multi-stakeholder group in Azerbaijan take steps to ensure that civil society could resume its role in the EITI process and carry out the tasks foreseen in the EITI workplan, including by ensuring that civil society representatives substantively involved in the EITI process are able to:

(i) Freely access and use funding to carry out their activities, including those of the EITI Coalition. Specifically, the government should ensure that the EITI Coalition and its members and employees are able to access their bank accounts and register new grants for the purpose of activities related to the EITI process and natural resource governance, and any further restrictions on NGO operations in natural resource governance should be avoided.

(ii) Speak freely about the EITI process and express views on natural resource governance without fear or threat of reprisal or harassment of civil society members substantively involved in the EITI process. Specifically, the government should ensure that the Coalition is able to freely access space for public events related to the EITI and facilitate public awareness campaigns and debates related to the EITI process and natural resource governance.

(iii) Organise training, meetings and events related to the EITI process and natural resource governance.

The EITI Board agreed that progress on these actions, in addition to adherence to all EITI Requirements based on Azerbaijan's 2013 EITI Report, would be assessed in conformity with the EITI Standard with early Validation to commence on 1 January 2015 and be completed no later than early February 2015 for discussion by the Board at its February meeting. Should Validation conclude that Azerbaijan has met all EITI Requirements, Azerbaijan will maintain its status as compliant with the EITI Requirements in accordance with Requirement 1.6.b. Should Validation conclude that Azerbaijan has made meaningful progress towards achieving EITI Compliant status but has not met all of the requirements, Azerbaijan will have its status downgraded from compliant to candidate in accordance with Requirement 1.6.b. Should Validation conclude that Azerbaijan has made no meaningful progress with EITI implementation, Azerbaijan will be delisted in accordance with Requirement 1.6.b. Should Validation conclude that it is manifestly clear that a significant aspect of the EITI Principles and Requirements is not being adhered to, the EITI Board will suspend or delist Azerbaijan in accordance with Requirement 1.7.a.

EITI Board decision on Chad

The EITI Board designates Chad as Compliant with the EITI Requirements as of <15 October 2014>. In accordance with the EITI Standard:

o *Chad must be revalidated within three years i.e. Validation will commence on <15 October 2017 > or earlier upon request of the High National Committee. Validation will be conducted in accordance with the EITI Standard.*

o *Stakeholders in the process may call for a new Validation at any time within that period if they think the process needs reviewing. Where valid concerns exist that a country has become compliant with the EITI Requirements, but its implementation of the EITI has subsequently fallen below the required standard, the Board reserves the right to require the country to undergo a new Validation or face delisting from the EITI.*

o *In accordance with the EITI Standard, Chad is expected to produce EITI Reports annually. EITI Reports should cover data no older than the second to last complete accounting period. Chad is required to produce the 2013 EITI Report by 31 December 2015 in accordance with the EITI Standard.*

o *In accordance with Requirement 7.2, Chad is required to publish an annual report on the previous year's activities, detailing progress in implementing the EITI. The annual report for 2014 should be published by 1 July 2015.*

The Board congratulates the Government of Chad for its sustained commitment and leadership of the EITI process. The Board also congratulates the EITI Chad High National Committee for its efforts and innovative approaches to EITI implementation including widening the scope of the EITI to include transit fees and the oil refining in its EITI reporting.

The Board welcomed the renewal of the High National Committee and the development of a new workplan in accordance with the EITI Standard.

EITI Board decision on Indonesia

The EITI Board designates Indonesia as Compliant with the EITI Requirements as of 15 October 2014. In accordance with the EITI Standard:

• *Indonesia must be revalidated within three years i.e. Validation will commence on 15 October 2017 or earlier upon request of the MSG. Validation will be conducted in accordance with the EITI Standard.*

• *Stakeholders in the process may call for a new Validation at any time within that period if they think the process needs reviewing. Where valid concerns exist that a country has become compliant with the EITI requirements, but its implementation of the EITI has subsequently fallen below the required standard, the Board reserves the right to require the country to undergo a new Validation.*

• *In accordance with the EITI Standard, Indonesia is expected to produce EITI reports annually. EITI reports should cover data no older than the second to last complete accounting period. Indonesia is required to produce the 2012 EITI Report by 31 December 2014 in accordance with the EITI Standard.*

• *In accordance with Requirement 7.2, Indonesia is required to publish an annual report on the previous year's activities, detailing progress in implementing the EITI. The annual report for 2014 should be published by 1 July 2015.*

In taking this decision, the Board takes note of the complexity of the Indonesian mining sector and the

challenges related to tax confidentiality. The Board recognized that Indonesia had taken steps to address these issues, including by issuing waiver letters, develop an inter-ministerial Decree with the aim of addressing the delays that have affected EITI implementation to date, and full government disclosure of all revenues from the oil, gas and mining sector in accordance with EITI requirement 11 (EITI Rules) and Requirement 4.2 (EITI Standard). The Board calls upon the government of Indonesia to increase the coverage of reconciliation of payments and revenues from the mining sector and will monitor progress towards comprehensive reconciliation in the 2012 and 2013 EITI Reports.

The Board congratulates the Government of Indonesia and the EITI Indonesia Implementation Team for its efforts to achieve compliance with the EITI Requirements. In accordance with the transitional arrangements, Indonesia is requested to transition to the EITI Standard as soon as possible, including ensuring timely EITI reporting in accordance with EITI Requirement 2.

EITI Board decision on Colombia

The EITI Board admits Colombia as an EITI Candidate country on 15 October 2014. In accordance with the EITI Standard, Colombia is required to publish its first EITI Report within 18 months of becoming a Candidate, i.e. 15 April 2016. If the EITI Report is not published by this deadline, Colombia will be suspended. Validation will commence within two and a half years of becoming a Candidate, i.e. by 15 April 2017. In accordance with requirement 1.6c, the MSG is required to publish an annual activity report for 2014 by 1 July 2015.

The Board congratulates the government and the Colombian multi-stakeholder group for achieving this milestone, and for the commitment demonstrated by all stakeholders during preparations for candidature.

The Board took note of the MSG's request for adapted implementation with respect to reconciling subnational payments as per Requirement 4.2(d). The Board welcomed the MSG's early identification of potential barriers to comprehensive reporting. The Board encouraged the MSG to undertake further work to assess the materiality of these payments in the first reporting cycle. If subnational payments are not material, there is no requirement that they are disclosed and reconciled in the EITI Report. If the MSG determines that these payments are material, the Board will reconsider the request for adapted implementation, taking into account any additional information available from the MSG regarding the size of these revenue streams relative to total revenues and the MSG's proposal for engaging sub-national government entities in the reporting process.

EITI Board decision on the United Kingdom

The EITI Board admits United Kingdom as an EITI Candidate country on 15 October 2014. In accordance with the EITI Standard, United Kingdom is required to publish its first EITI Report within 18 months of becoming a Candidate (i.e., by 15 April 2016). If the EITI Report is not published by this deadline, United Kingdom will be suspended. Validation will commence within two and a half years of becoming a Candidate (by 15 April 2017). In accordance with requirement 1.6c, the UK MSG is required to publish an annual activity report for 2014 by 1 July 2015.

EITI Board decision on the Extension Request from Sierra Leone

The Board grants the request from the Sierra Leone MSG for an extension of the EITI reporting deadline for the 2012 Report, due to the Ebola outbreak. In accordance with the EITI Standard, the Board was satisfied that the MSG's application demonstrated that it has been making meaningful progress towards meeting the deadline and has been delayed due to exceptional circumstances, specifically the State of Emergency declared in response to the Ebola outbreak.