

The EITI's role in addressing corruption

1. Is corruption mitigation in the extractive sector among the objectives of your country's MSG for EITI implementation? If yes, explain how the MSG is using the EITI to mitigate corruption. If no, what are the reasons why the MSG is not using the EITI for corruption mitigation in the extractive sector?
2. What corruption risks in your country do you want the EITI to address, e.g. in licensing, contract negotiations, tax evasion, etc?
3. Considering your country's context, which of the following recommendations on how the EITI could fight corruption do you think would be feasible and would the MSG in your country be interested to implement? You may refer to [this discussion paper](#) for further explanation on what these recommendations would entail.
 - Clearly articulating EITI's role in fighting corruption through EITI's communication strategy and sensitisation of stakeholders on the EITI Code of Conduct
 - Exposing corrupt practices that are vulnerable to abuse by developing practical guidance on how EITI reporting could inform discussions on anti-corruption at the country level
 - Together with partners, facilitate transparency and multi-stakeholder engagement around known areas of risk and share good disclosure practices related to subcontracting
 - Continue work with supporting companies to showcase good company approaches in fighting corruption.
 - Engaging with anti-corruption actors as users of EITI data
 - Engaging with anti-corruption actors on shared issues of concern related to the extractives
 - Doing post mortem analysis of anti-corruption cases

Do you have any specific comments on any of these recommendations?

4. Does the MSG foresee any risks in taking a more proactive stance in using the EITI process in fighting corruption? If yes, what are these risks and how can they be mitigated?
5. What are the opportunities in your country (e.g. broader national reforms, strong anti-corruption policies) that the MSG could leverage in its work against corruption in the extractive sector?
6. What support would the MSG need to enable it to use the EITI process in fighting corruption? Example: capacity building for use of EITI data to identify red flags, technical assistance to define the MSG's mandate in addressing corruption)

Energy transition

1. Do you think the EITI should be involved in the current global discussion on energy transition? If yes, what role do you think the EITI could play in this discussion? If no, why?
2. Are there opportunities in your country to link your EITI process with your government's reforms/policies on energy transition?
3. What steps should be taken by the MSG if it wants to link the EITI process with the implementation of national policies on energy transition?

Evaluating EITI Impact

1. How does the MSG define EITI impact in your country? What are your impact indicators?
2. How is the MSG measuring the impact of EITI implementation in your country? Please mention tools that you are using, e.g. impact studies, annual progress reports, stakeholder surveys, etc. How often do you measure/discuss impact?
3. How effective are these tools in accurately documenting and measuring impact in your country?
4. Do you think it is advisable to have a single impact evaluation framework for all EITI countries? Why or why not?

Consultation: The future of Validation

Validation¹ assesses how EITI implementing countries are progressing towards meeting EITI requirements. In October 2019, the EITI Board decided to launch a review of the Validation process. As an initial step, the views of EITI stakeholders are being sought through this consultation.

Who can comment?

The consultation is open to all stakeholders. We are actively seeking a range of responses, across regions and stakeholder groups.

How should I comment?

Step 1: Download the consultation questions.

Step 2: Consult your immediate stakeholders if you are submitting a joint response.

Step 3: Include your responses in the space provided below each consultation question, explaining your answers and justifying them as fully as possible. Indicate proposals for concrete reforms where applicable.

*Step 4: Submit your responses to the EITI International Secretariat by email to Lyidia Kilpi (lkilpi@eiti.org) and Alex Gordy (agordy@eiti.org) by **Tuesday 14 January 2020**.*

What areas are covered by the consultation?

The consultation seeks views on the following areas of Validation:

- *Measuring compliance and impact*
- *Resourcing and roles*
- *Structure, timing and consequences of Validation*
- *Assessing stakeholder engagement*

See detailed questions and explanation below.

Thank you for your input.

1. Measuring compliance and impact

Findings from Validations show that countries have made progress in implementing the EITI Standard.² However, as of November 2019 only eight out of the 44 EITI countries that have been Validated against the EITI Standard have reached “satisfactory progress” overall, i.e. successfully implemented all EITI Requirements. Some stakeholders have expressed views that Validation should better reflect the diversity of implementing countries’ circumstances and the impact of EITI implementation to date. On the other hand, the need to maintain consistent, objective treatment across countries has also been raised.

- Should Validation continue to focus on assessing compliance with all EITI Requirements, applying the same expectations consistently across countries? If not, what should be the

¹ <https://eiti.org/overview-of-validation>

² See EITI blog “Crunching the numbers on EITI Validation”: <https://eiti.org/blog/crunching-numbers-on-eiti-validation>.

focus of Validation?

- Should implementation priorities determined by the MSG be reflected in Validation? If yes, how?
- Currently, Validation seeks to describe the impact of EITI implementation, but it is not reflected in the assessment of progress in implementing the EITI Standard outcome. How should Validation assess impact? Should this assessment affect the outcome of Validation?
- How could Validation encourage countries that are performing well against the EITI Standard to continue making progress beyond EITI Requirements?
- Should the EITI Validation process take into account the outcomes of country assessments conducted by other organisations, such as Financial Action Task Force? If yes, how?

2. Resourcing and roles

The review of Validation will consider who undertakes Validation and how it is resourced, with a view to ensuring financial sustainability, the timely execution of Validations and sufficient resources for support to EITI implementation.

Under the current Validation procedure³, Validation is led by the International Secretariat. Each year, one company is selected as the Independent Validator to provide quality assurance. The current annual financial cost of Validation for the International Secretariat is approximately USD 1m in total for around 15 Validations. In addition, Validation requires significant time resources from national secretariats, MSGs and the EITI Board. On average, completing first Validations has taken 41 weeks and second Validations 20 weeks.

- How would you improve the cost effectiveness of Validation, in terms of both financial cost and time?
- Should self-assessment by implementing countries play a greater role in Validation? If yes, how should the consistency of assessments be ensured?
- Which entity should have the primary role in undertaking Validation, including conducting stakeholder consultations and preparing assessments (e.g. one Independent Validator across all countries, consultants specialised in certain regions or topics, the International Secretariat, the MSG or EITI stakeholders from other countries?)
- The International Secretariat provides implementation support to countries and leads Validation. What are the benefits and challenges of this dual role? What should be the role of the International Secretariat in Validation?

³ <https://eiti.org/document/eiti-validation-procedure>.

3. Structure, timing and consequences of Validation

The review of Validation will consider the structure and timing of Validation, including the assessment of individual requirements, the overall assessment of progress and consequences of Validation. The visual below explains the outcomes and consequences of Validation under the current model.⁴



- Currently, countries are revalidated in 3 years, if they meet all EITI Requirements. If all requirements are not met, a subsequent Validation takes place in 3 to 18 months. Should Validation take place more or less frequently than currently? In what kind of situations particularly?
- The EITI Standard stipulates that lack of progress in Validation leads to temporary suspension (see image above). Should countries be allowed more or less time to make progress and meet the EITI Standard? If yes, in which cases?
- Currently Validation assesses progress in meeting all EITI Requirements in one country at a time. A different approach could be to assess the implementation of a set of requirements in several countries at once, for example related to state participation or licensing. Should Validation continue to look at one country at a time or rather focus on assessing progress on a certain topic across several countries at the same time?
- Currently Validation results in an overall assessment of progress that reflects the assessment of individual requirements ('no progress' to 'outstanding progress'). Are the levels of progress and the basis for determining them appropriate? If not, how would you improve them?

4. Assessing stakeholder engagement

Assessing progress in meeting EITI Requirements on stakeholder engagement (Requirements 1.1-1.3) has proven to be more challenging and resource-intensive than assessing disclosures. In

⁴ Available on the EITI website: <https://eiti.org/overview-of-validation#validation-consequences>.

particular, the EITI Board has discussed whether the current approach to assessing civil society engagement is appropriate for safeguarding civic space in the EITI and encouraging progress.

- How would you improve the efficiency and effectiveness of validating stakeholder engagement in the EITI?
- Currently stakeholder engagement and disclosures are assessed in the same Validation process. Should these two assessments be separated?
- The Validation of the civil society protocol assesses whether actors substantively engaged in the EITI can freely express themselves, operate, associate and participate in decision-making in relation to the EITI process. Should the Validation of the civil society protocol cover issues, activities and actors related to natural resource governance beyond the EITI process?
- Currently the outcome of validating stakeholder engagement follows the same levels of progress as the assessment of disclosures ('no progress' to 'outstanding progress'). Does this adequately encourage and capture progress? If not, how would you improve the progress markers on stakeholder engagement?

Please add any other comments or reflections on the current Validation model and areas for improvement not covered above.