

COVERAGE OF ENVIRONMENTAL INFORMATION IN EITI REPORTING

**A REVIEW OF HOW SOME EITI COUNTRIES ARE COVERING
ENVIRONMENTAL INFORMATION IN EITI REPORTING.**

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1. SUMMARY

The EITI Principles emphasise that natural resource wealth should be an engine for sustainable economic growth. Although the EITI Standard does not require or encourage disclosures regarding environmental management, several EITI implementing countries have included some information related to environment as part of their EITI reporting. This paper reviews the coverage environmental taxes, levies and other payments in EITI Reports. Additional information on environmental policy, management and compliance has in some instances been included in EITI reporting to complement required disclosures and inform public discussion of a country's governance of natural resource revenues. The paper also seeks to briefly capture how this has been done, by providing more recent examples of emerging practices in EITI countries.

The findings of the review show that at least 28 implementing countries have done some form of reporting on environmental issues, in response to local concerns.¹ Twenty-two of these countries disclose environmental payments made by extractives companies to the government or to dedicated funds, 15 of which reconcile the payments. In parallel to this work, there have been increasing calls by international civil society groups for the EITI to do more work on environmental aspects. While no new policies or changes to the EITI Standard are proposed, the review highlights that there is a continuously growing demand for sharing experiences on these issues, in particular among implementing countries.

¹ Burkina Faso, Chad, Cote d'Ivoire, Cameroon, Colombia, Democratic Republic of Congo, Indonesia, Germany, Kyrgyz Republic, Kazakhstan, Liberia, Madagascar, Malawi, Mali, Mauritania, Mongolia, Mozambique, Norway, Nigeria, Philippines, Republic of Congo, Seychelles, Senegal, Sierra Leone, Togo, Ukraine, United States of America and Zambia.

2. BACKGROUND AND INTRODUCTION

In 2015, the EITI International Secretariat compiled a paper showing how EITI implementing countries are increasingly covering environmental taxes, levies and other payments in EITI Reports. Additional information on environmental policy, management and compliance has in some instances also been included in EITI reporting to complement required disclosures and inform public discussion of a country's governance of natural resource revenues. Although some EITI stakeholders expressed concern that a focus on environmental reporting would take the EITI significantly beyond its mandate, other stakeholders have expressed a strong desire for further transparency and reporting on environmental payments, obligations etc.

This paper provides an overview of the reporting practices in the countries that have addressed these issues as of August 2017. These include examples of i) environmental transparency in EITI workplan objectives, ii) descriptions of legislation and licensing requirements related to environment, iii) reconciliation or disclosure of environment-related revenue stream, and iv) management of environment and rehabilitation funds (section 3). Section 4 of the paper captures how some countries and MSGs have decided to include additional aspects of environmental policy, management and compliance in line with national priorities for the extractive industries and highlights opportunities based on these examples. Annex A provides a country-by-country overview of coverage of environmental information through the EITI.

3. Review of EITI reporting on environmental issues

3.1 Environmental transparency in EITI workplan objectives

The EITI Standard requires that the multi-stakeholder group (MSG) agrees objectives for EITI implementation that are linked to national priorities. The purpose is to ensure that the EITI addresses relevant issues at the national level, and provides information that can inform ongoing debates.

Several implementing countries have used EITI reporting as a tool for increased transparency in environmental management, and **countries including Colombia, Germany, Kyrgyz Republic, Niger, Philippines and Seychelles have stated work plan objectives related to environmental issues.** For example, in Colombia, the MSG is exploring a methodology to address environmental aspects through EITI reporting. In Kazakhstan, the MSG has expressed concerns about the use of revenues from environmental fines collected from the extractive sector and is planning to include an examination of the use of proceeds from these penalties. In Mongolia, the MSG has included environmental reporting for years, including monitoring of environmental rehabilitation plans, and Philippines EITI Reports monitors flows to environmental protection funds. Prospective EITI countries are also seeking to use the EITI to address some of their environment-related issues. Suriname has announced its intention to include environmental information in its future EITI reports, while discussions amongst stakeholders in Mexico have focused on how the EITI workplan can include aspects related to environmental reporting.

Each implementing country can consider the costs and benefits of disclosing information related to environmental regulation and extractives and covering environmental payment aspects through the EITI. In some cases, the EITI may contribute to address gaps in the publicly available information on environmental payments. It is important for the MSGs to note the additional technical capacity and resources that may be needed in disclosing additional information in addition to meeting the EITI Requirements. EITI disclosure of environmental information may avoid creating additional reporting burdens by building on existing data sources. For example, environmental reporting under EITI may be aligned with national regulation or link with information already produced by companies.

Box 1: Examples of EITI work plan objectives related to environmental reporting

- To identify which payments related to environmental regulations could be included and to propose a methodology for reporting on such payments (2014 Colombia EITI work plan)
- To monitor funds allocated for environmental protection. Environmental degradation is a major concern among citizens and continues to fuel anti-mining sentiments. Mining companies make payments for environmental restoration and KEITI plans to monitor how these resources are utilized (2014-15 Kyrgyz Republic EITI work plan)
- To understand the implications of oil exploration for sustainable development of a small multiple island state (with identified preconditions and challenges being ecosystem destruction and overwhelming impact on fragile environment), and to raise MSG awareness of environmental implications of oil exploration ([2014-2016 Seychelles EITI work plan](#))
- To disclose information, particularly the social, economic and environmental impact of the extractive sector and strengthening the multi-stakeholder approach in all governance levels are key. Activities: Develop and report proper metrics in assessing social, economic and environmental contributions/impacts of the extractive sector, and focused group discussion on investments in environmental protection measures of extractive industries and its implications for the EITI process ([2016 Philippines EITI work plan](#))
- To encourage public debate on the protection of the environment ([2016-18 Niger EITI work plan](#))

Sources: EITI work plans

3.2 Description of legislation and licensing requirements related to environment

The EITI Standard requires that the legal framework governing the extractive industries is described, as well as the process for granting licenses. Countries that have included such information in their latest report include Burkina Faso, Chad, Cote d'Ivoire, Colombia, Democratic Republic of Congo, Kyrgyz Republic, Kazakhstan, Liberia, Madagascar, Malawi, Mali, Mauritania, Mongolia, Mozambique, Nigeria, Philippines, Republic of Congo, Seychelles, Senegal, Sierra Leone, Togo, Ukraine and Zambia.

This information includes, as exemplified by some of the cases below:

- A description of the roles of government agencies involved in monitoring environmental obligations, managing and implementing environmental policy and administrative issues (e.g. Environmental Protection Agency in Liberia and Kyrgyz Republic);

- Reference to relevant legislation, specific provisions or government policies on environmental policy related to oil, gas and mining activities, as part of the overview on the legal and fiscal regime governing the extractive sector;
- Requirements related to environment protection as part of the process of awarding contracts or licenses, such as Environmental Impact assessments (EIAs);
- Comments by the Independent Administrator on whether the requirements have been complied with and recommendations on improvements.

The examples below are from Kyrgyz Republic, Colombia, Ukraine and Liberia which have included information about environmental regulations in the contextual information provided in the last EITI Reports. These cases show that ensuring that EITI Reports reference existing regulations and other relevant standards in the national context can help increase comprehensiveness of EITI Reports without creating additional disclosure burdens.

Kyrgyz Republic: The 2014-15 EITI Report describes the Environmental Protection Law and the main implications for the mining sector.

The Environmental Protection Law

The Environmental Protection Law regulates the relations in environmental protection and rational use of natural resources of the KR¹³⁰.

In accordance with the Environmental Protection Law, natural resources use is divided into general and specific:

- ▶ general natural resources use does not require any special permit and is exercised by citizens by virtue of inherent rights arising from and existing as a result of their birth and existence (use of atmospheric air, drinking water and use of water for health-related needs, etc.)¹³¹;
- ▶ specific natural resources can be divided using types of used resources, including land use, subsurface use, forest use, water use, use of plant and animal life, use of atmospheric air.¹³²

Specific use of natural resources is performed on a paid basis. Payments for use of natural resources comprise payment for utilization of natural resources, payments for environment pollution and other adverse effects on nature¹³³.

According to the Environmental Protection Law, the following measures, inter alia, are taken for the purpose of environmental protection¹³⁴:

- ▶ governmental accounting, social and economic evaluation of natural resources;
-

Ukraine: The 2014-15 EITI Report provides description of legal provisions that government environmental issues and how environment payments are allocated to the national and local budgets. The environmental tax is described, complementing the revenue figures.

6.1.5. Other regulations

The Law of Ukraine "On Environmental Protection" No 1264-XII dated 25 June 1991 requirements to the protection of natural resources, including during mining produc determines the responsibilities of the state authorities and local governments environmental control and supervision procedures.

The Law also sets out the general environmental requirements to be followed while usi resources (rational and economical use of natural resources, implementation of measu spoilage, pollution, and depletion of natural resources, doing business and other opera violating environmental rights of others and other requirements) as well as the measu environmental safety in the course of various activities.

Environmental tax.²⁰⁰ The companies engaged in the emission of pollutants into the air, discharges of pollutants into water bodies or disposal of waste (with some exceptions) should pay the environmental tax. The environmental tax rates depend on the type of the source and object of pollution, the type and concentration of waste etc. In 2015 the range of objects of taxation subject to environmental tax was reduced

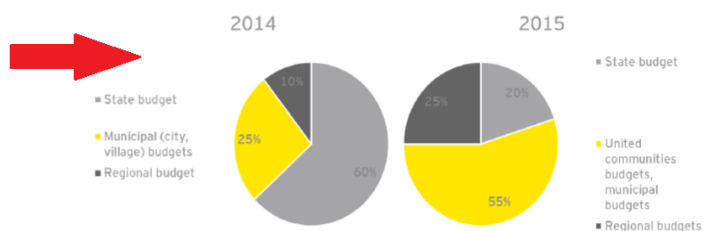


Figure 6.4-11: Allocation of environmental tax between the budgets of various levels under the Budget Code

Colombia: The 2014-15 EITI Report describes the role government agencies responsible for overseeing environmental protection related to the extractive sector and provides an overview of the process of allocating an environmental license.

Tabla 2. Licencia ambiental

Proyectos, obras y actividades sujetos a licencia ambiental	
Licencia ambiental para hidrocarburos	Licencia ambiental para minería
<ol style="list-style-type: none"> Las actividades de exploración sísmica que requieran la construcción de vías para el tránsito vehicular y las actividades de exploración sísmica en las áreas marítimas del territorio nacional cuando se realicen en profundidades inferiores a 200 metros; Los proyectos de perforación exploratoria por fuera de campos de producción de hidrocarburos existentes, de acuerdo con el área de interés que declare el peticionario; La explotación de hidrocarburos que incluye la perforación de los pozos de cualquier tipo, la construcción de instalaciones propias de la actividad, las obras complementarias incluidas el transporte interno de fluidos del campo por ductos, el almacenamiento interno, vías internas y demás infraestructuras asociada y conexa; El transporte y conducción de hidrocarburos líquidos y gaseosos que se desarrollen por fuera de los campos de explotación que impliquen la construcción y montaje de infraestructura de líneas de conducción con diámetros iguales o superiores a seis (6) pulgadas (15,24 centímetros), incluyendo estaciones de bombeo y/o reducción de presión y la correspondiente infraestructura de almacenamiento y control de flujo; salvo aquellas actividades relacionadas con la distribución de gas natural de uso domiciliario, comercial o industrial; Los terminales de entrega y estaciones de transferencia de hidrocarburos, entendidos como la infraestructura de almacenamiento asociada al transporte de hidrocarburos y sus productos y derivados por ductos; La construcción y operación de refinerías y los desarrollos petroquímicos que formen parte de un complejo de refinación. 	<ol style="list-style-type: none"> Carbón: Cuando la explotación proyectada sea mayor o igual a ochocientos mil (800.000) toneladas/año; Materiales de construcción y arcillas o minerales industriales no metálicos: Cuando la producción proyectada sea mayor o igual a seiscientos mil (600.000) toneladas/año para las arcillas, o mayor o igual a doscientos cincuenta mil (250.000) metros cúbicos/año para otros materiales de construcción o para minerales industriales no metálicos; Minerales metálicos y piedras preciosas y semipreciosas: Cuando la remoción total de material útil y estéril proyectada sea mayor o igual a dos millones (2.000.000) de toneladas/año; Otros minerales y materiales: Cuando la explotación de mineral proyectada sea mayor o igual a un millón (1.000.000) toneladas/año.
Competencias de las CAR	
Las corporaciones autónomas regionales (CAR), las de Desarrollo Sostenible, los grandes centros urbanos y las autoridades ambientales creadas mediante la Ley 768 de 2002 otorgarán o negarán la licencia ambiental para los siguientes proyectos, obras o actividades, que se ejecuten en el área de su jurisdicción; incluyen la explotación minera de:	
<ol style="list-style-type: none"> Carbón: Cuando la explotación proyectada sea mayor o igual a ochocientos mil (800.000) toneladas/año; Materiales de construcción y arcillas o minerales industriales no metálicos: Cuando la producción proyectada sea mayor o igual a seiscientos mil (600.000) toneladas/año para las arcillas, o mayor o igual a doscientos cincuenta mil (250.000) metros cúbicos/año para otros materiales de construcción o para minerales industriales no metálicos; Minerales metálicos y piedras preciosas y semipreciosas: Cuando la remoción total de material útil y estéril proyectada sea mayor o igual a dos millones (2.000.000) de toneladas/año; Otros minerales y materiales: Cuando la explotación de mineral proyectada sea mayor o igual a un millón (1.000.000) de toneladas/año. http://www.anla.gov.co/licencia-ambiental-subdireccion-evaluacion-y-seguimiento 	

Fuente: Elaboración de los autores a partir del Decreto 1076 de 2015 "Por medio del cual se expide el Decreto Único Reglamentario del Sector Ambiente y Desarrollo Sostenible" (para mayor información sobre el proceso de w ambientales y sobre el seguimiento y monitoreo de las mismas, ver <http://www.anla.gov.co/licencia-ambiental-subdireccion-evaluacion-y-seguimiento>).

Ilustración 4. Institucionalidad de la industria extractiva en Colombia



Fuente: Presidencia de la República, MME, ANM, ANH

Ilustración 3. Trámite para la solicitud de la licencia ambiental



Liberia: The 2014/15 EITI Report highlights requirements related to environmental impacts assessments for the contract award process part of the description of the legal framework for the oil and gas sector.

Liberia's Environmental Protection Agency (EPA), established in 2006, is responsible for preparing Environmental and Social Impact Assessments. The Oil & Gas Law specifies that an environmental impact study should be part of every contract.

The National Petroleum Policy of 2012 places a strong emphasis on developing heightened environmental and safety standards. The policy requires that environmental safety plans be submitted as part of the oil contract bidding process. At the end of each term of the PSC, mandatory audits take place to check for compliance with these standards. ²

Sierra Leone: The 2014 EITI Report provides links to an online platform ([Resource Contracts](#)) administrated by the National Minerals Agency where EIAs are available from the mining sector from 2010-2014.

3.7 CONTRACT DISCLOSURE

The government of Sierra Leone does not have a contract disclosure policy. However both the Extractive Industries Revenue and SLEITI Bills have provisions and objectives which are intended to promote contract disclosure. The bills have not been passed into law at the time of this report. The SLEITI bill was suspended pending the formulation of an EITI policy.

Inspite of the above the NMA has on its website [twelve contracts publicly displayed](#).

These are:

1. African Minerals Limited, Environmental Impact Assessment, 2010

The screenshot shows the 'SIERRA LEONE RESOURCE CONTRACTS' website. It features a search bar with the text 'Search all documents'. Below the search bar, there are three filter tabs: 'DOCUMENT', 'YEAR', and 'CONTRACT TYPE'. A single document is listed: 'African Minerals Limited, Environmental Impact Assessment, 2010', with a year of '2010' and a resource type of 'Iron Ore'.

Source: <http://www.nma.gov.sl/resourcecontracts/>

Box 2: Examples of recommendations related to environmental protection in EITI Reports

- The government to establish a framework for monitoring companies' social and environmental commitments ([Senegal EITI 2014 Report](#)).
- The government to establish a mechanism to measure environmental impacts of extractive activities ([Indonesia EITI 2014 Report](#)).
- The government to create a framework for mitigating the social and environmental impact of artisanal mining ([Burkina Faso EITI 2015 Report](#)).
- The report recommends that the government established an environmental fund to enable the authorities to ensure that safety standards and procedures are implemented and to recover administrative costs of conducting EIAs ([Seychelles EITI 2013-14 Report](#)).
- The government to review the audited accounts of the Environment Protection Fund and to engage with the Fund Board to ensure greater transparency in the activities of the fund ([Zambia 2013 EITI Report](#)).

Sources: EITI Reports

3.3 Reconciliation or disclosure of environment-related revenue streams

The EITI Standard requires disclosure of all “significant payments and material benefit to government” (Requirement 4.1)². This could include revenue streams related to environmental policy and management e.g., payments related to environmental regulations. Accordingly, EITI reporting has included the disclosure of payments including: mining rehabilitation fees, fees for waste, water use and pollution and CO₂ and NO_x emissions, gas flaring, payment for environmental licenses and general contributions into environmental protection agencies. These flows are typically treated in the same way as any other revenue stream, with disclosures by companies and government agencies and reconciliation by the independent administrator.

The size of these revenues tends to be small in comparison to total revenues. Flows are collected both from mining and oil and gas sectors although it appears to be more common in mining.

Liberia: The 2014/15 EITI Report reconciles the revenues collected by the Environmental Protection

² Payments and revenues are considered material if their omission or misstatement could significantly affect the comprehensiveness of the EITI Report.

Review of EITI reporting on environmental issues

Agency (EPA) from oil/gas, mining, agriculture and forestry companies.

4.2.3. Oil and Gas Companies

The information provided to us during the inception phase and related to the FY14/15 revenue collected by LRA, EPA and NOCAL. These Government Agencies declared having received revenues from 8 Oil and Gas companies. We set out in the table below the tax collection by company and by Government Agency:

No.	Company	LRA (USD)	EPA (USD)	NOCAL (USD)	Total (USD)	Weight (%)
Above MT						
1	Chevron	6,845,418	60,000	1,039,000	7,944,418	52.06%
2	Anadarko	4,329,545		1,099,988	5,429,533	35.58%
3	CEPSA LIBERIA, S.L (Compania Espanola de Petroleos, S.A)	983,573			983,573	6.44%
4	ExxonMobil Exploration and Production Liberia Ltd	560,884			560,884	3.68%
5	European Hydrocarbon Limited (EHL)	-		300,000	300,000	1.97%

Kazakhstan: The 2015 EITI Report provides reconciliation of environmental pollution payments disaggregated by company.

№	Name of taxes and payments	BCC	Data of Payers				Data of Recipients				Difference				
			KZT thous.*	USD thous.*	sum in thous. tenge by course of NB RK on date of transfer	Total sum in KZT thous.(4+6)	KZT thous.*	USD thous.*	sum in KZT thous. by course of NB RK on date of transfer	Total sum in KZT thous.(8+10)	KZT thous.*	USD thous.*	sum in KZT thous. by course of NB RK on date of transfer	Total sum in KZT thous.(12+14)	including an unexplained difference in KZT thous. (it is described in the text of the Report)
20	Additional payment of the subsoil user which carries out activities for the contract on the production section from the organizations of oil sector	105 329	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Payment for using of especially protected natural territories of republican value	105 313	25 066	-	-	25 066	25 066	-	-	25 066	-	-	-	-	-
22	Payment for using of especially protected natural territories of local value	105 314	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Payments for using of the subsoil	105 315	4 673 918	-	-	4 673 918	4 677 073	-	-	3 155	-	-	3 155	3 155	
24	Payment for issues to the environment	105 316	28 938 450	-	-	28 938 450	28 948 325	-	-	16 825	-	-	16 825	16 825	
25	Payment for compensation of the water expenses	105 319	8 648 823	-	-	8 648 823	8 677 237	-	-	28 414	-	-	28 414	28 414	
26	Payment for using of a radio-frequency range	105 309	78 921	-	-	78 921	78 911	-	-	10	-	-	10	10	
27	Payment for use of navigable waterways	105 310	153	-	-	153	153	-	-	-	-	-	-	-	
28	Payment for use of water resources of superficial sources	105 303	302 624	-	-	302 624	302 624	-	-	-	-	-	-	-	
29	Payment for forest uses	105 304	1 165	-	-	1 165	1 166	-	-	1	-	-	1	1	
	Total according to the section II		681 264 305	2 345 315	497 014 189	1 178 278 494	684 834 928	2 345 315	497 014 189	1 181 849 117	3 579 408	-	3 579 408	31 591	
III. Other non-tax budget receipts															
30	Received means from users of nature, on claims for indemnification, except receipts from the organizations of oil sector	204110	789 608	-	-	789 608	789 608	-	-	789 608	-	-	-	-	-
31	The administrative penalties, penalty fee, sanctions, collectings imposed by the central public authorities, their territorial divisions on the organization of oil sector	204201	4 608 153	-	-	4 608 153	4 614 289	-	-	6 136	-	-	6 136	6 136	
	The other penalties, penalty fee, sanctions, collectings imposed by the														

Kyrgyzstan: The 2013-14 EITI Report reconciles payments made by mining companies to the state environmental agency for pollution and damages to the environment.

No payment	Types of taxes and payments	The amount, according to the companies, thousand of soms	The amount, according to the state bodies, thousand of soms	The difference, thousand of soms	Corrections made by companies, thousand of soms	Corrections made by state bodies, thousand of soms	The final amount, according to the companies, thousand of soms	The final amount, according to the state bodies, thousand of soms	The difference, thousand of soms
14	Customs duties	213,017	25,880	(187,136)	(151,701)	29,792	61,316	55,672	(5,644)
15	Customs fees	85,471	62,651	(22,820)	(17,654)	3,641	67,818	66,292	(1,526)
16	Excise tax on imported products	110	80	(30)	-	-	110	80	(30)
17	VAT on imported products	824,588	204,194	(620,394)	(534,368)	79,508	290,219	283,702	(6,517)
Other material payments:									
18	State social insurance contributions	2,812,835	1,761,201	(1,051,634)	(1,072,890)	(3,910)	1,739,945	1,757,291	17,346
19	Payment for concession	-	-	-	-	-	-	-	-
20	Dividends accrued on state-owned shares	108,847	101,830	(7,017)	-	-	108,847	101,830	(7,017)
21	Payments for state-shares, purchased by the company from the state	-	-	-	-	-	-	-	-
22	Lease of land owned by the government	186,846	1,483	(185,363)	(172,123)	5,444	14,723	6,927	(7,796)
23	Reimbursement of agricultural production losses	159,164	-	(159,164)	(152,947)	-	6,217	-	(6,217)
24	Reimbursement of forest production losses	2,747	-	(2,747)	-	-	2,747	-	(2,747)
25	Opportunity cost of provided land plots	8,343	1	(8,342)	(7,552)	8	791	9	(782)
26	Payment for retention of mining license	61,782	20,820	(40,962)	(28,112)	992	33,670	21,812	(11,858)
27	Payment for environmental pollution and damages	25,692	22,078	(3,614)	-	2,013	25,692	24,091	(1,601)
28	Fee for the issuance of license	23	1	(22)	-	-	23	1	(22)
29	Fee for the issuance of certificates and other permits	2,908	-	(2,908)	-	-	2,908	-	(2,908)
Additional expenses:									

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3.1.3. Aggregated cash flows of other material payments (SF, SAGMR, FSPM, SAEP, SRS, DSA)

#	Indicators	Original amounts, '000 KGS		Initial discrepancies	Adjustments, '000 KGS		Final amounts, '000 KGS		Unresolved discrepancies
		Mining companies	Government agencies		Mining companies	Government agencies	Mining companies	Government agencies	
Section 3. Other material payments									
18	Social fund contributions	1,493,650	1,570,750	77,100	92,974	(16,840)	1,586,624	1,587,590	966
19	Payment for concession	2,878	-	(2,878)	(2,878)	-	-	-	-
20	Dividends accrued on state-owned shares	218,015	-	(218,015)	4,340	(222,473)	222,355	222,473	118
21	Payments for state-shares redeemed by a company	-	218,972	218,972	-	218,972	-	-	-
22	Payments for lease of land owned by state or municipal agencies, land lease payments for forest resources	16,096	9,939	(6,157)	1,710	(7,858)	17,806	17,797	(9)
23	Reimbursement of agricultural production losses	6,569	1,810	(4,759)	(68)	(5,597)	6,501	7,407	906
24	Reimbursement of forest production losses	3,601	-	(3,601)	330	(2,513)	3,931	2,513	(1,418)
25	Opportunity cost of provided land plots	417	704	287	(1)	(111)	416	815	399
26	Payment for retention of mining license	200	1,077	877	-	1,060	200	17	(183)
27	Payment for environmental pollution and damages to the environment	23,155	19,621	(3,534)	(416)	(2,881)	22,739	22,502	(237)
28	The fee for the issuance of license	174	-	(174)	(10)	(163)	164	162	(2)
29	The fee for the issuance of certificates and other permits	2,999	-	(2,999)	(1)	(1,449)	2,998	1,449	(1,549)
30	Payments established by agreements with the Government of the Kyrgyz Republic	218,023	77,010	(141,013)	10	(141,029)	218,033	218,039	6
Total other material payments		1,985,777	1,899,883	(85,894)	95,990	(180,882)	2,081,767	2,080,765	(1,002)

Total other material payments to the customs budget in accordance with the initial data from the companies comprised of KGS 1,985,777 thousand, which is KGS 85,894 thousand more than the amount of payments to the budget initially reported by government agencies. However, the total amount of initial discrepancy consists of positive and negative discrepancies of all mining companies.

#	Government agency	Original amounts, '000 KGS		Initial discrepancies	Adjustments, '000 KGS		Final amounts, '000 KGS		Unresolved discrepancies
		Mining companies	Government agencies		Mining companies	Government agencies	Mining companies	Government agencies	
1	State Tax Service	6,512,127	6,502,848	(9,279)	(2,292)	(8,181)	6,509,835	6,511,029	1,194
2	State Customs Service	253,101	286,739	33,638	9,288	14,859	262,389	271,880	9,491
3	Social Fund	1,493,650	1,570,750	77,100	92,974	(16,840)	1,586,624	1,587,590	966
4	State Agency for Geology and Mineral Resources	3,252	1,077	(2,175)	(2,888)	897	364	180	(184)
5	Fund for State Property Management	218,015	218,972	957	4,340	(3,501)	222,355	222,473	118
6	State Agency for Environmental Protection and Forestry	42,852	29,560	(13,292)	1,624	(13,252)	44,476	42,812	(1,664)
7	State Registration Service	6,569	1,810	(4,759)	(68)	(5,597)	6,501	7,407	906
8	District State Administrations	218,440	77,714	(140,726)	9	(141,140)	218,449	218,854	405
9	Undetermined	2,999	-	(2,999)	(1)	(1,449)	2,998	1,449	(1,549)
Grand total		8,751,005	8,689,470	(61,535)	102,986	(174,204)	8,853,991	8,863,674	9,683

Review of EITI reporting on environmental issues

Mongolia: The 2015 EITI Report reconciles three fees (air pollution, water use and water pollution).

5.3.2 SUB-NATIONAL FLOWS				Cash Flow Details				Original Budget			Adjustments			Final reconciliation				
Cash Flow Stream	Originally budgeted			Adjustments			Final reconciliation			Government	Company	Difference	Government	Company	Difference	Government	Company	Difference
	Government	Company	Difference	Government	Company	Difference	Government	Company	Difference	2015	2015	2015	2015	2015	2015	2015	2015	2015
Fee for water use	11,401	13,080	(1,679)	262	(1,305)	11,392	16,714	(5,322)										
Fee for water pollution	895	-	895	(895)	28	28												
Fee for use of equipment for air pollution	671	2,589	(1,918)	(201)	(2,114)	470	475	(5)										
Payment for recruiting foreign experts and workers	2,286	109	2,187	(79)	2,112	2,221	2,221	-										
Dividends on local state property	-	18	(18)	1,555	1,537	1,555	1,555	-										
Penalty	232	515	(283)	178	(98)	405	416	(12)										
Compensation	56	296	(240)	(29)	(266)	27	27	-										
Shared contribution at rate of 50% to Environmental protection special account	23	141	(118)	77	(58)	100	101	(1)										
Others	4,761	897	4,384	(4,090)	213	696	610	87										
Subsidies to Government agency	4,452	41,303	(36,851)	35,889	(1,403)	40,292	40,299	(7)										
Total sub-national flows	73,635	102,733	(29,097)	32,404	3,238	106,939	106,939	0										
Total national and sub-national flows	1,436,027	1,134,519	301,487	(44,461)	257,498	1,393,065	1,393,027	38										

Mozambique: The 2014-13 EITI Report reconciles payments made by companies for the environmental licenses.

ANNEX V – DETAILED INFORMATION ON RECONCILIATION PROCESS - 2014

Environmental License – 2013

Nº	Name of Company	Pre-Reconciliation			Reconciliation		Post-Reconciliation	
		State	Company	Difference	State	Company	State	Company
Mining Area								
1	ACOSTERAS	-	-	-	-	-	-	-
2	AFRICA GREAT WALL MINING DEVELOPMENT COMPANY, LIMITADA	1,834,200.00	-	1,834,200.00	-	1,834,200.00	1,834,200.00	1,834,200.00
3	AFRICA YUXIAO MINING DEVELOPMENT	-	-	-	-	-	-	-
4	AFRIFOCUS RESOURCES, LDA	-	-	-	-	-	-	-
5	ARA SUL	-	-	-	-	-	-	-
6	BEWORLD INTERNATIONAL, LIMITED	-	-	-	-	-	-	-
7	BRITANDR, SA	-	-	-	-	-	-	-
8	CAPTOL RESOURCES, LIMITADA	-	-	-	-	-	-	-

Norway: The 2015 EITI Report reconciles two environmental-related taxes (CO₂, and NO_x).

Appendix 3:

Reported CO₂ tax per company (operator)

TNOK	Sum Operator	Sum Government ¹⁾	Discrepancy		Resolved	Unresolved	Comments
			Licensee	Government			
A/S Norske Shell	56 014	56 014	-	-	-	-	
BG Norge Ltd	35 307	45 786	-10 478	-	-10 478	-	The company included payments not subject to the EITI reporting requirements
BP Norge AS	211 304	211 304	-	-	-	-	
ConocoPhillips Skandinavia AS	427 299	427 299	-	-	-	-	
Det Norske Oljeselskap ASA	74 409	74 409	-	-	-	-	

Philippines: The EITI Report covering 2014 data reconciles environmental-related fees such as mine waste and tailings fees.

Review of EITI reporting on environmental issues

Table 13. Overall results of LGU revenue streams per sector

Revenue stream	Amount		Variance pre-reconciliation	Reconciled amount	Variance post-reconciliation
	per Company	per Agency			
Mining					
Commodity	247,003	123,324	123,679	247,003	-
Environmental fees	21,920,050	20,000	21,900,050	3,020,050	18,900,000
Excise	2,182,566	-	2,182,566	2,182,566	-
Local business tax	272,332,358	240,482,589	31,849,769	198,263,617	(5,341,824)
Local wharfage fees	13,586,126	424,370	13,161,756	13,586,126	-
Mining permits	3,698,118	2,399,382	1,298,736	3,096,724	551,048
Mine wastes & tailing fees	46,870	-	46,870	46,870	-
Operation fees	14,140,302	4,407,448	9,732,854	7,300,526	5,252,434
Real property tax - Basic	79,435,474	70,408,524	9,026,950	73,318,399	1,761,710
Real property tax - SEF	31,389,192	65,988,739	(34,599,547)	34,337,241	1,407,316
Registration fee	488,568	19,200	469,368	488,568	-
Regulatory/Administrative fees	60,025	1,087,216	(1,027,191)	73,725	-
Rental fees on mineral lands	75,712	340,410	(264,698)	75,712	-
Tax on mining operations	21,779,666	11,823,339	9,956,327	-	-
Other LGU payments	20,662,515	51,759,891	(31,097,376)	34,253,141	(1,546,720)
Sub-total	482,044,545	449,284,432	32,760,113	370,290,268	20,983,964

Ukraine: The 2014-15 EITI Report reconciles the environmental tax disaggregated by provided by sectors, such as oil and gas, metal ores mining and coal mining; and by company.

Table 7.3-1

Total government revenues from extractive industries in 2014 and 2015, according to the data provided by the companies

Revenues / Payments	Oil and gas industry, UAH thous		Metal ores industry, UAH thous		Coal industry, UAH thous	
	2014	2015	2014	2015	2014	2015
Tax revenues /payments	29,537,104.25	54,157,488.78	6,401,015.51	6,684,227.72	2,991,453.41	4,818,835.99
Personal income tax	1,026,451.83	1,134,162.79	632,828.83	812,374.71	841,732.40	1,054,461.01
Corporate income tax	2,752,443.76	2,186,165.71	4,249,457.87	3,540,102.04	149,200.90	316,542.40
Production royalty	12,867,440.80	25,544,807.25	1,052,852.39	1,942,946.48	230,528.01	274,066.44
Value added tax	10,822,038.09	20,000,203.22	8,526.33	6,783.82	1,689,540.00	3,135,371.70
Excise tax	630,162.20	1,615,908.20	-	-	-	-
Transportation royalties	1,362,853.00	3,632,135.00	-	-	-	-
Environmental tax	75,714.57	44,106.61	457,350.10	382,020.67	80,452.10	38,394.44
Non-tax revenues / payments	2,069,873.69	2,386,455.88	1,720,170.65	2,020,970.72	3,467,882.70	2,999,183.41
Income from property and business activity	156,408.00	409,786.00	1.53	79.65	2,482.80	33.00
Social contributions	1,913,402.71	1,976,669.88	1,720,169.12	2,020,891.07	3,465,399.90	2,999,150.41
Total	31,606,977.94	56,543,944.66	8,121,186.16	8,705,198.44	6,459,336.11	7,818,019.40

Zambia: The 2015 EITI Report reconciles payments into the Environmental Protection Fund.

Payments are made to the Fund in US dollar, and are retained in a US dollar bank account. The Fund is audited annually by an auditor appointed by the Committee.

Company	US DOLLARS	ZMW
Lumwana Mining Company Limited	363,772	-
Chambishi Metals Plc	110,525	-
Kansanshi Mining Company Limited	-	1,085,012
Total	474,297	1,085,012

3.4 Management of environment and rehabilitation funds

As part of requirement 5.1 on the distribution of extractive industry revenues, implementing countries are required to “indicate which extractive industry revenues, whether cash or in kind, are recorded in the national budget. Where revenues are not recorded in the national budget, the allocation of these revenues must be explained, with links provided to relevant financial reports as applicable, e.g., sovereign wealth and development funds, subnational governments, state-owned enterprises, and other extra-budgetary entities.”

Some countries such as Mongolia, Philippines and Zambia have included information on the management of environmental and rehabilitation funds, such as the use of proceeds from fees and penalties paid according to environmental regulations. In the case of Mongolia, the report includes disclosure of a fund, managed by the Ministry of Environment, which maintains a deposit of 50% of the environmental protection budget of companies which is refunded as they comply with their protection plan. Mongolia’s report also includes a stocktake of implementation of mining rehabilitation plans.

Mongolia: The 2015 EITI Report includes disclosure of a fund that holds 50% of companies’ environmental protection budgets.

3.6.3 PETROLEUM AUTHORITY OF MONGOLIA

The objective of the Petroleum Authority of Mongolia is to inform and assist government policies to support the development of the oil industry and encourage investment. The Authority aims to provide clients with an effective and fair service. The current priorities of the Authority include implementing policies of oil extraction and refining, support conventional and non-conventional oil exploration activities, and increasing processing capacity.

The Authority presently has seven separate divisions and departments working towards these objectives: administration, exploration.

3.6.4 MINISTRY OF ENVIRONMENT, GREEN DEVELOPMENT AND TOURISM

The Ministry is responsible for receiving and reviewing the environmental protection plan that exploration licence holders are required to submit within 30 days of receiving their licence.

Furthermore, the Ministry is responsible for holding the amount equal to 50% of companies’ environmental protection budgets for each particular year in order to secure their compliance with their respective environmental protection plans. These funds may be used by the Ministry.

3.6.5 MINISTRY OF LABOUR

The Ministry of Labour is responsible for labor engagement and poverty reduction, improvement of working conditions and living cost issues, foreign nationals’ employment within Mongolian territory and export of labor force.

Appendix 23: Deposits by companies to Environment Protection Account

Deposits by companies to Environment Protection Account in 2015				
No	Company name	Registration No	Deposited amount (MNT million)	%
1	Aduunchuluun LLC	2011239	6,837	0.67%
2	IND LLC	-	9,500	0.92%
3	Altan Biyaga LLC	-	2,800	0.27%
4	Anandbiayan Tal LLC	-	3,950	0.38%
5	Achit-Ikht LLC	-	41,994	4.09%
6	ASHB LLC	2555409	950	0.09%
7	Baganuur JSC	2008572	22,500	2.19%
8	Bat Brothers LLC	-	15,200	1.48%
9	Batu Construction LLC	-	250	0.02%
10	Bat Bekh Remikon LLC	-	2765	0.27%
11	Bayan LLC	-	27243.2	2.65%
12	Bayantegsh Impex LLC	-	2,500	0.24%
13	Baynteg LLC	2014491	7050	0.69%
14	Blast LLC	-	85	0.01%
15	British Mining LLC	5407761	1,500	0.15%
16	Bud Undram LLC	-	7,500	0.73%
17	Bulgan Invest LLC	-	750	0.07%
18	Berkhin Nuram LLC	-	2,704	0.26%
19	Gatsuurt LLC	-	1,650	0.16%
20	Gobi Energy Partners LLC	-	533	0.05%
21	Golden taiga LLC	-	1,550	0.15%
22	Datsan Trade LLC	2061848	9,420	0.92%
23	DTU LLC	-	3049.25	0.30%
24	Dun Uynga LLC	-	14,500	1.41%

Philippines: The contextual information in the 2014 EITI Report provides an explanation of the

EITI Coverage of environmental information in EITI reporting

mandatory environmental-related funds.

D. Mandatory expenditures and social funds	Type	Description	Rate
<p>Pursuant to the Mining Act, companies incur expenditures for programs and activities related to social development, environmental protection and rehabilitation. They also establish funds to ensure the availability of financing for their implementation. All such mandatory expenditures and social funds were included in the template irrespective of monetary amounts due to their relevance and importance, as these disclosures not only ascertain regulatory compliance, but also emphasize the social and environmental responsibilities that must be undertaken by the companies.</p>	Responsible agency: MGB		
<p>The required disclosures, however, are limited to those specifically mandated by prevailing regulations and confirmed by either MGB or DOE as applicable to companies, and as such do not include additional activities undertaken as part of their respective Corporate Social Responsibility (CSR) programs.</p>	Annual Environmental Protection and Enhancement Program (AEPEP)	The AEPEP cost covers the amount of environment-related expenses for the entire life of the project wherein the initial 10% of capital/project cost was derived from the feasibility study forming part of the Declaration of Mining Project Feasibility (DMPPF).	Under DAO No. 2010-21, AEPEP cost shall approximate 3-5% of direct mining & milling cost
<p>A summary of mandatory expenditures and funds that are considered unilateral payments, but are nonetheless subjected to reconciliation procedures, as far as practicable, is provided below:</p>	Community Development Program	The amount is imposed on exploration activities, which is intended to enhance the development of the host and its neighboring communities.	10% of the approved budget for an entity's two (2) year Exploration Work Program
	Annual Safety and Health Program (ASHP)	The program includes standard operating procedures for mining and milling operations, management and employee training, housekeeping, environmental risk management including emergency response program and occupational health and safety management.	N/A

Zambia: The 2015 EITI Report describes the Environmental Protection Fund (EPF), which ‘lodges’ contributions as deposits to be spent by the government in case it is necessary to undertake the rehabilitation of mining areas where the mining licence holder fails to do so. The report provides an overview of the guidelines for the management of the fund.

The EPF is supervised by the Minister of Mines, Energy and Water Development through Statutory Instruments, (SIs) in particular SI No. 102 of 1998. EPF operates under the following fundamental guidelines:

- a. cash payment into EPF to be in hard currency;
- b. the developers contributions to the EPF shall be made in the form of a hard currency (Cap. 213, S.76 (2) (b) and S.I 102 of 1998 (Regulation 8 (2)).
- c. the balance on deposits lodged under S.1. 29 of 1997, Regulation 66 (1), (2) and (3) shall be secured with the Fund by the developer by way of lodgement of a Bond or Bank Guarantee to be determined by the Minister (Cap. 213, S. 76 (1) (b);

4. Opportunities to address other environmental aspects

Apart from disclosing and reconciling material revenue streams, there are no other requirements in the Standard that mandate the coverage of information related to environmental policy and management. There are however some additional aspects of the EITI Requirements where environmental issues are relevant.

Multi-stakeholder groups are “encouraged to explore innovative approaches to extending EITI implementation to increase the comprehensiveness of EITI reporting and public understanding of revenues and encourage high standards of transparency and accountability in public life, government operations and in business” (Requirement 1.4). Based on this provision, a number of MSGs have decided to cover aspects of environmental policy, management and compliance. This reporting can complement required disclosures in EITI Reports. In some cases, there may be potential for the EITI to address gaps in the publicly available information on environmental aspects of the extractive industries. In Colombia, the MSG agreed in its candidature application to establish a working group that would be tasked with exploring possible options for including environmental data in EITI Reports. A study was commissioned in 2016 to get more information on the state of environmental payments, with the aim to develop a methodology for the systematic reporting of payments and/or investments in the environment in the next EITI reports. Flows under consideration included taxes on the use of natural resources, fees for environmental services and direct investments in the environmental management plan.³

The EITI Principles emphasise that natural resources should be an engine for sustainable development and reaffirm a commitment for high standards of transparency and accountability in public life, government operations and in business (see in particular Principles 1 and 9). It is widely⁴ accepted that preservation of the environment and remediation of damages caused to the environment are a substantial part of ensuring sustainable development. Effective implementation of, and compliance with, environmental regulations are then an integral part of the way government and companies should conduct business in the extractive sector.

³ EITI Colombia: “Consultancy for strengthening the EITI national technical secretariat of the Ministry Of Mines And Energy in developing a public environmental information diagnosis that permits to explore and establish a methodology for systematising environmental payments and investments within the framework of the EITI” (in Spanish):

<http://www.eiticolombia.gov.co/sites/default/files/documentos/Diagn%C3%B3stico%20sobre%20los%20pagos%20e%20inversiones%20ambientales%20del%20sector%20extractivo.pdf>

⁴ See for example Principle 4 in the UN’ Rio Declaration on Environment and Development of June 1992.

Opportunities to address other environmental aspects

Policies and regulations aiming at ensuring sustainable development, including environmental objectives, are part of a complex web of international treaties, conventions, initiatives and guidelines together with national laws, rules and regulations. These policies and regulations range from technical protocols to administrative and judiciary procedures to participation in decision-making on environmental issues. The UN has provided a global framework for these policies and regulations⁵, and the Sustainable Development Goals (SDGs) adopted in 2015 include a target to “ensure public access to information” in accordance with national legislation and international agreements” (SDG 16.10).⁶ The Paris Agreement within the UN Framework Convention on Climate Change emphasises transparency by member states and improved reporting on progress against their commitments.⁷ The Rio+20 UN Conference on Sustainable Development in 2012 agreed that “...that broad participation and access to information and judicial and administrative proceedings are essential to the promotion of sustainable development” and that Member States will “Ensure the active participation of all relevant stakeholders drawing on best practices and models from relevant multilateral institutions and exploring new mechanisms to promote transparency and effective engagement of civil society”⁸

The corporate sector has developed guidelines on information that should be disclosed on sustainability issues. The Global Reporting Initiative (GRI) framework⁹ is a good example. The GRI provides extensive suggestions and guidance for reporting on sustainability. There is specific guidance for the mining and metal and oil and gas sectors. Among the environmental-related aspects recommended to be reported under the GRI framework are: energy consumption, use of water, effluents and waste, emissions, biodiversity impact, compliance with environmental laws and regulations, and number of environmental grievances filed.

The EITI Standard with its specific architecture based on tri-partite governance and focus on disclosure of information along the value-chain of the extractives industry could be well-placed to contribute to increased transparency on environmental-related issues. However, there are also risks that this work detracts from addressing the EITI Requirements, particularly in countries where the EITI faces capacity

⁵ In addition to the global guidance provided by the UN, the regional UN economic commissions like UNECE and ECLAC have further developed the application of sustainable development principles. For UNECE see the Aarhus Convention (<http://www.unece.org/fileadmin/DAM/env/pp/documents/cep43e.pdf>) and for ECLAC see <http://www.cepal.org/rio20/principio10/default.asp?idioma=IN>

⁶ <https://sustainabledevelopment.un.org/sdg16>

⁷ The agreement has been ratified by 159 countries and came into force in November 2016.

⁸ <http://daccess-dds-ny.un.org/doc/UNDOC/GEN/N11/476/10/PDF/N1147610.pdf?OpenElement>

⁹ Further details on GRI guidelines can be found in: General disclosure (G4): <https://www.globalreporting.org/resourcelibrary/GRIG4-Part1-Reporting-Principles-and-Standard-Disclosures.pdf> Mining and metals: <https://www.globalreporting.org/resourcelibrary/GRI-G4-Mining-and-Metals-Sector-Disclosures.pdf> Oil and gas: <https://www.globalreporting.org/resourcelibrary/GRI-G4-Oil-and-Gas-Sector-Disclosures.pdf>

Opportunities to address other environmental aspects

constraints. While acknowledging these concerns, there have been some MSG requests for the EITI Secretariat to produce additional guidance and sharing of good practice about how MSGs have and may consider environmental issues in their reporting. In some cases, it may be possible to draw on existing information, such as company reporting under the GRI (see Box 1 for an example), and encouraging other companies to adhere to these standards.

Box 1 - Chile's Environmental Evaluation Service (SEA)

Ficha del Proyecto: Proyecto de Expansión 85.000 tpd Minera Los Pelambres

Ateneo General	Evaluación Ambiental	Seguimiento y Fiscalización	Recursos Administrativos	Proceso de Sanción	
Expediente de evaluación de impacto ambiental					
Documentos Publicados					
Etapos del proyecto	Observaciones	Fecha	N Resolución	Archivo digital	
Presentación		12/2/1997		[Descargar]	
Admisión		12/2/1997		[Descargar]	
Adenda	Adendum I	12/2/1997		[Descargar]	
Suspensión		16/6/1997	053/1997	[Descargar]	
Adenda	Adendum II	30/6/1997		[Descargar]	
Suspensión		11/8/1997	029/1997	[Descargar]	
Adenda	Adendum III	25/9/1997		[Descargar]	
OT		25/9/1997		[Descargar]	
Ampliación		25/9/1997	066/1997	[Descargar]	
Resultado	Calificado favorablemente en la sesión de COREMA del día 29 septiembre	6/10/1997	071/1997	[Descargar]	
Reclamación	Se acepta desistimiento de recurso de reclamación presentado por minera los pelambres en contra la resolución 071/1997	2/12/1997	034/1997/1997	[Descargar]	
Documentos e-sés					
Nº	Documento	Fecha de publicación en expediente electrónico	Resuelto por	Destinatario	Fecha de generación
1	Carta de presentación estudio de impacto ambiental	17/03/2015			11/02/1997
2	Estudio de impacto ambiental	17/03/2015	Minera Los Pelambres		12/02/1997
3	Adenda	17/03/2015	Minera Los Pelambres		30/04/1997
4	Informe consolidado de solicitud de actuaciones, rectificaciones y/o ampliaciones al EIA 0148A	17/03/2015	Comisión Nacional del Medio Ambiente, IX Región de Coquimbo		03/06/1997
5	Replicación de suspensión de plazo	17/03/2015	Comisión Nacional del Medio Ambiente, IX Región de Coquimbo		16/06/1997
6	Adenda	17/03/2015	Minera Los Pelambres		27/06/1997
7	Informe consolidado de solicitud de actuaciones, rectificaciones y/o ampliaciones al EIA 0148A	17/03/2015	Comisión Nacional del Medio Ambiente, IX Región de Coquimbo		04/08/1997
8	Replicación de suspensión de plazo	17/03/2015	Comisión Nacional del Medio Ambiente, IX Región de Coquimbo		11/08/1997
9	Informe consolidado de la evaluación de impacto ambiental (ICE)	17/03/2015	Comisión Nacional del Medio Ambiente, IX Región de Coquimbo		20/08/1997
10	Replicación de ampliación de plazo	17/03/2015	Comisión Nacional del Medio Ambiente, IX Región de Coquimbo		25/08/1997
11	Replicación de certificación ambiental (CA)	17/03/2015			06/10/1997
12	Expediente consolidado	17/03/2015			17/03/2015

Documento con firma electrónica asociada. La versión disponible en este otro web tiene validez legal y requiere un programa para su visualización que puede descargar.

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 Documento con Efecto por Recurso Judicial.

Based on practice in implementing countries to date, the following four opportunities for MSGs that wish to undertake further work on environmental reporting have been identified. It should be noted that environmental reporting is not a requirement of the EITI. In accordance with EITI Principle 6, it is important not to duplicate or replace existing national systems for monitoring environmental aspects.

- 1) Monitoring compliance with mandated procedures, policies and voluntary guidelines at the national and international level.
 - *Example:* monitoring whether governments and companies have environmental impact assessments and declarations, environmental management plans and other obligations, or licensees have complied with mandatory/recommended consultations (Convention ILO 169, FPIC).
- 2) Monitoring government resources for enforcing environmental-related regulations.
 - *Example:* Disclosure of resources (staff, equipment, services) devoted to inspections and other mechanisms to ensure compliance with environmental regulations.
- 3) Reporting on timeliness and availability of evidence of specific environmental-related obligations by companies and government agencies such as reports/documents that have to be published/made available.

Opportunities to address other environmental aspects

- *Example:* EITI reports/portals could include a list of environmental bonds indicating validity, amount insured, and issuer/financial institution. This information could be included in the contextual part of the EITI Report.
- 4) Highlighting environmental-related contributions within wider social contributions. This information could be included in the contextual part of the EITI Report.

There is no expectation that MSGs would cover all of these issues, or that the EITI would require implementing countries to report on environmental aspects. However, it is important to highlight the growing interest in environmental reporting related to the extractive sector by different countries. This note is an attempt to collate existing practices from EITI reporting for MSGs that take an interest in environmental issues.

Annex A: Country-by-country overview of environmental information in EITI Reports

Country	Year	Disclosure of environmental-related flows of information	Disclosed, Reconciled
Burkina Faso	2015	<p>The report describes the roles of key government agencies in monitoring environmental obligations by mining companies. The report explains that EIAs are publicly available. Fees collected by the National Bureau for Environmental Assessments (BUNEE) for its services are reconciled.</p> <p>The report also describes the Rehabilitation Fund for the Environment (FRE), as well as another fund on the rehabilitation, securitization of artisanal mining sites and the fight against the use of prohibited chemical products. Payments to the Rehabilitation Fund for the Environment (FRE) are disclosed by company. It is noted that payments for 2015 did not correspond to company commitments. The report recommends to mitigate the social and environmental impact of artisanal mining.</p>	Reconciled
Cameroon	2016	According to the Annual Progress report, the MSG is considering including environmental impact in upcoming EITI Reports.	Discussion
Chad	2014	The report refers to legal requirements related to environment, including the need for EIAs to be approved prior to granting of a license. One company (China National Petroleum Company International) paid a unique “Environmental penalty” to the State Treasury in the reporting year, which is reconciled in the report. The MSG is considering including a regular monitoring of the collection of environmental fines.	Reconciled
Cote d’Ivoire	2015	<p>The report describes key laws and government policies related to environment, including legal requirements for mandatory EIAs for license allocations.</p> <p>Company payments to a Rehabilitation Fund, to cover expenses related to rehabilitation and closing of mining sites are disclosed. The report mentions but does not disclose certain taxes related to inspection and monitoring that are allocated to the National Fund for the Environment.</p>	Disclosed
Colombia	2014	The report discloses detailed information on	Disclosed

Annex A: Country-by-country overview of environmental information in EITI Reports

		<p>environmental payments. This includes an overview of the relevant agencies and their roles, and the legal and regulatory frameworks related to environmental protection in the petroleum and mining sectors (in particular in the granting of licenses). The report highlights that illegal mining activities has had a strong impact on the environment.</p> <p>To look further into how to include information on environmental regulations, the process of granting permits and environmental payments in EITI reporting, a study was commissioned in 2016 with the aim to develop a methodology for the systematic reporting of environmental payments. Information provided by regional autonomous authorities, the national authority for environmental licenses (ANLA), the Ministry of Environment and the Ministry of Mines and Energy, was compared with information provided by 17 oil companies and 5 mining companies. It was found that there were significant gaps in information due to the lack of a framework for monitoring and reporting in this area among other reasons.</p>	
Democratic Republic of Congo	2015 (yet to be approved by MSG)	The report describes the relevant law related to protection of the environment. The Ministry of Environment and Sustainable Development (MEDD) is part of the public institutions covered by the scope of the report. It collects fees related to the execution of the Programme for mitigation and rehabilitation and the Plan for environmental management from companies, which are reconciled in the report.	Reconciled
Germany	2016	The MSG decided to include two environmental topics in its first EITI Report published in September 2017. One chapter describes detailed information on the environmental regulation of mining, including mining provisions on the company side and mining securities on the side of mining authorities. Further, information on the use of water by extractive industries in Germany is included. This topic focuses on financial aspects of water abstraction and the variety of regulations on the federal level. Both topics aim at raising the relevance of the D-EITI Report and can be found in the report as well as on the interactive D-EITI portal www.rohstofftransparenz.de ."	Disclosed
Indonesia	2014	The report discusses the requirements for companies for	Disclosed

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		both oil/gas and mining to undergo environmental restoration activities. It includes a description of the mechanisms for the Abandonment and Site Restoration Fund (ASRF) for oil and gas, and the reclamation and post mining fund for the mining sector. It also discloses how much ASRF has been deposited in state-owned banks for 2015. The report provides a recommendation for the government to come up with a mechanism to measure environmental impacts of extractive activities.	
Kyrgyz Republic	2014	<p>Kyrgyz Republic's report covers the following streams, most of which are paid to the State Agency for Environmental Protection and Forestry (SAEP):</p> <ul style="list-style-type: none"> - Payments for lease of land owned by state or municipal agencies, land lease payments for forest resources - Reimbursement of forest production losses - Reimbursement of agricultural production losses - Payment for environmental pollution and damages to the environment - Reclamation fund charges <p>(The EITI report does not provide a definition of these revenue streams).</p>	Reconciled
Kazakhstan	2015	<p>The 2015 EITI Report reconciles environment emission payment. Extractive companies are mandated to pay the environmental emission payment that comprises:</p> <ul style="list-style-type: none"> - Payments for use of certain natural resources - Pollution charges <p>The objects of taxation and payment rates depend on a nature of the subsoil user's activity, extent of the use of natural resources and environmental pollution level. However, the report does not provide detail for how the environmental emission payments are being spent. The MPs on the MSG have claimed that of the environmental fines collected from the extractive sector, only 15-20% is spent on environmental issues.</p>	Reconciled
Liberia	2014 /15	The report describes the role of the Environmental Protection Agency in collecting fees from oil, gas, agriculture and forestry companies and reconciles the payments.	Reconciled
Madagascar	2014	The report describes different decrees which include provisions on the protection of the environment, including requiring EIAs to be systematically carried out.	Disclosed

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		The report describes and discloses revenues collected by the National Office for the Environment from companies for the assessment and monitoring of environmental impact.	
Malawi	2014-15	The report describes ongoing reforms in the mining sector which include redefining environmental terms in the standard mineral agreements and improving monitoring of compliance with Environmental Management Plans. References are made to environmental management laws relating to the oil/gas, mining and forestry sectors and requirements as part of the licensing process.	
Mali	2014-15	The Terms of Reference for the 2014 and 2015 EITI Reports refer to the Fund for Environmental Rehabilitation and the reports are likely to include further information. The Annual Progress Report 2016 refers to EITI objectives considered by the MSG including taking into account environmental-related issues in EITI reconciliation reports through the implementation of EIAs and provisions for the rehabilitation and closing of mines. This might be reflected in the next EITI work plan.	Discussion
Mauritania	2014	The report provides refers to provisions in the sector laws related to environmental protection and reconciles payments to the National Fund for Revenues in the Hydrocarbons sector (FNRH) (labelled “Environmental Commission”), paid by companies to mitigate environmental damage.	Reconciled
Mongolia	2015	The report includes a reconciliation of three revenue flows under the category of fees paid to national and local governments. These are treated as any other revenue flow in the EITI Report. Mongolia’s mining companies have to deposit 50% of their annual budget for execution of environmental protection and remediation work to the environmental protection account in the Ministry of Environment and Green Development (MEGD). This money is refunded to the companies upon completion of their annual environmental protection and remediation work. Companies were asked to report on how much they have deposited in the MEGD in 2013. 42% of companies responded. The MEGD disclosed details on how much had been refunded to the companies out of the withheld funds and the accumulated balance of funds.	Reconciled
Mozambique	2013-14	The overview of the legal and fiscal framework in the report includes references to regulations on	Reconciled

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		environmental protection, and the report reconciliation of payments for environmental licenses.	
Nigeria	2014	The report references environmental protection clauses in the overview of the laws and regulations in the oil/gas and mining sectors. The oil/gas report discloses payments made by companies related to gas flaring, and the mining report includes payments made by mining companies to the Federal Ministry of Environment.	Disclosed
Norway	2015	Norway has reconciled CO2 and NOx fees in all of its EITI Reports.	Reconciled
Philippines	2014	The Philippines' 2014 EITI Report provides a discussion on the reforestation of mining areas as conducted by individual companies. As in previous reports, it also provides information on mining monitoring reports by looking at company commitments in their respective Environmental Protection and Enhancement Programs (EPEP) and Annual EPEPs (AEPEP) and looking at actual expenditures for these commitments. Mandatory environmental expenditures such as AEPEP and expenditures from environmental trust funds of companies, as well as mine wastes and tailings fees are disclosed and reconciled.	Reconciled
Republic of Congo	2014	The report describes recent reforms in the sector which include introduction of clauses enforcing the protection of the environment. Payments to the Fund for the Protection of the Environment and EIA fees paid by one mining company (COMINCO) are unilaterally disclosed as part of 'other significant payments'.	Disclosed
Senegal	2014	The report describes the rehabilitation fund for mining sites, managed by the Minister of Mines and Environment, and recommends that the government establish a framework for monitoring companies' social and environmental commitments. The report discloses payment data on pollution taxes provided by mining companies (the tax is collected by the Direction for Environment and Registered Sites).	Disclosed
Seychelles	2013-14	The MSG is interested in exploring ways to understand the implications of oil exploration for tourism, fisheries and the environment, and have included related objectives and activities in their 2014-16 work plan. The 2013-14 EITI Report includes a section on environmental protection and describes relevant clauses in the Model Petroleum Agreement. The report recommends that the government establishes an environmental fund to enable the authorities to ensure that safety standards and procedures are implemented and to recover administrative costs of conducting EIAs.	Discussion

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Sierra Leone	2014	The report describes the role of the Environmental Protection Agency in regulating the environmental activities in the sector. The reconciliation includes payments made by companies for EIA licenses (which are a pre-requisite for mining licenses) and EIA monitoring fees for the oil/gas and mining sectors. The report also provides links to EIAs available from the mining sector from 2010-2014.	Reconciled
Togo	EITI 2013 Report	The report describes the role of the National Agency on Environmental Management in collecting two kinds of tax (tax for environmental compliance and tax for the certification of environmental regulation) and penalties if infractions are verified.	Reconciled
Ukraine	2015	The 2014-15 EITI Report includes reconciliation of environmental tax. The companies that emit pollutants into air and discharge pollutants/waste into water are required to pay the environmental tax. The rates depend on the type of the source and object of pollution, the type and concentration of waste. The report explains that in 2015 the scope of objects that impose environmental tax was reduced.	Reconciled
United States of America	2015	The 2015 EITI Report reconciles the offshore inspection Fees for annual inspections performed by the Bureau of Safety and Environmental Enforcement. The online EITI data portal also links to environmental laws and policies, as well as specific environmental risk analyses and mineland reclamation plans.	Reconciled
Zambia	2015	Zambia covers payments to the Environmental Protection Fund. The 2015 EITI Report describes the framework and administrative procedures related to contributions to the fund, which 'lodges' contributions as deposits to be spent by the government in case it is necessary to undertake the rehabilitation of mining areas where the mining licence holder fails to do so. Zambia EITI is discussing with stakeholders how to potentially make EIAs available through the mining cadastre.	Disclosed



The EITI (Extractive Industries Transparency Initiative) is a global standard that improves transparency and accountable governance of oil, gas and mineral resources. The standard is implemented by governments, in collaboration with companies and civil society.

Countries implementing the EITI disclose information on issues such as tax payments, licenses, contracts, production and national oil companies.



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