



UPSTREAM, DOWNSTREAM, MAINSTREAM?

**CASE STUDY: EXPLORING THE POTENTIAL FOR
MAINSTREAMING EITI DISCLOSURES IN NIGERIA**

Image credit: Ukraine EITI, showing gas pipelines

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EITI International Secretariat

Ruseløkkveien 26, 0251 Oslo, Norway +47 222 00 800 secretariat@eiti.org

Further information

If you would like further information on this topic, please contact the person mentioned below.

Christoffer Claussen

Data Officer, cclaussen@eiti.org

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ACRONYMS

CBN	Central Bank of Nigeria
DPR	Department of Petroleum Resources
EITI	Extractive Industries Transparency Initiative
FAAC	Federation Accounts Allocation Committee
FIRS	Federal Inland Revenue Service
FOIA	Freedom of Information Act
IAASB	International Auditing and Assurance Standards Board
INTOSAI	International Organization of Supreme Audit Institutions
ISA	International Standards on Auditing
ISSAI	International Standards of Supreme Audit Institutions
MCO	Mining Cadastre Office of Nigeria
MSG	Multi-stakeholder groups
NEITI	Nigeria Extractive Industries Transparency Initiative
NNPC	Nigerian National Petroleum Corporation
NPMS	National Petroleum Monitoring System
NSWG	National Stakeholders Working Group
OGP	Open Government Partnership
SAI	Supreme Audit Institution
USEDATA	Using Extractive Industry Data for Accountability and Transparency

SUMMARY

The purpose of this paper is to explore the potential of mainstreamed disclosures by using Nigeria EITI's (NEITI) participation in the Federation Account Allocation Committee meetings as a concrete example. The information used in these meetings has the potential to cover EITI Requirements 4.1, 4.2, 4.5, and 5.1-5.3 at least partially. It identifies some of the potential benefits and challenges involved. We also provide some recommendations to embed transparency and accountability into government systems.

Mainstreamed disclosures in a Nigerian context would have an important impact on the priorities for NEITI. The main difference for the EITI Reports would be that the reconciliation process would no longer duplicate existing reporting and quality assurance, making EITI implementation cheaper. Less time would be spent on data collection, as extractive sector information would be readily accessible online at source. NEITI Reports would in the future draw on this information, and become a platform for compiling and making sense of information from various sources in one place. This one-stop shop for extractive sector data would also enable targeted analyses outside the traditional EITI reporting requirements, guiding public debates.

KEY RECOMMENDATIONS

The Nigeria Extractive Industries Transparency Initiative should:

- Finalise the 'Mainstreaming exercise' and use the findings for identifying opportunities for mainstreaming EITI disclosures in Nigeria.
- Engage with relevant government agencies introducing them to the mainstreaming concept under the EITI, with the aim to pursue commitments toward mainstreaming from these agencies.

The EITI International Secretariat should:

- Explore funding opportunities for mainstreaming feasibility studies for Nigeria, and build upon results of the 'Mainstreaming exercise'.
- Share the results of mainstreaming-experiences and feasibility studies from other implementing countries, as they become available.
- Use the experiences of other countries to form better guidance to implementing countries on mainstreaming.

1 MOVING TOWARDS MAINSTREAMING

Nigeria was one of the first countries to implement the Extractive Industries Transparency Initiative (EITI), joining the pilot one year after it was first conceived as a concept. After more than 12 years of implementation and 15+ fiscal years covered by EITI Reports, Nigeria EITI has developed an impressive institutional structure for implementation and has a demonstrated track record of impact through recommendations from these reports.

This paper will use the Nigerian context as an example to explain what mainstreaming can look like using a specific example. Additional opportunities will be identified, as Nigeria EITI (NEITI) is currently undertaking a “mainstreaming exercise”¹.

Implementing the EITI Standard is based on the idea that transparency creates an enabling environment for good governance of the extractive sectors, but once the principles, requirements and recommendations of the standard have been fully absorbed into government and corporate systems, there is no need for national secretariats to duplicate such work.

Mainstreaming in the context of EITI means several things. It means government and companies perform regular disclosures of information, and that these disclosures are easily accessible and understandable. It also means that government is transparent about the quality assurances of the disclosed information, and the information adheres to the requirements of the EITI Standard. This ensures timely, comprehensive, and reliable disclosure.

In short, this is embedding EITI processes in to government and corporate systems. Disclosures of revenues are not fully mainstreamed until the following criteria are fulfilled:

- i. Regular and reliable disclosures of the information which is accessible to the public, ideally in open data formats.
- ii. Sufficient levels of disaggregation as mandated by the EITI [Requirement 4.7](#) (EITI International Secretariat, 2016b, p. 29).
- iii. Disclosures are subject to a credible and transparent quality assurance process, described as a credible independent audit applying international standards².

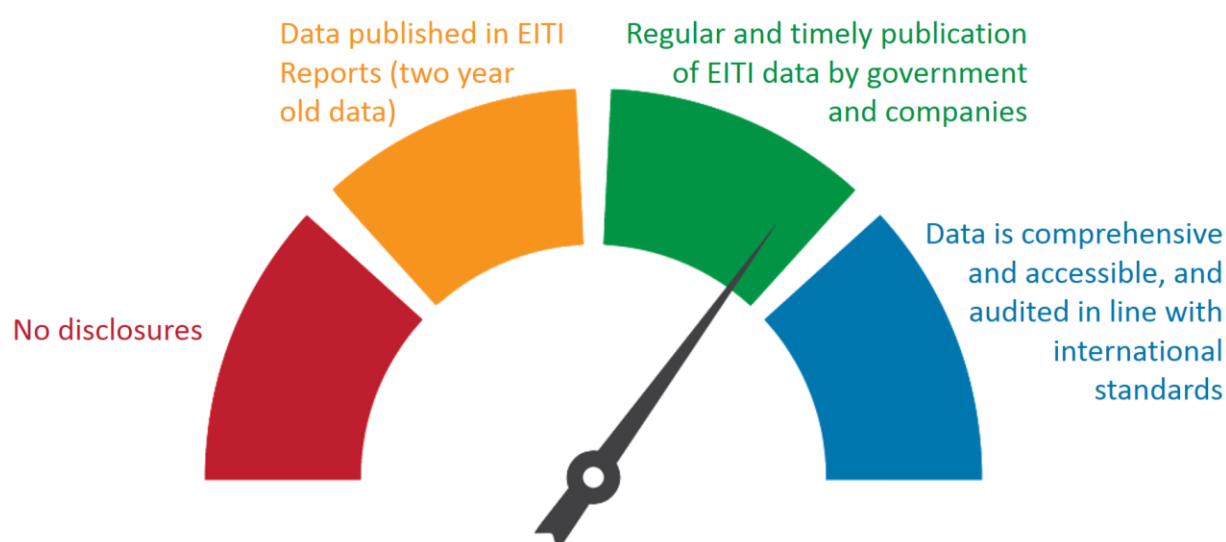
As seen in **Figure 1**, mainstreaming does not represent a change in EITI Requirements, but allows countries that have demonstrated rigorous quality assurance practices to avoid a parallel reconciliation process. This means that a move *towards* mainstreaming would depend on which

¹ See Annex 1 for the questions associated with this exercise.

² According to the EITI Standard 2016, [Requirement 4.9.c](#), this quality assurance-criteria is only required for financial data otherwise covered by the scope of reconciliation.

aspects are *not* fulfilled by existing reporting processes of governments and companies, including any additional challenges that may exist for expanding the scope of the process. The procedures for those applying for mainstreaming of EITI disclosures are outlined in the [Agreed Upon Procedures for Mainstreamed Disclosures](#) (EITI International Secretariat, 2016a).

Figure 1: Stages of mainstreaming



1.1 EITI's experiences and opportunities

Several countries are undergoing similar exercises or considering to do so. The Government of Kazakhstan has created an online reporting platform, requiring subsoil license-holders to report directly to their Ministry of Energy. There is an ongoing move to allow the system to perform automatic reconciliations:

"We are now working on improving our electronic reporting system (EGSU) that was launched for collecting data for the EITI Reports. This system proved to be successful during the data collection process for 2012, 2013 and 2014 EITI Reports though it still needs some improvement. We now hope to develop it further to allow us to reconcile data automatically."

- Mr. Bazarbai Nurabaev (Ponsford, 2015)

Kazakhstan is currently exploring how to leverage their online platform to mainstream this entire system altogether. Several other opportunities for mainstreaming in Asian countries are emerging, as described in a recent blog by the EITI (Rogan, 2016).

In Norway, the multi-stakeholder group has expressed a desire to avoid duplication of existing government reporting structures, arguing that the domestic value of a parallel EITI process in its entirety remains limited. Instead, they would rather integrate parts of EITI not currently covered by government reporting systems and leave out those parts for which a government system already exists. To reach that aim, the government is undergoing a preliminary exercise similar to the one found in Annex 1. The website Norwegian Petroleum (NPD, 2016) provides an excellent point of departure through which Norway could become the first country to fully mainstream EITI disclosures, as most of the information required by the EITI is already available on this parallel platform.

In the Democratic Republic of the Congo, the Ministry of Finance has collaborated with the United Nations Environmental Programme to launch a pilot programme called MAP-X. The online platform aims to embed EITI reporting into government systems and combines the data with other indicators and sources of information. A first phase applied a “data readiness scorecard” evaluating whether the information was available in usable formats and updated regularly, as well as assessed its reliability. However, this approach has proven to be costly and may lead to yet another parallel reporting structure for the government unless it manages to integrate transparency surrounding auditing of the financial information.

As shown in figure 1 in the previous section, open data and mainstreaming are highly related subjects, as open data is a more flexible form of disclosures. Requirement 7.1.b in the 2016 EITI Standard requires that multi-stakeholder groups (MSGs) of implementing countries must agree on an open data policy³, including how to implement the policy. Open data refers to information in formats that are easily and continuously accessible, and are easy to use, re-use, modify and re-publish. Open data also implies that the information is freely usable – meaning that the information has minimal barriers in accessing and modifying. Introducing disclosure of data in open format at the sources of EITI data⁴ can provide a natural starting point for national EITI secretariats seeking to increase the regularity and transparency surrounding any disclosures, including the quality-assurance processes the data goes through.

These disclosures can be altered so they adhere to the requirements of the EITI Standard. This is precisely what the new focus on mainstreaming is trying to achieve – identifying existing government and corporate processes of disclosure, and embedding the EITI Requirements into said processes.

There are also potential synergies between mainstreaming and other initiatives outside of the EITI. When countries sign up to the Open Government Partnership, and therefore the Open Government Declaration (OGP, 2016), countries commit to increase the availability of information about governmental activities. Countries commit to use open data and to implement “[...] *robust anti-corruption policies, mechanisms and practices, ensuring transparency in the management of public finances* [...].” (OGP, 2016).

³ For more information, see <https://eiti.org/document/standard#r7> and EITI’s [Open data policy](#).

⁴ I.e. the government agencies and companies responsible for providing the information, such as Department of Petroleum Resources and NNPC, as exemplified later in the paper.

2 MAINSTREAMING OPPORTUNITIES IN NIGERIA

Nigeria was one of the first countries to implement the EITI in 2003. On several occasions, NEITI preceded the rest of the EITI implementing countries in expanding their scope of work and innovation. This led to Nigeria becoming the first country to enact an EITI bill, the NEITI Act 2007. The Act provides NEITI's objectives "to promote transparency, accountability, sustainable development and eradication of poverty through prudent management of revenues from Nigeria's natural resources especially oil, gas and mining." (Ministry of Justice, 2007). In itself, the choice of creating dedicated legislation around reporting on EITI data is a form of mainstreaming. The Federal Government of Nigeria did more than just subscribe and commit to the EITI Criteria⁵, it created an agency designed to drive the EITI process in Nigeria.

The current focus of the EITI in terms of mainstreaming is more on the administrative, procedural or regulatory levels. It is about mainstreaming *practice*. In Nigeria, probably because of the platform created by NEITI, there are several important changes underway. President Buhari has indicated, on several occasions, his commitments to transparency and accountability. Among others, he committed to join the Open Government Partnership at the Anti-Corruption Summit in London, as well as renewing the commitment of Nigeria to the EITI (PM News, 2016). It is important for NEITI to make use of the momentum of government commitments to initiatives such as OGP to build mandates for mainstreaming and open data disclosures. To follow up and actively encourage such engagements, provisions should be included in strategy documents and workplans.

Simultaneously, some government agencies are raising the bar on transparency. The Nigerian National Petroleum Corporation (NNPC) has begun publishing monthly reports and data on a wide range of its activities. The publications ranging from NNPC's Monthly Financial & Operations Reports (NNPC Group, 2016a), covering both revenues and production by time-periods, to specific reports covering per-company and well-head information for oil and gas production. All of these publications are part of NNPC's Monthly Performance Data (NNPC Group, 2016b).

There are signs that the Department of Petroleum Resources (DPR) is following suit with the National Petroleum Monitoring System (NPMS), supposedly a real-time online platform to monitor and collate national crude oil production and export data. A major challenge for DPR is the technical capacity of their website as a platform for public disclosures, since the website is often offline. One of the DPR's publications is the 2015 Oil and Gas Annual Report (DPR, 2016a), covering information on regulatory structure, historical data, production and revenue data. Together with NNPC's publications, these documents provide information from two of the main government agencies involved in the petroleum sector.

DPR's disclosures could prove highly informative and important. Much of the information only differs slightly from NNPC's disclosures (albeit not disaggregated by company), but the different publications allow for cross-agency comparisons of the same numbers. A preliminary review of these figures

⁵ The guiding document preceding the more comprehensive EITI Standard.

reveals that there are some, although relatively small, differences in reported production volumes which can raise important questions and debates in Nigeria's public domain. This is an important example of how regular disclosures can inform public debate.

In annex 2 we have included some excerpts of comparable publications from DPR, NEITI and NNPC, to show how revenue- and production-information are disclosed between the three agencies. These were published in 2016 as annual statistical bulletins or reports, and now both DPR and NNPC perform similar disclosures on a monthly basis. Monthly disclosures were not made in 2014, but as NEITI recently published their report for 2014, annual bulletins/reports were used for comparison. This paper does not compare the numbers from excerpts included in annex 2, but exemplifies how disclosures are being made outside the traditional EITI process. DPR and NEITI are producing much of the same information for some revenue streams, the difference being NEITI also collates revenues associated with other government agencies. For production it is very clear that all three agencies – DPR, NNPC and NEITI – produce the same information. The added value of NEITI is once again adding information from both DPR and NNPC, and performing a comparison of the numbers.

Whereas the petroleum-related agencies have an increased focus on production, exports and revenues stemming from the sector, for solid minerals the focus is on licenses and dissemination of information related to legislation/regulation. The Ministry of Mines and Steel Development is the main regulating body in the solid mineral sector, and information regarding licenses is available through the Mining Cadastre Office's portal (MCO, 2016). The portal provides access to a map covering the spatial coverage of exploration and exploitation licenses for minerals, as well as license numbers, area, starting and ending dates, license holder and the related commodities covered by the license.

1.2 *Federation Accounts Allocation Committee (FAAC)*

An important element for Nigeria's internal control of extractive sector-revenues is the Federation Accounts Allocation Committee (FAAC). The FAAC meetings are three monthly meetings which determine the allocation of government revenues between the three levels of government: Federal, State and Local. As a result, several government agencies are involved for purposes of reporting on government revenues and the meetings themselves are a reconciliation process in their own right. NEITI participates, but has the role of an observer, not a provider of information.

The government agencies involved in FAAC meetings, including DPR, NNPC, Central Bank of Nigeria (CBN), Nigeria Customs Service, Federal Inland Revenue Service (FIRS), Budget Office of the Federation, Ministry of Petroleum Resources, Ministry of Mines and Steel Development, Office of the Accountant-General of the Federation, Revenue Mobilisation Allocation and Fiscal Commission, the FAAC, and NEITI.

Figure 2: The three FAAC meetings

The first FAAC meeting is essentially a **reconciliation meeting** between the relevant government agencies. DPR, NNPC, Ministry of Mines and Steel Development, and other relevant agencies report on production volumes and values from the extractive sector and on revenues accrued by companies operating within the sector. Similarly, the CBN reports what actual cash-flows have been observed in the Federal Accounts, and all the reported numbers are compared during the meetings. Any differences between government agency figures are reconciled until agreement is reached on the amount of revenues coming in from both the extractive and non-extractive sectors.

The second FAAC meeting is actual **allocation and disbursement of revenues**. At this stage the actual amounts of revenues are largely, if not completely, agreed upon. Subsequently, by applying a precise formula for allocation, the revenues are distributed amongst the different levels of government.

By this time, revenues have been reconciled or will undergo further clarification to be finalised at the third and final meeting; the **“post-mortem” meeting**, after which the outcomes are published online and in newspapers as so-called FAAC Reports (FAAC, 2016). These reports only cover the funds distributed to the various tiers of government and does not publish the granular-level data presented by the different government agencies *during* the meetings.

The FAAC meetings’ relevance for mainstreaming is predominantly through the size of participation, as most of the relevant agencies are placed under one single process. It covers both the oil and gas sector and solid minerals, and the information presented by the various agencies cover most if not all of the revenues covered in NEITI’s audit reports.

The revenues under review in the FAAC meetings go a long way in covering revenues listed in EITI Requirement 4.1, Comprehensive disclosures of taxes and revenues, in addition to partial coverage of Sales of the state's share of production or other revenues collected in-kind (4.2) and Transactions related to state-owned enterprises (4.5). It also has the potential of covering requirements Distribution of extractive industry revenues (5.1) and Subnational transfers (5.2), and partial coverage of Revenue management and expenditures (5.3) (EITI International Secretariat, 2016b, pp. 26-29, 31-32). These requirements represent what is currently discussed in the meetings, although it remains to be explored whether the information is granular enough, and how to incorporate per-company information.

3 A POTENTIAL PATH: THE PROCEDURE USING NIGERIAN EXAMPLES

The previous sections have explained the concept of mainstreaming and how the FAAC meetings are relevant for transparency surrounding revenues, allocations, and quality assurance. Therefore, there is real potential for impact on the Nigerian government's management of revenues (from both extractives and other sources of revenues). This section uses the [*Agreed Upon Procedures for Mainstreamed Disclosures*](#) (EITI International Secretariat, 2016a) as an example for how Nigeria can successfully mainstream disclosures under the FAAC-umbrella. This may reveal examples for NEITI and other countries to follow.

3.1 *Commitment*

The first step of mainstreaming entails a commitment from the government to move towards mainstreaming. There is also a need for the MSG in Nigeria, the National Stakeholders Working Group (NSWG), to agree to this new strategic alignment in addition to other stakeholders. This step would in effect sensitise the agencies involved in the process and requires direct engagement from NEITI towards both familiar and perhaps less familiar actors.

In order to identify the various opportunities and the actors to engage with, it can be useful for countries to perform the Mainstreaming exercise⁶ mentioned previously, which lists sources of information, requirement by requirement. NEITI is already carrying this out.

3.2 *Feasibility*

Subsequent to a commitment and decision of the NSWG, the next step is to perform an assessment of the viability of mainstreamed disclosures in the form of a feasibility study. This stage explores whether

⁶ The questions posed in this exercise are included in Annex 1.

such disclosures are possible, and is performed by “a consultant or organization perceived [...] to be credible, trustworthy and technically competent.” (EITI International Secretariat, 2016a, p. 2).

An assessment is key for a successful move towards mainstreaming, as it outlines gaps in existing reporting-structures of the government or corporation, including the extent to which the disclosures are subject to independent and reliable quality assurance-procedures. The deliverable is a proposed roadmap with actions and recommendations set along a specific timeline, addressing the issues at the source of information. MSGs, in this case the NSWG, must then agree upon a work plan, as covered by the next section. This product also documents what technical or financial needs are required for such disclosures and whether stakeholders and government entities are willing to embed EITI disclosures.

For the purpose of our example the information presented and reconciled in FAAC meetings are substantial, as revealed by presentations and documents shared with the International Secretariat⁷. The reported revenues should be available through requests using the Freedom of Information Act of 2011 (FOIA), however disclosures in relation to the meetings are only the FAAC Reports. These regular public disclosures contain much less information than what is presented and reconciled during the FAAC meetings; lacking information on revenues per revenue stream and per-company payments. As previously stated the FAAC *process* involves quality assurance of revenue- and production-values, but is not published publicly, thereby excluding important discrepancies and issues the meetings have dealt with from the public domain.

In addition, there are no indications of an independent audit⁸ of the numbers, at least not in connection to the FAAC meetings specifically. To our knowledge, the FAAC meetings enjoy the participation of the Office of the Accountant General of the Federation, but are not attended nor approved by the Office of the Auditor General of the Federation.

These issues mean that, for the purposes of this limited assessment, at least three actions would be required to ensure the FAAC process can be used as a platform for mainstreaming EITI disclosures. A subsequent workplan approved by the NSWG would identify the agency or actors responsible for implementing such actions. In all likelihood the NSWG will ask the national secretariat or consultants to bear the responsibility of overseeing and leading such mitigating actions:

1. **Expand disclosures:** The EITI Requirements are most comprehensive towards financial inflows to government, so participants of the FAAC meetings must increasingly publish and disclose the information on revenues forming the basis for the distributions. These disclosures must also go through an adequate audit,

⁷ Recall that the information presented *during* the meetings have the potential of covering EITI Requirements 4.1, 4.2, 4.5 and 5.3. The FAAC Reports themselves cover ‘only’ 5.1 and 5.2.

⁸ There are different requirements for governments and companies, and there are separate bodies deciding what these standards contain. For governments, it is the International Standards of Supreme Audit Institutions (ISSAI) issued by the International Organization of Supreme Audit Institutions (INTOSAI). For companies, the guiding document is the International Standards on Auditing (ISA) issued by the International Auditing and Assurance Standards Board (IAASB).

performed by a credible independent auditor.

2. **Ensure sufficient granularity / disaggregation:** According to EITI Requirement 4.7, Level of disaggregation, the disclosures must have a minimum level of disaggregation of data. This means that the financial flows must be presented by individual company, government entity and revenue stream. When feasible, disclosures should also be per project. So far the FAAC meetings produce reports including only *aggregate* revenues distributed by states and local government units. However, most of the disaggregated data are available through the various agencies' presentations *during* the meeting.

Although information in FAAC meetings and reports are not per company, there are indications that DPR holds meetings with companies prior to the FAAC meetings. These essentially perform the same exercise for revenues per company. Therefore, there may be an opportunity to merge the two parallel processes to ensure disclosures according to the EITI Standard.

3. **Ensure numbers are subject to international auditing standards:** As described previously, the final publications are not approved by the Office of the Auditor General of the Federation, but by the *Accountant* General. The inclusion of the Supreme Audit Institution (SAI) of Nigeria and a subsequent approval of the accounts can be possible on a less regular basis, such as semi-annually or annually. This would allow more timely disclosures, as well as a robust quality assurance process. This would also build on the introduction of systematic and comprehensive audits of all government ministries, departments, and agencies as agreed in March 2016 (PM News, 2016). Previously the Nigerian Government only performed risk-based auditing.

In short, a full feasibility study would incorporate assessments for all the EITI Requirements. For non-financial flows to the government the disclosures do not require the same audit procedures.

3.3 Work plan

A feasibility assessment should also provide recommendations and aim to provide a detailed schedule for addressing the recommendations. This would inform the NSWG of the work and schedule needed to be remedied as they move towards mainstreamed EITI disclosures. According to the agreed procedures, the NSWG must agree on a detailed schedule of the disclosures and assurances, and also decide on how to incorporate historical data.

Such a schedule is not only limited to disclosures and quality assurances, but also to capacity. In the instance of DPR's webpages described previously, the instability of the website is a significant barrier towards public and accessible disclosures for DPR, which would need to be addressed for successfully mainstreaming disclosures made by this agency.

If any additional legislative and regulatory barriers exist for mainstreaming such disclosures, they must be identified and outlined in the work plan, as well as any plans for mitigating the challenges they represent. This would also identify who bears the responsibility of the mitigating actions. In Nigeria, there is a general mandate for proactively disclosing information through the Freedom of Information Act of 2011 (FOIA), and the President's recent commitment to OGP provides an even stronger mandate in terms of transparency and accountability.

Finally, the work plan should present what EITI reporting will look like after disclosures have been mainstreamed. The procedures indicate that an EITI Report would still be produced, but the workload would be reduced to collating the data from the various sources. It is still a requirement *"that this work is undertaken by a consultant or organization perceived by the multi-stakeholder group to be credible, trustworthy and technically competent."* (EITI International Secretariat, 2016a, p. 4).

3.4 Application and Approval

The next two phases of any mainstreaming-ambitions are for the NSWG to seek approval of the EITI Board. Once the NSWG have received a detailed feasibility-assessment, and agreed on a subsequent work plan, the schedule must be sent to the EITI Board. After the Board members have decided on an outcome, possibly after clarifications and/or adjustments to the schedule, NEITI and the NSWG can formally work towards mainstreaming the disclosures. The EITI Board may reject the application if concerned that comprehensive and reliable disclosures are not feasible.

3.5 Implementation and Reporting

Upon approval by the EITI Board the schedule or work plan should be implemented. Following the previous steps, the EITI Reports would still be produced, but the mainstreamed disclosures would no longer need to undergo an additional audit. The reports should instead collate the mainstreamed data and describe the quality assurance process leading to mainstreaming, and still identify any gaps and weaknesses. The reports will be more flexible to focus their attention on assessing whether government and corporate entities disclose the requisite information, and increase the attention to recommendations for improving the reporting structures. If successful, EITI Reports will move from recommending corrective actions and reforms to comment on the progress on existing ones identified by the work plan.

3.6 Review

Once implementation of the mainstreaming schedule is underway, it will be important for the NSWG and the EITI Board to follow up on progress. It should be subject to regular review and both government agencies and the MSG/NSWG are required to follow up on lessons learned and other recommendations, and to continue scrutinising the information contained in EITI Reports.

4 CONCLUSION

Mainstreamed disclosures in a Nigerian context would have an important impact on the priorities for NEITI. The main difference for the EITI Reports would be that the reconciliation process would no longer duplicate existing reporting and quality assurance, making EITI implementation cheaper. Less time would be spent on data collection, as extractive sector information would be readily accessible online at source. NEITI Reports would in the future draw on this information, and become a platform for compiling and making sense of information from various sources in one place. This one-stop shop for extractive sector data would also enable targeted analyses outside the traditional EITI reporting requirements, guiding public debates.

Thus EITI Reports should increasingly become a tool for collating information which has already undergone credible quality assurance procedures and describing current changes to the extractive sector environment. In line with the new Validation procedures, greater attention would then be required towards the remaining challenges, identified through work plans, EITI Reports, and Validation.

NEITI and the NSWG can shift their focus to analysis of information when large sections of the reports are no longer needed. This potentially means more *timely* analyses, as FAAC meetings and associated disclosures are performed monthly, with a subsequent audit every six to twelve months. Once there is better quality assurance at the sources of information, discrepancies would reduce leaving less work to be completed by an independent administrator, leading to lower costs. For most countries this is a “change of mind-set” for the reports. In Nigeria, this mind-set has already taken hold through recently introduced publications such as NEITI’s Policy Briefs (NEITI, 2016a) and Quarterly Reviews (NEITI, 2016b).

This is an example of the potential benefits of mainstreaming the EITI Requirements into one of Nigeria’s existing reporting structures. The FAAC meetings with its related information could potentially lead to Nigeria mainstreaming EITI Requirements 4.1, 4.2, 4.5, and 5.1-5.3, at least partially. Mainstreaming represents a shift of focus, from reconciliation to recommendations and reform.

However, there are potential challenges. There are several components that need to be clarified and addressed, and therefore the amount of involved parties in the FAAC meetings can pose a challenge for the process. Getting buy-in from all agencies may be difficult especially for those less sensitised to the EITI and the requirements it entails. This could also be exacerbated by the increased information required to be published in the public domain. Ideally, EITI disclosures should be made in open data formats as per requirement 7.1.b (EITI International Secretariat, 2016b, p. 34), and the quality assurance process itself is likely to be much more open to the public. These additional features to the process could potentially meet resistance.

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6 Annexes

Mainstreaming exercise, questions

The mainstreaming exercise is an internal exercise that National EITI Secretariats may wish to perform in order to identify priorities, opportunities, and challenges for mainstreaming EITI disclosures. For each of the requirements related to EITI disclosures, the following topics should be addressed:

1. Prioritization
 - a. Which disclosures from the below list are priorities based on the primary governance challenges in the country? (high, medium, low)
 - i. Prioritizing a few key disclosures most relevant to the most important governance challenges in the country can help focus efforts, and increase the likelihood of success and impact.
2. Coverage
 - a. How much information required by the EITI requirement – or otherwise relevant for achieving the objectives outlined in the MSG’s workplan – is already made publicly available by the government? (all, most, some or none)
 - i. It may make sense to start with areas where all or most of the information is already being disclosed directly via government systems. Alternatively, if a disclosure is a high priority but little information is being directly disclosed in government systems, then it may make sense to focus there.
3. Format
 - a. What platform does the government use to make direct disclosures of the information (e.g. electronic license cadaster, annual report, ministry website)?
 - b. Are the direct disclosures up-to-date, reliable, publicly accessible, and made in an open data format?
 - i. The format and accessibility of direct disclosures may impact strategies. Some information in government systems that is not currently publicly available could easily be published online.
4. Engagement
 - a. Which agency or company is responsible for collecting and disclosing the information?
 - b. Are they involved in the EITI and/or likely to be open to working with EITI stakeholders?
 - i. If the government’s direct disclosure mechanism would need to be modified to bring it into alignment with EITI requirements or to meet other objectives, then a plan to gain buy-in from that entity will be needed.
5. Strategy
 - a. What are suggestions for actions, responsible parties, timelines, resources and technical assistance needed to create full, public, direct disclosure of the information?
 - b. Consider any obstacles or barriers to making the modifications or improvements, and suggest options for addressing them.

Comparing existing disclosures to NEITI Reports

All screenshots have been cropped and/or slightly modified to fit the pages

REVENUES, COMPARISON OF DPR AND NEITI DISCLOSURES FOR 2014

YEAR	OIL ROYALTY	GAS ROYALTY	GAS FLARED PENALTY	CONCESSION RENTALS	MISC OIL REVENUE	TOTAL REVENUE
	N	N	N	N	N	N
2010	692,448,411,814.20	1,904,000,895.94	2,388,572,351.20	728,308,923.82	951,380,744.23	698,420,674,729.39
2011	1,066,836,980,909.87	14,613,812,392.68	3,482,627,975.15	388,502,293.27	2,077,222,926.87	1,087,399,146,497.84
2012	1,052,043,067,383.93	22,242,285,752.85	3,849,873,091.61	444,535,531.69	1,370,171,171.68	1,079,949,932,931.76
2013	960,540,365,106.84	23,235,123,088.28	3,120,786,665.13	178,630,934.47	3,981,983,109.64	991,056,888,904.36
2014	986,343,364,217.80	21,110,923,948.24	2,930,215,304.51	413,496,723.26	5,983,027,290.84	1,016,781,027,484.64
TOTAL	4,758,212,189,432.63	83,106,146,077.99	15,772,075,387.60	2,153,474,406.51	14,363,785,243.26	4,873,607,670,547.99

Department of Petroleum Resources – 2014 Oil & Gas Annual Report (DPR, 2016b), page 62

Mineral Revenue (Oil and Gas Sector)	Total
N' Millions	\$
Amount transferred from	
(i) Crude Sales	9,811
(ii) Gas Sales	1,708
(iii) Crude Sales November 2013	616
(iv) Domestic Crude	17,039
(v) Petroleum Profit Tax – PPT	15,698
(v) Oil Royalty	6,311
(viii) Rentals (Acreage and Rentals)	3
(vii) Penalty for Gas Flared	19
(vi) Gas Royalty	135
(ix) Signature Bonus	142
(x) Miscellaneous Oil Revenue	507
Mineral Revenue (A)	51,987
Less:	
Excess Crude	(964)
JVC Crude	(7,891)
Domestic Crude	(7,751)
Excess Gas Royalty	(15)
Excess PPT	(2,233)
Excess Oil Royalty	(1,769)
Total Deductions (B)	(20,624)
Net Mineral Revenue for Sharing (A+B)	31,363
Mineral Revenue	
Rate (%)	
45.83	14,374
23.25	7,291
17.92	5,621
13.00	4,077
100	31,363

NEITI 2014 Oil and Gas Report (NEITI, 2016c), page 95

PRODUCTION VOLUMES BY STREAMS – COMPARISON OF NNPC, NEITI AND DPR

COMPANY	MONTHS	TOTAL
Forcados Blend		68,290,227
Forcados Blend (Condensate)		-
Bonny Light		70,659,326
Brass Blend		33,811,919
Escravos Light		45,927,205
Pennington Light		5,708,168
Antan Blend		17,536,582
Amenam Blend		14,256,337
IMA		312,160
Qua- Iboe Light		39,020,799
AGBAMI		87,280,118
OKORO		6,004,622
AKPO		55,359,122
Oso Condensate		3,153,350
UKPOKITI		345,682
OKONO		12,794,563
EA Crude		7,206,421
YOHO		19,315,994
ABO		8,010,447
OBE		-
OKWB		9,902,057
BONGA		58,241,166
ERHA		36,159,773
OYO		413,759
EBOK		10,394,902
USAN		44,561,710
OKWUIBOME		3,055,241
ASARAMATORO		462,199
SUB TOTAL		658,183,849
OSO (MCA)		4,142,400
Qua- Iboe Light (PIP-af)		13,660,890
Qua- Iboe Light (S - af)		31,145,461
Qua- Iboe Light (MCA)		43,914,000
Amenam (af)		12,025,685
ESC (af)		23,180,225
ESC(MCA)		1,569,661
BB(MCA)		2,551,080
BL(MCA)		8,168,338
OSO (PIP-af)		-
SUB TOTAL		140,357,740
GRAND TOTAL		798,541,589
PERCENTAGE SHARE		100.00
Ekanga/Zafiro		4,063,185

Nigerian National Petroleum Corporation, 2014 Annual Statistical Bulletin (NNPC Group, 2016c), page 18

STREAM	NNPC	DPR
ABO (PSC)	8,010,447	8,298,092
AGBAMI (PSC)	87,280,118	86,171,532
AKPO (PSC)	55,359,122	54,933,282
ANTAN		18,112,986
AMENAM BLEND	43,918,145	-
ASAMARATORO	462,199	-
BB(MCA)	2,684,510	-
BB(sc)	3,004,571	-
BL(MCA)	8,168,338	-
BONGA(PSC)	58,241,166	58,282,931
BONNY LIGHT	70,659,326	77,154,187
BRASS BLEND	30,673,918	36,400,244
EA (af)	7,206,421	7,028,594
EBOK	10,394,902	9,627,031
EKANGA ZAFIRO		3,763,224
ERHA(psc)	36,159,773	35,959,867
ESC	70,617,653	-
ESCRAVOS	70,250	70,937,602
FB (ELCREST)	120,356	-
FB (FHC)	350,618	-
FB (NECONDE)	6,645,770	-
FB (NPDC)	17,547,372	-
FB(SEPLAT)	7,240,197	-
FORCADOS BLEND	36,275,559	68,076,995
IMA	312,162	776,133
ODUDU		26,478,183
OKONO (AENR)	18,799,185	12,053,749
OKORO		5,608,008
OKWORI		8,460,061
OKWB(PSC)	8,204,336	
OKWUIBOME (PSC)	4,752,962	
OSO CONDENSATES	7,295,750	
OYO BLEND	413,759	615,824.00
PENNINGTON LIGHT	5,708,168	5,834,616.00
QIL(MCA)	88,720,351	
QUA IBOE LIGHT	39,020,799	134,322,114.00
TULJA		4,202,870.00
UKPOKITI	345,682	546,255.00
USAN (PSC)	44,561,710	44,518,002.00
YOHO	19,315,994	18,971,337.00
	798,541,589	797,133,719

NEITI 2014 Oil and Gas Report (NEITI, 2016c), page 206-207

STRAEM	2014
BONNY	67,745,358
BRASS	36,400,244
QIT – CRUDE*	134,322,114
OSO CONDENSATE*	0
ODUDU	26,478,183
IMA	231,712
ANTAN	18,112,986
OKONO	12,053,749
YOHO	18,971,337
OKWORI	8,460,061
OKORO	5,608,008
EBOK**	9,772,103
ABO	8,298,092
OYO	5,455,256
ESCRAVOS	59,259,056
FORCADOS	66,442,803
PENNINGTON	5,834,616
EA	7,028,594
UKPOKITI	546,255
TULJA***	4,202,870
BONGA	58,282,931
AGBAMI	86,171,532
ERHA	35,959,867
AKPO	51,618,224
USAN****	44,518,002
ASARAMATORU	544,421
EKANGA ZAFFIRO	3,763,224
GRAND TOTAL	776,081,598

Department of Petroleum Resources – 2014 Oil & Gas Annual Report (DPR, 2016b), page 24-25



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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