



# EITI Candidature application form

# Candidature application form

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## List of Abbreviations

ARCERNNR	Agencia de Regulación y Control de Energía y Recursos Naturales No Renovables, Agency for Regulation and Control of Energy and Non-renewable Resources
BO	Beneficial owner
CEDENMA	Coordinadora Ecuatoriana de Organizaciones para la Defensa de la Naturaleza y el Medio Ambiente, Ecuadorian Coordinator of Organisations for the Defence of Nature and the Environment
CIAT	Centro Internacional de Investigaciones sobre Ambiente y Territorio, International Centre for Research on Environment and Territory
CME	Cámara de Minería del Ecuador, Ecuadorian Chamber of Mining
CSO	Civil Society Organisation
D2D	Disclosure to Development
EITI	Extractive Industries Transparency Initiative
IA	Independent Administrator
MEF	Ministerio de Economía y Finanzas, Ministry of the Economy and Finance
MERNNR	Ministerio de Energía y Recursos Naturales No Renovables, Ministry of Energy and Non-renewable Resources
MSG	Multi-Stakeholder Group
NGO	Non-Governmental Organisation
PADF	Pan American Development Foundation
PC	Corporación Participación Ciudadana, Citizen Participation Corporation
SPE	Society of Petroleum Engineers - Ecuador
ToRs	Terms of Reference
TS	Technical Secretariat
TWW	Technical Working Group(s)
WB	World Bank

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## Introduction

A country intending to implement the EITI is required to undertake a number of steps before applying to become an EITI country. These steps relate to government commitment (1.1), company engagement (1.2), civil society engagement (1.3), the establishment of a multi-stakeholder group (1.4) and agreement on an EITI work plan (1.5).

When the country has completed the sign-up steps and wishes to be recognised as an EITI implementing country, the government should submit an EITI Application, endorsed by the multi-stakeholder group. The application should describe the activities undertaken to date and provide evidence demonstrating that each of the sign-up steps have been completed. The application should include contact details for government, civil society and private sector stakeholders involved in the EITI.

Once submitted, the application will be made publicly available on the EITI website. The EITI Board will review the application and assess whether the sign-up steps have been completed. The International Secretariat will work closely with the senior individual appointed by the government to lead on EITI implementation in order to clarify any outstanding issues. Based on this and any other available information, the EITI Board's Outreach and Candidature Committee will make a recommendation, within a reasonable time period, to the EITI Board on whether a country's application should be accepted. The EITI Board will make the final decision.

The EITI Board aims to process applications within eight weeks of receiving the application. The EITI Board prefers to make decisions on admitting an EITI country during EITI Board meetings. When necessary, however, it will consider taking a decision via Board circular between meetings.

When the EITI Board admits an EITI implementing country, it will also establish deadlines for publishing the first EITI Report and undertaking Validation. An implementing country's first EITI disclosures must be made available within 18 months from the date that the country was admitted. Validation will commence within two and a half years of becoming an EITI implementing country. Further information on reporting and Validation deadlines – and the scope for extensions of these deadlines – is outlined in section 4 on EITI Board oversight of EITI implementation.

Countries preparing to join the EITI are encouraged to identify potential barriers to systematic disclosures from the outset, for instance by conducting a systematic disclosure feasibility study or addressing opportunities for systematic disclosures as part of the preparations for becoming an EITI implementing country.

*Table 1. Main steps in the candidature application process*

- 1**      **The country submits a candidature application to the EITI.** The government should submit a formal written request, with the support of the multi-stakeholder group, to the EITI Chair through the EITI International Secretariat.
  
- 2.**      **The EITI Board, through its Outreach and Candidature Committee, will review the request and assess whether the sign-up criteria are met.** The International Secretariat will ensure that the application is complete and will be in touch with national and international stakeholders to understand their views and gather their opinions. The International Secretariat will publish the candidature application on the EITI website.
  
- 3.**      **The Outreach and Candidature Committee will make a recommendation to the EITI Board.** The recommendation will be whether or not to accept the candidature application.
  
- 4.**      **The EITI Board will make a decision on whether or not to accept the country as an Implementing Country,** in accordance with the EITI Standard.

## Information about the candidate country

**Candidate**

Ecuador

**Government contact person**

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**Date of Application**

14 August 2020



## Criteria for joining the EITI

### *EITI Requirement 1.1*

#### Government engagement

- a) The government is required to issue an unequivocal public statement of its intention to implement the EITI. The statement must be made by the head of state or government, or an appropriately delegated government representative.
- b) The government is required to appoint a senior individual to lead the implementation of the EITI. The appointee should have the confidence of all stakeholders, the authority and freedom to coordinate action on the EITI across relevant ministries and agencies and be able to mobilise resources for EITI implementation.
- c) The Government must be fully and actively engaged in the EITI process.
- d) The Government must ensure that senior officials of the Government are represented in the Multi-Stakeholder Group.

a) The government is required to issue an unequivocal public statement of its intention to implement the EITI. The statement must be made by the head of state or government, or an appropriately delegated government representative.

On 5 March 2018, at the Prospectors & Developers Association of Canada (PDAC) mining convention, the then Minister of Mines, on behalf of the government of Ecuador, signed a commitment stating the will of the country to join the EITI

Subsequently, former Minister Carlos Pérez sent a letter on 3 September 2019 to Helen Clark, the Chair of the EITI International Board, stating that on the basis of the Organic Law of Transparency and Access to Public Information, and in line with the policies of the President of the Republic, Lenín Moreno Garcés, to promote the transparency of public governance, he undertook to take the necessary steps for Ecuador to join the EITI.

<https://eiti.org/es/news/ecuador-se-compromete-unirse-al-eiti>

<https://www.rekursosyenergia.gob.ec/wp-content/uploads/2019/09/Carta-Ecuador-1.pdf>

b) The government is required to appoint a senior individual to lead the implementation of the EITI. The appointee should have the confidence of all stakeholders, the authority and freedom to coordinate action on the EITI across relevant ministries and agencies and be able to mobilise resources for EITI implementation.

In the letter sent by former Minister Carlos Pérez, the Deputy Minister of Mines, Fernando L. Benalcázar, was named as the Champion to lead the candidature process.

<https://eiti.org/es/news/ecuador-se-compromete-unirse-al-eiti>

<https://www.rekursosyenergia.gob.ec/wp-content/uploads/2019/09/Carta-Ecuador-1.pdf>

It is noteworthy that the Ministry of Energy and Non-renewable Resources went through changes of leadership. Thus, between 19 November 2019 and March 2020, it was led by José Augusto Briones and on 9 March 2020 the new Minister, René G. Ortiz, was appointed, who confirmed the Deputy Minister of Mines, Fernando L. Benalcázar, as Champion for the accession of Ecuador to the EITI. (<https://www.recursoyenergia.gob.ec/wp-content/uploads/2020/06/Delegacion-del-Champion-de-la-Iniciativa.pdf>)

c) The Government must be fully and actively engaged in the EITI process.

The EITI Global Conference was held in Paris, France, on 17, 18 and 19 June 2019. During this conference, the Ecuadorian EITI Champion, Deputy Minister of Mines Fernando L. Benalcázar, met with heads of state, civil society activists and industry leaders to discuss emerging trends and best practices in the governance of natural resources. The conference addressed issues related to the good governance of the extractive sector, the fight against corruption, increasing investment and enabling the civic space. On 18 June 2019, Deputy Minister Benalcázar addressed the conference, presenting the position and progress of Ecuador for future accession to the Standard. (<https://www.pressreader.com/ecuador/la-hora-quito/20190622/281792810557357>) (<https://lahora.com.ec/noticia/1102252551/ecuador-busca-adherirse-a-la-a-iniciativa-para-la-transparencia-de-las-industrias-extractivas->)

In order to determine the possible accession of Ecuador to the EITI Standard, the Ministry of Energy and Non-renewable Resources had the support of the World Bank to conduct a "Feasibility Study to Inform the Decision of Ecuador to Accede to the Extractive Industries Transparency Initiative (EITI)". For this, the World Bank hired an international and a local consultancy firm which, on the basis of meetings with various stakeholders, developed the Feasibility Study, comprising: (i) Regular publication of payments and revenues received by governments from extractive companies; contextual information as required by the Standard; and other benefit flows from the extractive sector that are required to be reported; (ii) Audited payments and revenues, reconciled by a credible independent administrator; (iii) The materiality thresholds

of companies, which should undertake to participate and provide the information required of them; (iv) Capacity building in government and civil society; (v) The active and organised participation of civil society. and (vi) Implementation of a financially-sustainable public Work Plan approved by the Multi-Stakeholder Group. This Study is available on the MERNNR website at: <https://www.recursoyenergia.gob.ec/wp-content/uploads/2019/09/Informe-de-Misio%CC%81n-Viabilidad-Adhesio%CC%81n-EITI.pdf>.

Based on the presentation of the Feasibility Study to Inform the Decision of Ecuador to Accede to the Extractive Industries Transparency Initiative (EITI), former Minister Carlos Pérez sent a letter on 3 September 2019 to Helen Clark, the Chair of the EITI International Board, stating that on the basis of the Organic Law of Transparency and Access to Public Information, and in line with the policies of the President of the Republic, Lenín Moreno Garcés, to promote the transparency of public governance, he undertook to take the necessary steps for Ecuador to join the EITI. In this letter, the Deputy Minister of Mines was officially nominated as the Champion to lead the candidature process. (<https://eiti.org/news/ecuador-commits-to-join-eiti>) (<https://www.recursoyenergia.gob.ec/wp-content/uploads/2019/09/Carta-Ecuador-1.pdf>)

Based on the Government's declaration, the Ministry of Energy and Non-renewable Resources, with the support of the World Bank, conducted a series of workshops for government, civil society and the companies. These events were held during the second week of September 2019 and their goal was to provide information on the Transparency Standard for the Extractive Industries and to explain the results of the "Feasibility Study to Inform the Decision of Ecuador to Accede to the Extractive Industries Transparency Initiative (EITI)". To achieve the objectives set, Deputy Minister of Mines Fernando L. Benalcázar and Javier Aguilar, Senior Mining Specialist at the World Bank gave an overview of the EITI and the World Bank's experience in supporting other countries' candidatures; the importance was reiterated of inviting all civil society organisations (NGOs, academia and grassroots groups). (Annexes 1, 2 and 3)

The main conclusions of the Feasibility Study, detailed below, were presented at these workshops.

- The oil and mining industry are at different points in their opening-up and disclosure of information.
- There is a need for identification of cooperation needs to resolve information gaps, with a medium-term plan to strengthen institutions.
- There is a gap in relation to direct payments made by companies to Decentralized Autonomous Governments (GAD).
- There is a need to strengthen and ensure the quality of data and assurance.

Finally, on 12 September 2019, a High-Level Workshop was held for stakeholders from civil society, government and business, who expressed their support for the accession of Ecuador to the EITI Standard and expressed their concerns in this regard. The Civil Society Ad-Hoc Group emerged from this workshop, in order to offer civil-society support for the candidature of Ecuador and eventually to elect representatives to the EITI-Ecuador Multi-Stakeholder Group. (Annex 4) (<https://twitter.com/aiarconsalvador/status/1172244559797063681>) (<https://twitter.com/apmunozg/status/1172247618656907267>)

d) The Government must ensure that senior officials of the Government are represented in the Multi-Stakeholder Group.

By means of Official Letter No. MERNNR-VM-2020-0063-OF of 26 March 2020 (Annex 5), Deputy Minister of Mines Fernando L. Benalcázar asked seven other Ministries of State to delegate senior officials to be members of the MSG. Subsequently, in Official Letter No. MERNNR-VM-2020-0107-OF of 13 May 2020 (Annex 6), the contact persons were invited to a workshop held on 19 May 2020 with the goal of commenting on the EITI Transparency Standard and the obligations falling to each Ministry of State. Additionally, a series of meetings were held with each institution to cover any possible questions regarding the Standard and how they could contribute to it.

With these actions, the Champion ensured that government was adequately represented by senior officials and, to formalise this, the institutions confirmed their delegates by means of official communications (Annex 7).

## *EITI Requirement 1.2*

### Company engagement

- a) Companies must be fully and actively engaged in the EITI process.
- b) The government must ensure that there is an enabling environment for company participation with regard to relevant laws, regulations, and administrative rules as well as actual practice in implementation of the EITI. The fundamental rights of companies' representatives must be respected through significant participation in the EITI, including among others, members of the multi-stakeholder group.
- c) The Government must ensure that companies do not face obstacles to participating in the EITI process.

a) Companies must be fully and actively engaged in the EITI process.

From the start of the process, the industry sector has expressed its support and interest in adoption of the EITI Standard, since it believes that its implementation would lead to a reduction in the perception of country risk and possibly to reduced financial investment costs. Similarly, accession to the Standard should allow greater citizen participation in a context of participatory governance around the transparency of the extractive industries. The major companies are hoping that EITI will constitute a bridge between society and industry leading to a better relationship with various stakeholders.

Active industry participation began in the framework of outreach workshops conducted by the government in September 2019 (Annex 3), attended by Deputy Minister of Mines Fernando L. Benalcázar and international consultant Paulo De Sa, who presented on the EITI and the main results of the Feasibility Study. Approximately 10 representatives of extractive companies attended this meeting.

On 12 September 2019, the "High-Level Workshop for the Accession of Ecuador to the "Extractive Industries Transparency Standard", to which were invited many oil and mining companies. Ten representatives of government-owned and private extractive companies attended this event to initiate the creation of the Industry Group. (Annex 4).

<https://twitter.com/aiarconsalvador/status/1172244559797063681>

<https://twitter.com/apmunozg/status/1172247618656907267>

On Friday 13 March 2020, a meeting was held with seven industry representatives to encourage them to begin creation of the Industry Group and to elect their representatives to the EITI-Ecuador MSG (Annex 8).

On 8 April 2020, Deputy Minister of Mines Fernando L. Benalcázar, in his capacity as person responsible for the candidature of Ecuador and subsequent implementation of the standard, sent an official communication to all private and government-owned companies in the extractive sector, inviting them to submit expressions of interest to be part of the Industry Group and thus held a videoconference for the formation of the Industry Group for the EITI. This videoconference was held on 17 April 2020 and resulted in expressions of interest from 13 companies, guilds and associations in the sector. The purpose of the meeting was to present the EITI Standard, its process, benefits and next steps, paying special attention to the creation of the Industry Group and the election of its representatives to the MSG.

Finally, on 19 May 2020, after several meetings and having adopted a Model of Governance, the Industry Group was officially formed, composed of: (<https://www.recursoyenergia.gob.ec/wp-content/uploads/2020/06/Creacion-del-Grupo-de-la-Industria-y-Delegacion-de-sus-Representantes.pdf>):

- All Metals Minería S.A.
- Anglo American
- Association of Mining Engineers of Ecuador (AIME)
- Ecuadorian Chamber of Mining (CME)
- Curimining S.A.
- Ecuacorriente S.A.
- EP Petroecuador
- Hancock Prospecting
- Lundin Gold
- Petroamazonas EP
- Repsol Ecuador S.A.
- Salazar Resources Ltd.
- Ecuadorian Society of Petroleum Engineers (SPE)

They also elected their representatives and alternates, viz.:

- Petroamazonas EP as representative and EP Petroecuador as its alternate;
- Repsol as representative and the Ecuadorian Society of Petroleum Engineers (SPE) as its alternate;
- Lundin Gold as representative and Hancock Prospecting as its alternate; and
- Ecuadorian Chamber of Mining as representative and Curimining SA as its alternate.

b) The government must ensure that there is an enabling environment for company participation with regard to relevant laws, regulations, and administrative rules as well as actual practice in implementation of the EITI. The fundamental rights of companies' representatives must be respected through significant participation in the EITI, including among others, members of the multi-stakeholder group.

Article 424 of the Constitution of the Republic of Ecuador states that the Constitution and international human rights treaties ratified by the State that recognise rights more favourable than those contained in the Constitution shall prevail over any other law or act of Government.

Ecuador has ratified the International Covenant on Civil and Political Rights, whose article 19 stipulates: "(...) 2. *Everyone shall have the right to freedom of expression; this right shall include freedom to seek, receive and impart information and ideas of all kinds, regardless of frontiers, either orally, in writing or in print, in the form of art, or through any other media of his choice (...)*".

Ecuador is also a party to the American Convention on Human Rights, which states in its Article 13: "*Article 13. Freedom of Thought and Expression 1. Everyone has the right to freedom of thought and expression. This right includes freedom to seek, receive, and impart information and ideas of all kinds, regardless of frontiers, either orally, in writing, in print, in the form of art, or through any other medium of one's choice (...)*".

Both above-mentioned international instruments state that the right to freedom of thought and expression, which includes the right of access to information, has certain restrictions, such as to ensure respect for the rights or reputation of others, and the protection of national security, public order or public health or morals.

In addition, Article 18 of the Constitution provides: "*Everyone, individually or collectively, has the right to:*

1. *Seek, receive, exchange, produce and disseminate truthful, verified, appropriate, contextualised and plural information without prior censorship of the facts, occurrences and processes of public interest and with subsequent responsibility.*
2. *Freely access information generated in public or private entities that manage State funds or perform public functions. No information shall be withheld except as expressly established by law. In case of a violation of human rights, no public entity shall refuse to provide information."*

Also, Article 66, Paragraph 6 of the Constitution of Ecuador recognises, guarantees and enshrines the right to speak and express one's opinion freely in all forms and manifestations.

Finally, the Ecuadorian State has legal guarantees that enshrine the right to access to information and the right to free expression and thought. These legal guarantees are:

1. The Organic Law of Access to Public Information, published in Official Gazette No. 449 of 20 October 2008, the purpose of which, expressed in its Article 2, is: "(...) [to] *guarantee and [to] regulate the exercise of the fundamental right of persons to information in accordance with the guarantees enshrined in the Constitution of the Republic, the International Covenant on Civil and Political Rights, the American Convention on Human Rights and other international instruments in force to which our country is a signatory (...)*"; and

2. The Organic Law of Communication, published in the Official Gazette Supplement No. 22, of 25 June 2013, whose purpose, stated in its Article 1, is: "(...) *the protection of the right to exercise freedom of expression and to seek, receive and impart information and ideas of all kinds through the communications media*".

In this regard, it is important to note that there is secrecy of information pursuant to Article 17 of the Organic Law of Access to Public Information in the following cases:

a) Documents reasonably classified by the National Security Council as being secret, for reasons of national defence; These are:

- 1) Plans and orders for national defence, the military, mobilisation, special operations and military bases and facilities against possible threats against the State.
- 2) Intelligence information, specifically plans, operations and military intelligence and counter-intelligence reports, on condition of there existing a national disturbance.
- 3) Information on the location of military matériel, when this poses no danger to the public; and



4) Funds exclusively earmarked for national defence; and

b) Information expressly established in law as secret.

Accordingly, both the internal legislation of Ecuador and the international instruments ratified by the State promote, guarantee and recognise the individual or collective participation of people and standards of transparency by which rights of access to information and of free expression and thought are recognised.

Lastly, it should be stated that legal guarantees exist in Ecuador that enshrine the rights mentioned above and, therefore, there is no restriction on or obstacle to industry's participation in the EITI process; and it can freely express its views.

c) The Government must ensure that companies do not face obstacles to participating in the EITI process.

In order to allow companies' free participation, the "Rules of Operation of the Ecuadorian EITI Extractive-Industry Group" were established (Annex 9). This document laid down the rules of operation under which the Group is established and defined the basic rules for its operation, thus ensuring effective and harmonious interaction within the Group. These rules lay down the following conditions to be a member:

- *Being an oil or mining company, natural persons with mining rights, a legally-constituted association or chamber whose members are companies or guilds of mining or hydrocarbons professionals.*
- *b) Having the readiness and will for open and transparent dialogue with representatives of the public sector and civil society to promote issues related to the EITI Initiative.*

### *EITI Requirement 1.3*

#### Civil society engagement

In accordance with the EITI Protocol: [Participation of Civil Society](#):

- a) Civil society must be fully, actively and effectively involved in the EITI process.
- b) The government must ensure that there is an enabling environment for civil society participation with regard to relevant laws, regulations, and administrative rules as well as actual practice in implementation of the EITI. The fundamental rights of civil society substantively engaged in the EITI, including but not restricted to members of the multi-stakeholder group, must be respected.
- c) The government must ensure that there are no obstacles to civil society participation in the EITI process.
- d) The government must refrain from actions which result in narrowing or restricting public debate in relation to implementation of the EITI.
- e) Stakeholders, including but not limited to members of the multi-stakeholder group, must:
  - i. Be able to speak freely on transparency and natural resource governance issues.
  - ii. Be substantially engaged in the design, implementation, monitoring and evaluation of the EITI process, and ensure that it contributes to public debate.
  - iii. Have the right to communicate and cooperate with each other.
  - iv. Be able to operate freely and express opinions about the EITI without restraint, coercion or reprisal.

a) Civil society must be fully, actively and effectively involved in the EITI process. Civil society organisations have been promoting implementation of the EITI for approximately eight years. An EITI Candidature Promotion Group, made up of the FARO Group, the Citizenship and Development Foundation, the Pachamama Foundation, the International Centre for Research on Environment and Territory and the Centre for Energy Studies, was formed in 2018 by several civil-society organisations to address issues of governance in the extractive industries (transparency and accountability with citizen participation), from a meeting in the city of Quito convened by the Regional EITI Director, Francisco Paris. This space allowed representatives of various diplomatic missions to become aware of the initiative and to commit their support for civil society to promote it.

Also, in 2018, Citizen Participation Corporation promoted the formation of the so-called "Legislative Coalition for Transparency" formed of Assembly Members from different parties who, together with civil society organisations, promoted the development of the FISCAL TRANSPARENCY BILL, which was presented to the National Assembly on 2 October 2018. The Board of Directors of the Legislature, by resolution CAL -2017-2019.550 of 13 December 2018, qualified the bill and referred it to the Standing Specialised Economic and Tax Regime Committee, where it now is for First Debate.

Regarding transparency in the extractive sector, Sections VII and VIII of this bill propose the following amendments to the Mining and Hydrocarbons Act:

1. Mining Act, Article 3: Additional Provisions, add the following paragraph: The standards of the EITI Initiative shall be applied to the management of mining, which shall be applied by the industry during all phases of mining operation, including the negotiation, procurement and operation of mining projects.
2. Mining Act, Article 40: Service-Provision Contract; it is proposed that mining service-provision contracts include specific clauses on the incorporation of the EITI Standards in all phases of mining operation.
3. Mining Act, Article 87: Right to information, participation and consultation, add the following paragraph: Implementation of these actions by the industry was framed, in all applicable areas, in compliance with the EITI Standards.
4. Article 1-A of the Hydrocarbons Act, add the following paragraph: The EITI Standards are applicable to hydrocarbons activity. These standards shall be applied by the industry in all phases of operation and, according to the contract type, shall be incorporated into relevant parts.

On 11 April 2019, during the twentieth Meeting of the Latin American Network on the Extractive Industries, in the city of Quito in the facilities of the FARO Group, a discussion was held on the progress of the Extractive Industries Transparency Initiative (EITI) in Latin America and lessons for Ecuador. The goal of this space was to share and learn from regional experiences on the adoption and implementation of the EITI Standard and to learn about the process and prospects for adoption of the EITI in Ecuador. It was attended by regional experts from the Latin American Network on the Extractive Industries from Peru, Mexico and Colombia, and by a representative of the Ministry of Energy and Non-renewable Resources (<https://grupofaro.org/xx-encuentro-de-la-red-latinoamericana-sobre-industrias-extractivas/>).

Between 29 and 31 May 2019, representatives of civil society organisations (Citizenship and Development Foundation, FARO Group, Pachamama Foundation and CIAT) took part in the Open Government Partnership (OGP) Global Summit in Ottawa, Canada. There, they met EITI Executive Director Mark Robinson and participated in activities related to transparency in the extractive industry within the context of open government.

Between 18 and 19 June 2019, civil society representatives (Citizenship and Development Foundation and Pachamama Foundation) attended the EITI Global Conference in Paris and parallel regional civil-society meetings as part of the event.

On 15 August 2019, the Civil Society Promotion Group held an introduction meeting with PADF, the British Embassy and the World Bank National Consultant to identify areas of support around EITI.

On 30 August 2019, as part of CONDATOS and ABRELATAM, a discussion was held in Quito on "Open data and extractive industries" which addressed the benefits of EITI membership, since this allows the systematic disclosure of data on the extractive value chain, and discussed international experience. It was also emphasised that implementation of the EITI Standard requires political will and commitment, not only on the part of the State, but also of other actors directly related to the industry, such as State-owned and private companies and civil society. The Citizenship and Development Foundation, FARO Group and CIAT took part in this discussion.

<https://twitter.com/EITIEcuador/status/1167454594483609601>

Between 4 and 7 September 2019, in Bogotá, Crudo Transparente (Colombia) held the regional meeting of civil society linked to EITI. The Citizenship and Development Foundation attended, representing Ecuadorian organisations.

Civil society organisations have conducted many activities to reach out to and involve other civil society organisations in order to form the EITI-Ecuador Civil Society Group. After the signing of the letter of intent of the Ecuadorian Government to join the EITI in September 2019, the High-Level Workshop was held on 12 September 2019, promoted by the World Bank, in which the Civil Society Ad-Hoc Group was created, made up of (Annex 10):

- Citizen Participation Corporation
- The Citizenship and Development Foundation
- The Foundation for the Advance of Reforms and Opportunities (FARO Group)
- The Interprovincial Federation of Shuar Centres
- Conservation International
- San Francisco de Quito University
- University of the Hemispheres / International Centre for Research on Environment and Territory (CIAT)
- Wildlife Conservation Society Ecuador (WCS)

On 27 September 2019, the Civil Society Ad-Hoc Group for EITI met with the regional EITI director, Francisco Paris and the World Bank to explore international experiences of forming the civil society group in the EITI Multi-Stakeholder Group and exploring forms of collaboration.

<https://twitter.com/ParisFco/status/1177893003240886273>

On 21 October 2019, the Civil Society Ad-Hoc Group for EITI held a coordination meeting to discuss the functioning and role of the group (Annex 11).

On 18 November 2019, the Civil Society Ad-Hoc Group for EITI met to move forward with structuring the governance model and rules of operation. Progress was also made on the creation of the documents needed for other organisations to become part of the expanded EITI civil society group (Annex 12).

On 19 November 2019, the Ad-Hoc Group held an event to publicise the Standard, in which it invited civil society organisations to start the process to join the expanded EITI civil society group. Using the lists of attendees at the outreach event of 19 November and of other key stakeholders identified by member organisations of the Ad-Hoc Group, an email was sent inviting an expression of interest to be completed and fulfilment of requirements to apply to be part of the expanded civil society group for EITI (Annex13).

<https://twitter.com/EITIEcuador/status/1196897666753605633>

<https://twitter.com/EITIEcuador/status/1196895342022791168>

On 16 December 2019, the Ecuadorian Coordinator of Organisations for the Defence of Nature and the Environment (CEDENMA) and the Ecuadorian Committee of IUCN, with the support of Conservation International Ecuador and the International Centre for Research on Environment and Territory (CIAT) disseminated the EITI Initiative among their members.

On 23 January 2020, the Citizenship and Development Foundation, the International Centre for Research on Environment and Territory (CIAT), the CAJE Foundation, PADF and the Municipality of El Pangui held an "Environment, Participation and Rights" workshop, during which the EITI Initiative was disseminated to stakeholders from the canton of El Pangui, in the province of Zamora Chinchipe. (<https://bit.ly/2DYdYzW>). On 27 and 28 January, WCS disseminated the EITI Initiative in Cotacachi and Intag to anti-mining leaders. On 29 January 2020, Citizen Participation Corporation, together with the International Centre for Research on Environment and Territory (CIAT), on behalf of the Ad Hoc Group, held an outreach event on EITI in the city of Guayaquil (<https://twitter.com/ParticipacionPC/status/1222520946894016512>).

On 13 February, the Ad-Hoc Group held a workshop on EITI for the exclusive attention of the press. On 26 February 2020, the Ad-Hoc EITI Civil Society Group approved the rules of operation of the expanded EITI Civil Society Group (Annex 14).

Finally, on 13 March 2020, Citizen Participation Corporation hosted a meeting of the expanded group of civil society organisations for implementation of the EITI Standard. This meeting was attended by the EITI's highest representatives, Executive Director Mark Robinson and Regional Director Francisco Paris. Civil society was represented by members of the International Centre for Research on Environment and Territory; the University of the Hemispheres; FARO Group; CEDENMA; Latin American Future Foundation; Citizenship and Development Foundation; World Bank, represented by a consultant; and Citizen Participation Corporation. At this meeting, the Civil Society Group was officially formed and elected its representatives and alternates for the EITI-Ecuador MSG:

- Representatives: FARO Group, Citizen Participation Corporation and Citizenship and Development Foundation
- Alternates: CEDENMA, Latin American Future Foundation and the International Centre for Research on Environment and Territory

(<https://www.participacionciudadana.org/boletines/313-eiti-experiencia-global-persigue-transparencia>)

The formation of the Civil Society Group was officially notified by means of an official communication to the Minister of Energy and Non-renewable Resources and the Deputy Minister of Mines.

(<https://www.rekursosyenergia.gob.ec/wp-content/uploads/2020/06/Creacion-del-Grupo-de-la-Sociedad-Civil-y-Delegacion-de-sus-Representantes.pdf>)

In addition, EITI is one of the commitments of Open Government, an international initiative that seeks to ensure that governments promote transparency, the fight against corruption, participation, governance, free access to public information, and the use of new technologies. It is composed of 78 countries and 20 local governments that have made more than 4000 commitments through action plans developed to make their governments more open and more accountable.

As part of the commitment of the Government of Ecuador to combat corruption and increase transparency and citizen participation, in the Report to the Nation of 24 May 2018, the President of the Republic Lenín Moreno Garcés announced the country's accession to the Open Government Partnership, in order to promote more-open and transparent government. Thus, Ecuador has been a member of the Partnership since 18 July 2018. As an active member, the country has committed to comply with the Open Government Declaration and to co-create and implement biannual action plans. Against this background, the commitment to implement the EITI, to improve financial transparency in the country's extractive industries (oil, gas and mining) was incorporated into the Ecuador Open Government Action Plan ([https://gobiernoabierto.ec/wp-content/uploads/2020/01/Ecuador\\_Action-Plan\\_2019-2021\\_OGP\\_c.pdf](https://gobiernoabierto.ec/wp-content/uploads/2020/01/Ecuador_Action-Plan_2019-2021_OGP_c.pdf)).

In order to meet the objective set in Open Government, the Government has a group of civil society organisations as implementation partners that will provide technical support and assistance to the public institution charged with fulfilling the commitment.

The Act of Commitment mentioned above was signed on 11 December 2019 by the then Minister of Energy and Non-renewable Resources, José Augusto Briones, with representatives of the Citizenship and Development Foundation, the Foundation for the Advance of Reforms and Opportunities, Citizen Participation Corporation and the University of the Hemispheres (Annex 15).

b) The government must ensure that there is an enabling environment for civil society participation with regard to relevant laws, regulations, and administrative rules as well as actual practice in implementation of the EITI. The fundamental rights of civil society substantively engaged in the EITI, including but not restricted to members of the multi-stakeholder group, must be respected.

The Constitution of the Republic of Ecuador lays down, in article 424, that the Constitution and international human rights treaties ratified by the State that recognise rights more favourable than those contained in the Constitution shall prevail over any other law or act of Government.

Ecuador has ratified the International Covenant on Civil and Political Rights, whose article 19 stipulates: "(...) 2. *Everyone shall have the right to freedom of expression; this right shall include freedom to seek, receive and impart information and ideas of all kinds, regardless of frontiers, either orally, in writing or in print, in the form of art, or through any other media of their choice (...)*".

Ecuador is also a party to the American Convention on Human Rights, which states in its Article 13: "*Article 13. Freedom of Thought and Expression 1. Everyone has the right to freedom of thought and expression. This right includes freedom to seek, receive, and impart information and ideas of all kinds, regardless of frontiers, either orally, in writing, in print, in the form of art, or through any other medium of one's choice (...)*".

Both the above-mentioned international instruments state that the right to freedom of thought and expression, which includes the right of access to information, has certain restrictions, such as to ensure respect for the rights or reputation of others, and the protection of national security, public order or public health or morals.

In addition, Article 18 of the Constitution provides: "*Everyone, individually or collectively, has the right to:*

1. *Seek, receive, exchange, produce and disseminate truthful, verified, appropriate, contextualised and plural information without prior censorship of the facts, occurrences and processes of public interest and with subsequent responsibility.*

2. *Freely access information generated in public or private entities that manage State funds or perform public functions. No information shall be withheld, except as expressly stated by law. In case of a violation of human rights, no public entity shall refuse to provide information."*



Also, Article 66, Paragraph 6 of the Constitution of Ecuador recognises, guarantees and enshrines the right to speak and express one's opinion freely in all forms and manifestations.

Finally, the Ecuadorian State has legal guarantees that enshrine the right to access to information and the right to free expression and thought. These legal guarantees are:

1. The Organic Law of Access to Public Information, published in Official Gazette No. 449 of 20 October 2008, the purpose of which, expressed in its Article 2, is: "(...) [to] guarantee and [to] regulate the exercise of the fundamental right of persons to information in accordance with the guarantees enshrined in the Constitution of the Republic, the International Covenant on Civil and Political Rights, the American Convention on Human Rights and other international instruments in force to which our country is a signatory (...)"; and

2. The Organic Law of Communication, published in the Official Gazette Supplement No. 22, of 25 June 2013, whose purpose, stated in its Article 1, is: "(...) the protection of the right to exercise freedom of expression and to seek, receive and impart information and ideas of all kinds through the communications media".

In this regard, it is important to note that there is secrecy of information pursuant to Article 17 of the Organic Law of Access to Public Information in the following cases:

a) Documents reasonably classified by the National Security Council as being secret, for reasons of national defence; These are:

- 1) Plans and orders for national defence, the military, mobilisation, special operations and military bases and facilities against possible threats against the State.
- 2) Intelligence information, specifically plans, operations and military intelligence and counter-intelligence reports, on condition of there existing a national disturbance.
- 3) Information on the location of military matériel, when this poses no danger to the public; and
- 4) Funds exclusively earmarked for national defence; and

b) Information expressly established in law as secret.

Accordingly, both the domestic legislation of Ecuador and the international instruments ratified by the State promote, guarantee and recognise the individual or collective participation of people and standards of transparency by which rights of access to information and of free expression and thought are recognised.

Lastly, it should be stated that legal guarantees exist in Ecuador that enshrine the rights mentioned above and, therefore, there is no restriction on or obstacle to civil society's participation in the EITI process; and it can freely express its views.

c) The government must ensure that there are no obstacles to civil society participation in the EITI process.

In general, there are no obstacles to the participation of civil society in the EITI process under the legal, regulatory and administrative framework (described above). In addition, the CSOs involved in the Standard as representatives or members of the Civil Society Group have considerable knowledge of the extractive sector and the Standard, which allows for adequate representation of civil society.

d) The government must refrain from actions which result in narrowing or restricting public debate in relation to implementation of the EITI.

The government has not taken any steps that would narrow or restrict public debate on the EITI.

e) Stakeholders, including but not limited to members of the multi-stakeholder group, must:

- i. Be able to speak freely on transparency and natural resource governance issues.
- ii. Be substantially engaged in the design, implementation, monitoring and evaluation of the EITI process, and ensure that it contributes to public debate.
- iii. Have the right to communicate and cooperate with each other.
- iv. Be able to operate freely and express opinions about the EITI without restraint, coercion or reprisal.

As evidenced in the information contained in this document, CSOs have been engaged since the start of the process through to approval of the candidature, with freedom of expression and the same representation as government and industry. This is supported by the Rules of Operation of the EITI-Ecuador MSG (<https://www.recursoyenergia.gob.ec/wp-content/uploads/2020/08/Reglamento-de-Operacion-GMP-VF.pdf>).

## *EITI Requirement 1.4*

### Multi-Stakeholder Group

- a) The government is required to commit to work with civil society and companies and establish a multi-stakeholder group to oversee the implementation of the EITI. In establishing the multi-stakeholder group, the government must:
- i. Ensure that the invitation to participate in the group is open and transparent.
  - ii. Ensure that stakeholders are adequately represented. This does not mean that they need to be equally represented numerically. The multi-stakeholder group must comprise appropriate stakeholders, including but not necessarily limited to: the private sector; civil society, including independent civil society groups and other civil society such as the media and unions; and relevant government entities, which can also include parliamentarians. Each multi-stakeholder group must have the right to appoint its own representatives, bearing in mind the desirability of pluralistic and diverse representation. The nomination process must be independent and free from any suggestion of coercion. The multi-stakeholder group and each constituency should consider gender balance in their representation to progress towards gender parity.
  - iii. Consider establishing the legal basis of the group.
- b) The multi-stakeholder group is required to agree clear public Terms of Reference (ToRs) for its work. The ToRs should, at a minimum, include provisions on:

#### **The role, responsibilities and rights of the multi-stakeholder group:**

- i. Members of the multi-stakeholder group should have the capacity to carry out their duties.
- ii. The multi-stakeholder group should undertake effective outreach activities with civil society groups and companies, including through communication such as media, websites and letters, informing stakeholders of the government's commitment to implement the EITI, and the central role of companies and civil society. The multi-stakeholder group should also widely disseminate the public information that results from the EITI process.
- iii. Members of the multi-stakeholder group should liaise with their constituency groups.
- iv. Members of the multi-stakeholder group are expected to abide by the EITI Association code of conduct.

**Approval of work plans and oversight of implementation:**

- v. The multi-stakeholder group is required to approve annual work plans in accordance with Requirement 1.5.
- vi. The multi-stakeholder group should oversee the EITI reporting process and engage in Validation.

**Internal governance rules and procedures:**

- vii. The EITI requires an inclusive decision-making process throughout implementation, with each constituency being treated as a partner. Any member of the multi-stakeholder group has the right to table an issue for discussion. The multi-stakeholder group should agree and publish its procedures for nominating and changing multi-stakeholder group representatives, decision-making, the duration of the mandate and the frequency of meetings. This should include ensuring that there is a process for changing group members that respects the principles set out in Requirement 1.4(a). Where the multi-stakeholder group has a practice of per diems for attending EITI meetings, or other payments to its members, this practice should be transparent and not create conflicts of interest.
- viii. There should be sufficient advance notice of meetings and timely circulation of documents prior to their debate and proposed adoption.
- viii. The multi-stakeholder group must keep written records of its discussions and decisions.

a) The government is required to commit to work with civil society and companies and establish a multi-stakeholder group to oversee the implementation of the EITI. In establishing the multi-stakeholder group, the government must:

- i. Ensure that the invitation to participate in the group is open and transparent.

The Deputy Minister of Mines, Fernando L. Benalcázar, invited representatives of government, companies and civil society to a videoconference on Tuesday 16 June 2020 (virtual media have been used since March 2020 on account of the Covid-19 health emergency), the objective of which was to officially form the MSG. The meeting began with a welcome from the Ecuadorian EITI Champion, who thanked all the institutions that have supported the process of the Ecuador's candidature. Then, representatives of civil society and companies spoke on and highlighted the importance of the Initiative and, in this way, the EITI-EITI-Ecuador Multi-Stakeholder Group was formed. (<https://www.rekursosyenergia.gob.ec/wp-content/uploads/2020/08/1%C2%AA-REUNI%C3%93N-DEL-GMP-EITI-ECUADOR.pdf>).

ii. Ensure that stakeholders are adequately represented. This does not mean that they need to be equally represented numerically. The multi-stakeholder group must comprise appropriate stakeholders, including but not necessarily limited to: the private sector; civil society, including independent civil society groups and other civil society such as the media and unions; and relevant government entities, which can also include parliamentarians. Each multi-stakeholder group must have the right to appoint its own representatives, bearing in mind the desirability of pluralistic and diverse representation. The nomination process must be independent and free from any suggestion of coercion. The multi-stakeholder group and each constituency should consider gender balance in their representation to progress towards gender parity.

The EITI-Ecuador MSG is composed of eleven members and alternates: Four from government, four from the extractive industries and three from civil society organisations. These members were appointed without coercion from any sector and in accordance with the EITI Principles.

iii. Consider establishing the legal basis of the group.

Consideration has been given in the work plan to analysing the identification of possible mechanisms (including legal aspects) to give autonomy and institutionality to the Technical Secretariat, seeking examples of public-private interaction in other areas of the Ecuadorian economy that would give legal support to the MSG.

b) The multi-stakeholder group is required to agree clear public Terms of Reference (ToRs) for its work. The ToRs should, at a minimum, include provisions on:

**The role, responsibilities and rights of the multi-stakeholder group:**

- i. Members of the multi-stakeholder group should have the capacity to carry out their duties.
- ii. The multi-stakeholder group should undertake effective outreach activities with civil society groups and companies, including through communication such as media, websites and letters, informing stakeholders of the government's commitment to implement the EITI, and the central role of companies and civil society. The multi-stakeholder group should also widely disseminate the public information that results from the EITI process.
- iii. Members of the multi-stakeholder group should liaise with their constituency groups.
- iv. Members of the multi-stakeholder group are expected to abide by the EITI Association code of conduct.

### Approval of work plans and oversight of implementation:

- v. The multi-stakeholder group is required to approve annual work plans in accordance with Requirement 1.5.
- vi. The multi-stakeholder group should oversee the EITI reporting process and carry out Validation.

### Internal governance rules and procedures:

- vii. The EITI requires an inclusive decision-making process throughout implementation, with each constituency being treated as a partner. Any member of the multi-stakeholder group has the right to table an issue for discussion. The multi-stakeholder group should agree and publish its procedures for nominating and changing multi-stakeholder group representatives, decision-making, the duration of the mandate and the frequency of meetings. This should include ensuring that there is a process for changing group members that respects the principles set out in Requirement 1.4(a). Where the multi-stakeholder group has a practice of per diems for attending EITI meetings, or other payments to its members, this practice should be transparent and not create conflicts of interest.
- viii. There should be sufficient advance notice of meetings and timely circulation of documents prior to their debate and proposed adoption.
- viii. The multi-stakeholder group must keep written records of its discussions and decisions.

In order to have basic rules available, to regulate operation and to establish the internal rules and procedures of the EITI-Ecuador Multi-Stakeholder Group, and to ensure effective and harmonious interaction for implementation of the EITI Standard in Ecuador, the Rules of Operation of the EITI-Ecuador MSG were developed. The draft of these rules was developed and submitted to the MSG for consideration at its first meeting, of 16 June 2020. In addition, work was done together with representatives of each sector to gather their comments on the draft and incorporate them into the document. For this, a meeting was held with civil society on 8 July 2020. Finally, at the third meeting of the MSG, on 4 August 2020 (<https://www.rekursyenergia.gob.ec/wp-content/uploads/2020/08/3%C2%AA-REUNI%C3%93N-DEL-GMP-EITI-ECUADOR.pdf>), once all recommendations and comments had been incorporated, the MSG approved the Rules of Operation, which consist of guidelines regarding: purpose, meeting place, MSG members, election of MSG members, the status of being a titular or alternate member, the functions of the MSG, the chairing of the MSG, the Technical Secretariat, the calling of meetings and their frequency, quoracy, the decision-making mechanism, possible invitees, technical working groups, communication, interpretation of the rules of operation, confidentiality and term (<https://www.rekursyenergia.gob.ec/wp-content/uploads/2020/08/Reglamento-de-Operacion-GMP-VF.pdf>).

## *EITI Requirement 1.5*

### Work plan

The multi-stakeholder group is required to maintain a current work plan which is fully costed and aligned with the reporting and Validation deadlines established by the EITI Board. The work plan must:

- a) Set EITI implementation objectives that are linked to the EITI Principles and reflect national priorities for the extractive industries. The multi-stakeholder group should address the steps needed to mainstream EITI implementation in company and government systems. Multi-stakeholder groups are encouraged to explore innovative approaches to extending EITI implementation to inform public debate about natural resource governance and encourage high standards of transparency and accountability in public life, government operations and in business.
- b) Reflect the results of consultations with key stakeholders and be endorsed by the multi-stakeholder group.
- c) Include measurable and time bound activities to achieve the agreed objectives. The scope of EITI implementation should be tailored to contribute to the desired objectives that have been identified during the consultation process. The work plan must:
  - i. Assess and outline plans to address any potential capacity constraints in government agencies, companies and civil society that may be an obstacle to effective EITI implementation.
  - ii. Address the scope of EITI implementation, including plans for strengthening systematic disclosures and addressing technical aspects of reporting, such as comprehensiveness and data reliability (4.1 and 4.9).
  - iii. Identify and outline plans to address any potential legal or regulatory obstacles to EITI implementation, including, if applicable, any plans to incorporate the EITI Requirements within national legislation or regulation.
  - iv. Outline the multi-stakeholder group's plans for implementing the recommendations from EITI implementation and Validation.
  - v. Outline plans for disclosing contracts in accordance with Requirement 2.4(b) and beneficial ownership information in accordance with Requirement 2.5(c)-(f), including milestones and deadlines.
- d) Identify domestic and external sources of funding and technical assistance where appropriate in order to ensure timely implementation of the agreed work plan.
- e) Be made widely available to the public, for example published on the national EITI website and/or other relevant ministry and agency websites, in print media or in places that are easily accessible to the public.
- f) Be reviewed and updated annually. In reviewing the work plan, the multi-stakeholder group should consider extending the detail and scope of EITI implementation. In accordance with Requirement 1.4 (b), the multi-stakeholder group is required to document its discussions and decisions.
- g) Include a timetable for implementation that is aligned with the deadlines established by the EITI Board (section 4 - EITI Board oversight of EITI implementation) and that takes into account administrative requirements such as procurement processes and funding.



The multi-stakeholder group is required to maintain a current work plan which is fully costed and aligned with the reporting and Validation deadlines established by the EITI Board. The work plan must:

a) Set EITI implementation objectives that are linked to the EITI Principles and reflect national priorities for the extractive industries. The multi-stakeholder group should address the steps needed to mainstream EITI implementation in company and government systems. Multi-stakeholder groups are encouraged to explore innovative approaches to extending EITI implementation to inform public debate about natural resource governance and encourage high standards of transparency and accountability in public life, government operations and in business.

The current MSG work plan covers the period from April 2020 to December 2022 (<https://www.rekursosyenergia.gob.ec/wp-content/uploads/2020/08/Plan-de-Trabajo-EITI-Ecuador.pdf>). The schedule set in the work plan is for validation of Ecuador's candidature to take place at the meeting of the EITI International Board to be held in October 2020, for which reason the first Ecuador report should be completed in the second quarter of 2022.

The Government has provided, and will continue to provide through in-kind resources (such as physical spaces, work-hours of senior officials, and support, among others) and through actions to secure cooperation, in order to support Ecuador's accession to the EITI, which clearly expresses the Government's commitment to the Standard.

The work plan's objectives, which were developed by the MSG, reflect national priorities, specifically:

- The National Development Plan 2017-2021, whose Goal 8 is "To promote transparency and co-responsibility for a new social ethic" (<https://www.planificacion.gob.ec/wp-content/uploads/downloads/2017/11/PLAN-NACIONAL-DE-DESARROLLO-2017-2021.compressed.pdf>).

- The Open Government initiative promoted by the President of the Republic of Ecuador, which includes the commitment: "Co-design of the roadmap for implementation of the EITI Standard to improve financial transparency in the extractive industries in Ecuador (oil, gas and mining)" ([https://gobiernoabierto.ec/wp-content/uploads/2020/01/Ecuador\\_Action-Plan\\_2019-2021\\_OGP\\_c.pdf](https://gobiernoabierto.ec/wp-content/uploads/2020/01/Ecuador_Action-Plan_2019-2021_OGP_c.pdf)).

- The Strategic Plan 2019-2021 of the Ministry of Energy and Non-renewable Resources, in which Objective 1.1 states: "To generate the attraction of domestic and foreign investment, with social and environmental responsibility, ensuring transparency and competitiveness in tendering processes for blocks, concessions of areas and the allocation of strategic infrastructure projects" (<https://www.rekursosyenergia.gob.ec/wp-content/uploads/2019/02/Plan-Estrategico-Institucional-2019-2021-MERNNR.pdf>).

- In the Public Mining Policy 2019-2030, under Axis 4, Strategic Objective 5, Public Policy 5.1 states: "To promote a joined-up, appropriate and efficient public administration, improving



operational and technical capacities and taking transparency and access to public information as a reference point.

(<https://www.rekursosyenergia.gob.ec/wp-content/uploads/2020/06/2019-05-15-Politica-Publica-Minera-Actualizada.pdf>).

b) Reflect the results of consultations with key stakeholders and be endorsed by the multi-stakeholder group.

The work plan was developed, with PADF support, by a consultancy firm that led a consultative and participatory process that began in the first meeting of the EITI-Ecuador Multi-Stakeholder Group on 16 June 2020 and that was approved by the MSG on 4 August 2020

(<https://www.rekursosyenergia.gob.ec/wp-content/uploads/2020/08/1%C2%AA-REUNI%C3%93N-DEL-GMP-EITI-ECUADOR.pdf>). The work plan was developed through a series of expanded meetings with each sector to gather comments and observations from each and every of their representatives.

The meetings for the development of the work plan were:

- On 16 June 2020, the first meeting was held of the MSG; at this meeting the timetable and methodology for development of the work plan were presented. After this, attendees from each sector expressed their institution's or body's motivation for being part of the EITI Standard and what they considered to be the biggest challenges in that process

(<https://www.rekursosyenergia.gob.ec/wp-content/uploads/2020/08/1%C2%AA-REUNI%C3%93N-DEL-GMP-EITI-ECUADOR.pdf>).

- 24 June 2020 was the date of the first sectoral meeting with Civil Society Organisations (Annex 16); in this meeting, the methodology and scope of the work plan were explained, organisations' comments and observations were gathered and it was agreed that a draft plan would be presented for their comments. Also in this meeting, the option was explored of creating a legal entity to give greater independence to the Technical Secretariat and for the Technical Secretariat not to be anchored solely to the government.

- Subsequently, on 25 June 2020, the second sectoral meeting was held, with industry representatives; at this meeting, the representatives expressed their concerns and priorities in respect of the Standard and possible processes that would require more work (Annex 17).

- On 26 June, the third sectoral meeting was held, with representatives of the government; at this meeting, the priorities for the government and each institution were expressed, at the same time as expressing support for the Standard (Annex 18).

- On 2 July 2020, the second meeting of the MSG was held; this meeting developed the axes or objectives to be used as the basis for development of the work plan and a first draft of the structure of the document was presented (<https://www.rekursosyenergia.gob.ec/wp-content/uploads/2020/08/2%C2%AA-REUNI%C3%93N-DEL-GMP-EITI-ECUADOR.pdf>).

- Finally, at the third meeting of the MSG, on 4 July 2020, the process performed to obtain the final version of the Rules of Operation of the EITI-Ecuador MSG was presented. After this, government, industry and civil society members made their comments and then the covering letter

and Work Plan were approved (<https://www.rekursosyenergia.gob.ec/wp-content/uploads/2020/08/3%C2%AA-REUNI%C3%93N-DEL-GMP-EITI-ECUADOR.pdf>).

It was determined that the work plan should consist of five objectives, viz.:

1. Adherence to the EITI Standard
2. Strengthening the EITI Initiative, ensuring its sustainability
3. Making information on extractive industries transparent
4. Strengthening the systematic disclosure of information
5. Linking Disclosure to Development (D2D) with Ensuring Impacts of the EITI

c) Include measurable and time bound activities to achieve the agreed objectives. The scope of EITI implementation should be tailored to contribute to the desired objectives that have been identified during the consultation process. The work plan must:

- i. Assess and outline plans to address any potential capacity constraints in government agencies, companies and civil society that may be an obstacle to effective EITI implementation.

In relation to this point, Objective 2 of the work plan covers: Strengthen the EITI Initiative, ensuring its sustainability, including actions to develop the technical and operational capacity of the Technical Secretariat, to ensure that they can properly monitor and effectively guide implementation of the EITI. Similarly, in Objective 2.2: To ensure the high strategic level of the MSG, the formation of a Technical Working Group (TWG) is established, which will be directed to address possible restrictions or impediments that arise in the course of implementation.

- ii. Address the scope of EITI implementation, including plans for strengthening systematic disclosures and addressing technical aspects of reporting, such as comprehensiveness and data reliability (4.1 and 4.9).

The work plan includes an Objective 3.1: Define Scope and Materiality, in which activities have been allocated to address the scope of EITI in Ecuador and the evaluation and addressing of possible capacity restrictions in the government bodies required to make disclosures and which may constitute obstacles to the disclosure of required information. See also Objective 4: Strengthen the systematic disclosure of information, ensure that the actions required to achieve the systematic disclosure of information are taken. Finally, Objective 3: Make information on the extractive industries transparent; this has the goal of information being disaggregated, comprehensive and reliable.

- iii. Identify and outline plans to address any potential legal or regulatory obstacles to EITI implementation, including, if applicable, any plans to incorporate the EITI Requirements within national legislation or regulation.

The work plan includes an Objective 1.2: Define a roadmap to achieve disclosure of Beneficial Owners (BOs); and Objective 1.3: Develop a Plan for the Disclosure of Contracts and address possible legal restrictions that may arise around implementation of the EITI. Also, with the establishment of the TWG it would be possible to amend and outline plans to overcome possible legal obstacles.

- iv. Outline the multi-stakeholder group's plans for implementing the recommendations from EITI implementation and Validation.

In Objective 4: Strengthen the systematic disclosure of information; and in Specific Objective 5.4: Promote public debate and reforms; appropriate activities to carry out the recommendations resulting from the EITI implementation and validation processes shall be determined.

- v. Outline plans for disclosing contracts in accordance with Requirement 2.4(b) and beneficial ownership information in accordance with Requirement 2.5(c)-(f), including milestones and deadlines.

Actions to be taken for the disclosure of contracts are specified in Specific Objective 1.3: Develop a Plan for the Disclosure of Contracts.

- d) Identify domestic and external sources of funding and technical assistance where appropriate in order to ensure timely implementation of the agreed work plan.

MERNNR and the MSG have sought to identify sources of funding and have taken the following actions:

- The Deputy Minister of Mines, in his capacity of Champion of the Initiative, has, since November 2019, been holding various meetings with cooperation agencies and embassies in order to introduce the Standard as a priority for Ecuador and to present it as a possible project with the potential to attract funding.
- At the instance of the Government of Ecuador and the EITI Secretariat, on 28 June 2020 a meeting was held with potential international aid partners, attended by the World Bank, the Inter-American Development Bank (IDB), the Pan American Development Foundation (PADF) and representatives of the governments of Canada, the United Kingdom and the United States of America. It was possible at this meeting to brief all participants on progress on the EITI candidature and it was highlighted that Ecuador has made progress in a year with so many limitations resulting from the Covid-19 pandemic. Participants also expressed the importance of cooperation with Ecuador in its first steps after candidature. The interest of some of these international donors was also evident, particularly IDB, PADF and the British Embassy, and we shall pursue individual dialogue with these to make progress on possible funding and cooperation.

- e) Be made widely available to the public, for example, published on the national EITI website and/or other relevant ministry and agency websites, in print media or in places that are easily accessible to the public.

The work plan and its covering letter are respectively available at:

<https://www.recursoyenergia.gob.ec/wp-content/uploads/2020/08/Plan-de-Trabajo-EITI-Ecuador.pdf> and <https://www.recursoyenergia.gob.ec/wp-content/uploads/2020/08/Carta-de-Presentacion-Plan-de-Trabajo.pdf>.

f) Be reviewed and updated annually. In reviewing the work plan, the multi-stakeholder group should consider extending the detail and scope of EITI implementation. In accordance with Requirement 1.4 (b), the multi-stakeholder group is required to document its discussions and decisions.

This point is covered in the action "Update of the Work Plan in light of lessons learned", contained within Specific Objective 2.2: Ensure the high strategic level of the MSG. Similarly, with the Rules of Operation of the EITI-Ecuador MSG, Article 8 states: *"Perform all necessary actions to ensure that the MSG fulfils all the functions indicated and implementation of the work plan, and all necessary steps to be an EITI-compliant country and maintain this status"*

(<https://www.recursoyenergia.gob.ec/wp-content/uploads/2020/08/Reglamento-de-Operacion-GMP-VF.pdf>).

g) Include a timetable for implementation that is aligned with the deadlines established by the EITI Board (section 4 - EITI Board oversight of EITI implementation) and that takes into account administrative requirements such as procurement processes and funding.

The work plan includes a timetable that takes account of the deadlines laid down by the EITI Board (<https://www.recursoyenergia.gob.ec/wp-content/uploads/2020/08/Plan-de-Trabajo-EITI-Ecuador.pdf>).