From: Alex Gordy <agordy@eiti.org>

Subject: Follow-up on Validation of Afghanistan working group meeting

Date: 30 October 2018 at 9:47:52 PM GMT

To: "Pearson, Mark (NRCan/RNCan)" <<u>mark.pearson@canada.ca</u>>, <u>Mark.Pearson@nrcan-rncan.gc.ca</u>, Gubad Ibadoghlu <<u>gubad.ibadoglu@gmail.com</u>>, "C. Gamboa" <<u>cgamboa@dar.org.pe</u>>, Cielo Magno <<u>cielomagno@gmail.com</u>>, "<u>enur@statoil.com</u>" <<u>enur@statoil.com</u>>, "Miller, Jim" <<u>imiller@fmi.com</u>>, Judith Herbertson <J-Herbertson@dfid.gov.uk>, "Davy, R. Chris"

<DavyRC@state.gov>, José Cardoso < jcardoso@eiti.st>, "Koch, Dirk Jan" < DJ.Koch@minbuza.nl>

Cc: Sam Bartlett < SBartlett@eiti.org >

Dear working group members,

Thanks for this afternoon. As requested, we have elaborated on the two options discussed at the end of the meeting. We would like you to confirm whether you can support Option 1 below. If not, please confirm whether you can support Option 2. Please respond to all [reply all] by 08:00 Wednesday morning. We will then take stock and brief you and the Chair on the outcome of these discussions.

Option 1

Proposed decision: The Board agrees that Afghanistan has made "meaningful progress" overall. Specifically, the Board considered the findings from the Validation report. It exercised its discretion under Requirement 8.3.a.ii to determine the overall assessment. While the results initially indicated an overall assessment of "inadequate progress" in implementing the EITI Standard, the Board took account of the challenging circumstances in Afghanistan [such as "state fragility and recent or ongoing political change, and the extent to which the multi-stakeholder group has undertaken actions to resolve barriers encountered"]. In particular, the Board took note of progress since the November 2014 Secretariat Review under the EITI Rules.

Background: See attached the comparison, requested by the group, between the first Validation under the EITI Standard and the last Validation under the EITI Rules. This comparison is problematic in several respects. There is no clear equivalence between the individual requirements. The EITI Standard is significantly more demanding. That in itself could justify an assessment that there have been significant improvements overall. However, there are several aspects of EITI implementation where there has been no obvious progress. For example:

Requirement under the EITI Rules	Previous assessment	Requirement under the EITI Standard	Current assessment
EITI Rules Requirements 9, 11, 14, 15, 17	Unmet	EITI Standard Requirement 4.1	Meaningful progress
EITI Rules Requirement 12, 13	Unmet	EITI Standard Requirement 4.9	Meaningful progress
EITI Rules Requirements 1,2,3	Met	EITI Standard Requirement 1.1	Meaningful progress
EITI Rules Requirement 5	Met	EITI Standard Requirement 1.5	Meaningful progress
EITI Rules Requirement 20	Met	EITI Standard Requirement 7.1	Meaningful progress

Option 2

Proposed decision: Taking note of the letter from Acting Minister of Mines and Petroleum Nargis Nehan, the Board agrees to direct the International Secretariat to undertake additional data collection regarding progress since the commencement of Validation. The Validation Committee will review the Secretariat's update on the case at its next meeting on 5 December and make an updated recommendation to the Board.

Background: See letter from Afghanistan's Acting Minister of Mines and Petroleum Nargis Nehan attached.

Best,

Sam and Alex