



Terms of Reference for  
Consultant responsible for  
writing the EITI-Argentina  
Flexible Report (fiscal year  
2018)

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## 1 Background

The Extractive Industries Transparency Initiative (EITI) is an international standard for improving transparency and accountability in the oil, gas and mining sectors. EITI implementation has two basic components: transparency and accountability. Transparency is based on the publication of the information disclosed by the oil, gas and mining companies about their operations and the governance of their revenues from the sector. Accountability is based on the creation of the Multi-Stakeholder Group (MSG) with representatives of government, industry and civil society to oversee the process, which communicates reporting data to EITI and promotes the integration of EITI within broader efforts towards transparency in that country.

The EITI Standard recommends that MSGs explore innovative approaches to broaden EITI implementation, in order to increase the completeness of the disclosure of information to EITI and public understanding of revenues and to encourage high standards of transparency and accountability in public life, the work of government, and business. The EITI Standard lays down the requirements that implementing countries have to meet.<sup>1</sup>

The MSG is required to approve the terms of reference for the preparation of EITI reports, with due account taken of the objectives and agreed scope of the EITI as stipulated in the country MSG's work plan. The deliberations of the MSG on these matters must be in accordance with their rules and procedures of internal governance and throughout implementation of EITI, the decision-making process has to be inclusive, treating each group as a partner.

The EITI International Board has developed these procedures to promote greater consistency and reliability in the presentation of EITI information. The EITI process must be used to complement, evaluate and improve existing reporting and auditing systems. The Board recommends that the process should be built to the greatest possible extent on existing procedures and institutions, so that the EITI process is based on existing and already-established systems for the collection and auditing of data and should complement and critically evaluate these.

For preparation of its EITI Report for fiscal year 2018, the Argentina MSG has decided to adopt the **Flexible EITI reporting** approach offered by the EITI International Board in response to the Covid-19 pandemic.<sup>2</sup> In turn, the Argentina MSG has also decided to recruit a consultant, with the assistance of the International Secretariat, which is helping it with the preparation of the Report and the adoption of the corresponding flexibility measures.

It is a requirement that the consultant is perceived by the MSG as credible, reliable and technically competent. The MSG and the consultant must address all concerns in respect of conflicts of interest. The EITI Report jointly prepared by the consultant, the National Secretariat and the MSG, will be submitted to the MSG for its approval and will be made public in accordance with Requirements 7.1 and 7.2.

For the purposes of the tasks to be carried out by the consultant in accordance with these terms of reference, the term "**EITI Report**" is taken to mean the set of data and information that must be disclosed in accordance with the requirements of the EITI Standard. This set comprises: (i) information systematically disclosed, that is, through publicly-available sources available online and referenced in the EITI-Argentina portal; (ii) information disclosed directly in the EITI Argentina portal,

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<sup>1</sup> See [https://eiti.org/files/documents/eiti\\_standard2019\\_a4\\_es.pdf](https://eiti.org/files/documents/eiti_standard2019_a4_es.pdf)

<sup>2</sup> EITI Board decision No. 2020-31/BC-290, <https://eiti.org/es/board-decision/2020-31>

from public sources; and (iii) information collected and processed by the consultant in accordance with these terms of reference.

Regarding the timeliness (Requirement 4.8) and quality (Requirement 4.9) of the data disclosed, the EITI Standard requires that an assessment be made of whether payments and revenues are subject to a reliable independent audit in which international standards are applied. It is expected that the information disclosed by governments and companies under Requirement 4 is subject to international auditing standards, includes an explanation of the auditing and assurance procedures underlying the data and is accompanied by public access to the supporting documentation. Implementation of the flexible approach adopted by EITI-Argentina for the 2018 EITI Report permits countries to deviate from the standard EITI reporting procedure, including reconciliation (Requirement 4.9b).

### **EITI implementation in Argentina**

In 2017, the then Minister of Energy, and Mining of Argentina issued a public and unequivocal public statement of the decision of the National Government of Argentina to join the EITI. Other senior officials of the government, and representatives of civil society, the extractive industries, the press and the EITI International Secretariat participated in this event. In January 2019, the application for candidacy was submitted to EITI and in late February of the same year the entry of Argentina as a candidate country was approved.<sup>3</sup>

Implementation of the EITI Standard is currently jointly led by the Mining and the Energy secretariats of the Ministry of the Productive Development of the Nation. The Multi-Stakeholder Group is the autonomous and independent body that acts as a collegiate organ responsible for overseeing implementation of the Extractive Industries Transparency Initiative in Argentina, in accordance with its rules of procedure and in accordance with the Declaration of EITI Principles and the [National Action Plan](#) established. The MSG is composed of members of National Government, businesses and chambers of extractive-industries companies, and representatives of civil society. The Government is represented in the MSG by the Energy Secretariat and the Mining Secretariat (both part of the Ministry of the Productive Development of the Nation), the Ministry of the Economy of the Nation and the Chief Cabinet Minister. Industry is represented in the MSG by: the Argentine Chamber of Mining Companies (CAEM), the Argentine Oil and Gas Institute (IAPG), YPF S.A. and the Chamber of Hydrocarbons Exploration and Production (CEPH). Civil society is represented in the MSG by: the Legislative Directory Foundation, the Democratic Change Foundation, the Argentine Catholic University (UCA), the National University of San Martín, (UNSAM) and the Centre for the Implementation of Public Policies for Equity and Growth (CIPPEC).

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<sup>3</sup> Argentina requested implementation adapted to the legal and institutional conditions of its structure of government. This was approved by the EITI International Board, for which reason a two-stage approach to implementation of the standard has been adopted. In Stage I, the scope of the MSG report will be information corresponding to the national level of government, and all information available at the provincial level. In Stage II, the scope will be broadened to information at provincial level for those provinces that are incorporated into the process.

Separation of the process into two stages is necessary to overcome barriers to implementation arising from the complexity ensuing from differences between the provinces in terms of their legal and tax frameworks, the existence of provincial state-owned enterprises that form temporary joint ventures with private companies, and the trusts formed with funds from the extractive industry, among other issues.

The MSG has included in its action plan a firm aim of working to invite and promote the accession of the provinces to the EITI-Argentina initiative.<sup>4</sup> The Technical Secretariat of EITI-Argentina is the executive body, led by the National Technical Coordinator, responsible for carrying out all coordination and technical, operational and administrative functions necessary to support the MSG. Technical Working Groups (TWG) are groups created by the MSG made up of officials and/or employees and/or representatives of public and private entities, civil-society representatives and experts able to contribute in respect of: (i) progress on the work agenda of the MSG; (ii) the preparation of documents, reports or studies related to the EITI process; and (iii) the coordination, execution and monitoring of policies and measures recommended by the MSG.

In October 2019, a scoping and materiality study was begun to define the requirements applicable to EITI implementation in Argentina and the competence of the national State in the extractive industries. This study also defined the significant streams, collection agencies, thresholds and expected level of coverage. Finally, it assessed the feasibility of systematic disclosure.

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<sup>4</sup> [https://drive.google.com/file/d/1r5wxKXX\\_dMrWnBf\\_nb\\_9qLnlqz0\\_bcZ/view?usp=sharing](https://drive.google.com/file/d/1r5wxKXX_dMrWnBf_nb_9qLnlqz0_bcZ/view?usp=sharing)

## 2 Objectives and expectations of disclosure

The MSG has agreed that the Argentina EITI Report for the fiscal year 2018 will consist of a set of data and information disclosed in accordance with the requirements of the EITI Standard, comprising: (i) information systematically disclosed and referenced or disclosed directly on the EITI-Argentina portal (administered by the Technical Secretariat) and (ii) information collected and processed by the consultant in accordance with these terms reference. The tasks of preparing the report in accordance with these terms of reference will be the responsibility of: the consultant recruited on the basis of these terms of reference; the staff of the EITI-Argentina Technical Secretariat; and the members of the EITI-Argentina MSG. The parties will be responsible for the various phases described below, the division of responsibilities and tasks being assigned in light of the capacities and resources available.

In this regard, it is expected that the MSG will take responsibility for:

- Establishing the objectives and scope of disclosure.
- Facilitating relevant contacts with government agencies and companies making declarations.
- Overseeing and assisting with the collection, review and analysis of the information collected.
- Providing an assessment of the quality and reliability of disclosures.

The Technical Secretariat will be responsible for:

- Compiling publicly available sources with information concerning certain requirements of the EITI Standard.
- Supplementing, when possible, sources of publicly available data with data available on the EITI-Argentina platform.
- Facilitating relevant contacts and helping the consultant to collect, review and analyse the information obtained from government entities and companies making declarations.

Lastly, it is expected that the consultant will be responsible for:

- Leading the collection of data from government entities and companies making declarations, in accordance with the provisions of the 2019 EITI Standard.
- Performing the tasks of collecting, organising, analysing and processing the information specified in accordance with the EITI Standard 2019 and sections 3, 4 and 5 below.
- Writing a draft report for 2018 which covers: (i) sources of relevant publicly-available information; (ii) data disclosed via the EITI-Argentina platform; and (iii) information collected from government entities and companies making declarations.
- Presenting the draft 2018 report to the MSG and Technical Secretariat, resolving any queries. For activities relating to the submission of the report, all relevant public health precautions must be taken.
- Preparing the final report, which must include the MSG assessment of the completeness and reliability of the data disclosed, and identifying any gaps or weaknesses in the information presented.

Throughout the preparation of the report, the International Secretariat will be available to provide the MSG, the Technical Secretariat and the consultant with technical assistance on the tasks described above.

### 3 Scope of information, tasks and expected deliverables

On behalf of the Government of Argentina and the MSG, a competent and credible individual is sought with no conflicts of interest, to provide services according to the EITI Standard and the measures recently adopted by the International Board in May 2020 concerning flexibility for making EITI reports, in response to the Covid-19 pandemic.

The work of the consultant will be organised into five conceptual phases. Each phase's responsibilities are detailed in the sections below.

The EITI-Argentina Report will cover the scope as described in this section. The expectation of the MSG is that during the period of preliminary analysis, the consultant will confirm whether the information available is consistent and coherent with the coverage defined in the scoping and materiality report.

While it is anticipated that the initial report will focus mainly on national data, there is the possibility that provinces or municipalities may opt to participate, which could result in additional data collection.

#### **Phase 1: Preliminary analysis**

**Objective:** The objective of the initial phase is to confirm the scope of the information to be presented for fiscal year 2018, generally outlining financial and non-financial disclosures corresponding to EITI Requirements 2 to 6, based on the scoping report approved by the MSG. This phase is also expected to include the development of data-collection forms and planning of information-collection procedures, and the timeline for publication of the EITI Report.

The scope of the initial analysis has to be clearly defined and in line with the EITI Standard and the objectives and expectations agreed by the MSG for the EITI-Argentina process. The consultant, therefore, needs to take care to review the MSG's previous scoping decisions and considerations (points 1.1 and 1.2 below) ensuring mutual understanding between both parties in respect of the scope of the EITI Report and the work to be carried out. During the initial period, the MSG and the consultant, will use the scoping and materiality report to complete the table in Annex 1, thus reflecting their agreement as to the scope of the EITI Report.

During the initial phase, the consultant will be responsible for the following tasks:

**1.1 Analyse the relevant background for preparation of the initial report.** The consultant will be required to place a special focus on (i) the Scoping and Materiality Report approved by the MSG and prepared with the support of the Inter-American Development Bank (IDB); (ii) the materiality annex within the aforementioned report, prepared on the basis of Annex 1 attached to these terms of reference; and (iii) the minutes of meetings of the MSG and its working groups related to this Scoping and Materiality Report (hereinafter, all these instruments will be jointly referred to as the Initial Report), as well as other relevant documents concerning candidacy, the work plan and the adapted implementation of EITI in Argentina.

**1.2 Produce a first report confirming the declaration of materiality (Annex 1), based on the MSG's decisions in respect of the companies and government entities required to present information.** This report shall confirm what constitutes a material income stream and what entities

make and receive material payments. In this regard, the consultant shall detail (i) the companies, including state-owned enterprises, that make material payments to the State and that should present information pursuant to Requirement 4.2c; (ii) government entities, including state-owned enterprises and subnational government entities, that receive material payments and that should present a disclosure pursuant to Requirements 4.1c-d, 4.5 and 4.6; and (iii) any obstacle to full disclosure by the government of the total revenue received from each of the benefit streams agreed in the scope of the EITI Report, including revenues below the materiality thresholds agreed (Requirement 4.1d and also Requirement 4.7 corresponding to the level of disaggregation and 6.1, which refers to social and environmental spending).

**1.3 Agree with the MSG the procedures to be adopted with regard to the auditing and quality assurance of the data for companies and government entities making declarations.** The consultant must exercise judgement and apply appropriate international professional standards<sup>5</sup> to develop a procedure capable of supporting a complete and reliable EITI Report. The consultant shall determine the degree of confidence of the controls and audit frameworks existing in companies and governments. If the consultant and MSG judge it necessary, guarantees may include:

- Requesting that a senior official in the company or government of each reporting entity certify that the information-reporting form is a complete and accurate record.
- Requesting a letter of confirmation from companies' external auditors, certifying that the information submitted is complete and consistent with audited financial statements. The MSG may decide to perform any of these procedures in stages, so that the letter of confirmation can be built in to the regular work programme of the company's auditor. Where some companies are not legally required to have external auditors and, therefore, are not able to provide the assurance mentioned, this situation must be clearly indicated and a statement made about whether any reform is planned or under way.
- Where appropriate and feasible, request that government entities making declarations obtain a certificate of the accuracy of their government disclosures through their external auditors or equivalent.

**1.4 Develop reporting forms based on revenue streams to be reported and for entities required to report.** The consultant, in collaboration with the National Technical Secretariat, will develop the forms for approval by the MSG. It is recommended that the forms include a provision requiring companies to report "any other material payment to government entities" and non-governmental entities (including land-owning entities - other than for the supply of goods and services, including employment) listed above an agreed threshold. The consultant must confirm any procedure or provision regarding the safeguarding of confidential information. The consultant shall also develop guidelines for reporting entities on how to complete the report forms and shall provide training to reporting entities.

**1.5 Confirm with the MSG and/or National Technical Secretariat the procedures and division of tasks for the inclusion and analysis of information unrelated to income in the EITI Report.** This

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<sup>5</sup> For example, ISA 505 regarding external confirmation, ISA 530 regarding audit sampling, ISA 500 regarding audit evidence, ISRS 4400 regarding agreed-upon procedures engagements in respect of financial information and ISRS 4410 regarding compilation engagements.



confirmation shall be based on the division of tasks included in the Initial Report and that has been prepared on the model of Table 1, which follows below.<sup>6</sup>

*Table 1. Information unrelated to fiscal revenues and other benefit streams that must be provided in the EITI Report*

| <b>Information unrelated to fiscal revenues and other income streams that must be provided in the EITI Report</b>               | <b>Collection of additional data, which may be performed in line with the objectives set by the MSG</b>   | <b>Task to be performed by consultant</b> | <b>Task to be performed by Technical Secretariat or MSG</b> |
|---|---|---|---|
| Legal framework and fiscal regime in accordance with EITI Requirement 2.1   | The MSG may consider the possibility of also including the following: <ul style="list-style-type: none"> <li>• Legal or regulatory changes, including moratoriums, in response to Covid-19</li> <li>• Adjustments to the tax system or incentives or relief measures that companies have requested or received (e.g. force majeure, amendments to consultations)</li> </ul> |   | X   |
| A summary of the extractive industries, including all significant exploration activity, in accordance with EITI Requirement 3.1 | The MSG may consider the possibility of also including the following: <ul style="list-style-type: none"> <li>• A narrative overview of developments in the sector and prospects for the industry resulting from Covid-19, and the fall in commodity prices</li> <li>• The effects of Covid-19 and the fall in prices on exploration or development plans</li> </ul>         | X   | X   |
| Information on the contribution of the extractive industries to the economy, in accordance with EITI Requirement 6.3            | The MSG may consider the possibility of also including the following: <ul style="list-style-type: none"> <li>• Effects of Covid-19 and the fall in commodity prices on exports and employment (including the consequences of restrictions on movement and quarantines for those crossing borders)</li> </ul>  | X   | X   |

<sup>6</sup> To carry out this task, the consultant shall previously consult the Table of Summary Data already completed by the National Secretariat.

|   |   |   |   |
|---|---|---|---|
|   | <ul style="list-style-type: none"> <li>• Effects of the fall in commodity prices on the extractive sector and general economic prospects</li> <li>• Geographical information on the impact of the Covid-19 crisis in areas of operation of the extractive industries</li> </ul>   |   |   |
| Production and export data in accordance with Requirements 3.2 and 3.3  | <p>The MSG may consider the possibility of also including the following:</p> <ul style="list-style-type: none"> <li>• Effects of Covid-19 on actual and projected values of production and exports, disaggregated by commodity, company and project</li> </ul>  | X | X |
| Information on the participation of the State in the extractive industries, in accordance with Requirement 2.6 <sup>7</sup> | <p>The MSG may consider the possibility of also including the following:</p> <ul style="list-style-type: none"> <li>• Changes to regulations and practices related to operating and capital costs, procurement, subcontracting and corporate governance of state-owned enterprises due to the Covid-19 crisis</li> <li>• Additional quasi-fiscal expenditures by SOEs established in response to the impact of the Covid-19 crisis</li> </ul> | X | X |
| Information on the distribution of extractive-industry revenues in accordance with Requirement 5.1                          | <p>The MSG may consider the possibility of also including the following:</p> <ul style="list-style-type: none"> <li>• Budgetary adjustments due to extractive-industry revenues reserved to mitigate the effects of Covid-19</li> </ul>   | X | X |
| Any other information requested by the MSG on the management of revenues and  | <p>The MSG may consider the possibility of also including the following:</p>  | X | X |

<sup>7</sup> Guidance note 18: SOE participation in EITI reporting, [https://eiti.org/files/GN/Guidance\\_note\\_18\\_SOEs\\_EN.pdf](https://eiti.org/files/GN/Guidance_note_18_SOEs_EN.pdf)

|   |   |   |   |
|---|---|---|---|
| expenditures in accordance with Requirement 5.1   | <ul style="list-style-type: none"> <li>• Revisions to projections of revenues and budgets (including assumptions about commodity prices representing viability thresholds)</li> <li>• Rescue financing, stimulus packages or subsidies relevant to the sector or its SOEs</li> <li>• Sectoral changes in the acquisition of credit</li> <li>• Exceptional uses of sovereign investment funds</li> </ul> |   |   |
| Information about license holders, in accordance with Requirement 2.3 <sup>8</sup> and the allocation of licenses in accordance with Requirement 2.2 <sup>9</sup> | <p>The MSG may consider the possibility of also including the following:</p> <ul style="list-style-type: none"> <li>• Delays or postponements in the allocations of licenses or contracts</li> <li>• Licenses or operations suspended due to Covid-19</li> <li>• Alternative approaches to the allocation of licenses due to social-distancing requirements</li> </ul>                                  | X | X |
| Any information that the MSG requests on beneficial ownership, in accordance with Requirement 2.5 <sup>10</sup>   |   | X | X |
| Any information that the MSG requests on contracts, in accordance with Requirement 2.4 <sup>11</sup>  | <p>The MSG may consider the possibility of also including the following:</p> <ul style="list-style-type: none"> <li>• Changes to the allocation of licenses and contractual negotiations or changes to contracts, and also changes to work schedules if annexed to a contract</li> </ul>  | X | X |

<sup>8</sup> Guidance note 3: License registers, <https://eiti.org/guidance-notes-and-standard-terms-reference#GN3>

<sup>9</sup> Guidance note 4: License allocations, <https://eiti.org/guidance-notes-and-standard-terms-reference#GN4>

<sup>10</sup> Terms of reference for the beneficial ownership pilot, <https://eiti.org/files/TOR%20Beneficial%20ownership%20pilot.pdf> and beneficial ownership declaration form, <https://eiti.org/files/form-beneficial-ownership-declaration-form.doc>

<sup>11</sup> Guidance note 7: Contract transparency, <https://eiti.org/guidance-notes-and-standard-terms-reference#GN7>

|   |   |   |   |
|---|---|---|---|
| Any information that the MSG requests on environmental impact, in accordance with Requirement 6.4 | The MSG may consider the possibility of also including the following: <ul style="list-style-type: none"> <li>• Changes to regulations or the enforcement of their application in respect of environmental protection, climate-change mitigation, free, prior and informed consent and other issues</li> </ul> | X | X |
|---|---|---|---|

## **Phase 2: Data collection and compilation**

**Objective:** The purpose of the second phase of work is to gather data for the EITI Report in accordance with the scope confirmed during the preliminary analysis phase 1, to be reviewed and confirmed by the consultant in line with Annex 1. The MSG and Technical Secretariat will provide contact details for reporting entities and will work with the consultant to ensure the full participation of all reporting entities. Data collection will be from primary and secondary sources, through in-depth interviews in government agencies, businesses, business chambers and specialised civil society organisations (if necessary) and through accessing data on official websites.

During the data-collection phase, the consultant is expected to perform the following tasks:

**2.1 Review and collect data accessible from public sources.** In accordance with the division of labour agreed by the MSG, the consultant, working in conjunction with the Technical Secretariat, shall review existing data that have been disclosed by government entities and by companies.

**2.2 Obtain additional data from reporting entities.** On the basis of the review of accessible information, the consultant should obtain additional information from reporting entities in order to compile missing data in respect of the items listed in Annex 1. This could involve:

- Providing an overview of government agencies and/or companies that will be asked for the information listed in Annex 1. This includes: Government entities, including all state-owned enterprises and subnational government entities that receive payments that should be disclosed; and (ii) under Requirements 4.1, 4.5 and 4.6, companies, including state-owned enterprises, that make material payments to the State and that should make a declaration. The EITI summary data form (parts 3, 4 and 5) can be used as a tool to list reporting entities and government revenues received from these.<sup>12</sup>
- Distributing the data-collection forms and collecting completed forms. The forms will be distributed in order to collect: (i) any additional information that has not already been publicly disclosed for the fiscal year 2018; (ii) the corresponding supporting documentation from the reporting entities involved; and (iii) any other information that the MSG has decided to gather pursuant to Annex 1.
- Agreeing on procedures for collecting this information. This includes, where necessary, voluntary waivers of rights in order to deal with confidentiality restrictions and/or provisions relating

<sup>12</sup> The latest version of the summary data form is available at: <https://eiti.org/es/documento/plantilla-datos-resumidos-eiti>

to the protection of confidential information before publication of the EITI Report. The International Secretariat is on hand to assist with the task of designing these procedures.

- Communicating directly with reporting entities in order to clarify any gaps or discrepancies in the information.

**2.3 Collect and organise the information disclosed.** The consultant shall collect this data together with the associated supporting documents directly from the reporting entities, as well as all information not related to fiscal revenues and other revenue streams, or any other information that the MSG has commissioned the consultant to collect.

### **Phase 3: Data analysis and processing**

**Objective:** The purpose of this phase consists firstly of analysing the information collected in accordance with the objectives of disclosure set out in Phase 1, and analysing the completeness and reliability of the data, to then write a draft report to be submitted to the MSG for approval.

During this phase, the consultant shall:

**3.1 Analyse the data collected.** In accordance with the objectives of disclosure set by the MSG, the consultant shall, with the assistance of the Technical Secretariat where necessary, analyse the information to ensure that its disclosure meets the agreed objectives.

**3.2 Review the completeness and reliability of the financial data.** The consultant shall review the completeness and reliability of the financial data included in the information-gathering process set by the MSG in Phase 2 and identify any gaps or weaknesses in the information submitted. The MSG should examine the audit and assurance procedures of government entities and companies participating in the EITI reporting process.

### **Phase 4: Draft EITI Report**

**Objective:** The purpose of this phase is to produce a draft of the EITI Report that compiles the information not related to tax revenues and other revenue streams, and analyses the financial data explaining any discrepancies where appropriate. During this phase, the consultant is required to prepare a draft report that comprehensively compiles the information disclosed by reporting entities, identifies any discrepancies and provides any other information or analysis required by the MSG (in accordance with Phases 1 and 2). In performing this task, the consultant and Technical Secretariat shall apply the principle of systematic disclosure, referring to official sources or the EITI-Argentina portal in cases where the required information is already published therein, and using the report to fill gaps.

The draft EITI Report should include an explanation of the process used for the collection, compilation and analysis of the information, indicate what is included in the report and incorporate an assessment of the completeness and reliability of the information. The report should reveal any gaps or weaknesses that have been identified, including the name of any entity that has failed to send the information required under the EITI Standard (Requirements 2 to 6) and an assessment of whether this is likely to have had substantial consequences on the comprehensiveness of the report. There should also be clear information on the sources of information contained in the report and,

when the information is already being systematically disclosed, a clear statement of the public portal whereby it can be accessed.

During this phase, the consultant shall:

**4.1 Present a draft of the EITI Report to the MSG for comments.** Its presentation must focus exhaustively on describing the information disclosed by the reporting entities, identifying all discrepancies and reporting data not related to fiscal revenues or other income streams, and information of any other type requested by the MSG. The financial data in the EITI Report must be presented in such a way that they are disaggregated by project, company, government revenue receiver and income stream, as per Requirement 4.7.

The draft EITI Report should:

- a) Include a description of all revenue streams, the related materiality definitions and the respective thresholds (Requirement 4.1).
- b) Include the consultant's assessment of the completeness and reliability of the (financial) data presented, including a summary of the work done by the consultant and the limitations of the assessment provided.
- c) Include an assessment of whether all the companies and government agencies included within the agreed scope of the process of reporting information to EITI provided the requested information. The EITI Report should reveal any gaps or deficiencies in the information presented to the consultant, including the name of any entity that has failed to comply with agreed procedures, and an assessment of whether this is likely to have had a significant impact on the completeness of the report.
- d) Document whether the participating companies' or government entities' financial statements underwent an audit in the financial years covered by the EITI Report. All gaps or deficiencies must be disclosed. If the audited financial statements are publicly available, it is recommended that the EITI Report informs readers how to access this information.
- e) Include information not related to tax revenues or other revenue streams, in accordance with Requirements 2, 3, 5 and 6, and other data requested by the MSG. Information not related to tax revenues and other revenue streams must have clear sources, in accordance with the procedures agreed between the consultant and the MSG.
- f) Conduct an analysis of access to information and the conditions of publication (format, content, interpretation and language).

**4.2** Make recommendations for strengthening the reporting process in the future, including any recommendations on auditing practices and reforms needed for these to meet international standards. When appropriate, the consultant will also prepare recommendations for other extractive-sector reforms related to strengthening the impact of EITI implementation on the governance of natural resources. The consultant is encouraged to work with the MSG on the formulation of these recommendations.

### **Phase 5: Final EITI Report**

Purpose: The purpose of this phase is to ensure that all comments made by the MSG on the preliminary disclosures or the draft EITI Report are reflected in the final disclosures. The final report

must include the MSG's assessment of the completeness and reliability of the data disclosed and an identification of any gaps or weaknesses in the information presented.

During this phase, the consultant is expected to take responsibility for the following:

**5.1 Submit the EITI Report to the MSG for approval.** The consultant must take appropriate steps to ensure that the report is understandable and has high levels of readability, clarity and functionality. The MSG will support the report before it is published and will oversee its publication. Authorship of the report shall be clearly indicated.

**5.2 Prepare and electronically forward a summary of the disclosures to the International Secretariat.** The consultant shall produce the electronic data files in open data format, so that they can be published with the final report<sup>13</sup> and ideally will be useful for the EITI-Argentina process in terms of systematic disclosure. The presentation of the summary mentioned above must be in accordance with the standardised format for the presentation of such information.<sup>14</sup>

If the MSG so requests, the consultant shall present the Technical Secretariat with all the data gathered during the collection of information, including the contact details of all institutions contacted during the reporting process.

#### 4 Requirements for the presentation of information and timescale for the presentation of results

The task is expected to begin on 01 August 2020 and end with finalisation of the EITI Report by 30 November 2020.

The proposed schedule is as follows:

|  |                         |
|--|-------------------------|
| Signing of the contract                  | 01.08.2020              |
| Phase 1: Preliminary analysis            | 01.08.2020 - 21.08.2020 |
| Phase 2: Data collection and compilation | 21.08.2020 - 24.09.2020 |
| Phase 3: Data analysis and processing    | 24.09.2020 - 15.10.2020 |
| Phase 4: Draft EITI Report               | 15.10.2020 - 13.11.2020 |
| Phase 5: Final report                    | 16.11.2020 - 30.11.2020 |

#### Annex 1: Materiality declaration

The purpose of this materiality declaration is for the consultant to understand the scoping work and associated decisions already taken by the MSG or by other consultants. The consultant shall confirm

<sup>13</sup>Files can be in CSV or Excel format and must contain the tables and figures in the printed report. In accordance with Requirement 7.2b, the Multi-Stakeholder Group must ensure that EITI reports are available online in open data formats (.xlsx or .csv).

<sup>14</sup> The latest version of the summary data template is available at: <https://eiti.org/document/eiti-summary-data-template>

common understanding of the scope of the services in the initial report. Annex 2 lists relevant attachments, including any scoping and materiality study previously performed.

**1. Taxes and revenues that the EITI Report should cover (Requirement 4.1)<sup>15</sup>**

With regard to the income streams set out in Requirements 4.1 and 4.2, the MSG has agreed that the following revenue streams from the extractive sector are material and must be disclosed in the EITI Report for fiscal year 2018:

*Table 1 Material revenues that must be disclosed in the EITI Report*

| Income stream  | Estimated value and proportion (%) of total accounted for by extractive-industry revenues | Government receiving body | Additional comment on work to be done by consultant | Collected project-by-project or per corporate entity |
|--|---|---------------------------|---|--|
| <list of income streams, including common income streams listed in Requirement 4.1>  | <value><br>(<percentage>)   |                           |   |  |
| Materiality and the inclusion of the State's share of production collected in kind (Requirement 4.2) <sup>16</sup> where applicable. |   |                           |   |  |

<sup>15</sup> Guidance note 13 on defining materiality, reporting thresholds and reporting entities, [https://eiti.org/files/Guidance%20note%20on%20defining%20materiality\\_0.pdf](https://eiti.org/files/Guidance%20note%20on%20defining%20materiality_0.pdf)

<sup>16</sup> Guidance note 18: SOE participation in EITI reporting, [https://eiti.org/files/GN/Guidance\\_note\\_18\\_SOEs\\_EN.pdf](https://eiti.org/files/GN/Guidance_note_18_SOEs_EN.pdf)



The MSG has agreed that the following income streams from the extractive sector are not material and should not be reconciled or unilaterally disclosed by the Government in the EITI Report.

*Table 3. Non-material revenue streams from the extractive sector that should be excluded from the EITI Report*

| Income stream | Estimated value and proportion (%) of total accounted for by extractive-industry revenues | Government receiving body | Additional comment on work to be done by consultant |
|---------------|---|---------------------------|---|
|               | <value><br>(<percentage>)   |                           |   |

## 2. Project by project reporting focus:

In Argentina, "project" is defined as the unit of operational activities governed by a single license or concession and which form the basis for the payment of obligations to the government. When payments are attributed to a specific project, then the total amount per type of payment must be disaggregated by project. When payments are collected at entity level, rather than at project level, these payments must be disclosed at entity level and not project level."<sup>17</sup>

### Additional benefit streams:

Regarding the benefit streams listed in Requirement 4, the MSG has agreed the following:

*Table 4 Additional benefit streams:*

| Income stream   | Applicable/material? | Estimated value and proportion (%) of total accounted for by extractive-industry revenues | Government receiving body | Additional comment on data source and work to be done by consultant as necessary |
|---|----------------------|---|---------------------------|--|
| Materiality and the inclusion of infrastructure and barter agreements (Requirement 4.3) <sup>18</sup> |                      |   |                           |  |
| Materiality and inclusion of <u>mandatory</u> social expenditures                                     |                      |   |                           |  |

<sup>17</sup> Guidance note 29: <https://eiti.org/GN29>

<sup>18</sup> Guidance note 15: Infrastructure provisions and barter arrangements: <https://eiti.org/guidance-notes-and-standard-terms-reference#GN14>

|  |  |  |  |  |
|--|--|--|--|--|
| (Requirement 6.1a) <sup>19</sup>   |  |  |  |  |
| Materiality and the inclusion of <u>voluntary</u> social expenditures (Requirement 6.1b) <sup>20</sup> |  |  |  |  |
| Materiality and the inclusion of transportation revenues (Requirement 4.4) <sup>21</sup>               |  |  |  |  |
| Materiality and the inclusion of mandatory (6.1a) and voluntary (6.1b) environmental payments          |  |  |  |  |

#### 4. Reporting companies (Requirement 4.1)

The MSG has agreed that any company that makes payments [equal to or greater than [insert threshold]] against the material income streams identified in Table 1 must be included in the EITI Report:

Table 5 Companies that must be included in the EITI Report

| Company | Sector | Projects per company | Additional comment on work to be done by consultant as necessary |
|---------|--------|----------------------|--|
| ...     |        |                      |  |
| ...     |        |                      |  |

#### 5. Transactions between governments (Requirement 4.2)

Table 6. Transactions between governments within the scope of the EITI Report

| Transaction | Applicable/material? | Financial stream | SOE | Government body | Additional comment on work to be done by consultant as necessary |
|-------------|----------------------|------------------|-----|-----------------|--|
|             |                      |                  |     |                 |  |

<sup>19</sup>Guidance note 17: Social expenditures: <https://eiti.org/guidance-notes-and-standard-terms-reference#GN17>

<sup>20</sup>Guidance note 17: Social expenditures: <https://eiti.org/guidance-notes-and-standard-terms-reference#GN17>

<sup>21</sup> Guidance note 16: Revenue from the transportation of oil, gas and minerals: <https://eiti.org/guidance-notes-and-standard-terms-reference#GN16>

|  |                             |   |   |   |   |
|--|-----------------------------|---|---|---|---|
| The disclosure and reconciliation of payments received and made by SOEs (Requirement 4.2c) <sup>22</sup> |                             |   |   |   |   |
| <b>Transaction</b>   | <b>Applicable/material?</b> | <b>Financial stream and formula for participation in revenues</b> | <b>Government body executing transfer</b> | <b>Government body receiving transfer</b> | <b>Additional comment on work to be done by consultant as necessary</b> |
| The materiality and inclusion of subnational transfers in accordance with Requirement 4.6 <sup>23</sup>  |                             |   |   |   |   |

<sup>22</sup>Guidance note 18: SOE participation in EITI reporting, [https://eiti.org/files/GN/Guidance\\_note\\_18\\_SOEs\\_EN.pdf](https://eiti.org/files/GN/Guidance_note_18_SOEs_EN.pdf)

<sup>23</sup> Guidance note 10: Subnational reporting, <https://eiti.org/files/Guidance-note-10-Subnationalreporting.pdf>