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Development of an EITI Data Standard

Background Paper

EITI International Secretariat

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1. Summary

This paper is an update to the EITI Strategy Working Group on the development of an EITI Data Standard. EITI reports would be more useful and would make data available “to a wide audience in a publicly accessible, comprehensive and comprehensible manner” (EITI Criteria) if there was a data standard. Such a standard needs to be developed and the work has begun by the Secretariat and its partners on three options:

- 1) Further incremental development of the EITI reporting database;
- 2) Development of an EITI data standard based on XBRL (eXtensible Business Reporting Language); and
- 3) Development of a data standard based on the IMF GFS codes, which is already familiar to many implementing countries.

The Secretariat plans to have a recommendation to the Board in the autumn for what standard to adopt and how to phase it in. Any recommendation is likely to include a combination of the above three options.

Any recommendation will be subject to that it can be demonstrated that the standard can be implemented quickly and consistently, without significantly adding to the cost and administrative burden associated with EITI Reporting. An EITI Data Standard should therefore use an open, machine-readable format that is compatible with other relevant data standards.

2. Background

As is clear from the EITI Criteria, in order for EITI Reports to be useful they must make data available “to a wide audience in a publicly accessible, comprehensive and comprehensible manner”.¹

To date, thirty countries have published more than 80 EITI Reports, covering more than 100 fiscal years of data. There is a wealth of information available in EITI Reports. Implementing countries are engaged in a wide range of communication and dissemination activities to make EITI data easier to access, use and understand. Several countries have produced user-friendly “summary EITI Reports”. However, stakeholders have often found it difficult to access, interpret and utilise this information. This undermines the potential for EITI data to inform public debate. The development of an EITI Data Standard would complement existing report dissemination efforts.

The EITI International Secretariat has observed increasing interest in accessing and using EITI data, in particular from academia and media. This is currently a daunting task, since data in the EITI Reports are only accessible in the printed copies and in PDFs that are in most cases made available on national EITI websites. The presentation of EITI data using a machine-readable format this would go a long way toward making the EITI data more accessible.

¹ The EITI Principles “recognise that a public understanding of government revenues and expenditure over time could help public debate and inform choice of appropriate and realistic options for sustainable development” (Principle 4). The EITI Criteria require publication of all material oil, gas and mining payments and revenues “to a wide audience in a publicly accessible, comprehensive and comprehensible manner.”

Finally, making data available in open machine-readable formats is a key component within the emerging global movement for using technology for improving public sectors, often referred to as “Government 2.0” and “Open Government”.

3. An EITI Data Standard

The development and implementation of an EITI Data Standard is likely to require:

1. Development of a simple and robust data standard, that will enable key aspects of EITI Reports to be tagged, extracted, compared and linked to other public financial data (e.g., budget information);
2. The maintenance and expansion of the online database of data drawn from each EITI Report;
3. The development of guidelines for implementing countries on applying the EITI Data Standard, and a communication and training program to ensure that EITI Reports meet the required standards;
4. A consultation programme to develop and maintain the standard.

1. Development of a simple and robust data standard

In its simplest form, the EITI Data Standard could be based on a core set of data common to all EITI Reports. Annex A lists the fields currently used in the Secretariat’s internal EITI reporting database. The Revenue Watch Institute has compiled a similar database². In both cases, the data has been extracted from the report by the database administrators. Implementing countries are being given an opportunity to review and if necessary correct their data. One option would be to continue this practice, developing more sophisticated criteria and categories for data over time. For example, the Secretariat is currently examining whether the various benefit streams recorded in EITI Reports can be classified into some generic categories. A variation on this approach would be to require that the author of the report (or the EITI national coordinator) complete a standardised form for each EITI Report, so that certified data could be incorporated into the database.

A more complex approach would be to develop a standardised set of codes for tagging key aspects of EITI Reports so that this data could be extracted automatically and made available via an EITI Reporting database. This approach would allow both figures and text to be tagged. For example, the definition of materiality cited in the EITI Report could be tagged, extracted and compared. Further work is needed to establish the cost and benefits of establishing such a system.

One option that warrants further investigation is whether the EITI could utilise the IMF’s Government Finance Statistics (GFS) codes to tag detailed payments and receipts in EITI reports (see Annex B). This would facilitate linking EITI reports to other public financial management information systems and ensure international comparability.

Further work is under way

- (i) to identify appropriate GFS codes for payments/receipts categories actually used in EITI reports;
- (ii) where no match can be found, to work with the authorities, possibly in consultation with the IMF, to clarify the nature (and GFS code) of the item(s) in question;

² <http://data.revenuwatch.org/eiti/>

(iii) to discuss with the IMF appropriate GFS extensions, where more detail in EITI reports is desired; and (iv) to fit payments-in-kind and barter transactions into an envisaged coding system.

The final option would be to develop an EITI Data Standard based on XML (Extensible Markup Language) or XBRL (eXtensible Business Reporting Language). Several comparable organisations to the EITI, including GRI and IATI are now using XML. A subset of XML, is the EXRL, with further specifications for business and financial activity has been developed over the past decade³. Companies in many countries are already publishing annual and financial reports in this format, and in some cases they are being required to use the XBRL format. The proposed regulations from SEC following 1504 in the Dodd-Frank Act, require extractive companies to publish payments using the XBRL format. Developing the EITI Data Standard based on XBRL may ease the burden for companies that are already publishing in this format. A wide range of tools are available to compile, check and utilise the data. Further work is needed to test the applicability of XML and XBRL in the context of EITI reports, particularly for the government data.

2. The establishment and maintenance and expansion of the online database

During the last 12 months the EITI Secretariat has been more systematically reviewing EITI reports and collating key aspects in a database. In annex A the information collected already can be found. The publication in late 2011 of *Extracting Data* is a reflection of key data available at the time. A central database is time-consuming to maintain and the quality of data can sometimes be unreliable, as it is manually transferred and sometimes interpreted from the source EITI report to the central database.

Ultimately, a central database should not be required. There is an evolution towards data being available at source in a readable format. This at-source readable format should over time be available by end-users applications or an application centrally available eg from the Secretariat. However, in the medium-term it is likely that the Secretariat will recommend that this central database continues to be maintained. This as it will take time before EITI reporting globally can reasonably be expected to be done according to a universal data standard. This is for several reasons. A standard needs to be tested and it needs to be made sure that it does not add significant costs and is flexible enough to work in the greatly varying designs and contexts of EITI reporting. A particular challenge is that the standard may need to straddle to current evolving standards, as the IMF one only refers to government data and EXBRL only to corporate data.

3. Communication and training programme to ensure that EITI Reports meet the required standards

Once a standard has been agreed, possibly involving both IMF GFS and XBRL, it would need to be piloted by one or more EITI reporting countries. During this time, the Board could issue a recommendation that implementing countries follow the standard. Training programmes of national coordinators and reconcilers would also be required.

4. A consultation programme to develop and maintain the standard In the coming months and ahead of the foreseen recommendation from the Secretariat to the Board, consultations will be held with in particular reconcilers and the IMF in developing the standard. Deloitte Norway has already

³ The XBRL is an open format and is being used by many other institutions to extend it to related fields. For example, the IFRS have developed an XBRL taxonomy for reporting according to IFRS standards (<http://www.ifrs.org/XBRL/XBRL.htm>)

provided some input related to the global use of XBRL.

A review and management process to update the standard on a regular basis is also likely to be required. The Secretariat will in its recommendation to the Board consider whether a technical working group or Board committee is likely to be required to provide advice and oversight.

Annex A – Overview of the EITI Report Database

A database with basic information from all the EITI Reports has been produced on the EITI website. It has not yet been launched, yet a “beta version” database of this can be accessed at <http://eiti.org/reports>. The database allows comparisons of reports, and download of database into a xls or csv file.

The information in this database has been drawn out from the EITI Reports by Secretariat staff. National MSGs will be asked to comment the validity of the information here before a public launch.

The current database includes the following fields:

- Country name
- Years Covered
- Sectors Covered
- Currency
- Payments by companies, US\$
- Received by the government, US\$
- Includes In-Kind Payments (yes/no)
- Disaggregated by (revenue stream, companies)
- Coverage (State-owned company production entitlement, Profits/Taxes, Royalties, Licenses and concessions, Other significant benefits to government)
- Publication Date
- Name of the reconcile
- Download EITI Report (PDF)
- Download EITI Report (XLS)
- Comments
- List of Companies Reporting
- Number of Companies Reporting:

Annex B - Use of Government Finance Statistics (GFS) Codes in an EITI Data Standard

The internationally recognized standard of good quality public finance statistics is the IMF’s Government Finance Statistics Manual 2001 (GFSM 2001). The GFSM 2001 describes a specialized macroeconomic statistical system (the GFS system) designed to support fiscal analysis and transparency. Especially useful for the EITI’s present purpose of establishing a new EITI data standard is the IMF’s recently issued Government Finance Statistics: Compilation Guide for Developing Countries. It aims to provide government officials who are responsible for the compilation and dissemination of fiscal statistics with the basic information necessary to compile good quality fiscal statistics, based on the methodology of the GFSM 2001. There is a wealth of information in this Guide on recording concepts, classifications, and the coding system.

Numerous countries around the world, including six EITI-implementing countries, have adopted the GFS classification for their national budgets and fiscal reports, and many more countries submit annual reports to the IMF in which they have mapped their national presentation to a GFS presentation (see Table 1). To help countries make the transition to GFS, the IMF provides targeted technical assistance. It also maintains and develops the GFS standard. The present note has benefited from an exchange with IMF staff.

In principle, each reported payment/receipt figure in the EITI system should be coded. The system would thus require identifiers for the following dimensions:

- Country
- Period (Calendar/fiscal year [specify period of fiscal year])
- Name of tax or other contribution
- Form of payment (cash in national currency, US\$, ..., or payment in-kind [specify valuation])
- Name of company that is reporting payment
- Name of government agency that is reporting receipt (including subnational agencies)
- Optional: code for extractive subsector (oil, gas, mining, ...)

The GFS system uses standard revenue codes of up to four digits (the first digit being a “1” denoting revenue) but encourages extensions to meet specific needs, such as the above dimensions not already covered.

The interest in comparisons of EITI data (both within-country and across countries) mostly focuses on relatively highly aggregated data, such as revenue by tax, by level of government, or by extractive subsector. To facilitate such analytical use of EITI data, the design of standard summary tables and the coding of summary figures should receive particular attention in the work on an EITI data standard.

To initiate a GFS coding of EITI reports, one should start with the reporting templates. Codes can be applied to existing templates, such as the example of Liberia’s mining sector template in Annex 2 shows (see column on far right). This is an illustrative example on a fairly elaborate template with unusual nomenclature. The example does not yet propose any code extensions, hence several codes appear more than once; extensions would need to be applied depending on analytical needs. The choice of codes is important and would need to be done by a relative expert. The IMF can give general (and perhaps even country-specific) guidance, such as in the Compilation Guide mentioned above, but a promising resource would also be the GFS correspondent, the officer designated in most countries’ Ministry of Finance, who is in charge of mapping national classifications and codes to GFS concepts and submitting GFS-coded tables to the IMF.

Finally, beyond the scope of this short note, the EITI should strive to promote the quality of reported figures toward a true data standard. For this purpose, the IMF’s Compilation Guide offers ample guidance to statistical compilers on issues such as the institutional delineation of government, the recording of timing and valuation of flows, the treatment of nonmonetary transactions, and consolidation rules. Work in these areas is likely too technical for EITI secretariats and MSGs to perform, but the concerned national authorities can access specific advice and technical assistance directly from the IMF in as much as issues pertaining to EITI reports are also relevant to countries’ GFS systems at large.

Table 1 - Status of GFS Reporting by EITI Countries

Countries	Use of GFS classification in the national presentation	Countries reporting GFS data (through mapping the national presentation) to Statistics Department
Compliant		
Azerbaijan	Yes***	Yes
Central African Republic*	No	Yes
Ghana	No	Yes
Kyrgyz Republic	Yes	Yes
Liberia	Yes	Yes
Mali**	No	Yes
Mauritania	No	No
Mongolia	No	Yes
Niger**	No	Yes
Nigeria	No	Yes
Norway	No	Yes
Peru	No	Yes
Timor-Leste	No	No
Candidate		
Afghanistan	Yes***	Yes
Albania	No	Yes
Burkina Faso**	No	Yes
Cameroon*	No	No
Chad*	No	No
Cote d'Ivoire**	No	Yes
Democratic Republic of Congo	No	Yes
Gabon*	No	No
Guatemala	No information	Yes
Guinea	No	No
Indonesia	No information	Yes
Iraq	Yes***	No
Kazakhstan	Yes	Yes
Mozambique	No	Yes
Republic of Congo*	No	No
Sierra Leone	No	Yes
Tanzania	No	No
Togo**	No	Yes
Trinidad and Tobago	No	Yes
Zambia	No	Yes

* The Council of Ministers of the Communauté Economique et Monétaire de l'Afrique Centrale (CEMAC) has adopted in December 2011 a new set of Public Finance Management Directives. These directives are based on international standards and methodologies. The Budget classification directive and the directive related to the statement of government operations (TOFE) include a nomenclature based on GFSM 2001. Currently, the Commission of the CEMAC is working on finalizing the guidelines of these directives with the help of the IMF and the World Bank.

** The Council of Ministers of the West Africa Economic and Monetary Union (WAEMU) has adopted in June 2009 a new set of Public Finance Management Directives. These directives are based on international standards and methodologies. The Budget classification directive and the directive related to the statement of government operations (TOFE) include a nomenclature based on GFSM 2001. The gradual implementation will start in 2012 and the full implementation of these directives is expected in 2017.

** Technical assistance was provided to implement the GFS classification into the Budget. However, we are not sure about the status of the implementation.

Source: Prepared and communicated by IMF staff on March 19, 2012

Table 2—Application of GFS codes to the Liberia EITI Report

Template A - Minerals Sector							
Liberia Extractive Industries Transparency Initiative (LEITI)							
Report on amounts paid and due by extractive company to specified government agencies for the financial year ended 30 June 2009							
NAME OF COMPANY:							
TAXPAYER IDENTIFICATION NUMBER (TIN):							
	TYPE OF PAYMENT	CURRENCY OF PAYMENT					GFS Code (subject to confirmation)
		Amount Paid		Amount Due		Note	
T	Taxes & Fees	USD	LD (000's)	USD	LD (000's)		Note
Common							
1	Signature Fees/Signing Bonus					B	1415
2	Contribution via GOL to University Depts (UL etc.)					B	?
3	County Contributions					B	?
4	Community Contributions					B	?
5	Corporate Profits Tax/Turnover Tax					C	1112/1141
6	Import Levy					A	1151
7	Excise Tax					A	1142
8	ECOWAS Trade Levy (ETL)					A	1156
9	Pre-Shipment/Destination Inspection (GOL's share)					A	1151
10	Customs User Fees					A	1151
Sector Specific							
11	Surface Rental					A	1415
12	Minerals License fees:-					A	
(a)	Class (A, B, C) License					A	1145
(b)	Broker License					A	1145
(c)	Dealer License					A	1145
(d)	Fine Precious Mineral License					A	1145
(e)	Exploration License Fees					A	1145
(f)	Mining Concession					A	1145
13	Export tax					A	1152
14	Royalty					A	1112
15	Mineral Dev.t & Research Fund (pd to MLME only)					A	?
16	Small Scale Miners payments (consolidated)					A	?
17	Brokers payments (consolidated)					A	?
18	Dealers payment (consolidated)					A	?
O Other Payments							
Common							
42	Administrative fees					A	
(a)	Business Registration					A	1145
(b)	Article of Incorporation					A	1145
(c)	Operational/Professional License					A	1145
(d)	Vehicle Registration					A	1145
(e)	Driver License					A	1422
(f)	Resident Permits					A	1422
(g)	Work Permits					A	1422
43	Dividends to GOL					C	1412
44	GOL Fines					A	143
Sector Specific							
45	Administrative fees					A	
(a)	GIS Map(s)					A	1422?
(b)	Surveying Fees					A	1422
(c)	ID cards fees					A	1422
W Withholdings							
Common							
50	Personal Income					C	1111
51	Non-Resident					C	1111
52	Board Fees					C	?
53	On payments to third parties of:-					C	
(a)	Rent / Lease					C	1112
(b)	Interest					C	1112
(c)	Dividends					C	1112
(d)	Professional services					C	1112?
TOTAL			0	0	0		