

EITI STRATEGY REVIEW MEETING, HENLEY, 11-12 APRIL 2012

Inventory of Innovative EITI Practices

Background Paper

EITI International Secretariat

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1. Summary

The majority of EITI implementing countries have adopted (or are planning to adopt) measures that exceed the EITI requirements. Several MSGs have also sought to apply the EITI Principles and Criteria to other sectors or to other elements of the extractive industries value chain. The table below provides an inventory of innovation and best practices. Further innovation is expected as countries achieve compliance and explore opportunities to ensure that the EITI makes a contribution to public debate. The 2011 edition of the EITI Rules provides some guidance on opportunities for MSGs to broaden the scope of the EITI (e.g., the inclusion of social payments). However, the current EITI validation methodology does not recognise or incentivize these efforts.

2. Inventory of Innovative EITI practices

Country	Status	Elements of EITI implementation that exceed the minimum requirements
Azerbaijan	Compliant	<ul style="list-style-type: none"> • PSA disclosure (planned, not yet agreed by the MSG). • Disclosure of social payments (planned, not yet agreed by the MSG).
Afghanistan	Candidate	<ul style="list-style-type: none"> • NA.
Albania	Candidate	<ul style="list-style-type: none"> • EITI disclosure mandatory in Mining Code. • EITI Club of Journalists.
Burkina Faso	Candidate	<ul style="list-style-type: none"> • Disaggregated reporting by company and revenue stream. • Summary table of contributions by revenue type.
Cameroon	Candidate	<ul style="list-style-type: none"> • Mapping of mineral resources. • Innovative use of comic strips to explain the EITI. • Direct representation of treasury and tax office in MSG working groups to enhance reporting.
Central African Republic	Compliant	<ul style="list-style-type: none"> • Establishment of 16 regional EITI sub-committees. • Development of methodology for reporting in an entirely informal sector. • Nationwide grassroots outreach and media campaign in local languages. • Institutional cooperation with the National Assembly (including declaration of support by Parliamentarians). • Independent annual budget for EITI CAR as integral and recurring part of state budget. • Films on the EITI (targeted to e.g. Parliamentarians). • Co-hosting of regional EITI conference in March 2012 in Bangui for peer exchange.
Chad	Candidate	<ul style="list-style-type: none"> • Institutional cooperation with the Petroleum Revenue Oversight and Control Committee (including respective liaison persons).
Côte d'Ivoire	Candidate	<ul style="list-style-type: none"> • Films on the EITI.
Democratic Republic of Congo	Candidate	<ul style="list-style-type: none"> • Report disaggregated by company and revenue stream. • Extensive nationwide outreach activities. • Establishment of 3 regional EITI sub-committees (planning stage). • Institutional cooperation with the National Assembly (including parliamentary liaison person). • Social payments by companies (proposed). • Integration of forestry (proposed). • Companies co-financing EITI process.
Gabon	Candidate	<ul style="list-style-type: none"> • Integration of forestry (proposed). • Providing technical assistance to peers (EITI Chad).
Ghana	Compliant	<ul style="list-style-type: none"> • EITI Reports include transfers to sub-national levels of government and utilization of transferred funds.
Guinea	Candidate	<ul style="list-style-type: none"> • Report disaggregated by company and revenue stream. • EITI disclosure mandatory by Presidential decree. • EITI website hosting documentation on mining sector (new mining code; mining contracts (proposed)).
Indonesia	Candidate	<ul style="list-style-type: none"> • NA.
Iraq	Candidate	<ul style="list-style-type: none"> • Report covers export sales of oil. • Report disaggregated by company and revenue stream. • Report covers production volumes.
Kazakhstan	Candidate	<ul style="list-style-type: none"> • Disclosure of social payments (agreed by the MSG, yet to be implemented).

		<ul style="list-style-type: none"> • Mandatory EITI reporting for companies is recognised in the law. According to the law, companies are required to apply IFAS for EITI reporting. • Possible integration of EITI into existing reporting mechanisms (Licencing Contractual Conditions reporting) (not yet agreed by MSG).
Kyrgyzstan	Compliant	<ul style="list-style-type: none"> • Extending EITI principles to the electricity sector (legislated) – Fuel and Energy Sector Transparency Initiative (FESTI). • Report includes payments to the social fund and environmental charges. • Government has adopted a resolution mandating companies that meet the materiality threshold to disclose payments. • Good summary report: i) Historical data: compares revenues reported under EITI to total state revenues, and the number of reporting entities and their payments/revenues from 2004-2009; ii) Compares the share of each revenues stream to total revenues reported; iii) Indicates the contribution of each type of material extracted to revenues. • The report includes an overview of all reporting companies, the location of their operations and what kind of activity (exploration, production, prospecting).
Liberia	Compliant	<ul style="list-style-type: none"> • EITI-specific law. • Disaggregated data by company and revenue stream. • Coverage of Forestry and agriculture sectors. • High quality summary report, widely distributed throughout the country. • Next report to include ought-to-be-paid revenues (agreed by the MSG, yet to be implemented).
Madagascar	Candidate (suspended)	<ul style="list-style-type: none"> • NA
Mali	Compliant	<ul style="list-style-type: none"> • Report disaggregated by project and revenue stream. • Social payments by companies (proposed). • EITI legislation (discussed). • EITI Committee on the environment and local development.
Mauritania	Compliant	<ul style="list-style-type: none"> • Oil contracts available online • Disaggregated government revenues available online • Hydrocarbon Fund
Mongolia	Compliant	<ul style="list-style-type: none"> • Disaggregated data by company, payment type and government recipient, including sub-national government entities. • Good summary report: i) overview of the extractive sector, including number of deposits, production figures by commodity and a map of current oil exploration and production activities; ii) summary of payments and revenues and main reasons for discrepancies; iii) detailed stakeholder's participation chart explaining the reconciliation process and mapping out the different payment types and corresponding government receiving entities; iv) chart indicating largest companies in terms of % of tax contributions; v) Indicates the contribution of each type of resource extracted to revenues received. • Coverage of fines and environmental remediation costs. • Coverage of social payments. • Subnational reporting. • Report includes company contact information, including registration numbers and mining area location. • Report includes a survey of IFRS application, indicating which companies have been audited in accordance with IFRS and the name of the audit firm. • The report rates company and government participation in terms of

		<p>transparency and communication during the reconciliation process.</p> <ul style="list-style-type: none"> • The government has enacted a number of EITI regulatory approaches, including government funding for EITI reports and mandatory disclosure of all payments and revenues (also at regional and local level). • The National Council has developed a four year EITI strategy in addition to the annual work plan. This includes: i) Licence & contract transparency (agreed by the MSG, not yet implemented); ii) Disclosure of production, sales and export figures (agreed by the MSG, not yet implemented); iii) EITI legislation and regulation of relationship between central and local state administration.
Mozambique	Candidate	<ul style="list-style-type: none"> • Report disaggregated by company and revenue stream.
Niger	Compliant	<ul style="list-style-type: none"> • Report disaggregated by company and revenue stream. • Interesting summary report. • Social payments by companies (proposed). • EITI legislation (discussed). • Contract and revenue disclosure mandated by the constitution.
Nigeria	Compliant	<ul style="list-style-type: none"> • EITI reports include financial, physical and process audits. • EITI-dedicated legislation. • Report disaggregated by company and revenue stream.
Norway	Compliant	<ul style="list-style-type: none"> • Disaggregated reporting by company and revenue stream. • Comparison with other sources (Norwegian state accounts). • EITI regulation under Petroleum law that mandates EITI reporting and setting timeline. • The EITI Reports are produced by the reconciler using the INTERNATIONAL STANDARD ON RELATED SERVICES (ISRS) 4400: ENGAGEMENTS TO PERFORM AGREED-UPON PROCEDURES REGARDING FINANCIAL INFORMATION. • Making the EITI data available in an Excel file and on the government data transparency portal.
Peru	Compliant	<ul style="list-style-type: none"> • Partial disaggregated data by company and revenue stream. • Government disclosed all revenues, both material (according to the modality of reporting adopted) and non-material (in aggregated) revenues. • Exemplary dissemination campaign. • Pilot report at sub-national level (Cajamarca). • Reports include voluntary social transfers.
Rep. of Congo	Candidate	<ul style="list-style-type: none"> • N/A
Sierra Leone	Candidate	<ul style="list-style-type: none"> • Outstanding summary report. • Planned use of EITI platform to include contract transparency (yet to be implemented).
Tanzania	Candidate	<ul style="list-style-type: none"> • Report disaggregated by company and revenue stream. • Report includes employee taxes.
Timor Leste	Compliant	<ul style="list-style-type: none"> • Partially disaggregated data by company and revenue stream. • Links EITI reporting, to petro fund reporting, and in turn to government budget.
Togo	Candidate	<ul style="list-style-type: none"> • Inclusion of the water sector. • Disaggregated reporting by company and revenue stream. • Inclusion of social payments. • List of all companies operating in Togo and production volumes. • Contribution of extractive revenues to total government revenues and against GDP.
Zambia	Candidate	<ul style="list-style-type: none"> • Report disaggregated by company and revenue stream.

Yemen	Compliant (suspended)	• N/A
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