**Priority issues**

**1.3(a) – Civil society participation**. Several civil society representatives recommended the addition of important language on civil society participation from Policy Note 6 (see RWI and PWYP comments on EITI website for details). This was not done.

**1.5 – Adapted implementation** provision is improved but contains no limitations on *when* such allowances can be granted. Requests should only be made during the sign-up phase or, for current implementing countries, in advance of initiating the first reporting cycle under the new rules. Also, it is unclear what "proposed actions and timetable" refer to, if the request is to *not* do something; consider adding "…for moving towards the removal of the requested exemption."

**3.11 – Beneficial Ownership**. 2016 is a very, very long time from now. The issue should be reviewed in 1 year given the Oslo decision on this matter.

**3.12 – The discussion of Contracts by MSGs**.
In the most recent round of comments, a number of stakeholders endorsed the compromise position suggested by the Secretariat in Oslo that MSGs are required to discuss and report their position on the issue of contract disclosure.

The 11 April draft instead contains a requirement that the EITI report document the government policy on contract disclosure. This is a false substitute for the requirement that MSGs discuss and document their decision. It could be a viable addition. Alone, however, it has serious disadvantages:

- It disempowers the MSG in addressing this important issue, and removes an opportunity to stimulate open multi-stakeholder discussions. In doing so, it ignores one of the main observed benefits of the EITI to date which is improved dialogue about disclosure issues across government, companies and civil society.
- There is no precedent for EITI deferring to existing government policy and practice as a basis for its requirements. The survey of implementing countries and the views of the implementing country Board representatives indicate a widespread interest in *revisiting* current government practice in this area. Privileging current policy in this manner could in fact run counter to the interests of the primary EITI actors (both government and non-government) within many implementing countries, especially given how approaches to contract disclosure are changing so rapidly.

The requirement that MSGs discuss and report their decision on contract disclosure should be included in the rules. If certain stakeholders object, the reasons for these objections should be clearly laid out and weighed by the Board against the potential benefits before a final decision is made. Board discussions over the past year leave no doubt about the importance of this issue. Given extensive efforts by all parties to find a workable compromise, the final phase of these discussions should not be skipped.

**3.12 – The issue of exploration contracts.** Exploration contracts should be retained. This is an encouragement, and MSGs will decide the practice that is appropriate for their country. The rules should not delineate this practice for them. Exploration contracts can be crucial because, in many cases, they determine bonuses and other material payments, govern the mitigation of exploration-phase social and environmental impacts (especially important as exploration can take place in 'virgin' communities and terrains), and relate to a phase of operations when significant costs are incurred which can affect subsequent revenue flows for years to come.

**5.2(e) – Project level reporting**. It is not possible to read what the comment bubble says in the pdf, but we do want to address how the text should read now that the EU and US guidelines are agreed.

**Validation.** Still digesting, and I'll defer to my colleagues who have more direct experience here, but I wonder I understand and in general agree with the preference for flexibility, but wonder if there is a tipping point after which the rules lose too much authority. There is no point at which a country is delisted, yes? Only points at which the Board might choose to consider delisting (even after 4.5 years)?

**Other issues**

1.6-1.8 – These provisions about reporting and validation deadlines are better placed in a slightly renamed requirement 2, rather than in requirement 1 which deals with MSG constitution and responsibilities.

1.6 a and b could be clearer, especially the treatment of the potential for continued candidacy after validation. The section on meaningful progress should mention that the country has 12 months to do the remedial actions, right?

1.7 – "Where it is manifestly clear that a significant aspect of the EITI Principles and requirements is not adhered to….."

3.1 – Who is this talking about? What purpose is it serving? If it is to address the issue of whether the EITI is itself reporting this information, I would suggest something fuller such as: "Some of the required contextual information will be available from existing publicly accessible sources of data. The MSG should agree on which contextual information should be presented in the EITI report itself, and which information should be summarized in the report along with a link or reference to its primary source location (assuming this source is readily publicly accessible)."

3.6 – "regarding the financial relationship".

3.6 – It seems correct that "beneficial" should be removed here. But now this is in conflict with the text in provision 3.11 on beneficial ownership. This could cause confusion.

3.9(b)iv – "…implementing countries are also expected…" and 3.9(c) "…publicly available"

4 – This section still could use a new 4.1 that is a basic statement of what the EITI report entails – a report that presents payment information from companies and revenue receipt information from government agencies, and reconciles these two sets of figures. While we all know what the basic report looks like, the rules should not assume all readers will. It could be something similar to the current 4.2(a).

4.1(b) – Recommend that "where they are not relevant" is cut, since this concept/decision is not defined.

4.1(c) – There are in-kind revenues other than the state's share of production such as royalty and tax payments that are paid in-kind. The text should therefore read "Where the sale of the state's share of production and other in-kind revenues are material…"

4.1(d) – In the final line, what does it mean to attach something to the EITI report? This concept appears nowhere else. Recommend that it is cut to read "…the MSG should agree an approach for unilateral company and/or government disclosures."

4.2 – This provision is not just about which entities report, but also what they report. Consider rewording the title.

5.3 – This section, which reads much better, should use the word "must" rather than "should", in line with the changes made elsewhere. See 5.3(a) and (b) for instance.

6 – This section still requires a statement that clarifies that information such as project level revenue data can be provided by the EITI in an on-line database rather than in a written report. This is essential to avoid huge reports with giant, hundred page tables.

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3.2.3 "…including stakeholder groups that are represented on the MSG"

4. In line with conversations about what the Expert Panel might have added, a suggestion that we add to the narrative report "areas of weakness of obstacles to the impact of EITI."