

EITI - THE NORWEGIAN ANNUAL ACTIVITY REPORT 2013

Leaders from a group of governments, companies and civil society came together a little more than ten years ago and agreed that the “prudent use of natural resource wealth should be an important engine for sustainable economic growth that contributes to sustainable development and poverty reduction”.

EITI’s principles are that “public understanding of government revenues and expenditure over time could help public debate and inform choice of appropriate and realistic options for sustainable development”.

Norway became an EITI candidate in 2009. The country has been compliant with EITI requirements since the first report in 2011. Compliance means that Norway has published satisfactory EITI Reports and has a functioning EITI process to oversee and improve levels of transparency and accountability further. The reports from the Norwegian multi stakeholder group have described the activities that are relevant for implementation of EITI.

Each country owns its own EITI process. The new EITI standard approved in 2013 has further strengthened the process. Each country is deciding what it wants to do with its EITI.

The multi stakeholder group (MSG) should have a national approach. The Norwegian MSG has focused on developing a high quality report containing the relevant information about revenues and companies’ payments to the government. The EITI-reports have all confirmed payments published in other sources like i.e. the state account.

The EITI Standard will require countries to disclose production figures, the ownership of license holders and government participation in the extractive sector. The Standard encourages countries to disclose ultimate beneficial ownership as well as production contracts.

Information about the Norwegian petroleum related activities have been available to the public since the discovery of oil and gas 45 years ago.

The public debate in Norway is not about transparency in revenues and expenditures, but more about the activity level, opening new acreage for exploration, and with high focus on safety and the environment.

The multi stakeholder group is appointed by the King in Council for a period of 2 years in line with EITI requirements.

A new MSG should therefore be appointed by January 2014. The process of nominating candidates began in the second half of 2013. The new multi stakeholder group was appointed in June 2014.

Each sub-group within the MSG nominates their candidates, whilst the whole MSG have to agree before a new stakeholder group is appointed.

The first MSG was appointed in June 2009. A new MSG had to be appointed by January in 2014. The process of nominate candidates for the new MSG started late fall 2013. The new MSG was not finally appointed before June 2014. In the meantime the MSG from 2012 was in charge.

Multi stakeholder group work on EITI in 2013

The multi stakeholder group's main activity in 2013 was preparing and finalizing the fifth Norwegian EITI-report, as well as starting the process of nomination of candidates for appointments of a new MSG.

The multi stakeholder group held one meeting during 2013. Members of the group used emails to exchanged information and make required decisions.

The Ministry of Petroleum and Energy published the EITI-report on its website. Companies and governmental entities who had been reporting were provided the report.

Norsk olje & gass (the Norwegian Oil and Gas Association) informed their members about EITI and the report. The data from the EITI-report have been made available on the web site in Excel format. The data has also been made available on a public web site (www.data.norge.no) where people are invited to share data.

The main MSG activity during first half of 2013 was preparation and participation in the Global EITI Conference in Sydney. Representatives from government, companies and civil society were present and responsible for the Norwegian part of National Expo.

The mining sector is not included in the Norwegian EITI-report due to lack of materiality in the country. The MSG has however expressed an interest in learning more about the mining sector in Norway. The Ministry of Trade, Industry and Fisheries (MTIF) has been asked to give a presentation to the MSG about the mining sector as well as their view on including this sector in the EITI reporting. The process has been delayed first because waiting for a started strategy work for the Mineral Industry by the former government, and thereafter by the change of government in the autumn of 2013.

Reporting and reconciliation of the 2012 data has been in the top of the agenda in 2013. A draft report was sent to the MSG in November and a MSG meeting was held 27th November to discuss the report. The administrator of the data, Deloitte Norge, presented the main conclusions and MSG approved the report. The report was published at www.eiti.no in December 2013. A printed version in both Norwegian and English is available. The MSG agreed not to organize any specific event in relation to the release of the report.

The MSG's work plan for 2014, including cost, is available on the EITI web site. The reporting templates are available on the web as well.

The King in Council appoints the MSG for a period of 2 years according to EITI-regulation. Each sub-group within the MSG nominates their candidates and the full MSG agrees before the group is appointed. The King in Council appointed the first MSG in June 2009.

The process of nominate candidates for the new MSG began in the second half of 2013. New members of MSG were appointed in June 2014.

Follow-up of validation team recommendations and/or recommendations.

Regulations of 26.6.2009 (856) are guiding the work in the MSG. The multi stakeholder group has agreed on the terms of reference and made them available on the website.

The companies' chief executive director (CEO) had to sign the EITI submission according to the initial requirements. The multi stakeholder group has agreed to accept that companies' chief financial officer (CFO) can sign the report. Companies are also required to enclose an auditor's statement to ensure that they have produced and delivered an audit report without any comments from the auditor with relevance for the EITI.

Norway has had an open and transparent system since the early 1970s. Relevant information was available to the public. Parliament had frequent discussions on the oil and gas policies and strategies.

Media had from the early years – and still has - wide coverage of the sector due to its major role in the Norwegian economy. Members of the MSG contribute to the debate through their different organizations.

The Norwegian EITI website was established early 2011. It contains information relevant to the Norwegian implementation of EITI, as well as links to relevant information of the domestic upstream oil and gas activities. The website contains general EITI information and explanation and/or links to where information is available.

Minutes from MSG meetings are available on the EITI website. The website is currently updated to meet to the new EITI standards.

Reporting process and templates have been discussed both within in the MSG and with the reporting entities and is under constant review. The ambition has been from the beginning to deliver simple and efficient, but sufficient reporting.

The Norwegian MSG has delivered five EITI-reports without any unexplained differences in reported numbers by companies and government.

It confirms Norway has in place a system of high standards of transparency and accountability.

The multi stakeholder group has discussed the benefits of continuing the current EITI-reporting since the information is publically available without the EITI report. The report has limited value for the Norwegian public, but may have some value as a reference for stakeholder groups in other EITI implementing countries.

The Norwegian EITI report has found its format. It is difficult to see how it can be further simplified and at kept at the same disaggregated level.

Reconciliation of the data is the most time consuming part of the work. The group has discussed using the Bureau of Statistic Norway to do the work, but the bureau does not focus on the disaggregated level required by EITI and it is difficult to see how the Bureau or other agencies will use less time.

One of the multi stakeholder group's objectives has been to find a fair balance between the different interests group; civil society, trade unions, oil companies and the ministries.

The most relevant Ministries are members of the group, and these members represent the government and secure the full depth of political engagement in the process. The oil industry has nominated their candidates, as has civil society organizations and the trade unions.

The multi stakeholder group has not seen a need for a separate EITI secretariat. The Ministry of Petroleum and Energy has functioned as the secretariat. It has worked well. Most of the work related to the Norwegian implementation of EITI have are to be done by the Ministry, independent to how the secretariat function is organized.

The multi stakeholder group will continue to discuss the best way to meet and implement the new EITI standards in Norway.