

Minutes

EITI International Secretariat

27 April 2015

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MINUTES OF THE 29TH EITI BOARD MEETING

Brazzaville, 14-15 April 2015

29-0 Welcome and adoption of the agenda

The Chair opened by welcoming Board members to Brazzaville and thanked Michel Okoko on behalf of the Board. The Chair noted apologies from Board members Pekka Hukka and David Diamond as well as alternates Seth Terkper, Alan Knight, Fabby Tumiwa, Carine Smith Ihenacho and Ian Wood. Dominic Emery and Daniel Kauffmann were piloting participation through Skype.

Marinke van Riet enquired as to whether the host country would be invited to comment on implementation in the Republic of Congo as has been common practice. Michel Okoko noted that a roundtable on the EITI was being planned for the next day and would be open to observers. The agenda was adopted. The Chair invited observers to leave the room to conduct a parallel discussion on Board paper *29-1 EITI in 3-5 years: issues for consideration*.

29-1 EITI Board retreat

The Chair thanked the Secretariat for drafting the paper and reminded Board members that the goal of the discussion was to explore challenges and opportunities following from the implementation of the Standard.

Jonas Moberg introduced the paper by noting the need to make the EITI more useful, with a greater emphasis on using the EITI as a platform for change. He noted that although the Standard allows for adapted implementation, it was not designed for embedding and integrating the EITI into government systems. Board members were reminded of examples from Ghana, Nigeria and the Philippines, where multi-stakeholder groups have been able to go beyond technical requirements and focus on how the EITI can be useful for broader reforms. Encouraging more use of the EITI as an instrument to support reforms would not necessarily require adding requirements to the Standard. Rather, it requires a shift in mind-set about the reasons for implementing the EITI. Jonas noted that there are often too many recommendations in EITI reports on how to improve reporting templates, rather than looking at improvements to how the sector is managed.

On Validation Jonas noted that the diversity of the size and structure of the extractive sector in implementing countries suggest the need for a more nuanced assessment process. He noted that Validation in its current form ran the risk of punishing relevance and ambition because countries are not rewarded for efforts beyond work on the minimum requirements. Jonas also noted that the binary nature of the EITI, which categorising countries as Compliant or Candidates, can be misleading, for example by

suggesting that the work of a Compliant country was done.

On governance and implementation support, the Board was encouraged to take a holistic view of the strategic process and in particular to note the importance of strengthening the implementing country voice.

Dyveke noted that the three annexes to the strategy paper were intended to help Board members discuss the three main topics: 1) increasing impact, 2) adjustments and clarifications to the Standard, and 3) improving procedures on governance and implementation support. The Board divided into breakout groups for discussion.

The Board reconvened after lunch with observers. The Chair asked Faith Nwadishi to report on the Board's strategy discussions, stressing that the aim was to gain a shared understanding of the challenges involved in implementing the Standard. Faith commended the Secretariat's paper and highlighted the need to prioritise the different areas for discussion.

On the question of increasing the impact of the EITI, the Board was concerned about the relationship between the costs of implementation versus the impact that EITI Reports have on the real needs of implementing countries. The Board recognised the importance of mainstreaming the EITI into national systems and noted the need for pilot projects, not just in Timor Leste.

The Board cautioned against making changes to the Standard but encouraged clarifying the provisions where needed, clearer nomenclature for country status, and ensuring greater flexibility in the application of the Standard by focusing on the progress that countries make towards meeting the requirements.

The Board discussed improving procedures and support noting the need to address the challenges of coordination between donors and the multi-donor trust fund (MDTF). The Board also discussed the importance of making sure that issues of funding were not used to limit civil society space.

The Chair invited Zainab Ahmed to present the feedback from the observers' parallel discussion.

On the question of increasing impact, observers stressed the importance of improving the timeliness and quality of reports in order to improve their relevance. They stressed the need to engage more closely with in-country reform processes and to improve consultation with decision makers. They supported increased institutionalisation of the EITI in implementing countries and pushed for raising awareness of the EITI beyond multi-stakeholder groups so that the EITI could work together with other initiatives. Mainstreaming and using EITI data together with data from other sources should be used to affect reforms.

On the issue of clarifying the Standard, observers did not think there was a need to make sweeping changes but agreed that some areas could be improved. On the subject of Validation, observers suggested that a

Board needs a more fair and objective way to conduct its assessments. They noted the need for additional guidance on adapted implementation, both for multi-stakeholder groups and to aid the Board in its assessments. They welcomed a degree of additional flexibility and suggested considering more than just exceptional circumstances without becoming too flexible. Observers noted the significant differences between implementing countries and suggested that Validation take this into account. This could include the introduction of additional phases of implementation, as compliant/candidate may be too limited a nomenclature, especially in view of the difficulties of keeping a high level of motivation over long candidature periods.

Observers would welcome some additional provisions in the Standard, including addressing artisanal mining. They encouraged additional discussions on beneficial ownership and commodity trading but stressed that implementing countries should not be held accountable for publication obligations of traders who were outside their jurisdiction or control. Instead, guidance for the sector should be encouraged.

On the issue of governance and technical assistance, observers approved of the ongoing governance review and stressed the need for appropriate representation to reflect the important roles of supporting and implementing countries. Observers also requested more clarity on what happened where these increasingly overlap. They highlighted the need for geographic spread and for improving implementing country representation.

Observers encouraged the Board to find adequate feedback mechanisms in order to improve communication and consultation between implementers and those outside multi-stakeholder groups. Improved communication between implementing countries and Validators was also encouraged. Observers noted the continued need for technical assistance and reflected on the cost implications of mainstreaming.

Observers encouraged the Board to find better systems for short-term funding for implementing countries, for example through a back-up fund administered by the International Secretariat. Multi-stakeholder groups should also be encouraged to, and assisted in, finding additional sources of funds.

The Chair thanked Zainab for the feedback and noted the quality of the discussion.

Actions

The Secretariat to disaggregate tasks and suggest next steps for taking the issues identified in the paper forward.

29-2 Report from the Head of the Secretariat

The Board acknowledged the efforts by Professor Mack Dumba, Jean-Claude Katende and the rest of the team in the Democratic Republic of Congo for their efforts in arranging the Board excursion to Lubumbashi the day before. The Chair also acknowledged the vitality of the process that they had witnessed in the DRC.

Jonas noted that the summary of actions from the previous Board meeting could be found on the agenda and proceeded to reflect on the growth of the EITI. He noted that the growth of the organization meant that more was expected from Board members, both in time and cost, as well as from the Secretariat. He added that in order to justify growing expectations the EITI needed to be better at describing and capturing impact while acknowledging that it was impossible to know how much worse things would be without the EITI. He said that the forthcoming 2014 Progress report, news items on the EITI website and updated key performance indicators can help document impact.

Jonas noted that 24 countries have published reports under the Standard so far, and emphasized that timely reports have the potential to make a difference only when the information and data in these reports was used to discuss reform. He welcomed the fact that the focus of discussions has shifted towards practical and tangible areas such as beneficial ownership, artisanal and small scale mining, commodity trading and national oil companies.

The Board was informed that the International Secretariat had in recent weeks visited Honduras, Indonesia, Myanmar, Papua New Guinea, Philippines, Solomon Islands, Mozambique, Liberia, Sierra Leone, Tanzania, Timor Leste, and Zambia. Jonas used the case of Afghanistan to illustrate the complexities of guiding implementing countries through the application of the Standard, and the logistical complexity of the Board programme to reflect on the challenges that countries like the Democratic Republic of Congo and the Republic of Congo face in implementation.

Jonas concluded by noting that high staff morale at the Secretariat and support from stakeholders came from a belief that the EITI was making a difference. He noted that a book co-authored with Eddie Rich on the experiences of the evolution of the EITI and its lessons for other multi-stakeholder initiatives would be published in May.

[29-2-A Implementation Progress Report \(IPR\) January-March 2015 and 29-2-B Outreach Progress Report \(OPR\) January-March 2015](#)

Jonas noted that the Board had received two IPRs since the last Board meeting. He drew the Board's attention to the analysis in the current IPR of how some countries are using the EITI as an instrument to support reforms and highlighted the need for more progress of this kind. The IPR also included a section on oil trading. For the first time oil trading and commodity trading supporting companies were observing the Board meeting and were contributing to deepening the conversation. Jonas informed the Board that 25 participants from civil society and EITI secretariats from the Eurasia region had met the week before at a workshop organised by NRGi to analyse EITI reports. National secretariats from francophone countries were also meeting to internalise the findings of EITI Reports, and section 8 in the IPR outlined further training plans by the Secretariat.

The Board was informed that a number of countries were preparing for Validation in the autumn, and Timor Leste, Mongolia, Nigeria and the Philippines were planning or had conducted pre-Validation-workshops. Jonas communicated the Secretariat's concern that, in spite of the strong progress being made in some countries, the possibility that none of them would seem to be in compliance with the Standard and that as many as eight countries could potentially be downgraded from Compliant to Candidate status before the next Global Conference. On the country by country progress report, Jonas noted that the number of countries marked red had decreased slightly. Eight countries were classified as red because they were facing political instability, were suspended or faced significant challenges ahead of upcoming Validations. Jonas noted in particular that many small countries with small extractive sectors struggle significantly with implementation such as Afghanistan, Guatemala, Honduras, Tajikistan and the Solomon Islands. Some countries like the Central African Republic had been suspended for a long time without change whereas Yemen had recently been suspended again for the fourth time.

The Chair thanked Jonas and opened for comments on the Implementation Progress Report and the Outreach Progress Report.

Faith informed the Board that Nigeria had recently published its 2013 Report and questioned the coding of IPRs on the basis of whether countries had missed a deadline instead of looking at the process as a whole. She also enquired about Ethiopia, wondering what progress was taking place in regards to the conditions placed at the time of their candidacy. Jonas noted the limitations of the IPR and regretted the impossibility of doing justice to the process in all implementing countries. On Nigeria Jonas noted that the report was received after the paper had been finalised. In Ethiopia progress was slow because of delays in the reconstitution of the multi-stakeholder group and in the civil society constituency in particular.

Michel Okoko thanked the Secretariat for including a section in the IPR focusing on the efforts being carried out by the Republic of Congo to increase transparency in the sale of oil by the Société Nationale des Petroles du Congo (SNPC), the national oil company. He acknowledged the importance of improving the transparency concerning the relationship between SNPC and its subsidiary CORAF. He also noted the new law on transparency. Ali Idrissa encouraged continued process on the Congolese transparency law, the removal of exemptions on maritime taxes in order to increase government revenues, the implementation of recommendations from EITI reports, and the implementation of measures to improve the transparency and governance of the budgetary process. Ali also highlighted the opacity of some state-owned mining companies in the Democratic Republic of the Congo, especially Gecamines, contrary to the efforts of the EITI in the country. He encouraged additional efforts on these areas.

Shahmar Movsumov informed the Board of the ongoing conflict with **Armenia** over the Nagorno-Karabakh region. He requested that these issues be taken into account in any further outreach engagement. Jonas committed to keep the Board informed of any developments.

Gubad Ibadoglu noted that according to Oxfam, the Canadian company Tahoe Resources attacked local communities around its mine in **Guatemala** on 5 April, killing one. He requested that the International Secretariat request information on the subject.

Marinke van Riet informed the Board that the EITI Board civil society constituency had written a letter of support to local civil society in connection with the Letpadaung case. The letter included four recommendations, of which Marinke highlighted 1) reviewing the laws and actions impacting civil society in the Letpadaung case in view of the Standard and the civil society protocol; and 2) asking the MSG to review and address legal and other obstacles that restrict civil society's EITI activities. Marinke enquired as to why this letter was not reflected in the IPR. Jonas reminded the Board that the letter had been mentioned in the previous IPR covering October-December 2014. He noted that the MSG had discussed the Letpadaung case in detail at its meetings in January and February. The MSG had agreed to arrange a meeting between civil society and the Joint Management Committee of the Letpadaung mine, but that this had been postponed until early May. The MSG had also agreed to hold a workshop in late May to revisit the objectives for EITI implementation.

Abdoul Aziz Askia reminded the Board of the difficulties that the **Central African Republic** was facing and encouraged the Secretariat to continue to engage with the country and to find ways to resuscitate the process. Jonas reminded the Board that the country had been suspended for a long time and asked the Board to consider whether the country should be delisted, as it was difficult to see an environment when the EITI could be implemented any time soon. If delisted, CAR would be encouraged to reapply as soon as it feasibly could.

Maria Inmaculada Montero-Luque highlighted the **relationship between the Outreach Progress Report and the Outreach strategy**, noting that a number of countries were included in the OPR in spite of there not being any significant government interest.

Jonas proposed that hereafter when letters are sent to the Board these should be flagged in circulars and uploaded to the internal website.

Actions

The Secretariat to inform through Board circular when correspondence for the Board is received and to upload documents to the internal website.

29-3 Report from the Implementation Committee

Faith Nwadishi summarised the work of the Implementation Committee, which had focused on finalising the Terms of Reference for Validators and the revised civil society protocol. Both of these came into effect on 1 January 2015 and were tested during the Validation of Azerbaijan. The Committee had monitored

progress and challenges with implementation through two Implementation Progress Reports covering October-December 2014, and January-March 2015. Faith reminded the Board that a key part of the Committee's work was to assess the reporting deadline extension requests from countries that did not meet reporting deadlines, and a number of recommendations were submitted to the Board in February 2015. A recommendation to extend Afghanistan's reporting deadline would be submitted by Board circular shortly. The Implementation Committee had also reviewed the quality and timeliness of the first batch of EITI reports produced under the EITI Standard to better understand areas where implementing countries needed more guidance and weaknesses in the Standard that might need to be addressed as part of the broader strategic discussion.

29-3-A Update on the beneficial ownership pilot

Faith introduced the Committee's work on the beneficial ownership pilot, noting that the majority of the pilot countries had completed the preparatory work and were starting to disclose information on beneficial owners. She pointed out that the Democratic Republic of Congo, Nigeria, Niger and Togo had already published their findings, while Burkina Faso, Liberia and Zambia were due to publish their results by June 2015. Faith noted that although early results of the pilot showed that it was feasible to collect beneficial ownership data from companies through the EITI reporting process, there were significant challenges related to agreeing definitions of beneficial ownership and politically exposed persons, data reliability and reflecting changes in ownership over time. In the short term the current guidance on beneficial ownership should be updated to address these issues. The Board was informed that the evaluation of the pilot would begin in July and the Implementation Committee would present a proposal to the Board.

Dyveke Rogan updated the Board on the workshop organised by DFID and the advisory group on beneficial ownership in London in mid-March to enable countries to share their experience with the pilot. It was clear from their experiences that beneficial ownership continues to be challenging even as limited results are starting to be published. Stuart Brooks and Alan McLean noted that the difficulties encountered in the course of implementing the pilot vindicate the Board's decision to delay making beneficial ownership a requirement. Stuart noted that the work done so far suggests that it would not be possible to make this a requirement by 2016.

Marinke van Riet noted the global momentum around beneficial ownership and welcomed the Board's leadership on the matter as reflected by the G20, Mo Ibrahim and others. She suggested that clear instructions and additional support would continue to be necessary to address three remaining challenges: 1) companies' refusal to respond to something that is voluntary 2) unclear templates 3) the statement of a clear definition of beneficial ownership in templates as opposed to legal ownership or shareholders. Gubad Ibadoglu echoed Marinke's statements and noted concern in delays in publishing information on beneficial ownership in some countries, causing difficulties for the evaluation of the pilot. He also recommended that

materiality thresholds be kept low and that company sign-off be included in templates.

Laurel Green reiterated the mining constituency's support for the pilot and suggested that disclosure should be incremental before becoming a requirement. Manuel Adamini shared the investor perspective on beneficial ownership with the Board, noting the difficulties investors faced in conducting adequate due diligence in accordance with sometimes vague requirements and strongly supporting continued progress with beneficial ownership.

Abdoul Aziz Askia shared the experience in Niger. Ali Idrissa noted that there were thought to be links between political entities and companies through intermediaries. He encouraged the government to allow for a wider scope of the pilot while ensuring its completion. Faith suggested that discussions around beneficial ownership be seen in light of the discussion on mainstreaming with international initiatives. Beneficial owners are expected to remain the same across countries, and it should be possible to mainstream these approaches at the international level. Professor Dumba noted that the Democratic Republic of the Congo was at the forefront of the pilot for two reasons: 1) the absence of a law defining beneficial ownership, allowing them to find this for themselves, and 2) stakeholders' commitment to provide the necessary information. He welcomed guidance from the Secretariat on extending the scope of the pilot.

Dyveke noted that the quality and presentation of the information disclosed through the pilot remained a challenge. Local civil society had an important role to play in ensuring that coming reports provide the kind of information that would make beneficial ownership disclosures useful, including details about the identity of the beneficial owners. She mentioned that the template designed by the advisory group and the secretariat was good, but it was a challenge that countries were not using it to present the data collected. Almost all countries have published some information on legal ownership, which although different from beneficial ownership, remained important. The Secretariat suggested that the Implementation Committee now proceed with developing the terms for the evaluation of the pilot, and present a report to the Board in Berne including recommendations for changes to the wording of the Standard. If the Board decided to hold a third meeting in December 2015, progress in the countries that were delayed with its beneficial ownership reporting could be taken into account in the evaluation of the pilot.

Actions

The Implementation Committee to oversee the evaluation of the pilot and submit a report to the Board in Berne.

29-3-B Reporting deadline extension request and Validation extension request: Liberia

The Board agreed to extend Liberia's reporting deadline by six months (i.e. to 31 December 2015) and to extend the Validation deadline (with Validation to commence on 1 January 2016).

On behalf of the Implementation Committee, Faith informed the Board that Liberia sought an extension of the reporting and Validation deadlines due to the effects of the Ebola crisis. The Implementation Committee had assessed the extension request in accordance with the EITI Standard and concluded Liberia was eligible for these extensions.

Before recusing himself, Senator Findley recalled the difficult period that Liberia had faced as a result of the Ebola crisis. Jim Miller raised a point of order, noting that the Validation Committee had not had a chance to hear of the Validation deadline request. Dyveke noted that Validation extension requests fall within the terms of reference of the Implementation Committee. The Chair suggested that in future the Validation Committee should be informed of Validation extension requests.

Actions

The Chair to write to the Government of Liberia to communicate the Board's decision.

The Validation Committee to be informed of any Validation extension requests.

29-3-C Reporting deadline extension request: Tajikistan

The Board agreed not to grant the extension request from Tajikistan and to suspend Tajikistan with immediate effect.

On behalf of the Implementation Committee, Faith informed the Board that Tajikistan sought an extension of the deadline (26 February 2015) for publishing its EITI Report. The Committee had assessed the extension request and concluded that Tajikistan was not eligible for an extension because there did not appear to be any exceptional circumstances causing the delays. The Committee recommended that Tajikistan be suspended until the report was published, which was expected to take place in August 2015.

Mark Pearson requested additional information on the consideration of "exceptional circumstances". Dyveke explained that the reasons given for the extension request concerned delays in securing funding and other administrative issues within the government's control. Jim Miller requested that the Board's decision be framed positively to encourage Tajikistan to make progress. Shahmar Movsumov enquired whether suspended countries would still be eligible to request funding from the MDTF, to which Paolo de Sa answered positively.

Actions

The Chair to write to the Government of Tajikistan to inform them of the Board's decision.

29-4 Report from the World Bank MDTF

Paolo de Sa informed the Board about the progress being made in transitioning from the EITI MDTF to the Extractives Global Programmatic Support (EGPS) MDTF, the new multi-donor trust fund which would

encompass the work of the Bank on extractives. The current MDTF would close in December 2015 and all new grants would be started under the EGPS as soon as it became operational. Paulo reminded the Board that the joint review of the EITI and the MDTF came to the conclusion that the EITI MDTF was seen as the most effective vehicle to provide support to the EITI. Civil society organisations have also been able to benefit from MDTF support. Support to civil society would continue under the new EGPS, which Paulo explained mimicked the transition from the EITI Rules to the Standard in that it went beyond providing assistance for reconciliation of payments to address all the elements under the Standard. This approach should allow the Bank to marry technical assistance for implementation to assistance on improving systems to the level required by the Standard. The World Bank believed that a more holistic approach to sector support would reduce the transaction costs involved in the approval of grants and shorten the time it took for grants to be executed. Paulo noted that it currently took 4-5 months to make a grant effective, usually longer in the case of new countries because governments were unable to decide by which agency the grant should be administered. The capacity of the agency that would manage the funds was also a reason for delays. The life cycle of an EGPS grant would be five years compared to two years under the EITI MDTF. This should reduce costs and delays. The introduction of an operational portal should also make it easier for approval to be granted. Terms of Reference to provide third party support for agencies requiring assistance with the Bank's fiduciary requirements, like civil society organisations, were concluded. The EGPS included Key Performance Indicators to track the speed of disbursements, and these would be made available to the Board.

Clare thanked Paulo for the emphasis on speeding up disbursements and improving support for civil society. She asked for additional information on the advantages of the change to the EGPS. Paulo noted that previously the support that the Bank was providing for extractive industries was spread across a number of instruments. The reorganization should make it easier to find synergies. A paper on the restructuring would be made available to Board members on demand.

Manuel requested a high-level written summary for future updates. Ali noted that civil society found it difficult to fulfill the Bank's conditionality requirements. Faith noted the support from the MDTF for civil society in Nigeria and wondered whether the bank would engage directly with civil society or continue to use intermediaries. She also requested additional information on the transition between the MDTF and the EGPS.

Paulo noted that under the MDTF it was impossible to provide funds directly to civil society organisations. The EGPS contained a mechanism that allowed countries to opt in to allow grants to be allocated at the local level. A challenge with this process would be the size of the grants. In cases where countries did not opt in or civil society was unable to manage large grants, the Bank would continue to use consultants. In regards to the transition between the MDTF and the EGPS, Paulo noted that not all of the USD 72 million of

the MDTF would be used by December 2015, so donors would be able to return the amount that was not yet spent to the EGPS. The EGPS would become effective as soon as the first donor contributions were received.

Actions

Future Board papers to include a paper from the World Bank.

29-5 Report from the Validation Committee

29-5-A Validation: Azerbaijan

Mark Pearson noted that in Myanmar the Board had agreed an early Validation in **Azerbaijan** and reminded the Board that this was the first Validation under the EITI Standard. The Validation had followed the template terms of reference that the Board agreed in late December. The Validator was procured by the International Secretariat, in consultation with the MSG in Azerbaijan, and work commenced on 1 January. The final report was received on 6 March. The Validation Committee had met in Paris on 18 March, where they were briefed by the Validators and carried out a detailed review of the report and options.

Mark noted that while there were some concerns about the comprehensiveness of the Validator's report, all Committee members agreed that there was sufficient evidence to conclude that there had not been progress on the three remedial actions requested by the Board in Myanmar and that the civil society requirements were "unmet with limited progress". Committee members also agreed that in the absence of an approved 2013 EITI Report, it was not possible to assess compliance with requirements 2, 3, 4, and 5. The Committee had met several times to debate the implications of these findings, yet had not achieved consensus. While several Committee members were satisfied that Azerbaijan had overall made meaningful progress with implementation and should be downgraded from Compliant to Candidate, some argued that there had been limited progress with Validation and that Azerbaijan should be downgraded and suspended, or delisted. Mark noted that the Azeri NGO Coalition had issued a statement calling on the Board to defer a decision until the 2013 EITI Report had been published.

The Chair invited Shahmar to address the Board. Shahmar argued that a Validation of a draft report was inadequate to judge the Compliance of the process and should instead be seen as a list of recommendations to improve the final report. He noted that the question at the core was the situation of civil society in the process and informed the Board that progress had recently been made in this area: the NGOs in the coalition had started to receive grants and a number of events that had previously been blocked were now taking place. Shahmar noted that there was widespread support for the EITI in Azerbaijan and reminded the Board that the Azeri NGO Coalition had issued a statement calling on the Board to defer a decision. He also noted that the 2013 Report would be finished within a month.

The Chair invited Gubad to address the Board. Gubad thanked the Board and noted the difficulty of the decision at hand. He reminded the Board that after the Board introduced remedial actions in Myanmar, the government introduced new measures that had effectively severed the financial relationship between local civil society organisations and international donors. He noted that it had become impossible to organize events in Azerbaijan and that the Natural Resource Governance Institute had to move the civil society pre-Validation workshop from Baku to Istanbul. He noted that the State Council had recently offered limited funding to NGOs, totaling USD 16,500, about half of what was required. Finally, Gubad noted that he was under investigation along with other coalition members, and that some were now exiled. The situation, he argued, had not improved. Gubad asked that the Board make a decision, and noted that the Board's decision would be respected.

The Chair thanked Shahmar and Gubad and invited them to leave the room along with anyone else from Azerbaijan.

Jim Miller sought clarification on how long it would take for the final EITI report to be assessed by the Secretariat. Sam Bartlett explained that the MSG would first need time to complete the report. They could then seek a Secretariat Review of the report, which would usually be completed within 6-8 weeks (including review by the Validation Committee). However, options 1 and 2 in the paper from the Validation Committee suggested that the Validator's assessment of the EITI report be updated by the Secretariat during the Secretariat Review of the remedial actions related to requirements 1, 6 and 7. If there were shortcomings in the EITI Report, corrective actions related to the EITI report would be specified after the completion of the Secretariat Review.

The Secretariat informed the Board of recent developments. As Gubad had noted, the civil society coalition had been granted USD 16,500 by the State Council for NGOs and 26 other organisations that were members of the coalition had received individual grants. Some considered this funding to be the result of the recent election of a member of the State Council for NGO support as the Coalition Coordinator. The election as well as the allocation of the grants had raised some questions about the operational and policy independence of the coalition. New efforts were said to be underway to unfreeze the bank accounts of coalition members and to ease travel restrictions experienced by some members, but there did not appear to be any concrete evidence of progress in this regard. Together with the Azeri EITI Secretariat and with support from the World Bank, the coalition had been able to organize the first regional event in a long time in one of Azerbaijan's extractive regions, and more such events were scheduled in coming months. The event had taken place with relatively short notice and limited attendance by coalition representatives.

The coalition had written to the Board expressing support for the option of deferring a decision. This position reflected the disappointment expressed by coalition members with the Validation exercise and a desire to take into account the EITI Report in the Validation assessment. However, it was also a reflection of

the divergent views among local civil society groups on the desired outcomes of the Board decision. Some coalition members supported deferral, other compliance, downgrading or suspension. Thus, deferral was the position that the majority of the coalition members could agree to. Some Azeri civil society representatives had also signed on to a letter that was circulated to the Board by PWYP requesting that strong action be taken by the Board, illustrating the diverse views.

Board members expressed different views about how to handle the cases. Some noted the short time expected until the completion of the Report, and spoke in favour of deferral. Others highlighted the seriousness of the situation regarding CSO engagement and argued for a downgrade, suspension or delisting.

Jonas summarised the situation and the reasoning behind the Secretariat's recommendation to downgrade Azerbaijan. He noted that Validation returned a clear judgement and that there was broad agreement in the Validation report, the Secretariat's assessment and in the Validation Committee, that Azerbaijan had failed Validation on a number of aspects. He encouraged the Board to consider what the consequences of not meeting the requirements should be, noting that not being able to take action would lead to questions about the point of the Validation process. He also noted that the Secretariat was struggling to understand what difference a new report would make, given that Validation had found that Azerbaijan had failed against civil society requirements not related to the report. The Board could wish to set out its full corrective actions for assessment for a Secretariat Review once the report was out and had been analysed. Jonas also reminded the Board that Azerbaijan's MSG could at any time request a Secretariat Review of remedial actions. Finally, Jonas reminded the Board that its decision in Myanmar had been based on the assumption that the report would be published by the end of 2014. This had not happened and although the MSG had recently agreed May 2015 as the target date for publication, the deadline for publishing the report remained 31 December 2015.

The Chair informed Board members that a vote would be called for in the event that consensus could not be reached. Some Board members said that although it would be reasonable to defer a decision until the EITI report had been finished, they would be willing to accept downgrade for the sake of consensus. Others reiterated that Azerbaijan should be downgraded and suspended. Civil society representatives argued that civil society in Azerbaijan did not enjoy the basic liberties and space required by the EITI and that there had consequently been a manifest breach of the EITI's Principles. The corrective actions agreed by the EITI Board in Myanmar had not been completed. Azerbaijan should therefore be suspended. In the event that the Board was unable to agree on anything but downgrade, civil society would be willing to accept this as long as the decision was followed by strong corrective actions.

Jonas noted that the Board had already decided on corrective actions in Myanmar which could be added to the corrective actions that had been suggested by the Validation Committee, alongside further detail

related to the independence of CSO MSG members. It was agreed that any amendments to the corrective actions proposed by the Validation Committee be circulated to the Board for agreement through the Board minutes. Civil society argued that since the corrective actions decided in Myanmar had had no effect, the Board should agree on more specific corrective actions with clear penalties for failing to follow through on them. Jonas reminded the Board that it had undertaken a number of Validation exercises over the years that included corrective actions and that the penalties for failing to carry them out were clear in the Standard.

The Chair noted that there seemed to be consensus in favour of downgrading with strong corrective actions on the basis of those decided in Myanmar. Should Azerbaijan be unable to prove that these were fulfilled in 12 months, the Board would consider suspending Azerbaijan in accordance with the Standard. The Azeri participants were welcomed back to the room and informed of the Board's decision. Shahmar expressed his disappointment and said that he did not know what consequences this would have for the process in Azerbaijan. Gubad reiterated that civil society would respect any decision taken by the Board.

Actions

The Secretariat to circulate amended corrective actions as part of the minutes (attached).

The Chair to write to the Government of Azerbaijan to inform them of the Board's decision.

29-5-B Secretariat Review: Afghanistan

On behalf of the Validation Committee Mark Pearson introduced the paper. He noted that Afghanistan was the last country to be reviewed under the EITI Rules. The Secretariat Review had evaluated Afghanistan's remedial actions in respect to Requirements 9, 11, 12, 13, 14, 15 and 17. The Secretariat Review concluded that in spite of some good progress, the remedial actions were still unmet. The Validation Committee had not reached a consensus on a recommendation to the Board and instead outlined two options. Under the first option, Afghanistan would be suspended and the Board would decide on new corrective actions under the EITI Rules. Compliance would be verified through a Secretariat Review in 12 months. Under the second option, the EITI would amend the transitional arrangements and Afghanistan would transition immediately to the Standard. Compliance against the Standard would be verified through Validation in 18 months.

The Chair informed the Board that she had met President Ghani in December, who had expressed his strong commitment to the EITI. All Board members expressed their understanding of the difficult situation in Afghanistan and their appreciation for the renewed political support shown by the Government. A number of Board members spoke in favour of option two, noting the advantages of giving Afghanistan six more months to address past shortcomings and arguing that asking a country to issue an expensive report under rules that were not pertinent anymore defeated the purpose of the EITI. Civil society recognized the government's will to improve, but warned the Board against undermining the Standard by circumventing

the rules when there was a clear case for suspension. Although willing to agree on option two for the sake of consensus, civil society also noted that Afghanistan would go beyond its maximum candidature period and worried that a transition to the Standard at this time would set the country up to fail in 18 months. The Secretariat noted that there was precedence for a country to transition directly to the Standard, also beyond the maximum candidature period, and that Afghanistan was currently already drafting its report under the Standard with extensive assistance from supporters.

The Chair noted that there was general consensus in favour of option 2, transitioning Afghanistan to the Standard.

Actions

The Chair to write to the Government of Afghanistan to inform them of the Board's decision.

29-6 report from the Outreach and Candidature Committee

Marinke van Riet introduced the EITI Outreach Strategy for 2015 on behalf of the Outreach and Candidature Committee. The Committee recommended that the Board agree on the strategy, noting that it was an update of the 2014 strategy and drawing extensively on previous outreach strategies. Marinke reminded the Board of the importance of reaching out to other resource rich countries that had not yet committed to implement the EITI as well as to prospective supporting countries, companies, investors and civil society organisations. She highlighted the importance of the 7th EITI Global Conference as an important focal point for outreach efforts, particularly for countries in the immediate region. Finally, Marinke noted that the strategy reflected the significantly altered environment for the EITI as a consequence of lower commodity prices.

Some Board members suggested that the outreach strategy should take into account the growing size of the organization and do a better job of weighing the cost of outreach against the benefits expected from implementation in certain countries. They requested a more reasoned assessment of which countries to approach. Jonas explained that the strategy provided a triage tool when considering outreach efforts. The Chair requested that the Outreach Committee redraft the paper to include more information on the financial implications that this strategy would have for the secretariat and more focus on key priority countries.

Actions

Secretariat to redraft the Outreach Strategy with additional cost-benefit analysis and more focus on key priority countries.

29-7 Report from the Governance Committee

Alan McLean informed the Board that the Governance Committee had met on a number of occasions since the last Board meeting. Progress was being on the constituency guidelines, but more would be necessary by the different constituencies before these were finalised.

29-7-A Board Survey Consolidation

Alan thanked the Secretariat for facilitating the survey, which he believed had been a positive experience for all involved thanks to the general willingness to participate. He noted the helpful comments from those who had participated and informed the Board that these would be acted upon, including through the governance review. The Committee recommended that the Board members annually complete a survey like this one. Brendan commended the initiative and noted in particular the problem of committee members not showing up for committee meetings. He stressed that Board members should be aware of what the different committees would entail in terms of workloads and be held to their commitments to participate as committee members. He also highlighted the relationship between the Chair and the Board and the Chair and the Secretariat as an area where more work was needed. The need for committee members to participate in committee meetings was echoed by a number of Board members. Marinke stressed the importance of holding Board members to the Code of Conduct. Alan informed the Board that the findings of the survey would inform the committee's work with the governance review as the Board also moved forward on the discussions from the strategy review.

Actions

The Governance Committee to incorporate the findings of the survey into the terms of reference for the governance review.

29-7-B Terms of Reference for the Governance Review

Alan noted that some Committee members had further suggestions to the terms of reference for the governance review. He suggested that slightly revised terms of reference be submitted to the Board through Board circular for approval. Stuart supported engaging an external consultant but warned of the danger of bringing in somebody completely unaware of the EITI. Alan noted that the Governance Committee itself would oversee the review process and would ensure that the consultant remained focused on the task at hand. Board members agreed with the Committee's recommendations.

Actions

The work to identify a suitable consultant should begin.

The Secretariat to circulate updated terms of reference to the Board for approval via circular.

29-7-C EITI per diem policy

Alan reminded the Board of the review of MSG governance carried out by MSI Integrity, which included

among its organisations that the EITI should review its per diem policy. He drew the attention of the Board to the recommendations of the Secretariat with regards to regular monitoring of per diem policy by implementing countries and the possibility of making a reference to per diem policy in the Standard. Jonas noted that this has been an issue for a long time and urged action from the Board. Ali argued that countries should clearly define their policies on per diems. Brendan and Gubad noted that the MSI Integrity report included a number of other recommendations as well, including the accountability of national secretariats to national MSGs, and requested a more comprehensive approach to the recommendations in the report. Askia argued that this was a question pertaining to the sovereignty of individual states and outside the responsibility of the EITI. The Chair noted that there was agreement on the need to inform of per diem policies.

Actions

The Secretariat to implement the recommendations related to per diems.

29-8 Report from the Finance Committee

In David Diamond's absence Natalia Yantsen was invited to summarise the work of the Finance Committee and Board paper 29-8 2014 *EITI Annual Accounts and Q1 2015 Forecast*.

Natalia Yantsen informed the Board that in 2014, the EITI International Management had reached a result for the year as expected, close to breaking-even with revenue and expenditure of USD 5 million. This was slightly more than the budgeted amount of USD 4.6 million. Natalia explained that this overspend was matched by an increase in revenue due to a widening funding base, and that variances on expenditure were mainly due to higher than expected costs on communication and board meetings. The Committee had concluded that these accounts were in line with the audited figures and recommended their approval.

As concerned the 2015 budget, the Finance Committee was considering whether the reserve of USD 0.5 million was sufficient in light of the increase in staff numbers at the EITI Secretariat and associated liabilities. The Committee had also noted that the office relocation (within Oslo) would most likely happen at the end of 2015 and noted that the Global Conference would not have cost implications in 2015, as any costs incurred this year would be moved to 2016 under accruals accounting. Natalia also noted that despite the challenging economic conditions facing the company constituency, the Secretariat did not expect reduced contributions from oil and gas and mining companies for 2015.

The Board was informed of the changes to the reporting format from 2015, which should be more in line with accepted accounting practice. The new reporting format for 2015 would show costs by function and type, showing staff time dedicated to each function. In addition each quarterly report would include a balance sheet and a cash flow statement. This would enable improved financial control and ability to

forecast.

The Chair thanked Natalia and commended the Secretariat for its efforts to implement the recommendations from ICMM's peer review. Jim informed the Board that conversations with ICMM on funding continued.

Actions

The Board approved the accounts.

29-9 Report from the Audit Committee

In Dominic Emery's absence, Gubad introduced the report from the Audit Committee.

Gubad informed the Board that the Committee had reviewed the 2014 Annual Accounts and Management Letter from the Auditors. The committee met on 20 March and concluded that there were no objections or questions to the accounts or to the Auditors. The Committee noted that the audit report was compiled in line with Norwegian law and auditing procedures, and Gubad noted that no issues were identified as concerns for the Board. Gubad conveyed the Secretariat's wish for an open dialogue and recommendations for improvements to the financial procedures and routines of the International Secretariat. On behalf of the committee Gubad recommended that the Board approve the EITI 2014 audited accounts to be signed off by the Chair. The Board approved.

Actions

The Chair to sign off the EITI 2014 audited accounts.

29-10 2015 Board Meetings and Global Conference

Eddie recommended that the Board agree on the proposed dates of 23 and 24 February 2015 for the Global Conference. He noted that a number of the issues in the paper would become clearer as conversations continued with the Peruvian government. Jonas informed the Board that the new Minister of Mines and Energy, Rosa Maria Ortiz had written to confirm their firm commitment to hosting the conference in February. Alan suggested that the Board consider pushing the dates back in order to allow for a full discussion on strategy. It was acknowledged that this would be difficult due to Peru's Presidential elections scheduled for April 2016. Jim noted that a Conference Working Group was in place and stressed the mining constituency's willingness to help with whatever was needed in a mining country like Peru.

Actions

The Secretariat to communicate the Board's approval of the dates to the Government of Peru.

Any other Business

The Chair suggested moving the report from the Nominations Committee to the end. The Board discussed whether to have another Board meeting in December 2015, whether to extend the dates of the Board meeting planned for 21 and 22 October in Berne, or whether to conduct a hybrid using the World Bank's videoconferencing equipment. In-person joint committee meetings could also be considered. Board members noted that an extended Board meeting would not be as helpful, as the purpose of an extra meeting would be to enable the Board to make progress on a number of issues in the period October-December 2015. Shahmar invited the Board on behalf of the Government of Azerbaijan to plan a Board meeting in Baku in December. Gubad supported this proposal, noting that this would give the Board an opportunity to meet local stakeholders.

Jonas noted that there would be a number of issues related to the conference that would need to be discussed after Berne, not least in regards to nominations. Possible dates would be 8-10 December. He suggested that the Secretariat make a suggestion through Board circular for decision within the next month or so. In the meantime Board members were requested to take note of the proposed dates.

Actions

The Secretariat to make a suggestion through Board circular.

29-11 Report from the Nominations Committee

The Chair recused herself from the meeting. Stuart introduced the committee and presented the Draft Terms of Reference for the Nominations Committee and Chair of the Board Profile. He informed the Board that the Committee would recommend a timeline for committee activities, recommend search options for possible Chair nominees, recommend a description of the role of the Chair of the Board, issue a Call for Candidates to all EITI Board members to disseminate among their networks of contacts, invite all EITI stakeholders to submit names of possible candidates for consideration, make recommendations for any public advertisements for the position as applicable, review potential candidates, interview finalists and make a recommendation of candidate(s) to the Board, ideally at the October 2015 Board meeting.

The Committee recommended not using a headhunter, in part due to the cost implications, and Stuart asked Board members to actively use their network to approach possible candidates. Alan noted that the terms of reference should reflect the findings of the survey in regards to the relationship between the Chair and the Secretariat. The question of remuneration was also raised, and it was generally agreed that it would be necessary to be flexible on the subject. Jonas reminded the Board that the relationship between the Chair and the Secretariat was clearly stated in the Articles of Association.

The Board agreed to approve the terms of reference for the Committee and the Chair of the Board profile.

Participant List

Chair

The Rt. Hon. Clare SHORT

Countries

Implementing Countries

Mr Abdoul Aziz ASKIA, Permanent Secretary, Niger

Alt: **Mr Didier Vincent Kokou AGBEMADON**, Togo

Mr Florent Michel OKOKO, Chairman of the Executive Committee, Republic of Congo

Alt: **Mr Jeremy Mack DUMBA**, National Coordinator, Democratic Republic of Congo

Mr Gbehzohngar M FINDLEY, MSG Member, Former President Pro Tempore of the Liberian Senate, Liberia

Alt: **Mr Seth TERKPER**, Minister of Finance, Ghana

Mr Shahmar MOVSUMOV, Executive Director, State Oil Fund, Azerbaijan

Supporting Countries

Mr Mark PEARSON, Director General, External Relations, Science and Policy Integration, Natural Resources Canada, Canada

Alt: **Ms Mary WARLICK**, Principal Deputy Assistant Secretary of State, Bureau of Energy Resources, State Department, USA

Alt: **Mr Nico VAN DIJCK**, Advisor, Office of Economic Interests, Directorate-General for Bilateral Affairs, Ministry of Foreign Affairs, Belgium

Ms Maria Inmaculada MONTERO-LUQUE, Policy Officer, European Commission, Belgium

Alt: **Ms Marine de Carne DE TRÉCESSON**, Ambassador, Corporate Social Responsibility, Ministry of Foreign Affairs, France

Civil Society Organisations

Mr Gubad IBADOGLU, Senior Researcher, Economic Research Center, Azerbaijan

Alt: **Ms Natalia YANTSEN**, Director, PA "Tax Standards Formation", member of the NSG Kazakhstan from dialogue platform of NGOs and NGO Coalition "Oil revenues - under the control of society", Kazakhstan

Ms Faith NWADISHI, Executive Director, Koyenum Immalah Foundation/National Coordinator Publish What You Pay, Nigeria

Alt: **Mr Brendan O'DONNELL**, Oil Campaign Leader, Global Witness

Mr Ali IDRISSE, Coordinateur National du ROTAB PCQVP, Niger

Alt: **Mr Jean Claude KATENDE**, Président National de l'ASADHO, Association Africaine de Défense des Droits de l'Homme, coordinateur PCQVP, Democratic Republic of Congo

Ms Marinke van RIET, International Director, Publish What You Pay (PWYP)

Alt: **Mr Matthew BLISS**, Director Extractives, Cordaid, the Netherlands

Companies including investors

Mr Jean-François LASSALLE, Directeur Affaires Publiques, Total, France

Mr Stuart BROOKS, Manager, International Relations, Chevron

Alt: **Mr Guillermo GARCIA**, Head of Revenue Transparency, ExxonMobil

Mr Jim MILLER, Vice President, Environmental Affairs, Freeport-McMoRan, Copper&Gold

Ms Laurel GREEN, Chief Adviser Policy, External Affairs, Rio Tinto

Mr Alan McLEAN, Executive Vice President, Tax and Corporate Structure, Royal Dutch Shell

Alt: **Mr Dominic EMERY**, Vice-President, Long-Term Planning, BP

Alt: **Mr Manuel ADAMINI**, Special Advisor Responsible Investment, ACTIAM, Netherlands

Remote Participants

Mr Dominic EMERY, Vice-President, Long-Term Planning, BP

Mr Daniel KAUFMANN, President, Natural Resource Governance Institute (NRGI) - TBC

Board Secretary

Mr Jonas MOBERG, Head of EITI Secretariat, Oslo

Observers

Ms Zainab AHMED, Executive Secretary, EITI Nigeria (NEITI)

Mr Pascal ANDRIAMANAMBINA, DRC Manager, Natural Resource Governance Institute (NRGI)

Mr Luke BALLENY, EITI Co-ordinator, President's Office, International Council on Mining and Metals (ICMM), UK

Mr Alain-Brice BOUMPOUTOU, VP Total EP, Congo

Mr Kassongo BIN NASSOR, General Manager, External Relations, Freeport McMoRan/Tenke Fungurume, Democratic Republic of Congo (DRC)

Ms Jessica COLLINGWOOD, Policy Officer, Resources and Energy Section, Economic Engagement Branch, Trade and Economic Diplomacy Division, Department of Foreign Affairs and Trade, Australia

Ms Diana CORBIN, Senior Operations Officer (Donor Relations), Energy and Extractives Global Practice, World Bank

Ms Saskia DE LANG, Ambassadeur de l'Union Européenne, Republique du Congo

Mr Paulo DE SA, Practice Manager, Energy and Extractives Global Practice, World Bank

Mr Stephen B DORBOR, Deputy Minister for Planning, Research & Human Resource Development / Proxy-Chairperson LEITI Multi-Stakeholders Steering Group, Liberia

Ms Amelia EVANS, Co-Founder and Researcher, Institute for Multi-Stakeholder Initiative Integrity, New Zealand

Ms Nima FALLAH, Energy and Extractive Industries Unit, World Bank

Ms Siri FARSTAD, Manager Corporate Sustainability, Statoil, Norway

Mr Farid FARZALIYEV, National Coordinator, EITI Azerbaijan

Mr Emmanuel FREUDENTHAL, Campaigner, Global Witness, Democratic Republic of Congo

Mr Nicholas GARRETT, Director, RCS Global

Mr Henri GEBAUER, Advisor to the International Conference on the Great Lakes Region (ICGLR), Burundi

Mr Dylan GÉLARD, Policy officer, Extractive Industries Transparency, Ministry of Foreign Affairs and International Development, France

Mr Greg GOULD, Director, Office of Natural Resources Revenue, U.S. Department of the Interior

Mr Andrew GOWERS, Head of Corporate Affairs, Trafigura PTE, Geneva

Mr Nils Hedberg GRIMLUND, Desk Officer, Ministry for Foreign Affairs for International Trade Policy, Sweden

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Mr Jurriaan J. JONGSMA, Legal Counsel, Shell

Mr Thierry KABAMBA, Head, ITIE Katanga, Democratic Republic of Congo

Mr Dona KAMPATA, CTCPM Coordinator, Ministry of Mines, Democratic Republic of Congo

Mr Korna D KARMO, Head, EITI Liberia

Ms Asmara KLEIN, EITI Programme Coordinator, Publish What You Pay (PWYP), UK

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Mr Traore MODIBO, Chief Natural Resource Management Officer, Africa Natural Resource Centre, Ivory Coast

Ms Katia MOUNTHAULT-TATU, Public and Government Affairs Manager, EITI Congo Executive Committee, Chevron, Republic of Congo

Mr Paul MUSSENDEN, Deputy Assistant Secretary, Natural Resources Revenue Management Policy, Management and Budget, Department of the Interior, US

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Ms Erica WESTENBERG, Senior Governance Officer, Natural Resource Governance Institute (NRGI)

Mr Jim WISNER, Managing Director, Chevron, Republic of Congo

EITI International Secretariat

Mr Bady BALDE, Regional Director

Mr Sam BARTLETT, Technical Director

Mr Wouter BIESTERBOS, Regional Director

Ms Leah KROGSUND, Administrative Manager

Mr Eddie RICH, Deputy Head of Secretariat

Ms Dyveke ROGAN, Regional Director

Mr Pablo VALVERDE, Country Manager

Annex A: Board decisions on country status and extension requests

Board decision on Azerbaijan

Having assessed Azerbaijan's final Validation report dated 6 March 2015, the Board finds that Azerbaijan is not Compliant with the EITI Standard but has made meaningful progress in implementing the EITI. The Board agreed with the Validator that not all requirements were met and has established corrective actions regarding Requirements 1.3.b-e (civil society engagement), 1.4 (workplan), 6.1 (public debate) and 7.2 (impact). In particular, the Board expressed concern that there had not been progress on the three requested remedial actions related to civil society participation. The Board concluded that in the absence of an approved 2013 EITI Report, it was not possible to assess compliance with requirements 2, 3, 4, and 5.

In accordance with Requirement 1.6.b of the EITI Standard, the Board designates Azerbaijan as a Candidate country and tasks the International Secretariat with undertaking a Secretariat Review, assessing compliance with required corrective actions set out below and outstanding requirements within 12 months (i.e., by 15 April 2016). Failure to achieve compliance with these EITI Requirements and outstanding corrective actions by this date will result in suspension or delisting in accordance with the EITI Standard. The Secretariat Review should also update the Validator's assessment of the draft 2013 EITI Report in order to enable the Board to assess requirements 2, 3, 4, and 5.

The Board established the following corrective actions that need to be addressed in order for Azerbaijan to achieve compliance with the EITI Requirements:

1. *In accordance with Requirement 1.3.b-e and the protocol on civil society participation in the EITI, the government and the MSG should ensure that civil society representatives who are substantively involved in the EITI process are able to*
 - a. *engage in public debate related to the EITI process and express opinions about the EITI process without restraint, coercion or reprisal.*
 - b. *operate freely in relation to the EITI process. This should include ensuring that the civil society MSG members are operationally and in policy terms independent of government and companies. In making this assessment, the Secretariat Review is expected to cite evidence of any civil society constituency discussions or agreed consistency policies related to ensuring policy and operational independence from members of parliament from the ruling party, other political parties aligned with the government, or extractive companies; Evidence that any potential conflict of interests or issues affecting civil society MSG members' independence have been transparently disclosed; and that the details about the articles of association, objectives, work programmes and funding sources of civil society organisations represented on the MSG are transparently disclosed. The government and the MSG should also take steps to ensure that civil society representatives substantively engaged in the EITI process are able to freely access and use funding to carry out their activities, including those of the EITI Coalition. Specifically, the government should ensure that the EITI Coalition and its members and employees are able to access their bank accounts and register new grants for the purpose of activities related to the EITI process and natural resource governance, and any further restrictions on NGO operations in natural resource governance should be avoided.*

- c. *communicate and cooperate with each other regarding the EITI process.*
 - d. *be fully, actively and effectively engaged in the design, implementation, monitoring and evaluation of the EITI process. The government and the multi-stakeholder group should take steps to ensure that civil society representatives substantively engaged in the EITI process are able to organise training, meetings and events related to the EITI process and natural resource governance.*
 - e. *speak freely on transparency and natural resource governance issues, and ensure that the EITI contributes to public debate. The government and the multi-stakeholder group should take steps to ensure that civil society representatives substantively engaged in the EITI process are able to speak freely about the EITI process and express views on natural resource governance without fear or threat of reprisal or harassment of civil society members substantively involved in the EITI process. Specifically, the government should ensure that the Coalition is able to freely access space for public events related to the EITI and facilitate public awareness campaigns and debates related to the EITI process and natural resource governance.*
2. *The MSG should agree a fully costed workplan that sets out objectives for implementation linked to national priorities for the extractive sector (Requirement 1.4.a).*
 3. *In accordance with Requirement 6.1, the MSG must ensure that the 2013 EITI Report contributes to public debate.*
 4. *In accordance with Requirement 7.2.a, future annual activity reports must include an assessment of progress with achieving objectives set out in the workplan, including the impact and outcomes of the stated objectives.*

The Board also tasked the International Secretariat with updating the Validator's assessment of the draft 2013 EITI Report in order to enable the Board to assess compliance with Requirements 2, 3, 4 and 5.

Board decision on Afghanistan

The EITI Board agreed that Afghanistan had made meaningful progress towards achieving compliance with the 2011 EITI Rules, but that Requirements 9, 11, 12, 13, 14, 15 and 17 remain unmet.

The Board expressed concerns with the delays in achieving comprehensive EITI Reporting, and considered suspending Afghanistan in accordance with the agreed transitional procedures. However, noting that this implied establishing further corrective actions under the superseded EITI Rules, the Board agreed to amend the transitional arrangements so that Afghanistan would accelerate its transition to EITI implementation under the EITI Standard.

The Board noted that this decision resulted in all 48 implementing countries completing their transition to the EITI Standard and the conclusion of Validations and Secretariat Reviews under the EITI Rules.

Afghanistan's compliance with the EITI Standard will be verified through Validation commencing no later than 15 October 2016. Afghanistan will remain a candidate during this period. Based on the findings from Validation, the Board will reassess Afghanistan's status in accordance with Requirement 1.6b.

In taking this decision, the EITI Board noted the challenging circumstances facing Afghanistan and recognized the renewed commitment to the EITI expressed by the Government of Afghanistan. The EITI Board also noted the progress made to reduce discrepancies and to improve the internal functioning of the multi-stakeholder group. The EITI Board encouraged Afghanistan to build on these achievements and called on the government and multi-stakeholder group to ensure compliance with the EITI Standard as soon as possible.

Board decision on Liberia

Liberia is eligible for extensions to its reporting deadline and the commencement of Validation. The reporting deadline is extended to 31 December 2015. The Validation is extended, with Validation commencing on 1 January 2016. If the outstanding 2012/13 EITI Report is not published by 31 December 2015, Liberia will be suspended. The suspension will not be lifted until requirement 2 is met (i.e. a 2013/14 EITI Report by 30 June 2016). If the suspension is in effect for more than one year the EITI Board will delist Liberia.

Board decision on Tajikistan

Tajikistan is ineligible for an extension and is suspended effective 15 April 2015. In accordance with the EITI Standard, the suspension will be lifted if the EITI Board is satisfied that the outstanding EITI Report is published within six months of the deadline (i.e. by 26 August 2015). If the outstanding EITI report is not published by 26 August 2015, the suspension will remain in force until the EITI Board is satisfied that the country has met requirement 2 (i.e., published an EITI Report covering data no older than the second to last complete accounting period – e.g. the 2013 EITI Report is published by the end of 2015). If the suspension is in effect for more than one year the EITI Board will delist Tajikistan.