

Minutes of the 3rd EITI Board Meeting Parkveien 45, Oslo, Norway, 27 September 2007

Chairman

- Peter EIGEN

Board Members

- Pedro AGUIRRE, PEMEX
- Bolat AKCHULAKOV, Vice Minister of Energy and Mineral Resources, Government of Kazakhstan
- Humphrey Assisi ASOBIE, Transparency International Nigeria
- Edward BICKHAM, Anglo American
- Stephen GALLOGLY, Government of the USA
- Gavin HAYMAN, Global Witness
- John KELLY, ExxonMobil
- William KINGSMILL (Acting in place of Mark LOWCOCK), Government of the UK
- Adolf KLOKE-LESCH, Government of Germany
- Karin LISSAKERS, Revenue Watch Institute
- Karina LITVACK, F&C Asset Management
- Siyan MALOMO, NEITI, Nigeria
- Paul MITCHELL, International Council on Mining and Metals
- Carlos MONGE, Grupo Propuesta Ciudadana, Peru
- Shahmar MOVSUMOV, Government of Azerbaijan
- Christian MOUNZEO, Coordinator PWYP Congo
- Fibebe NTISSI, Government of Gabon
- Mike WILKINSON, Shell

For working dinner only: Sid Mohamed NABE, Executive Secretary of the EITI, Guinea

Alternates

- Alfred Bagueka ASSOBO, Government of Cameroon
- Anton ARTEMYEV, Revenue Watch Kazakhstan
- Stuart BROOKS, Chevron
- Milas Evangelista DE SOUSA, Petrobras
- Tormod Cappelen ENDRESEN, Government of Norway
- Bennett FREEMAN, Oxfam America
- Jean Francois LASSALLE, Total
- Olivier LOUBIÈRE, AREVA
- Gilbert MAOUNDONODJI, GRAMPTC
- Kalia MOLDOGAZIEVA, Human Development Centre Tree of Life - Kyrgyz Republic
- Radhika SARIN, Publish What You Pay
- Jean-Pierre VIDON, Government of France

Observers

- Paulo DE SA, World Bank
- Richard DION, Shell
- Daniel GRAYMORE, Government of UK
- Brenda HAENDLER, Government of USA
- Mary HUNT, Government of UK
- Mora JOHNSON, Government of Canada
- Assemgul KHAMZINA, Government of Kazakhstan
- Kamilla KOLSHUS, Government of Norway
- Delphine LIDA, Government of France
- Ron LYEN, Government of Canada
- Adil MAMMADOV, Government of Azerbaijan
- Eleodoro MAYORGA-ALBA, World Bank
- Anwar RAVAT, World Bank
- Stan RERRI, NEITI, Nigeria
- Carlos SANTISO, AfDB
- Jon SHIELDS, IMF
- Bernard TRAUTNER, Government of Germany

Special Guest (invited for lunch and special press conference)

Erik SOLHEIM, Minister of International Development, Government of Norway

Secretariat

- Sam BARTLETT
- Ingunn DAHLE
- Randal FISCHER
- Naomi GIRARDEAU
- Anders Tunold KRÅKENES
- Leah KROGSUND
- Jonas MOBERG, Head of the Secretariat
- Francisco PARIS
- Wendy RAYMOND
- Eddie RICH
- Pablo VALVEVERDE

Welcome and Introductions

The Chair opened the meeting by thanking the Norwegian Government for their hospitality and welcoming new members of the Board.

Secretariat update (Board paper 3-2)

The Chair thanked DFID for hosting the Secretariat and assisting in the transition. He outlined the progress of the Secretariat as set out in the paper. He informed the Board that a list of 7 companies had been established to undertake validation.

Action:

It was agreed that the next update to the Board would include updates beyond the actions of the Secretariat, especially on outreach and country implementation work, but that this would require input from all stakeholders. For example, the **World Bank** committed to (i) share work program drafts with the EITI Secretariat before they are sent to MDTF donors twice a year; and (ii) share country status reports with the EITI Secretariat four times a year; and (iii) as far as possible, align the timing and venue of the MDTF management committee meetings with EITI Board meetings.

The **Secretariat** will appoint a facilitator of the Validation committee and provide a detailed procedural note on use of validators by 16th October.

The workplan for 2008 would be presented to the Board by the Secretariat before the end of 2007.

The **Secretariat** will attach a more detailed budget to the workplan, with revenue as well as expenditure. They will also send out requests for voluntary contributions from constituency representatives.

Pre-validation (Board paper 3-3)

The Chair introduced this paper. Pre-validation was described as a "road test" for the validation process, by enabling the Board to focus on the manner in which it fulfilled both the spirit of validation and the letter of the IAG Source Book, and also struck the right balance between inclusiveness and the need to set sufficiently high standards.

The Board agreed that 15 countries are now considered candidate countries and can proceed to implementation. These are Azerbaijan, Cameroon, Gabon, Ghana, Guinea, Kazakhstan, Kyrgyzstan, Liberia, Mali, Mauritania, Mongolia, Niger, Nigeria, Peru and Yemen. These countries will now have two years to undertake a validation to establish whether they are fully compliant.

For a further group of nine countries, the Board agreed that additional information was required by the end of 2007 before a decision about candidate status could be considered. These were: Chad, Democratic Republic of Congo, Equatorial Guinea, Madagascar, Republic of Congo, Sao Tome and Principe, Sierra Leone, Trinidad and Tobago, and Timor-Leste. Additionally, Bolivia and Cote d'Ivoire were assessed as not having met the standard and would invited to begin the process again. The Board also agreed that this "undetermined" status is a one-off and will not to be extended beyond the end of the year.

In designating these nine countries as indeterminate in having met the requirements for Candidate status, the Board recognised that the interpretation of Indicator 4 had been inconsistently communicated to some countries in its correspondence earlier in the year. While the Validation Guide was unambiguous in its Indicator Assessment Tool of indicator 4, its letters to some countries referred to the Validation Guide, but did not explicitly remind countries to seek civil society approval for their workplans. As a result, in order to recognise the fact that the 15 countries noted above had fully met the letter and spirit of the Candidate status requirements, and to safeguard the consistency of the EITI standard, the Board decided to give the nine countries an additional three months to meet the requirements of the four sign-up indicators.

The Chair described the agreement to move ahead with the 15 countries as an “historic milestone” in the development of the EITI.

The Norwegian Minister of International Development, Erik Solheim, joined the meeting briefly to announce that the Government of Norway would implement the EITI. This makes Norway the first developed country to announce that it will not only support the EITI and the implementation of the initiatives elsewhere, but that will also itself implement it. The Board welcomed this decision, and expressed the hope that this would make it easier to attract potential Implementing Countries, some of which have previously objected to being subjected to more demanding standards of transparency than those that apply to resource-rich Supporting Countries.

Action:

Drawing on inputs from Board members, the **Secretariat** will write to all candidate country Governments to invite them to take the necessary next steps to become fully Compliant; to the group of nine to seek the necessary further required information and action; and to Bolivia and Côte d’Ivoire to encourage them to begin the process of pre-validation again.

The **Secretariat** will publish a press release announcing the above decisions.

The **Secretariat** will clarify the wording relating to indicator 4 to emphasise the unequivocal need to agree the workplan with all stakeholders.

The **Secretariat** will, in the future, be expected to make assessments of whether countries have met the four sign-up indicators and will submit proposals for candidate status to the Validation committee.

Governance Issues (Board paper 3-4)

The US Government Representative introduced this paper as chair of the ‘Decision-Making Committee’. The Board agreed to all recommendations made by the Committee.

Action:

The **Board** agreed to rename the Decision-Making committee the ‘Governance Committee’.

The third recommendation (bullet 1) was slightly amended to read: ‘That each constituency nominates one of their Board members to act as stand-in chair after initial choice by lot and rotation thereafter’.

Legal Entity (Board papers 3-5 and 3-6)

This paper was introduced by the Norwegian Government. There followed a debate as to whether the establishment of the EITI as a legal entity increased or decreased individual members and individuals’ legal liability. It was agreed that the **Governance Committee** has a duty to consult actively with the Chair on all matters and to invite him to attend as appropriate.

Action:

The **Government of Norway** will seek legal advice, consult with the US Government and investigate articles of similar associations. The Government of Norway will then report back to the Governance Committee.

UN General Assembly Resolution

The representative of the Government of Azerbaijan updated the Board on progress on the General Assembly Resolution on the EITI. This has already been distributed in draft to all delegations in New York and has had strong support from Northern countries, but developing country delegations have remained disappointingly quiet – especially the Africans. The Board expressed the hope that the Norwegian government’s announcement that it will implement EITI would encourage more developing country support, and voiced support for a campaign to increase support, to involve the Chair and the Secretariat. It is anticipated that this will be tabled at the end of the year or beginning of next. The Chair thanked the Government of Azerbaijan for its leadership on this and noted that November’s G20 meeting and the possible conference on the extractive industries on the eve of that meeting would be good opportunities to increase the intensity of the campaign.

Role of Transparency and Governance in Sovereign and Quasi-Sovereign Credit Quality

Karina Litvack and Karin Lissakers informed the Board of a meeting the following week to discuss what the investor community wants to see from transparency to affect credit and debt ratings. The Board agreed that terms of reference needed to be developed for a committee on mainstreaming the EITI, which would include this area of work.

The Board is scheduled to meet again on 18-19 February 2008. Venue of that board meeting and the EITI Conference later in 2008 are to be proposed by the Secretariat.

Action Points

It was agreed that the next update to the Board would include updates beyond the actions of the Secretariat, especially on outreach and country implementation work, but that this would require input from all stakeholders. For example, the **World Bank** committed to (i) share work program drafts with the EITI Secretariat before they are sent to MDTF donors twice a year; and (ii) share country status reports with the EITI Secretariat four times a year; and (iii) as far as possible, align the timing and venue of the MDTF management committee meetings with EITI Board meetings.

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EITI Secretariat
19 October 2007