

EITI International Secretariat

Board Decision on the Second Validation of Mali

Reference: 2019-47/BM-43

Mali has made meaningful progress in implementing the 2016 EITI Standard, with considerable improvements.

1. Recommendation

The EITI Board agrees that Mali has partly addressed the corrective actions from the country's first Validation. Consequently, Mali has made meaningful progress overall with implementing the EITI Standard, with considerable improvements across several individual requirements.

The Board recognises Mali's efforts to use the EITI to as an annual diagnostic of government systems in challenging circumstances linked to country's political and security fragility. Mali's EITI implementation is recognised as having led to tangible reforms in the country's public financial management, tax administration and tax policy.

The Board notes that, while the EITI's requirement on subnational transfers is not applicable to Mali in the years under review, stakeholders have gone beyond the EITI Requirements in using EITI reporting as a means of ensuring greater transparency and accountability in the public financial management of extractives revenues, particularly with the redistribution of taxes to local governments, to meet robust popular demand for this information.

While recognising improvements in the multi-stakeholder group's (MSG) oversight of implementation, the Board encourages Mali to strengthen the accountability of MSG representatives to their respective constituencies. Mali is also encouraged to strengthen its use of EITI as a diagnostic of license allocations and transfers, while adopting a more systematic approach to following up on recommendations and assessing impact. The Board encourages Mali to explore opportunities to improve government and company disclosures through systematic disclosures of data required under the EITI Standard.

*The Board has determined that Mali will have **12 months, i.e. until 17 June 2020** before a third Validation to carry out corrective actions regarding MSG oversight (1.4), license allocations (2.2), discrepancies and recommendations from EITI Reports (7.3), outcomes and impact of EITI implementation (7.4). Failure to achieve meaningful progress with considerable improvements across several individual requirements in the third Validation will result in suspension in accordance with the EITI Standard. In accordance with the EITI Standard, Mali's MSG may request an extension of this timeframe, or request that Validation commences earlier than scheduled.*

2. Assessment card

EITI Requirements		Level of progress					Direction of Progress
Categories	Requirements	No progress	Inadequate	Meaningful	Satisfactory	Beyond	
Mali Second Validation scorecard							
MSG oversight	Government engagement (#1.1)				█		=
	Industry engagement (#1.2)				█		=
	Civil society engagement (#1.3)				█		=
	MSG governance (#1.4)			█			→
	Work plan (#1.5)				█		→
Licenses and contracts	Legal framework (#2.1)				█		=
	License allocations (#2.2)			█			→
	License register (#2.3)				█		→
	Policy on contract disclosure (#2.4)				█		=
	Beneficial ownership (#2.5)						
	State participation (#2.6)				█		=
Monitoring production	Exploration data (#3.1)				█		=
	Production data (#3.2)				█		=
	Export data (#3.3)				█		=
Revenue collection	Comprehensiveness (#4.1)				█		→
	In-kind revenues (#4.2)						=
	Barter agreements (#4.3)						=
	Transportation revenues (#4.4)						=
	SOE transactions (#4.5)						=
	Direct subnational payments (#4.6)						=
	Disaggregation (#4.7)				█		=
	Data timeliness (#4.8)				█		=
	Data quality (#4.9)				█		→
Revenue allocation	Distribution of revenues (#5.1)				█		=
	Subnational transfers (#5.2)					█	→
	Revenue management & expenditures (#5.3)						
Socio-economic contribution	Mandatory social expenditures (#6.1)				█		=
	SOE quasi-fiscal expenditures (#6.2)						=
	Economic contribution (#6.3)				█		=
Outcomes and impact	Public debate (#7.1)				█		→
	Data accessibility (#7.2)						
	Follow up on recommendations (#7.3)			█			→
	Outcomes & impact of implementation (#7.4)			█			→
Overall Progress	Meaningful progress, with considerable improvements			█			→

Legend to the assessment card

	No progress. All or nearly all aspects of the requirement remain outstanding and the broader objective of the requirement is not fulfilled.
	Inadequate progress. Significant aspects of the requirement have not been implemented and the broader objective of the requirement is far from fulfilled.
	Meaningful progress. Significant aspects of the requirement have been implemented and the broader objective of the requirement is being fulfilled.
	Satisfactory progress. All aspects of the requirement have been implemented and the broader objective of the requirement has been fulfilled.
	Beyond. The country has gone beyond the requirement.
	This requirement is only encouraged or recommended and should not be taken into account in assessing compliance.
	The MSG has demonstrated that this requirement is not applicable in the country.

3. Corrective actions

The EITI Board agreed the following corrective actions to be undertaken by Mali. Progress in addressing these corrective actions will be assessed in a third Validation commencing on **17 June 2020**:

1. In accordance with Requirement 1.4, Mali should ensure that the procedures for nominating and changing EITI multi-stakeholder group representatives are public and implemented in practice. Mali is encouraged to ensure that effective outreach activities are undertaken with civil society groups and companies, including through communication such as media, website and letters, informing stakeholders of the government's commitment to implement the EITI, and the central role of companies and civil society. Members of the MSG are strongly encouraged to liaise with their constituency groups on a regular basis, and to consult broadly on EITI documents, including the annual progress report, the work plan, and the EITI Report.
2. In accordance with Requirement 2.2.a, Mali should ensure that the awards and transfers of mining, oil, and gas licenses during the year are publicly disclosed annually, highlighting the process for awarding and transferring licenses, including technical and financial criteria, and any non-trivial deviations from the applicable legal and regulatory framework governing license awards and transfers.
3. In accordance with Requirement 7.3, Mali should introduce a systematic and structured mechanism to track follow-up on recommendations from EITI Reports and from Validation, with a clear timeframe and clear responsibilities for follow-up. Mali should also take a more proactive role in formulating its own recommendations. Mali should ensure that the next annual progress report and EITI Report provide a detailed summary of progress in

implementing recommendations from EITI Reports and Validation.

4. In accordance with Requirement 7.4.a.iv, Mali should include an assessment of progress with achieving the objectives set out in its work plan, including the impact and outcomes of the stated objectives. Mali may wish to conduct a dedicated assessment of the impact of EITI implementation in Mali.