



Ethiopian Extractive Industries Transparency Initiative (EEITI) work plan for the year

2019

Addis Ababa, Ethiopia

Outline of the Work plan

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Executive Summary

2019 Ethiopian Extractive Industries Transparency Initiative work plan has developed after evaluation was made thoroughly against the past years EEITI implementation processes which include the achievements and challenges during the implementation period, gaps and recommendations indicated by independent administrator, findings from the study made and national scenarios scanned as both positive and negative factor during the implementation period. In connection with that, some of the new environment created due to the national transformational movement started across the country will be an opportunity to strengthen the transparency & accountability in the extractive sector and at the same time some potential resistance that would arise in a few circumstances also seen as a threat for the planning year. Considering and taking into account these two scenarios, the activities planned for the 2019 are focused on key strategic areas which include: Enhancing stakeholders commitment through oversighting, Reviewing legal and institutional legal frames, organizing exploration production and export data, methods of better revenue collection and management and social expenditure transparency.

This work plan has consulted among different stakeholders and considers key concerns with regard to the implementation period, roles and responsibilities among tripartite groups and potential constraints of the resources.

Summarized achievements of the year 2018 Work plan

Despite of the difficulties we had for the last two and three years, EEITI implementation was gone well through the active follow up and oversighting by the MSBs together with well organized engagement of the public entities, Industries and Civil society's organizations at all level. To mention some of these; stake-holder workshops or awareness creation, efforts for capturing mining and mining related data, publishing and disseminating documents for different stakeholders, continuous facilitation for MSB meeting which was conducted in most cases in a monthly based, producing annual progress report, two consecutive EEITI reports producing; facilitation of the precondition and interaction with regard to validation, are some of the visible achievements.

Background

Since the candidacy of 2014, EEITI MSB produced three consecutive EITI report and received the first draft validation report findings. EEITI report produced for the last three reporting period covers both mining and petroleum companies and government entities required to report as decided by the board. The finding of three reports indicates that, data management capacity at government and company level, commitment for transparency in the extractive sector, sectors contribution to the national economy is still minimal. Of course, Ethiopia's economy is not fully relying on the extractive sector. As an indication, the extractive sector contribution was accounted for only **0.7 - 0.8 % GDP** and not more than 10% export earnings for the last two years. In addition to that, currently active and major companies actively engaged in extracting mines and generating revenues in the form of royalty, taxes and community development are not more than 10. This doesn't mean less attention was given to the extractive sector by government. However, some of the internal difficulties that the country faced for the last two years were basically affect the companies operation more importantly those engaged in producing gold, tantalum and marbles

It is oblivious that currently the country is a significant producer of cement; crushed stones, gemstones and holds deposits of coal, tantalum, iron, nickel, oil and gas, potash and phosphates. Apart from these, there is extensive artisanal and small –scale mining (ASM) extraction focused on gold, tantalum and gemstones. This sector is creating direct job opportunity for more than 1 million people. However, the country has still left back in managing the natural resource in general and solid mineral in particular.

According to the 2017 Resource governance Index from the Natural Resource Governance Institute (NRGI), Ethiopia scored 40 out of 100 points and ranked 57th of 89 across the world and ranked 17th of sub-Saharan countries assessed in the index. One of the big picture that the EEITI looking is to rigorously working in addressing this big gap and due attention is given to all the activities identified for the plan year.

Although the priority is to the agriculture, the government is committed to rise up extractive sector contribution from the current very minimal to 30% GDP in the coming few years. To achieve this very ambitious target, the ministry has reorganized and restructured as mines and petroleum ministry at federal level and working to push regional governments to establish the same structure to align related activities as a strategic issue. Apart from this, promising oil test resumed by oil companies, legal reform going on in different entities including CSO proclamation to create

conducive environment for stakeholder engagement, strict restructuring and controlling effort started by the new reforming leaders, the growing interest of communities in general and mining communities in particular to react on the natural resource governance are some of the courageous activities for the future brightness to implement EEITI.

Therefore, 2019 EEITI work plan would take in to account all the ambition of the Government and community feelings and tried to identify the focused national priority areas and set objective and activities in line with EITI Requirements.

National priority

- enhancing key stakeholders' engagement and strengthen integration among federal and regional governments in the Extractive sector;
- reviewing the legal and Institutional legal frames to scale up transparency and accountability in the extractive sector and increase revenue generated from Extractive Industries;
- Build trust among all relevant stake holders including local communities to put in place collective natural resource governance through organizing and disclosing all the relevant data's in accessible way;

Objectives

- To Ensure free, active and Independent engagement of stake holders in over sighting and managing EEITI governance;
- To Review and improve any legal and institutional barriers that affect transparency, stake holder engagement, and revenue management;
- To improve data reliability, date quality data accessibility and public dialogue;

Tasks and Actions For 2019

I/ Enhancing Multi Stakeholder Commitment through Over sighting:-

Government Engagement

1. Upgrade the representation of high level decision makers from relevant federal and Regional government organizations in the MSB;
2. Review the operational structure of the Regional extractive sector and propose accommodative approach/option for better data management & disclosing system;
3. Conduct a serious familiarization & mainstreaming of EEITI implementation to newly formed or restructured government organizations at both federal & regional level;
4. Develop a strategy to linkup among relevant federal and Regional government organizations working on Extractive and related sectors & encourage to startup systematic disclosure;
5. Facilitate/ create conducive environment for the engagement of the natural resource standing committee of the parliament on the strategic issues of the EIs,

Company Engagement

6. Review and ensure the inclusive and proper Representation of SOE and private mining and oil companies in the MSB through regular refreshment process;
7. Arrange a platform of companies for a regular consultation on extractive sector laws, CSR issues, BOs, company challenges and EEITI report findings to ensure companies open dialogue & active participation;
8. Facilitate precondition for the establishment of chamber of mines and petroleum companies to maximize companies' engagement in all extractive sector business;
9. Conduct an assessment on challenges facing companies with regard to EEITI implementation and develop & apply redressing mechanisms;

Civil Society Organizations Engagement

10. Facilitate precondition for the proper representation of CSOs in the MSB through regular & independent refreshment process;
11. Facilitate free and active participation of CSOs in EEITI implementation through expanding their constituency among all interested CSO;
12. Conduct a regular review and follow up on the approval of a new CSO law and ensure its implementation;
13. Disseminate copies of CSO laws for EEITI supporting local and international entities to create linkup with EEITI;

14. Facilitate and establish platforms for specific CSO constituencies that encourage their full, free and active engagement in EEITI implementation process and to see the outcome and impacts of EEITI implementation,
15. Conduct an assessment on challenges facing CSOs to implement EEITI related activities and develops and apply redressing mechanisms;
16. Organize inclusive public debates on the findings of EEITI report and compile and disseminate proceedings to the mining communities and relevant entities & ensure their free engagement in the natural resource governance;
17. Undertake outreach activities in the selective mining areas to raise awareness on the inclusive rights of the communities, roles & responsibilities of companies & government organizations as well;
18. Engage the CSO constituency in designing and implementing the work plan, monitoring and evaluating the implementation process, disseminating EEITI reports and full participation in initiating the legal frames for EIs;
19. Conduct a review/an assessment on social payment by companies to community development and ensure the proper allocation and practical utilization of the resources is giving the room/space for communities to participate;

Collective Engagement & Governance of MSGs

20. Enhance regional stake holders' involvement in the national EEITI governance process and expand composition of EEITI council (MSG),
21. Follow up and ensure the enactment of EEITI Act by the parliament or council of Ministers,
22. Oversight and make sure that, stake holders' outreach is organized by tripartite entities on the findings of EEITI reports and validation to ensure brooder engagement and understanding;
23. Discuss and approve costed annual work plan, appointment of IA, TOR and EEITI reports, through the active engagement of relevant stake-holders initiated by MSG,
24. Conduct biannual review meeting to assess implementation status of the EEITI work plan,
25. Identify and discuss the legal or regulatory issues including beneficial ownership disclosure that challenge EEITI implementation in the extractive sector and related entities and initiate remedial consultation process with appropriate stakeholders;
26. Engage in domestic and external resource mobilization to implement EEITI activities,

27. Evaluate and make sure that the EEITI work plan and EEITI reports and its findings are available to appropriate stake holders through web-site and as published materials;
28. Establish technical team accountable to the board with clear TOR to determine their roles and responsibilities in supporting the national secretariat and the Board and evaluate the progress periodically;
29. Organize Beneficial Ownership information of the companies and politically exposed persons and disclose as of January 2020,
30. Arrange short and on job training for the staff of the secretariat on IT, data base developing and management and communication skills.
31. Organize experience sharing and learning tour (in or outside) for the staff twice a year.
32. Update the MSB on the new working and implementation procedures of EITI;
33. Arrange workshop for regional mining bureaus, revenue authority, finance, environment, audit, Universities, media and other appropriate institutions on data organizing, management, reporting and natural resource governance twice a year.
34. Acknowledge and recognize reporting entities for meeting the deadline and the requirements.
35. Work out to establish licenses register together with reporting entities;
36. Facilitate preconditions for the grant II financial auditing
37. Facilitate a quarter based MSB meeting

II/ Reviewing Legal and Institutional frame work

38. Produce the summary information of fiscal regime, rules and regulation of government organizations related to the extractive industries and up load on the EEITI web-site;
39. Review, organize and develop summary document of mining and petroleum companies on license awarding process, key contract terms entered in to together with full text and transfer process including the technical and financial criteria and up load on the EEITI web-site;
40. Follow-up the new cadastre developing process and ensure that necessary license information's are considered, (Req. 2, 3, b)
41. Review Beneficial Ownership road map developed by 2017and make sure that it is Consistent, and exhaustive with new EITI standard,

42. Assess the transaction process and relationship of SOEs with Government organizations and identify the rules and practices of governing financial transfers, retained earnings, reinvestment and third party financing,

III/ Exploration, production and Export Data

43. Develop data base of the exploration, production and exported commodities project by project and disclose through the annual EEITI report;

IV/ Revenue collection

44. Develop EEITI reporting scope consisting of companies and revenue streams, payment/materiality threshold and arrange discussion meeting for MSB to decide on the inclusiveness of the 2016/17 report;
45. Develop TOR for 2016/17 EEITI Report and Independent administrator (IA) and;
46. Facilitate preconditions and provide continuous support for IA & Ensure that the 2016/17 EEITI report produced by an independent administrator is: in line with international auditing standard, includes material revenue streams, social expenditures, contribution of Extractive sector to the national economy (GDP), total government revenue, total export, employment status, summary reports etc

V/ Revenue allocation

47. Assess and produce summary document on the national revenue sharing formula in general and Extractive Industries revenue categorized & recorded as national & Regional budget in particular and disclose through eeiti web-site;

VI/ Social and Economic spending

48. Assess, review and produce summary information on the revenues collected and deposited by the Ministry's from companies for environmental rehabilitation and community development to ensure that the resource are utilized as planned;

49. Review the data capturing and reporting process of State Owned Companies (SOE) with regard to the Quasi-fiscal expenditures if feasible,

VII/ Identifying the Outcomes and Impacts

50. Organize National public debates on EEITI reports and findings involving government representative parliamentarians, CSO, companies, media and other international stake holders/ observers;
51. Prepare and circulate copies of the EEITI report and upload same on EEITI website;
52. Conduct official launching workshops of EEITI reports and publicize the report;
53. Identify the discrepancies and recommendations of the EEITI reports and develop action plan to address each of the issues’
54. Publish annual progress report including summary of the previous year EEITI activities, assessment of progress on each requirements, MSB actions on the recommendations and validations, status of work plan and detailed account of efforts made to enhance the impact of EEITI for the year 17/18(2011)EFY;
55. Produce a document on the contribution of the mining & oil sector to the GDP

VIII/ Compliance and dead Lines for Reporting

56. Undertake an assessments on the overall efforts made to produce EEITI Report and Progress report in line with dead line, lessons from the previous reporting procedures, challenges encountered, consequences and on the future proceeding;

VIII/ Budget

The main source of the resource for the initiative is two. One from the public and second is expected or looking for donation organized under the World Bank. Therefore estimated budget for the plan year will be USD-----from grant and an estimation of USD----- will be from Government.

2019 EEITI Work Plan Implementation Periods

Strategic Issues	Actions	Performance Indicators	Implementation Periods											
			Q1			Q2			Q3			Q4		
			J	F	M	A	M	J	J	A	S	O	N	D
I/ Enhancing Multi Stakeholder Commitment through Oversighting:-	Actions: Government Engagement 1. Upgrade the representation of high level decision makers from relevant federal and Regional government organizations in the MSB;	Appropriate decision makers represented												
	2. Review the operational structure of the Regional extractive sector and propose accommodative approach/option for better data management & disclosing system;	Regional Structures Reviewed & options proposed for data management & disclosing												
	3. Conduct a serious familiarization & mainstreaming of EEITI implementation to newly formed or restructured government organizations at both federal & regional level;	Familiarizations made to mainstreams EITI in the newly formed government organizations												

<p>4. Develop a strategy to linkup among relevant federal and Regional government organizations working on Extractive and related sectors & encourage to startup systematic disclosure;</p>	<p>Strategy developed for systematic data disclosure</p>												
<p>5. Facilitate conducive environment for the engagement of the natural resource standing committee of the parliament on the strategic issues of the EIs,</p>	<p>Platform facilitated for parliamentarians engagement in the EEITI implementation process</p>												
<p>Company Engagement 6. Review and ensure the inclusive and proper Representation of SOE and private mining and oil companies in the MSB through regular refreshment process;</p>	<p>Appropriate representation from the company side made to incorporate inclusive members in the MSB</p>												
<p>7. Arrange a platform of companies for a regular consultation on extractive sector laws, CSR issues, BOs, company challenges and EEITI report findings to ensure companies open dialogue & active participation;</p>	<p>Platform arranged for companies to undertake open discussion on legal frames and related issues</p>												

	8. Facilitate precondition for the establishment of chamber of mines and petroleum companies to maximize companies' engagement in all extractive sector business;	Plat form arranged to facilitate precondition for the establishment of companies association or chamber											
	9. Conduct an assessment on challenges facing companies with regard to EEITI implementation and develop & apply redressing mechanisms;	Assessment made and redressing mechanism proposed to mitigate /avoid companies challenges											
	<p>Civil Society Organizations Engagement</p> <p>10. Facilitate precondition for proper representation of CSOs in the MSB through regular & independent refreshment process;</p>	Preconditions/ plat forms arranged for CSOs to conduct refreshment to represent in the MSB											
	11.Facilitate free and active participation of CSOs in EEITI implementation through expanding their constituency among all interested CSO;	General assembly/platform organized to widen EEITI concept among interested CSO constituencies											

	12. Conduct a regular review and follow up on the approval of a new CSO law and ensure its implementation;	Feedback organized of procedures going on	■	■									
	13. Disseminate copies of CSO laws for EEITI supporting local and international entities to create linkup with EEITI;	Copies disseminated & links created to integrate with EEITI implementation				■	■						
	14. Facilitate and establish platforms for specific CSO constituencies that encourage their full, free and active engagement in EEITI implementation process and to see the outcome and impacts of EEITI implementation,	Platforms arranged for CSO constituencies			■								
	15. Conduct an assessment on challenges facing CSOs to implement EEITI related activities and develop and apply redressing mechanisms;	An assessment to identify potential challenges and redressing mechanisms set out						■	■	■			
	16. Organize inclusive public debates on the findings of EEITI report and compile and disseminate proceedings to the mining communities and relevant entities & ensure their free engagement in the natural resource governance;	Public debate organized and documents disseminated							■				

	17.Undertake outreach activities in the selective mining areas to raise awareness on the inclusive rights of the communities, roles & responsibilities of companies & government organizations as well;	Outreach activities or programs made/ facilitated											
	18. Engage the CSO constituency in designing and implementing the work plan, monitoring and evaluating the implementation process, disseminating EEITI reports and full participation in initiating the legal frames for EIs;	Interventions & engagements made by the COSs											
	19.Conduct a review/assessment on social payment by companies to community development and ensure the proper allocation and practical utilization of the resources is giving the room/space for communities to participate;	Review/an assessment made to ensure that the resource allocation made is done as planned											
	<p>Collective Engagement & Governance of MSGs (Req.1.4)</p> <p>20.Enhance regional stake holders' involvement in the national EEITI governance process and expand composition of EEITI council (MSG),</p>	Work done to insure regional governments involvement											

	21. Follow up and ensure the enactment of EEITI Act by the parliament or council of Ministers	Progress made to secure EEITI Act	■	■	■								
	22. Oversight and make sure that, stake holders' outreach is organized by tripartite entities on the findings of EEITI reports and validation to ensure brooder engagement and understanding;	Follow up made on the plat forms made by EEITI tripartite separate groups on the findings of the report					■	■					
	23. Discuss and approve costed annual work plan, appointment of IA, TOR and EEITI reports, through the active engagement of relevant stake-holders initiated by MSG,	Discussion forum arranged for MSBs to discuss on different maters	■										
	24. Conduct biannual review meeting to assess implementation status of the EEITI work plan,	Review meeting arranged						■					
	25. Identify and discuss the legal or regulatory issues including beneficial ownership disclosure that challenge EEITI implementation in the extractive sector and related entities and initiate remedial consultation process with appropriate stakeholders;	Legal and intuitional barriers identified and forwarded to the responsible bodies						■					

26. Engage in domestic and external resource mobilization to implement EEITI activities,	Organizations met & resource mobilized	■	■										
27. Evaluate and make sure that the EEITI work plan and EEITI reports and its findings are available to appropriate stake holders through web-site and as published materials;	Relevant information's made available through accessible communication means's	■						■					
28. Establish technical team accountable to the board with clear TOR to determine their roles and responsibilities in supporting the national secretariat and the Board and evaluate the progress periodically;	Technical team assigned with clear TOR	■											
29. Organize Beneficial Ownership information of the companies and politically exposed persons and disclose as of January 2020,	Information organized								■				
30. Arrange short and on job training for the staff of the secretariat on IT, data base developing and management and communication skills.	Training programs arranged			■									

31. Organize experience sharing and learning tour (in or outside) for the staff twice a year.	Experience sharing and learning tour organized												
32. Update the MSB on the new working and implementation procedures of EITI;	Platform organized												
33. Arrange workshop for regional mining bureaus, revenue authority, finance, environment, audit, Universities, media and other appropriate institutions on data organizing, management, reporting and natural resource governance twice a year.	Workshop programs arranged												
34. Acknowledge and recognize reporting entities for meeting the deadline and the requirements.	Acknowledge given to the best performers												
35. Work out to establish licenses register together with reporting entities;	registry system developed to capture valid data												
36. Facilitate preconditions for the grant II financial auditing	Financial audit made												
37. Facilitate a quarter based MSB meeting	Discussion forum organized												

II/ Reviewing Legal and Institutional framework	38. Produce the summary information of fiscal regime, rules and regulation of government organizations related to the extractive industries and up load on the EEITI web-site;	Summary information produced												
	39. Review, organize and develop summary document of mining and petroleum companies on license awarding process, key contract terms entered into together with full text and transfer process including the technical and financial criteria and up load on the EEITI web-site;	Reviewed & summarized information organized and shared among stakeholders												
	40. Follow-up the new cadastre developing process and ensure that necessary license information's are considered, (Req. 2, 3, b)	Follow-up and feedbacks given to be considered												
	41. Review Beneficial Ownership road map developed by 2017 and make sure that it is Consistent, and exhaustive with new EITI standard,	Document reviewed and amendments made												

	42. Assess the transaction process and relationship of SOEs with Government organizations and identify the rules and practices of governing financial transfers, retained earnings, reinvestment and third party financing,	Information organized on the transaction process & administrative relation of SOE with government mandated to manage the business													
III/ Explorati on, productio n and Export Data	43. Develop data base of the exploration, production and exported commodities project by project and disclose through the annual EEITI report;	Data base developed													
IV/ Revenue collectio n	44. Develop EEITI reporting scope consisting of companies and revenue streams, payment/materiality threshold and arrange discussion meeting for MSB to decide on the inclusiveness of the 2016/17 report;	Comprehensive Reporting scope developed and meeting arranged													
	45. Develop TOR for 2016/17 EEITI Report and Independent administrator (IA) and;	TOR developed													

	46. Facilitate preconditions and provide continuous support for IA & Ensure that the 2016/17 EEITI report produced by an independent administrator is: in line with international auditing standard, includes material revenue streams, social expenditures, contribution of Extractive sector to the national economy (GDP), total government revenue, total export, employment status, summary reports etc	Preconditions fulfilled and follow up made												
V/ Revenue allocation	47. Assess and produce summary document on the national revenue sharing formula in general and Extractive Industries revenue categorized & recorded as national & Regional budget in particular and disclose through eeiti website;	Summary document produced and data accessed to stakeholders												
VI/ Social and Economic spending	48. Assess, review and produce summary information on the revenues collected and deposited by the Ministry's from companies for environmental rehabilitation and community development to ensure that the resource are utilized as planned;	Summary document produced												

	49. Review the data capturing and reporting process of State Owned Companies (SOE) with regard to the Quasi-fiscal expenditures if feasible,	Summary information produced												
VII/ Identifying the Outcomes and Impacts	50. Organize National public debates on EEITI reports and findings involving government representative parliamentarians, CSO, companies, media and other international stakeholders/ observers;	Platform arranged and inputs collected from stakeholders												
	51. Prepare and circulate copies of the EEITI report and upload same on EEITI website;	Report produced and circulated												
	52. Conduct official launching workshops of EEITI reports and publicize the report;	Launching and workshop made												
	53. Identify the discrepancies and recommendations of the EEITI reports and develop action plan to address each of the issues'	discrepancies and recommendations identified together with implementation action plan												

	54. Publish annual progress report including summary of the previous year EEITI activities, assessment of progress on each requirements, MSB actions on the recommendations and validations, status of work plan and detailed account of efforts made to enhance the impact of EEITI for the year 17/18(2011)EFY	Report produced and practical effort made in enhancing the initiative												
Ensure EIs contribution	55. Produce a document on the contribution of the mining & oil sector to the GDP	Document produced												
VIII/ Compliance and dead Lines for Reporting	56. Undertake an assessments on the overall efforts made to produce EEITI Report and Progress report in line with dead line, lessons from the previous reporting procedures, challenges encountered, consequences and on the future proceeding;	General assessment against the delivered activities & implementation period made												