

*This note has been issued by the EITI International Secretariat in association with GIZ. The purpose of the note is to provide guidance to implementing countries on developing a work plan in accordance with the EITI Standard. Readers are advised to refer to the EITI Standard directly, and to contact the International Secretariat to seek further clarification. Contact details can be found at [www.eiti.org](http://www.eiti.org).*

# Preparing for Validation

## Guidance note 23 - Requirement 8.3

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## 1. Overview of EITI Validation

Validation is an essential feature of EITI implementation. It provides stakeholders with an impartial assessment of whether EITI implementation in a country is consistent with the provisions of the EITI Standard. The Validation report also addresses the impact of the EITI, the implementation of activities encouraged by the EITI Standard, lessons learnt in EITI implementation, as well as any concerns stakeholders have expressed and recommendations for future implementation of the EITI.

Validation is one of the key tools that the EITI Board uses to verify whether implementing countries are delivering on their commitments. Through Validation, countries receive recognition for their efforts and progress. Where EITI implementation is inadequate or has stalled, the findings from Validation can lead to suspension and delisting. Validation recognises and incentivises good implementation and gives the EITI teeth where implementation is not good enough.

**The Validation Guide<sup>1</sup> provides guidance on assessing progress towards meeting the EITI Requirements** and a template for the Validation Report. In some cases, there is specific evidence that the EITI Board must see to ensure that a provision has been satisfied. In other cases, there are different approaches that a country might take to address an EITI provision, and the guide provides examples of the types of evidence that the EITI Board might consider.

In accordance with requirement 8.3, compliance with each individual EITI Requirement will be indicated by applying one of the following designations:

**Satisfactory progress.** In order for the EITI Board to conclude that a country has made satisfactory progress, Validation needs to demonstrate that all aspects of the requirement have been implemented and that the broader objective of the requirement has been fulfilled.

**Meaningful progress.** In order for the EITI Board to conclude that a country has made meaningful progress, Validation needs to demonstrate that significant aspects of the requirement have been implemented and that the broader objective of the requirement is being fulfilled.

**Inadequate progress.** In order for the EITI Board to conclude that a country has made inadequate progress, Validation needs to demonstrate that significant aspects of the requirement have not been implemented and that the broader objective of the requirement is far from fulfilled.

**No progress.** In order for the EITI Board to conclude that a country has made no progress, Validation needs to demonstrate that all or nearly all aspects of the requirement remain outstanding, and that the broader objective of the requirement is not fulfilled.

Drawing on this assessment, the EITI Board will assess overall compliance with all requirements in the EITI Standard. Where Validation verifies that a country has made satisfactory progress on all of the

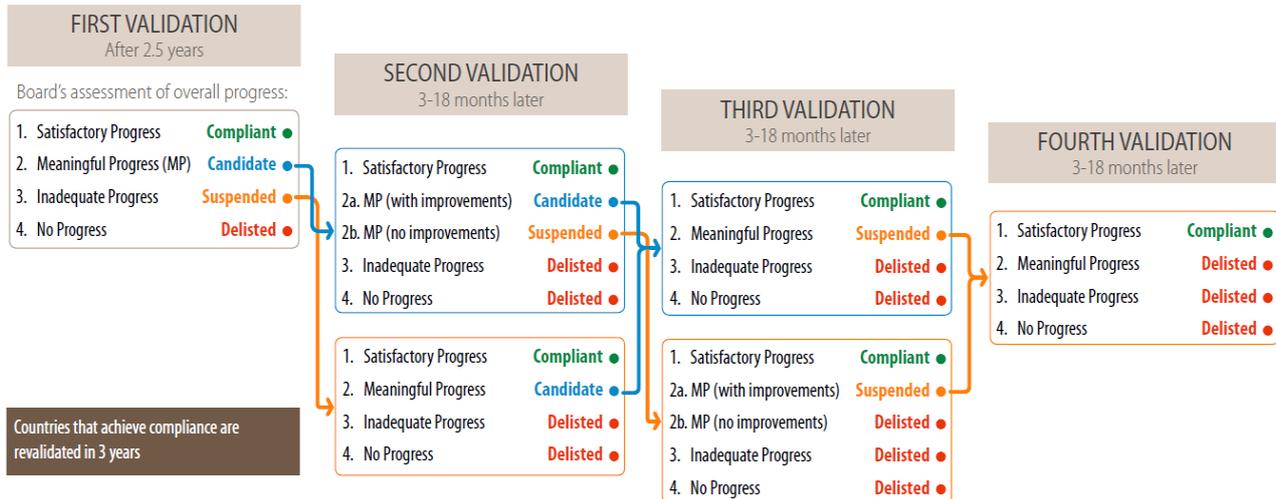
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<sup>1</sup> previously the “Standard Terms of Reference for Validators”, available here:

<https://eiti.org/document/validation-guide>

requirements, the EITI Board will designate that country as EITI compliant. The consequences of non-compliance vary depending on the circumstances (see requirement 8.3(a)(ii)). Figure 1 illustrates the scenarios.

Figure 1 – Validation scenarios



In addition to the assessment of the requirements, **Validation also documents efforts to go beyond the EITI Requirements.** This will include efforts by multi-stakeholder group to address ‘encouraged’ or ‘recommended’ aspects of the EITI Standard. It will also include efforts by the multi-stakeholder group to successfully achieve any work plan objectives that fall outside the scope of the EITI Standard, but that have been identified by the multi-stakeholder group to be necessary objectives for the EITI to address national priorities for the extractive sector. These efforts will be documented in the Validation process but will not be taken into account in assessing compliance with the EITI Standard.

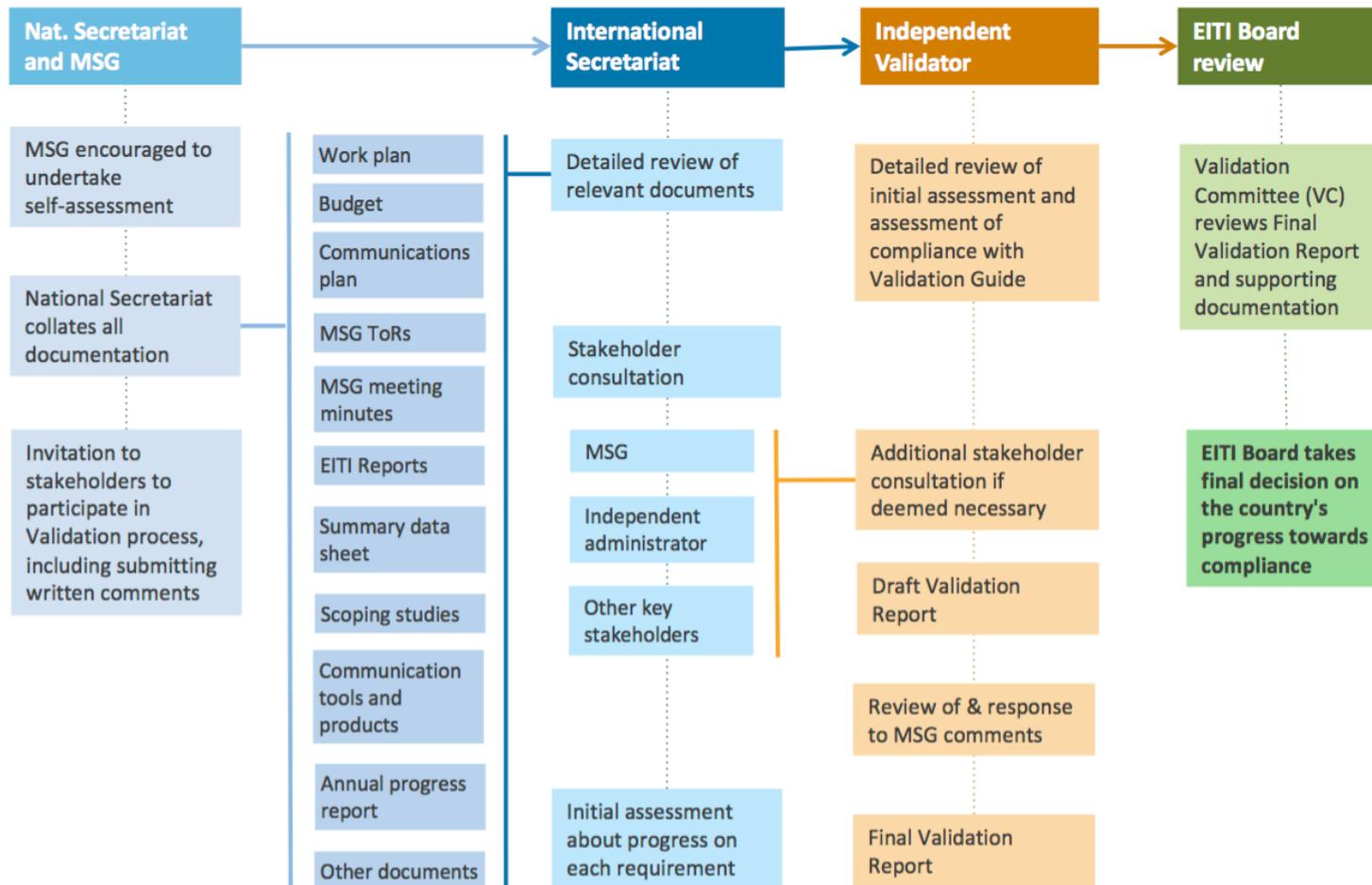
## 2. How Validation is carried out: Validation procedure

The EITI Validation procedure lays out how countries are validated. Given the multi-stakeholder nature of the EITI and the importance of dialogue, the Validation procedure emphasises *stakeholder consultation*.

**Validation is carried out in four stages.**

## 2.1 Overview of the Validation procedure

Figure 1: The four stages of Validation



The overview below is a summary. For the full procedure, consult the document “EITI Validation Procedure”<sup>2</sup>

### 1. Preparation for Validation.

Prior to the commencement of Validation, the **multi-stakeholder group (MSG)** is encouraged to undertake a self-assessment of adherence to the EITI Standard. This guidance note supports the MSG on how to prepare for Validation.

### 2. Initial data collection and stakeholder consultation

This work is undertaken by the EITI International Secretariat. The International Secretariat reviews the relevant documentation, **visits the country** and consults stakeholders. This will include meetings with the multi-stakeholder group, the Independent Administrator and other key stakeholders, including stakeholders that are represented on, but not directly participating in, the multi-stakeholder group. The Board maintains a standardized procedure for data collection<sup>3</sup>. Based on these consultations, the International Secretariat will prepare a report making an initial evaluation of progress against requirements in accordance with the Validation Guide. The report will not include an overall assessment of compliance.

### 3. Independent Validation.

The EITI Board will appoint Independent Validators, who will report to the Board via the Validation Committee. The Validator assesses whether the Secretariat’s initial validation has been carried out in accordance with the Validation Guide. The Validator will amend or comment on the Secretariat’s report as needed. The Validator then prepares a short Validation report for submission to the Board. This will include the Validator’s assessment of compliance with each provision, but not an overall assessment of compliance. The multi-stakeholder group will be invited to comment on the Validation Report.

### 4. Board Review.

The Validation Committee will review the Validator’s assessment and any feedback from the multi-stakeholder group. The Validation Committee will then make a recommendation to the EITI Board on the country’s compliance with the EITI Requirements.

The EITI Board will make the final determination of whether the requirements are met or unmet, and on the country’s overall compliance in accordance with provision 8.3.a.ii of the EITI Standard<sup>4</sup>.

**The Validation procedures**<sup>5</sup> include a standardised procedure for data collection and stakeholder consultation by the EITI International Secretariat and a procedure for the procurement of Validators, including standardised terms of reference.

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<sup>2</sup> <https://eiti.org/document/validation-procedures>

<sup>3</sup> <https://eiti.org/document/validation-procedures>

<sup>4</sup> <https://eiti.org/document/standard#r8-3>

<sup>5</sup> <https://eiti.org/document/validation-procedures>

## 2.2 Procedure for Second and subsequent Validations

There is a streamlined procedure for second and subsequent Validations, which assess progress with the corrective actions established by the EITI Board in the previous Validation:

1. The MSG is advised regarding the commencement of Validation and invited to contact the Secretariat with any comments and concerns regarding EITI implementation and progress in addressing the corrective actions.<sup>6</sup> The MSG is encouraged to prepare a memo outlining the response to each of the corrective actions from the previous Validation. This should highlight the relevant MSG discussions and MSG minutes, supporting documentation, and any stakeholders concerns or commentary about progress with EITI implementation;
2. The EITI International Secretariat undertakes a desk review, assessing the progress made in addressing the corrective actions established by the EITI Board. The desk review shall follow the standardised procedure for data collection and stakeholder consultation as per the [Validation procedures](#).
3. The Secretariat's draft assessment is sent to the Multi-Stakeholder Group (MSG) for comment.
4. Following receipt of these comments, the Secretariat's assessment is finalised for consideration by the EITI Board via the Validation Committee.
5. The Validation Committee will review the Secretariat's assessment and the feedback from the MSG. The Committee will then decide whether to request additional information, refer the assessment to the independent validator, or to make a recommendation to the Board.
6. The EITI Board will make the final determination of whether the corrective actions have been addressed, and the country's overall compliance in accordance with provision 8.3.a.ii of the EITI Standard. The Secretariat's assessment and associated MSG comments will be considered confidential until the Board has reached a decision.

Examples include the 2018 Validation of Mongolia<sup>7</sup> and the 2018 Validation of Timor Leste<sup>8</sup>.

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<sup>6</sup> If concerns are raised regarding requirements previously assessed as "satisfactory progress" or "beyond", the International Secretariat will refer this to the Validation Committee for consideration. The Board has the right to establish shorter or longer timeframes (§8.3.d.i), and may request that the Validation considers the corrective actions and additional issues. The Board will also consider requests to upgrade assessments from 'satisfactory progress' to 'beyond'.

<sup>7</sup> <https://eiti.org/document/mongolia-validation-2018>

<sup>8</sup> <https://eiti.org/document/timorleste-validation-2018>

## 2.3 How the International Secretariat conducts the initial assessment

### The International secretariat's work is conducted in three phases:

1. **Desk Review.** Prior to visiting the country, the Secretariat will conduct a detailed desk review of the available documentation relating to the country's compliance with the EITI Standard, including but not limited to:
  - The EITI work plan and other planning documents such as budgets and communication plans;
  - The multi-stakeholder group's Terms of Reference, and minutes from multi-stakeholder group meetings;
  - EITI Reports, and supplementary information such as summary reports and scoping studies;
  - Communication materials;
  - Annual progress reports; and
  - Any other information of relevance to Validation.

This work will include initial consultations with stakeholders, who will be invited to submit any other documentation they consider relevant.

Without prejudice to the ability of the Board to exercise their discretion to consider all available evidence, the Secretariat should not take into account actions undertaken after the commencement of Validation.

2. **Country visit.** The Secretariat will meet with the multi-stakeholder group and its members, the Independent Administrator and other key stakeholders, including stakeholder groups that are represented on, but not directly participating in, the multi-stakeholder group.

In addition to meeting with the MSG as a group, the Secretariat will meet with its constituent parts (government, companies and civil society) either individually or in constituency groups, with appropriate protocols to ensure that stakeholders are able to freely express their views and that requests for confidentiality are respected.

Local interpreters (where needed) should be hired on the basis of trust and competency in order to preserve impartiality as well as accuracy of the statements collected.

The Secretariat should seek and accept written statements and other materials of relevance.

3. **Reporting on progress against requirements.** Based on these consultations, the International Secretariat will prepare a report making an initial evaluation of progress against requirements in

accordance with the Validation Guide. The report will not include an overall assessment of compliance. The multi-stakeholder group and its members will be invited to comment on the draft report. The report is submitted to the Validator.

## 2.4 How the Validator conducts their review

The Validator, reporting to the EITI Board via the Validation Committee, assesses whether the Secretariat's initial validation has been carried out in accordance with the **Validation Guide**.<sup>9</sup> Applying appropriate professional standards, this is expected to include:

- A detailed review of the International Secretariat's report assessing progress against requirements in accordance with the Validation Guide, and the relevant source documentations, including but not limited to:
  - The EITI work plan and other planning documents such as budgets and communication plans;
  - The multi-stakeholder group's Terms of Reference, and minutes from multi-stakeholder group meetings;
  - EITI Reports, and supplementary information such as summary reports and scoping studies;
  - Communication materials;
  - Annual activity reports; and
  - Any other information of relevance to Validation, including any documentation relating to EITI implementation from EITI stakeholders.
- A risk-based approach for spot checks, including reviewing additional source documentation and direct consultations with stakeholders, which may include group consultations and/or individual consultations, with appropriate protocols to ensure that stakeholders are able to freely express their views and that requests for confidentiality are respected.

In most cases the Validator's work will not require field visits. In exceptional circumstances, for example where the Validation is particularly complex or contentious, the Board may request that the validator undertakes a field visit. In such cases, a budget and contract for this work will be agreed separately.

For each country, the Validator will:

1. Amend or comment on the Secretariat's report
2. Prepares a short summary (the Validation Report) for submission to the Board.

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<sup>9</sup> <https://eiti.org/document/eiti-validation-guide>

## 2.5 Validation timelines

The Validation procedures specify the following timeframe:

Milestone	Timeline
Commencement of Validation	Validation deadline
Secretariat Assessment (desk review, mission and reporting)	Max. 12 weeks
MSG Comment period	+ 3 weeks
Validator Review commences	
Validator Submits findings	+ 4 weeks
Meeting with Validation Committee	+ 2 weeks

The timeframe for the final decision by the Board will depend on the schedule of EITI Board meetings. In some cases, the Board may consider taking a decision on a Validation via Board circular between Board meetings.

- **The overview of Validation decisions and upcoming schedule can be found here:**  
<https://eiti.org/document/validation-schedule-decisions>

## 3. How MSGs and National Secretariats can prepare for Validation

The National Secretariat and MSG are advised to take their Validation deadline into account when agreeing their annual work plans. As the deadline for the commencement of Validation approaches, the International Secretariat will contact the National Secretariat and the MSG to discuss the Validation schedule and procedures. MSGs have often found it useful to conduct “pre-validation” assessments as described below. Validation is also an opportunity and catalyst for MSG members to reach out to their constituencies, seek their views on the EITI process, and encourage them to participate in the Validation process. All stakeholders are encouraged to prepare and collate documentation that will be relevant to Validation.

### 3.1 Conduct a Validation self-assessment

MSGs have often found it useful to conduct “pre-validation” assessments ahead of Validation. In some cases this has identified corrective actions that can be taken prior to Validation<sup>10</sup>.

The usual approach to the self-assessments is to make an assessment of progress against each requirement following the *Validation Guide*. The Guide includes a template for Validation reports, which can be used to present the findings. In some cases, the MSG has mandated the National Secretariat – or a trusted intermediary – to undertake these assessments. In other cases, the MSG has conducted the self-assessments, with sub-groups considering different aspects and reporting back to the MSG.

The International Secretariat has prepared self-assessment templates to support this work. The objective of the templates is to examine potential implementation gaps, identify remedial actions, and to identify evidence and documentation that is relevant to Validation.

- **The pre-Validation self-assessment booklet can be found here:**  
<https://eiti.org/document/prevalidation-selfassessment-booklet>

**Table 1:** Example Template for self-assessment on progress against each requirement

MSG oversight				
EITI provisions	Self-assessment questions	Progress	Evidence & rationale	Action Points
Government engagement EITI provisions 1.1; 1.2; 1.3 a-e; 1.3.f.iii.	Has the government issued a public statement of its commitment to implement the EITI?	Satisfactory	Speech by HE President X on 20 December 2010	Secretariat to check that speech is online
	Has the government appointed a senior individual to lead on the implementation of the EITI?	Satisfactory	Vice Minister Y appointed by decree EITI Champion on 14.01.11.	None
	Are senior government officials represented on the MSG?	Satisfactory	List of MSG reps show the government represented by...	None
	Are government representatives fully, actively and effectively engaged in the design, implementation,	Satisfactory	MSG meeting minutes Participation in EITI events	None

<sup>10</sup> MSGs should note that without prejudice to the ability of the Board to exercise their discretion to consider all available evidence, the Secretariat should not take into account actions undertaken after the commencement of Validation.

	monitoring and evaluation of the EITI process?			
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### 3.2 Prepare documentation

The national secretariat is advised to ensure that all documentation is prepared and compiled *in advance*. A key element is documentation of MSG decisions. This should include:

- The EITI work plan and other planning documents such as budgets and communication plans;
- The multi-stakeholder group's Terms of Reference and other governing documents;
- Minutes from multi-stakeholder group meetings;
- EITI Reports, and supplementary information such as summary reports and scoping studies;
- Communication materials;
- Annual activity reports; and
- Any other information of relevance to Validation, including any documentation relating to EITI implementation from EITI stakeholders such as constituency nominations procedures, pertinent press releases, links to government websites and minutes from relevant parliamentary, industry or civil society committees, among others. Examples of articles or reports critical of government or industry management in the extractives are particularly relevant to demonstrating freedom of expression and association.

MSG members and other interested stakeholders are also invited to prepare documentation for consideration during the Validation process. During data collection, the Secretariat will meet with the MSG constituencies separately. They will also conduct further consultations individually, with protocols to ensure that stakeholders are able to freely express their views and that requests for confidentiality are respected.

### 3.3 Complete the preparatory work *before* Validation commences

Without prejudice to the ability of the Board to exercise their discretion to consider all available evidence, the Validation procedures specify that Validation “should not take into account actions undertaken after the commencement of Validation”. By undertaking pre-Validation self-assessments well ahead of the commencement of Validation allows MSGs to identify any outstanding gaps and formulate quick fixes to publish missing information online. This work can also form the basis of the MSG’s work on embedding EITI reporting into routine government and company systems.

### 3.4 Help organise stakeholder consultations for Validation missions

National secretariats and MSGs have often found it helpful to plan stakeholder consultation missions by the International Secretariat well ahead of time. At a minimum, MSGs should organise meetings with the following sources:

- Relevant government officials, including but not limited to the EITI Champion, government representatives on the MSG, representatives of relevant agencies not represented on the MSG (e.g. Auditor General, Customs, etc.).
- Relevant company representatives including but not limited to MSG members and their constituents (other mining, oil and gas companies).
- Relevant civil society, including but not limited to MSG members, representatives of relevant NGOs not directly involved in the MSG, grassroots mining activists, etc.
- Development partners, including but not limited to donors having supported EITI implementation, the World Bank, IMF, etc.
- The Independent Administrator for the most recent EITI Report, and if possible previous Independent Administrators and other EITI-related consultants.
- Media representatives including journalists, editors and stringers for international agencies on extractives or public finance issues.

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Schedule for EITI Validation Consultation Meetings

SN	Activity	Activities Participants	Date	Venue & Time	Responsible officer (s) / Contact Person	Status
1.	Arrival.		24 <sup>th</sup> July 2016			
2.	Meeting with MSG & NEITI management  Kick-off meeting and internal review.	I. Meeting with NEITI Mgt. (Directors).	MONDAY JULY 25 <sup>th</sup> 2016	NEITI conference Room 9:00- 10:00 AM	ES & Director, Legal	I. Confirmed
		II. Meeting with <del>Comops</del> Dept.		10:00- 11:00 AM	Director <del>Comops</del>	II. Confirmed
		III. Meeting with NSWG		Office of the Minister of Solid Mineral Dev. 11:30- 1:30PM	ES	III. Confirmed
		IV. Meeting at SGF office		Perm Sec SGF Office 2:00 – 3:00PM	Director Technical	IV. Confirmed
		V. Meeting with Technical Dept.		NEITI Conference Room 3:30PM – 4:30 PM	Directors Technical.	V. Confirmed
		VI. Meeting with NEITI Auditors <del>Taju, Audu, &amp; oo.</del>		NEITI conference Room 5:00 – 7:00		VI. <del>Taju, Audu</del> , confirmed
3	Meetings with CSO	I. Meeting with CSO & Media	TUESDAY JULY 26 <sup>th</sup> 2016	NEITI Conference Room 9:00 – 11:00 PM.	Director, Communications	I. Confirmed
		II. Phone Call Meeting with Mr. Toba <del>Asobie</del> .		11:00 – 11:45 AM	Toba 08070322406	II. Confirmed
		OPTS/Company Forum				
		III. Meeting Prof. <del>Asobie</del> Former NSWG Chair		Suite 22, Shelom Plaza, Joseph <del>Comops</del> Street <del>Abuja</del> , 1:00 – 2:00PM	<del>Asobie</del> 08033181667 asiasobie@gmail.com	III. Confirmed
IV. CSOs		Bolton white Hotel Abuja. 3:00 – 6:00PM			IV. Confirmed	

Figure 3: Example of stakeholder consultations schedule in Nigeria (2016)

The MSG is also invited to suggest additional sources focusing on key aspects of implementation that it seeks to highlight. National secretariats and MSGs are encouraged to:

- Publish an announcement of Validation on the national EITI website and relevant national dissemination channels (e.g. the press), inviting any stakeholder to contact the International Secretariat and including relevant contact details. Stakeholders are encouraged to prepare written submissions which can be made available to the Secretariat, Validator and the EITI Board.
- Prepare a list of stakeholders and suggested agenda for the International Secretariat to review during the first week of Validation. The Validation Guide provides the structure of questions to be covered during stakeholder consultations, although not all questions will be relevant for all stakeholders.
- Consider appointing a member of the national secretariat to act as focal person for logistical support during the country mission of stakeholder consultations.

### 3.5 Coordinate MSG feedback

Following completion of the International Secretariat's initial assessment and the independent Validator's draft Validation report, the MSG will receive these documents with a period of three weeks to comment. MSGs have often tasked their national secretariats with circulating the draft reports for comment, consolidating all comments and sending a single set of comments to the independent Validator.

While the MSG is invited to provide comments on the initial assessment and draft Validation report, any constituency is also welcome to submit comments independently of the MSG.

## 4 Early Validation and extension requests

The Board has agreed that implementing countries may seek an early Validation. Any such requests should be endorsed by the multi-stakeholder group and submitted to the International Secretariat.

Requirement 8.5 of the EITI Standard addresses eligibility for an extension of the Validation deadline. The EITI Board will apply the following tests in assessing any extension requests:

1. The request must be made in advance of the deadline and be endorsed by the multi-stakeholder group.
2. The multi-stakeholder group must demonstrate that it has been making meaningful progress towards meeting the deadline and has been delayed due to exceptional circumstances. In assessing meaningful progress the EITI Board will consider:
  - i. The EITI process, in particular the functioning of the multi-stakeholder group and clear, strong commitment from government.
  - ii. The status and quality of EITI reporting, including meaningful progress in meeting the requirements for timely reporting as per Requirement 2 and efforts to address recommendations for improving EITI reporting.
3. The exceptional circumstance(s) must be explained in the request from the multi-stakeholder group.
4. No extensions will be granted which would increase the maximum candidature period.

The key tests in assessing extensions is whether the multi-stakeholder group has made meaningful progress towards meeting the deadline, and whether the delays are due to exceptional circumstances. In previous cases, the Board has typically looked at how the government and MSG have worked to overcome barriers to meeting deadlines and considered achievements in implementation to date. The Board has also looked at whether the delays are caused by unforeseen challenges beyond the control of the MSG.

## Board decisions on extension requests for Validation

- Niger (<https://eiti.org/BD/2016-21>)
- Peru (for second Validation) (<https://eiti.org/BD/2018-9-E>)

## 5. List of resources

- Validation Procedure: <https://eiti.org/document/eiti-validation-procedures>
- Validation Guide: <https://eiti.org/document/eiti-validation-guide>
- Pre-Validation self-assessment booklet: <https://eiti.org/document/prevalidation-selfassessment-booklet>
- Infographics on Validation: <https://eiti.org/document/infographics-on-validation-process-procedures>
- Validation schedule and decisions overview: <https://eiti.org/document/validation-schedule-decisions>
- The extension requests submitted to the Board can be requested from the International Secretariat ([secretariat@eiti.org](mailto:secretariat@eiti.org)).
- Board decisions (all): <https://eiti.org/board-decisions>