

EITI Mainstreaming: Opportunities and Risks for the Role of Civil Society in EITI

Draft consultation briefing

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KEY MESSAGES

- The Extractive Industries Transparency Initiative (EITI) board, its international secretariat and some development partners now encourage “mainstreaming” within EITI. This involves a transition away from standalone EITI reports and toward meeting EITI requirements through routine and publicly accessible government and company reporting.
- Amid a global context of constricting civic space, there are concerns among many in civil society that mainstreaming could be used by governments to undermine the multi-stakeholder governance within EITI and the role of civil society in resource governance more generally. Unless EITI recognizes and addresses risks, there is a danger that civil society will refrain from engaging in the mainstreaming processes, increasing the likelihood that mainstreaming will have a detrimental effect on the role of civil society in EITI.
- Mainstreaming can increase the opportunity for civil society to engage in resource governance, because of more timely, relevant information; clearer reporting responsibilities; time freed-up from EITI bureaucracy; and potentially renewed channels of participation. However, in order to ensure these outcomes, the mainstreaming process must be protected and the EITI board must ensure that civil society is able to actively and freely participate in mainstreaming decision making.
- Those governing the EITI, including the board, the international secretariat, development partners and country-level multi-stakeholder groups should recognize the risks presented by mainstreaming for the role of civil society and should address these risks by:
 1. Protecting the rules and procedures that governing mainstreaming, multi-stakeholder oversight and civil society participation throughout the process.
 2. Incorporating communications and outreach activities into mainstreaming applications and implementing processes to ensure that disclosures contribute to public debate.
 3. Developing data quality assurance procedures to ensure that all stakeholders regard disclosures as credible and fair.

“Mainstreaming” is central to the future of EITI, a global standard to foster transparency and accountability in the oil, gas and mining sector. Mainstreaming—or the move toward meeting EITI requirements through routine and publicly available company and government reporting, rather than outdated standalone EITI reports—has the potential to significantly improve the timeliness, contextualization and quality of disclosed data. These changes offer several opportunities to strengthen the role of civil society, but many in civil society are also worried that mainstreaming processes could be used to undermine multi-stakeholder governance within EITI and the role of that civil society plays more generally in national resource governance decision making. In the context of the wider global trends of increased threats to civic freedoms and dialogue (hereafter called “civic space”) and democratic values, these concerns are acute.

With this draft consultation brief, we aim to contribute to the nascent discussion around EITI mainstreaming by exploring civil society opportunities and concerns in detail. In doing so, we hope to show that these concerns are valid and that those involved in EITI governance processes including the board, the international secretariat, development partners and country-level multi-stakeholder groups should take steps to address civil society concerns and encourage civil society engagement in mainstreaming processes. To do this, we start by providing important background information on mainstreaming. We then give an overview of four opportunities and three key concerns that have been voiced relating to the role of civil society in EITI. For each of the concerns we raise, we identify several ways that those governing the EITI can start working to ensure civil society engagement in the shifts associated with mainstreaming. These methods apply to all stages of mainstreaming, from planning to the application process to the oversight of implementation.

Box 1. Terminology

To describe the changes associated with mainstreaming in EITI, this briefing makes the distinction between the following terms:

- **Conventional EITI reporting.** This refers to longstanding practice in most EITI countries by which EITI disclosure requirements are met through the publication of EITI reports, usually produced on an annual basis.
- **Mainstreamed EITI reporting, also called “mainstreaming” or “systematic disclosure.”¹** This refers to a desired end-state for EITI reporting, under which EITI disclosure requirements are met through routine and publicly available company and government reporting, rather than EITI reports. This could include public financial reporting, annual reports, information portals and other open data initiatives.

UNDERSTANDING EITI MAINSTREAMING

The move toward mainstreaming is motivated by concerns from all stakeholders, including civil society, that while the conventional report-centered approach of EITI has generated unprecedented levels of data, this data is often outdated, presented in locked-in formats that are difficult to use, and disconnected from government decision-making processes. By switching the attention of EITI processes toward improving government and company disclosure systems in place of compiling lengthy reports, mainstreamed EITI reporting aims to give citizens access to more timely, relevant and useable data about the management of oil, gas and mining in their country. In 2018, the EITI

¹ In some EITI documents, such as the 2018 Policy Paper “Encouraging systematic disclosure,” a further distinction has been made between mainstreaming and systemic disclosure, but we follow the definitions in the forthcoming 2019 Standard which uses the terms interchangeably.

board agreed that all implementing countries should be expected to develop a costed work plan that includes steps to mainstream EITI implementation in company and government systems within three to five years.²

Evolution of approach

The 2016 EITI Standard gave country-level multi-stakeholder groups an option to seek board approval to mainstream EITI implementation through ongoing and publicly available government and company reporting processes in Requirement 4.9. The requirement set a high bar for eligibility, stipulating that in order to mainstream, countries had to demonstrate (i) routine disclosure of the data required by the EITI Standard in detail;³ and (ii) that financial data required by the standard is subject to a credible, independent audit, applying international standards. Very few countries were able to meet the tests of this “all or nothing” approach across all EITI requirements, and only one country, Norway, submitted a mainstreaming application to the board.⁴ The board approved Norway’s application in October 2017.⁵

The provisions in the 2019 Standard—which will be adopted by the EITI board at the global conference in Paris this month—moves away from the “all or nothing approach” by providing country-level multi-stakeholder groups with the flexibility to make applications for mainstreaming of specific EITI requirements on a disclosure-by-disclosure basis. This allows implementing countries the possibility to make a gradual transition toward mainstreamed disclosure. At the same time, strict safeguards in a revised requirement 4.9 will mean that any mainstreaming request will have to address:

- (i) the rationale for deviating from the standard procedure
- (ii) whether there is routine disclosure of the data required by the EITI Standard in requisite detail
- (iii) whether the financial data is subject to credible, independent audit, applying international standards
- (iv) whether there is sufficient retention of historical data

Given the increased flexibility of these new rules, it is likely that more countries will now be able to move toward making applications to “mainstream” at least some of their EITI data.

Process to mainstream EITI disclosures

The EITI board approved a process for mainstreaming in 2016, captured in the document “Agreed upon procedure for mainstreamed disclosures.”⁶ According to the board’s guidance, when a country-level multi-stakeholder group commits to move ahead with mainstreaming, the processes should start with a rigorous feasibility study made by an independent and technically competent body.⁷ To ensure that feasibility studies meet certain basic standards, the international secretariat has issued a

² EITI, *Encouraging Systematic Disclosure* (2018), p.4, [eiti.org/document/encouraging-systematic-disclosure](https://www.eiti.org/document/encouraging-systematic-disclosure)

³ This was interpreted to mean *all* the data required by the EITI standard.

⁴ EITI, *Norway Mainstreaming Application* (2017), [eiti.org/document/norway-mainstreaming-application](https://www.eiti.org/document/norway-mainstreaming-application)

⁵ EITI, *The Board accepted Norway’s mainstreaming request and implementation request* (2017), [eiti.org/BD/2017-49](https://www.eiti.org/BD/2017-49)

⁶ EITI, *Agreed upon procedures for mainstreamed disclosures* (2016), [eiti.org/sites/default/files/documents/agreed_upon_procedure_for_mainstreamed_disclosures.pdf](https://www.eiti.org/sites/default/files/documents/agreed_upon_procedure_for_mainstreamed_disclosures.pdf)

⁷ Feasibility studies for Kazakhstan, Kyrgyz Republic, Mongolia and Norway have been completed and are available at [eiti.org/systematic-disclosure#concluded-feasibility-studies](https://www.eiti.org/systematic-disclosure#concluded-feasibility-studies)

model terms of reference that implementing countries can adapt to their needs.⁸ Once a feasibility study is complete, the next step for a multi-stakeholder group is to put together a “schedule for disclosure and assurance.” The schedule will outline which specific disclosures it plans to mainstream; how it will start making those disclosures, including any capacity building and technical assistance needed; and plans to address any potential legal or regulatory obstacles. Once agreed upon by the multi-stakeholder group, the schedule forms the core of the application that is submitted to the EITI board. Upon board approval of the mainstreaming application, the multi-stakeholder group can move ahead to implementing the schedule. Mainstreamed disclosures can be taken out of EITI reports, but they remain subject to ongoing monitoring and review by the multi-stakeholder group and by the board. Most EITI-implementing countries will mainstream disclosures progressively – rather than all at once – so they are likely to continue publishing EITI reports for the foreseeable future.

Alongside the formal mainstreaming process, several countries are already developing their own information portals and communication tools that include disclosures required by the EITI standard. In some countries, these processes have been initiated by or are closely aligned with EITI processes, as in Kazakhstan, where extractives companies use an automated online system to provide required EITI information on tax and non-tax payments, social expenditures and infrastructure.⁹ In other cases, the development of information portals has happened outside the EITI framework, as was the case in Mexico where bid round and license information published on the Mexican Hydrocarbon Commission website, Rondas Mexico, is consistent with EITI requirements on contract and license allocations and license registers. The upcoming 2019 Standard allows country multi-stakeholder groups to reference these disclosures in conventional EITI reporting provided that those disclosures meet all EITI requirements. As a result, whether or not portal development and communication tools are led by EITI processes, it is in the interest of the multi-stakeholder group to ensure that developments along these lines meet the requirements of the EITI Standard, as this will help strengthen EITI implementation and streamline future mainstreaming requests.

MAINSTREAMING: OPPORTUNITIES AND RISKS FOR THE ROLE OF CIVIL SOCIETY

Mainstreaming presents several perceived opportunities and risks for civil society’s continued role in EITI.

Opportunities

More timely, relevant, and useful information

By moving EITI disclosures out of bulky annual EITI reports and into ongoing government and company systems, mainstreaming could provide civil society and other stakeholders with information that is more timely, relevant and useful. Under conventional EITI reporting processes, countries publish EITI disclosures on an annual basis, but usually after a one- or two-year lag. This means that most EITI data are already out of date when they are published, and are often not relevant to ongoing policy debates. The process of moving away from reports, where data can be locked in printed or PDF tables, also provides opportunities to present EITI information in formats that are easier to access and use for analysis. Last, mainstreaming should make access to information about the extractive sector more intuitive for citizens who will be able to go directly to the relevant government agency or company to obtain the data they need.

⁸ EITI, *Terms of Reference: EITI systematic disclosure feasibility study* (2018), [eiti.org/document/terms-of-reference-eiti-systematic-disclosure-feasibility-study](https://www.eiti.org/document/terms-of-reference-eiti-systematic-disclosure-feasibility-study)

⁹ EY, *Feasibility study: Systematic disclosures of EITI data in Kazakhstan* (2017), p.5, [eiti.org/sites/default/files/documents/eiti_mainstreaming_kz_final_report_from_ey_eng.pdf](https://www.eiti.org/sites/default/files/documents/eiti_mainstreaming_kz_final_report_from_ey_eng.pdf)

Clearer reporting responsibilities

By moving reporting responsibilities to the government agencies and companies that are the primary producers of data, mainstreaming spares civil society actors some of the reputational risks that have come with their involvement in country-level multi-stakeholder groups. Under conventional EITI reporting, the multi-stakeholder group must act as a watchdog for the EITI Standard, ensuring that government and companies provide the information required, while at the same time also being responsible for making disclosure happen through the publication of EITI reports. These dual responsibilities expose the multi-stakeholder group to blame when the requirements of EITI are not met, even when this is the result of failings by government agencies or companies to cooperate with the EITI process. Given the high public profile attached to the success of EITI processes in some countries, being unfairly blamed for failures in EITI can have far reaching consequences for the national credibility of transparency advocates who participate in multi-stakeholder groups. In other instances, reporting entities have used lack of clarity in reporting responsibilities to shield themselves from having to publish reports.

More time to spend on reform-oriented activities

Provided that civic space is protected as mandated by EITI's Civil Society Protocol, the changes associated with mainstreaming provide civil society actors an important opportunity to reassess and renew their objectives within EITI. Through their involvement in country-level multi-stakeholder groups, civil society organizations can in principle engage in a range of planning, oversight, analysis and advisory activities. In practice though, preparation of annual EITI reports takes up most multi-stakeholder group time—and by extension civil society actor time. Should this time-consuming activity slowly fade away as a result of mainstreaming, the multi-stakeholder group will have more time to channel attention towards more impactful activities including:

- determining the scope of reporting and pushing the frontiers of transparency
- overseeing data quality and assurance procedures to ensure government and company disclosures are in line with the requirements of the standard
- disseminating information to a wider audience and stimulating public debate about the management of the country's natural resources
- carrying out analysis of disclosures and developing policy recommendations
- protecting the role of civil society in natural resource governance

Direct relationships with reporting entities for greater accountability

Finally, if communication and outreach activities are embedded in mainstreaming plans, systematic disclosure presents citizens and civil society actors *not* directly involved in EITI country-level multi-stakeholder groups with the opportunity to form direct relationships with government agencies and companies making disclosures. Done well, these activities help citizens and civil society organizations to improve their understanding of government and company roles, operations and objectives, enabling them to provide better feedback and formulate more concrete and actionable demands in governance debates. They can potential create opportunities to open up new channels for civil society to participate more directly in natural resource governance. At the same time, they also help government officials and company employees better understand the concerns and needs of citizens and civil society. As the example from Mexico in Box 2 below demonstrates, these engagements can yield further positive results by helping institutions change the way they work and conceive of their missions by providing deep and long-term support for transparency and accountability that is no longer dependent on political support for EITI implementation. Beyond fostering greater transparency, mainstreaming can directly impact the way reporting entities do business and, in the case of state institutions in particular, deliver results for citizens.

Box 2. CNH Mexico - Changing institutional culture through direct engagement with citizens and civil society

In January 2017, Mexico's National Hydrocarbons Commission, CNH, embarked on a participatory process to improve the transparency of contracts, including their award and implementation. The centerpiece of this effort was the Rondas Mexico website, which seeks to make public all information related to hydrocarbon extraction contracts.¹⁰ Although it was developed outside the EITI framework, Rondas Mexico publishes data for a range of information that cuts across the EITI Standard and has since become one of the primary sources of information for hydrocarbons in the Mexico EITI portal. Early on, CNH staff recognized that for the disclosures to be impactful, they should involve civil society actors in the design, implementation, monitoring and evaluation of the disclosures. They therefore invited civil society organizations to form a monitoring group to lead these activities in early 2017. Speaking to NRGI, CNH Mexico Commissioner, Sergio Pimental Vargas noted that the transparent approach "has improved their relationship with civil society and helped them oversee the obligations they have made by law."¹¹ This example shows how the end-result of a new form of 'mainstreamed' disclosure can continue to be inclusive of civil society. This was only possible because the CNH Commissioner and staff were proactive in finding opportunities during the transition to disclosure that involved civil society.

Risks

Undermining of multi-stakeholder governance

With democratic values under threat in many countries, a common concern within civil society is that mainstreaming could undermine the multi-stakeholder process that lies at the heart of EITI implementation. The strong desire to see progress on mainstreaming among the board, the international secretariat and some development partners opens at least two channels for degradation of the multi-stakeholder model.

First, there is a risk that the momentum behind mainstreaming could place pressure on the EITI board to either approve mainstreaming applications without adequate scrutiny, or to override normal safeguards as it makes approvals. In the decision on the Norwegian mainstreaming application, for example, the board accepted a compromise option which went against the agreed upon procedure for mainstreamed disclosures. As the meeting minutes show, some board members noted "the need for the EITI to make progress with mainstreaming" when speaking in favor of the application.¹² While the Norwegian example does set a worrying precedent that the rules around mainstreaming can be bypassed, there are several nuances to the case, including an end result of strong civil society participation in resource governance decision-making, which make it hard to draw solid conclusions. (See box 3 for further details.)

Second, there is a risk is that some governments will take advantage of the general momentum behind mainstreaming to sideline multi-stakeholder governance processes. Civic space is under pressure in many EITI countries: an analysis by CIVICUS in 2017 showed a stark terrain in which there were serious restrictions in 38 of the then 51 EITI member countries.¹³ By approving the EITI

¹⁰ See rondasmexico.gob.mx/

¹¹ Sergio Pimental Vargas, interview with NRGI, February 2019.

¹² EITI, *Minutes, 38th EITI Board Meeting* (2017), p.5, eiti.org/sites/default/files/documents/final_minutes_38th_eiti_board_meeting.pdf

¹³ CIVICUS, *Civic space under threat in extractive industries transparency initiative countries* (2017), pp.2-3 civicus.org/documents/CIVICUSMonitorFindings.EITI.Countries.pdf

Protocol: Participation of Civil Society in 2015, the EITI board attempted to create clear criteria for how to assess whether civil society was able to adequately participate in the EITI process.¹⁴ However, the board's wavering application of the Civil Society Protocol at the validation stage of the EITI process and generally conservative approach to establishing linkages between civil society restrictions and EITI implementation has cast some doubts among members of the civil society constituency about the board's willingness to uphold strong civil society protections.¹⁵ Identifying threats posed by mainstreaming to civic space could be particularly difficult because of the gradual nature of these processes and the long implementation periods associated with them.

Box 3. The exceptional case of Norway

As the only EITI-implementing country to have submitted a mainstreaming application, Norway might seem like a good place to start learning about mainstreaming. However, two exceptional aspects of the application and its approval in October 2017 limit its applicability to other contexts.¹⁶

First, in contravention of the "Agreed upon procedure for mainstreamed disclosures," the country's multi-stakeholder group had not endorsed Norway's mainstreaming application. In its deliberations on whether to accept the application, the EITI board took into account that the application had been delayed as a result of deadlock within the multi-stakeholder group on data assurance mechanisms. Partly to move the decision-making forward, the board approval took the form of a compromise under which the board accepted the mainstreaming request on the condition that government work with civil society stakeholders to agree on an approach to data assurance of company disclosures as per the EITI requirements.

Second, the Norwegian application to mainstream EITI disclosures was combined with a separate request to disband the multi-stakeholder group. Here it is important to note that the decision to withdraw the multi-stakeholder group was only approved after a detailed assessment of the Norwegian context which confirmed that there was already ample space for civil society to engage with government and companies and freely express their views on natural resource governance. In addition, there was consensus among all local stakeholders that the Norwegian multi-stakeholder group was superfluous, and that removing it posed no threat to civic space.

In one respect, the fact that board approval in both these instances involved such heated debate despite the Norway's strong democratic institutions, should go some way to assuage civil society fears that more obviously problematic applications might be accepted.

Recommendations

- The EITI board should uphold the rules and requirements of EITI in the approval processes for civic space and mainstreaming. Where proposals for mainstreaming deviate from standard procedure, the board should thoroughly scrutinize whether alternative arrangements are at least as good and ensure full participation of civil society. Where they are not, the board should reject the application for mainstreaming. The EITI board, international secretariat and

¹⁴ EITI, *EITI Protocol: Participation of civil society* (2015), [eiti.org/document/eiti-protocol-participation-of-civil-society](https://www.eiti.org/document/eiti-protocol-participation-of-civil-society)

¹⁵ In 2018, the EITI board revoked its 2016 decision that countries failing to reach satisfactory progress on requirement 1.3 would face suspension. See EITI Board Decision, *The Board clarified the application of requirement 8.3.c.i (civil society engagement)* (2018), [eiti.org/document/board-clarified-application-of-requirement-83ci-civil-society-engagement](https://www.eiti.org/document/board-clarified-application-of-requirement-83ci-civil-society-engagement)

¹⁶ EITI, *The Board accepted Norway's mainstreaming request and implementation request*.

development partners should be mindful that the flexibility provided by the 2019 EITI Standard makes it easier for countries to make progress on mainstreaming. With more countries likely to make applications under these new requirements, the pressure to show progress on mainstreaming should abate, allowing the EITI board, international Secretariat and development partners to adhere to the standard rules with all applications and ensure that there is adequate space for civil society participation throughout the process.

- In the context of growing concerns about civic space, the EITI Board and international secretariat need to take extra care to ensure that they uphold the Civil Society Protocol consistently throughout the mainstreaming process. This may include increased activation of the Rapid Response Committee, thorough vetting in application processes and during the validation process, or more frequent trips by the secretariat with specific goals to assess civic space. They should take care to ensure that civil society's participation is enabled not only at the end of mainstreaming but in the design and process of mainstreaming to make sure that what is created is effective and responsive.

Sidelining of communication and outreach activities

Under the conventional approach to EITI, country-level multi-stakeholder groups are responsible for three important aspects of EITI reporting:

- **Disclosure.** They appoint an independent administrator and oversee the latter's work to collect and compile information on disclosures.
- **Data quality and assurance.** They agree on a procedure to ensure that data and disclosures are reliable and trustworthy.
- **Communication and outreach.** They ensure that information is widely accessible and distributed to the wider public and that outreach events are undertaken to spread awareness of and facilitate dialogue on the governance of extractive resources.

However, the current narrative and tools on mainstreaming focus largely on disclosures and data quality and assurance procedures, with very little attention paid to communication and outreach. For example, the Systematic Disclosure Toolkit, which aims to help implementing countries assess where EITI data is already being published outside of EITI, does not reference communication and outreach.¹⁷ Likewise, the model terms of reference for systematic disclosure feasibility studies are oriented primarily around assessing the extent to which required EITI disclosures are already made publicly available in governmental and corporate systems. Furthermore, while consideration of "strengthening stakeholder engagement and making participation more effective" is included under the *scope of work* section, this provision is only optional.¹⁸ It therefore comes as no surprise that not one of the four completed mainstreaming feasibility studies featured on the EITI systematic disclosure webpage—Kazakhstan, Kyrgyz Republic, Mongolia and Norway—consider communication and outreach of EITI disclosures.¹⁹ Similarly, it is telling that the main workplan for mainstreaming that countries are required to produce under the *agreed upon procedure for mainstreamed disclosures* is called a "schedule for disclosure and assurance." There is no mention of communication and outreach.

¹⁷ EITI, *Systematic disclosure toolkit* (2017), eiti.org/document/systematic-disclosure-toolkit

¹⁸ See objectives, point 5, p.3 and Roadmap guidance, point (ii), p.5, eiti.org/document/terms-of-reference-eiti-systematic-disclosure-feasibility-study

¹⁹ These four feasibility studies are available at <https://eiti.org/systematic-disclosure#concluded-feasibility-studies>

Box 4. Communications and outreach in EITI

Communication and outreach activities are a critical part of the EITI process and are mandated by EITI requirement 7 on outcomes and impact. By making sure that data is comprehensible, actively promoted and publicly accessible, communications and outreach activities connect EITI disclosures to a wider range of citizens and civil society organizations and increase the likelihood that sector information will influence public debate on the governance of the extractive industries. These activities can take a range of different forms and include:

- Development of infographics (Kazakhstan, Philippines)
- Radio and TV shows (Ivory Coast, DRC)
- Outreach events such as public assemblies (Mongolia), road shows (Papua New Guinea) or university debates (Guinea)

A review of tangible disclosure and assurance mechanisms is a natural place to start for any mainstreaming approach, but concentrating solely on these aspects of EITI reporting carries the risk that governments and companies will not pay adequate attention to how communication and outreach activities will be conducted. On the one hand, if reporting entities do not conduct this work, there is a danger that communications and outreach work will be sidelined in country-level multi-stakeholder groups, posing a threat that outreach is disconnected from the entities actually making the disclosures. On the other hand, it also presents a risk that these all-important activities may not be adequately budgeted for by reporting entities or multi-stakeholder groups, presenting the possibility that they could disappear altogether. Given that the gap between disclosure, data use and actual accountability is already well documented,²⁰ this adds to existing concerns that EITI data could result in “zombie transparency”—disclosures that produce a veneer of good governance but are not acted on due to poor communication and outreach, or weakened or limited space for debate and dialogue. In its most severe manifestations, “zombie transparency” can undermine confidence in transparency more broadly, playing into the hands of those who want to keep things secret and legitimizing questionable regimes.²¹

Recommendations

- The Board should clarify that, in order to comply with the requirements of the standard, mainstreaming applications must address communications and outreach requirements in addition to the disclosure and data quality and assurance aspects of reporting.²² The board should consider whether these requirements are adequately addressed in approval processes for mainstreaming applications, and the success of measures should be reassessed in validation.
- The Implementation Committee should ensure that official tools and guidance on mainstreaming, including the systematic disclosure toolkit and the model terms of reference for EITI systematic disclosure feasibility studies, reflect these requirements.
- Country-level multi-stakeholder groups must ensure that they address outreach and communication activities in mainstreaming feasibility studies and in annual workplans when they prepare budgets for mainstreaming activities.

²⁰ Anja Rudiger, *Fiscal Transparency and Accountability, Research Note for the Fiscal Future’s Scenario Planning Workshops* (Carnegie Endowment for International Peace, 2018), www.internationalbudget.org/wp-content/uploads/state-of-the-field-review-fiscal-transparency-and-accountability-2018.pdf

²¹ Robert Bourgoing, *Zombie Transparency: Lessons from the Extractive Industries* (AidInfoPlus, 2016), aidinfoplus.org/zombie-transparency-lessons-from-the-extractive-industries/

²² Importantly, given that communication and outreach is already a firm EITI requirement, this does not require a change in the standard, rather it just requires these requirements to be reflected clearly in assessment and implementation of mainstreaming processes.

- Development partners should anticipate that communication and outreach activities may have additional funding and technical assistance implications in countries where the government agencies do not have a long history of communication and outreach work.

Loss of trust in data quality and assurance procedures

Another concern raised by civil society and other stakeholders about mainstreaming is that the number of ministries involved, and the reduced role of an independent administrator would undermine the data quality and credibility. As part of the conventional approach to EITI reporting, the country-level multi-stakeholder group contracts an “independent administrator” to collect data and carry out data quality and assurance activities. Though oversight of the independent administrator can be fraught with challenges and frustrations, the practice has in many instances yielded important trust dividends for EITI data. Particularly in contexts where trust in government information is weak, the involvement of a neutral third party in the production of EITI disclosures has helped build confidence in the information produced. Given that mainstreaming will result in government agencies and companies directly taking on many of the activities carried out by independent administrators, multi-stakeholder groups will need to address how they plan to uphold data quality and assurance if they want to ensure that trust in EITI disclosures is maintained.

Two key challenges emerge in this regard. The first is practical. Given the sheer number of reporting entities in a typical EITI implementing country, it is necessary to address how the country-level multi-stakeholder group will ensure that each reporting entity is meeting the requirements of the standard for each mainstreamed disclosure. Existing mainstreaming feasibility studies for Kazakhstan, Kyrgyz Republic and Mongolia, for example, show that unless centralized data publication portals are established, full mainstreaming will require multi-stakeholder groups to assess the quality of disclosures made by several government agencies and state-owned enterprises, as well as by dozens of private sector companies. The second challenge relates to credibility. It will be necessary for the country-level multi-stakeholder group to develop procedures to ensure that all stakeholders view disclosures as accurate and view any recommendations for reporting entities to bring their disclosures in line with the EITI Standard as fair.

Recommendations

- For each mainstreamed disclosure, country-level multi-stakeholder groups must develop data quality and assurance procedures that are able to effectively assess whether all reporting entities are fulfilling their commitments to the standard. All stakeholders must view these processes as credible to ensure that trust in EITI information is not eroded, and so that any demands for reporting entities to bring their disclosures in line with EITI requirements are respected. As a result, it’s crucial that civil society is able to actively take part in deciding what is mainstreamed and how. This must take place across all government bodies and companies involved, which may require additional capacity building and donor support across ministries. In countries where supreme audit institutions are strong, it may be possible to incorporate these activities into national audit processes. In other instances, it may be necessary to bring on ‘independent administrators’ in a renewed role to carry out assessments.

CONCLUSION

This draft consultation brief has sought to contribute to the nascent discussion around EITI mainstreaming by considering civil society opportunities and concerns in detail. We have shown that mainstreaming presents civil society with several potential benefits if implemented well, including opportunities to open up new channels for civil society to participate more directly in natural resource governance. But this is not guaranteed, particularly because civil society concerns around mainstreaming mean that there is a danger that civil society could hold back from engaging in this important shift in EITI implementation. To ensure that civil society is not alienated by mainstreaming, those involved in the governance of EITI including the board, the international secretariat, development partners and country-level multi-stakeholder groups must acknowledge these concerns and take steps to address them, in the planning, application and implementation stages of the transition. This can be done in the following ways:

1. Protecting the rules and procedures that govern mainstreaming, multi-stakeholder oversight and civil society participation throughout the process.
2. Incorporating communications and outreach activities into mainstreaming applications and implementing processes to ensure that disclosures contribute to public debate.
3. Developing data quality assurance procedures to ensure that disclosures are regarded as credible and fair by all stakeholders.

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