From Reporting to Reform
Eleven Opportunities for Increasing EITI Impacts

Erica Westenberg and Max George-Wagner

INTRODUCTION AND KEY FINDINGS

The first 22 reports prepared under the new Extractive Industries Transparency Initiative (EITI) Standard highlight critical deficiencies in license allocation processes, reveal politically affiliated owners of companies, and identify significant local revenues that were never disbursed. But these reports have also missed opportunities to inform major tax code revisions, ignored hotly debated issues of sector employment, and left stakeholders in the dark about individual extractive projects. This briefing outlines 11 changes that EITI implementing countries can make to start moving from merely reporting on the extractive sector to actually reforming it.

The EITI Standard, which was adopted in 2013, was developed in large part due to a recognition that EITI reporting had become a “box ticking” exercise, detached from the issues that mattered most in many countries. Addressing this challenge, EITI has expanded from a forum for reconciliation of extractive resource revenues, to a broader instrument for disclosure of information across the entire extractive decision chain. Expanded disclosure of contextual information in particular was introduced with the aim of making reporting more user-friendly and aligned with the policy discussions in-country.

We reviewed the 22 new reports to determine how countries are faring at implementation of the more ambitious EITI Standard, and the extent to which reports have become more useful. We found that the new reports are markedly more comprehensive and informative than previous EITI reports. However, it emerged that several areas require significant improvement if EITI implementation is to lead to actual reform. We have grouped these areas for improvement into two categories—quality and content—and identified the following findings and recommendations.

1 The 22 reports include those from Albania, Burkina Faso, Cameroon, Côte d’Ivoire, DRC, Ghana, Iraq, Kazakhstan, Liberia, Mali, Mauritania, Mongolia, Mozambique, Niger, Nigeria (mining only), Norway, Philippines, Republic of Congo, Sao Tome & Principe, Timor-Leste, Togo and Zambia. Examples from Guinea and Madagascar are also included.
Quality

1 **Relevance.** Most EITI work plans fail to identify objectives that are linked to national policy priorities. Many new reports contained information on only one top headline-making issue. Going forward, multi-stakeholder groups (MSGs) should target issues that matter.

2 **Timeliness.** On average, the new reports contained information that was two years old. MSGs generally waited 14 months after the end of the fiscal year to start procuring the EITI report, which then took roughly ten months to produce. To increase impacts, MSGs should tackle today’s challenges with today’s information.

3 **Openness.** Of the 48 EITI-implementing countries, only ten countries publish information in a machine-readable format such as Excel. The general lack of machine readability significantly limits the usefulness of EITI data. MSGs can boost impacts by opening data.

4 **Analysis.** Only a handful of countries produce analysis based on EITI reports. MSGs should more consistently ask what the data in reports means.

5 **Action.** Only around half of countries’ annual activity reports (which review the impact of EITI implementation for the year) considered whether EITI processes had impacted sector governance. In EITI reports, only a few countries included recommendations on substantive policy improvements that went beyond simply improving EITI reporting. MSGs should ensure that EITI processes facilitate improved governance.

Content

6 **Contracts.** Of the 22 new reports, 41 percent fail to include the government policy on contract disclosure. While only six reports provide direct access to contracts themselves, 64 percent of the new reports indicate that contracts must be disclosed in implementing countries, or recommend that they should be. MSGs should consider the exponential potential of contract disclosure to enhance the overall impact of EITI implementation.

7 **Beneficial ownership.** The EITI beneficial ownership pilot has revealed that disclosing beneficial ownership information is feasible and useful. While a fair amount of legal ownership information has been disclosed in pilot countries, a relatively small number of beneficial owners have been disclosed. MSGs should identify the people with whom countries do business.

8 **Production.** The majority of countries are struggling to assign a monetary value to the resources produced in a given year. MSGs should determine what extracted resources are worth.

9 **Projects.** The new reports are generally not reporting on a project-by-project basis. MSGs should avoid aggregation that hides crucial information.

10 **Subnational revenues.** A large number of countries are struggling to include disclosures on subnational resource revenue transfers in their reports. MSGs should make reporting useful for the communities where extraction happens.

11 **State-owned enterprises** (SOEs). Although reports include disclosures on SOE payments and receipts, most are disclosing only limited information on SOEs’ quasi-fiscal expenditures. MSGs should tackle the complexities of SOE activities.

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METHODOLOGY

In reviewing the reports we used NRGI’s gap assessment framework. The framework arranges the EITI Standard according to the policy issues that the provisions address. We began by comprehensively assessing nine of the new EITI reports to identify emerging common challenges and strengths, which we then focused on in our review of all 22 new EITI reports. The findings are relevant not only for the countries reviewed, but also for those countries that are yet to publish their first disclosures under the EITI Standard.

PART 1: QUALITY

1. RELEVANCE

In order for information to be useful in public debate and facilitate policy analysis, disclosures should target the issues that matter. Disclosures should address the priority oil, gas and mining policy issues in a country, shedding light on the concerns that are making headlines at that time.

The EITI Standard requires MSGs to develop work plans that “set EITI implementation objectives that are linked to the EITI Principles and reflect national priorities for the extractive industries.” But we found that most EITI work plans failed to identify objectives that were linked to national policy priorities. Many implementing countries do not even have up-to-date work plans.

We also used news archives to review the top three extractives-related stories in each country for the year each report covers. We found that most reports contained information on only one headline-making issue. Issues of high public interest that were omitted from EITI reports frequently related to forward-looking commercial plans and economic projections for sector performance; political and military activities; corruption and illegal activities; and local social and environmental harms.

To improve the relevance of reports, MSGs should:

• Maintain up-to-date EITI work plans with objectives that focus on national policy priorities in the extractive sector – not just objectives on producing EITI reports. Work plans should identify the governance challenges related to these priorities, and outline activities that aim to improve government and company systems and policies.

• Make disclosures that are relevant to debates on issues of public interest.

• Consult with their constituencies to gauge public interest when determining policy priorities.6

• Develop formal and informal linkages between EITI and national policy reform processes and institutions.

• Prioritize issues based on governance assessments, for example by using tools like the Natural Resource Charter7 and the Resource Governance Index8.

3 NRGI’s EITI Guide can be accessed at: http://www.resourcegovernance.org/eitiguide/
4 Reports assessed were: Burkina Faso, Democratic Republic of Congo, Ghana, Iraq, Kazakhstan, Liberia, Mongolia, Philippines and Zambia.
5 EITI Standard, Section 1.4(a)
6 For more information about best practice for MSG governance and constituency consultation, see the MSI Integrity report available at: http://www.msi-integrity.org/assessing-eiti-msg-governance/
7 For further information on the Natural Resource Charter and to download the second edition, see: http://www.naturalresourcecharter.org/
8 The Resource Governance Index can be accessed at: http://www.resourcegovernance.org/rgi
Relevance: Areas for improvement

This excerpt from Kazakhstan’s 2014-2015 EITI work plan\(^9\) reflects work plan objectives that focus on procedural elements related to EITI report production, rather than on broader national policy priorities in the extractive sector. Work plans should not ignore the report production process, but this should not be the sole focus.

Mongolia’s 2013 EITI report ignores major issues of public concern. For instance, the report fails to mention the Development Bank of Mongolia’s $300million loan to state owned Erdenes Tavan Tolgoi.

<table>
<thead>
<tr>
<th>Theme</th>
<th>Priority goals</th>
<th>Governance-related challenges and obstacles in the sector</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue management</td>
<td>Improve the management and redistribution of income from the extractive industries</td>
<td>The account numbers of most of the commune bank accounts have not been provided to the Mining Registry Bureau. This causes the non-distribution of mining administrative fees (FAM) in certain communes.</td>
<td>Train decentralised authorities in legislation, taxation, recovery procedures and management of income intended for decentralised authorities</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Need to harmonise the distribution of mining duties dedicated for local allocation (ristournes minières), including definition of the “communes involved”.</td>
<td>Support CSOs to conduct advocacy actions on the reallocation of petroleum and mining revenues.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Only 4 mining communes practise participatory budgeting (BP)</td>
<td>Create a mining registry reporting system within the districts and regions and civil society for each FAM redistribution operation.</td>
</tr>
</tbody>
</table>

Relevance: Areas of achievement

Madagascar’s 2014 EITI work plan\(^10\) focuses on clear national policy priorities in the extractive sector, identifies the governance challenges related to these priorities, and outlines activities aimed at improving government and company systems, not just producing EITI reports.

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9 Available at: https://eiti.org/files/KazEITI_workplan_2014-15.pdf
10 Available at: https://eiti.org/files/En_Madagascar_workplan_2014.pdf
Burkina Faso’s 2012 EITI report reflects disclosures relevant to debates on issues of public interest, as local employment emerged as a top issue that year when about 100 people blocked a road to protest the lack of local employment at Iam Gold’s Essakane mine. This table shows that Iam Gold employed the greatest number of locals (790) in absolute terms and was above average in terms of local employment as a percentage of total employment (40 percent).

<table>
<thead>
<tr>
<th>Sociétés</th>
<th>Effectif des Nationaux Locaux</th>
<th>Effectif des Nationaux non Locaux</th>
<th>Effectif des Non Nationaux</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>IAM GOLD ESSAKANE SA</td>
<td>790</td>
<td>1 157</td>
<td>20</td>
<td>1 967</td>
</tr>
<tr>
<td>SEMAFO BURKINA FASO</td>
<td>715</td>
<td>0</td>
<td>75</td>
<td>790</td>
</tr>
<tr>
<td>SMB</td>
<td>224</td>
<td>502</td>
<td>62</td>
<td>788</td>
</tr>
<tr>
<td>SOMITA</td>
<td>142</td>
<td>586</td>
<td>32</td>
<td>760</td>
</tr>
<tr>
<td>KALSAAK MINING</td>
<td>275</td>
<td>96</td>
<td>33</td>
<td>404</td>
</tr>
<tr>
<td>BISSA GOLD</td>
<td>172</td>
<td>406</td>
<td>43</td>
<td>621</td>
</tr>
<tr>
<td>BMC</td>
<td>132</td>
<td>228</td>
<td>23</td>
<td>383</td>
</tr>
<tr>
<td>Autres entreprises minières</td>
<td>623</td>
<td>773</td>
<td>108</td>
<td>1 504</td>
</tr>
<tr>
<td>Emplois</td>
<td>3 073</td>
<td>3 748</td>
<td>396</td>
<td>7 217</td>
</tr>
</tbody>
</table>

2. TIMELINESS

Closely related to the issue of relevance is that of timeliness. EITI-implementing countries need to be able to tackle today’s challenges with today’s information, not information from several years ago.

Implementing countries are required to produce EITI reports that “cover data no older than the second to last complete accounting period”, although “[m]ulti-stakeholder groups are encouraged to explore opportunities to publish EITI Reports as soon as practically possible” and to “consider automated online disclosure of extractive revenues and payments by governments and companies on a continuous basis.” The “two year deadline” was developed “to allow companies and government agencies to complete their end of financial year reporting (and associated audits) before disclosing data for reconciliation and publication.” However, this approach now seems somewhat out-of-sync with the EITI Standard’s emphasis on disclosures that go beyond just revenue and payment reconciliation, such as license allocations and budgeting processes. A review by the EITI International Secretariat found that, on average, the new set of EITI reports contain information that is two years old. These new reports were generally released a few months later than reports in previous years before the Standard applied, although the increase in average report production time was not caused by longer scoping, data collection, or reconciliation processes, but rather because procurement for report preparation started later. This annual “start-stop” approach to report preparation appears to be a significant impediment to timely reporting, as the Secretariat’s findings show that MSGs generally wait 14 months after the end of a fiscal year to start procuring the EITI report, which then requires roughly ten months to produce.

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11 Available at: https://eiti.org/files/2012%20Burkina%20Faso%20EITI%20Report%20Final.pdf
13 EITI Standard, Requirement 2
To improve timeliness, MSGs should:

- Include hyperlinks to any existing, up-to-date government and company information in EITI reports.
- Pursue the development of real-time data collection and publication systems, ideally housed within the relevant government or company institution.
- Consider interim publication of information as it becomes available.
- Maintain ongoing coordination with government and company reporting institutions.
- Shift away from “start-stop” production of annual hard-copy reports and towards ongoing real-time platforms for gathering, accessing and analyzing the most up-to-date extractives information from across an array of sources.
- Consider how to continue to summarize information annually (e.g., in a short EITI report with numerous annexes and links to real-time data) and how to ensure that information is accessible to stakeholders without internet connectivity (e.g., by creating national and local information hubs where stakeholders can access information).

**Timeliness: Areas for improvement**

Zambia did not publish its 2012 and 2013 EITI reports until December 2014, the same month that the parliament passed a 2015 budget that significantly reformed the country’s mining tax code. More timely EITI reports could have helped policymakers assess the impacts of earlier 2012 and 2013 changes to mineral royalties and capital allowances, before they instituted a new set of reforms.

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Timeliness: Areas of achievement

Liberia’s 2011-2012 EITI report\(^7\) provides a hyperlink to the website of the National Oil Company of Liberia (NOCAL) to enable access to information on the current status of concession blocks and copies of the related production sharing contracts.

3. OPENNESS

When reports are published only in hard copy and PDF formats, stakeholders have a harder time extracting the data in order to conduct analysis. The current lack of machine-readable data from EITI-reports poses a significant barrier to the use of the information, and thus limits the likelihood of it informing public debate and governance reform. MSGs should boost impacts by opening data.

The EITI Standard encourages MSGs “to make EITI Reports machine readable, and to code or tag EITI Reports and data files so that the information can be compared with other publicly available data.”\(^8\) However, of the 48 EITI implementing countries, only ten countries\(^9\) release information in a machine-readable format, and often this information is not comprehensive. Going forward, countries will have to provide

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\(^7\) Available at: https://eiti.org/files/EITI_Report_Liberia_2011-12.pdf
\(^8\) EITI Standard, Section 6.2
\(^9\) Liberia (MS Word), Mongolia (data portal, Excel), Mozambique (Excel), Norway (Excel), Peru (Excel), Philippines (Excel summary data only), Tanzania (Excel), US (data portal, CSV), Zambia (Excel), Kazakhstan (data portal, Excel)
certain information in Excel format in a summary data template\textsuperscript{20,21}, but countries should go beyond this minimum to comprehensively publish EITI data in an open format and under an open license. Open data publishing has become a recognized principle among governments\textsuperscript{22}, bilateral donors\textsuperscript{23} and private foundations.\textsuperscript{24} Many EITI countries also participate in the Open Government Partnership, and countries should seek to increase synergies between open data activities in both initiatives.

To improve openness, MSGs should:

- Publish comprehensive – not just summary – EITI data. Even non-revenue information, like extractives license registers and cadasters, should be published as open data, in machine-readable format with a clear open data license.

- Make data interoperable in order to increase its utility for stakeholders. For example, company names should be supplemented by the official company identifier number from the government in order to increase traceability. Mongolia already provides company identifiers in its EITI reporting.

- Publish data in open data format like Excel or CSV.

- Publish EITI data under the Creative Commons Attribution 4.0 Generic License (CC BY 4.0)\textsuperscript{25}. This license enables users to freely utilize the data as long as they appropriately attributed it to the source. This license will be in full compliance with the “Open Definition”\textsuperscript{26}, an internationally recognized standard for open data publication.

- Designate an open data focal point or working group within the MSG or national secretariat to coordinate open data activities.

- Include open data instructions in the terms of reference for report production.

- Access open data training, technical support and data tools from support organizations.

\textsuperscript{20} The summary data template can be accessed at: https://eiti.org/document/eiti-summary-data-template
\textsuperscript{21} EITI Standard, Section 5.3(b)
\textsuperscript{22} For instance, see: https://www.gov.uk/government/publications/open-data-charter/g8-open-data-charter-and-technical-annex
\textsuperscript{24} For instance, see: http://www.gatesfoundation.org/How-We-Work/General-Information/Open-Access-Policy
\textsuperscript{25} Access the license at: http://creativecommons.org/licenses/by/4.0/
\textsuperscript{26} Available at: http://opendefinition.org/licenses/
Openness: Areas for improvement

Ghana’s 2012-2013 EITI reports are only available in PDF format. Even though these reports contain comprehensive disclosures and recommendations, stakeholders can only do limited research and analysis because the data is not available in an open format. Stakeholders must cut and paste each figure into a spreadsheet if they wish to conduct analysis, deterring the use of the data and increasing the potential for data entry errors.

Openness: Areas of achievement

Information from Zambia’s 2012 and 2013 EITI reports are available in a machine-readable format. This enables stakeholders to conduct thorough research and analysis using EITI data, increasing the usefulness and potential impact of EITI disclosures.

4. ANALYSIS

Too often MSG members see the publication of an EITI report as the end of the process. A critical step in getting from reporting to reform is conducting analysis on sector policies and administration using the information in EITI reports. MSGs should **ask what the data in reports means.**

The EITI Standard encourages MSGs to “produce brief summary reports, with clear and balanced analysis of the information” in EITI reports. We found that only a few MSGs had developed analysis based on data in the latest EITI reports.

To improve analysis MSGs should:

- Develop a plan for conducting analysis on national policy priorities in their work plans using EITI data.
- Consider whether to directly conduct or commission analysis, and determine whether such analysis will be included within EITI reports or as separate publications.
- Encourage other actors to produce analysis for both public consumption (e.g., journalists, academics, CSOs) and their own institutional use (e.g., government agencies, parliamentarians).
- Allocate human and financial resources for analysis in the EITI work plan.
- Include analysis as part of the terms of reference for the production of the EITI report.
- Conduct outreach to determine how EITI reports can be shaped to best serve analytical needs of journalists, academics, CSOs, government agencies, and parliamentarians.

### Analysis: Areas of achievement

The Liberia EITI MSG conducted analysis on whether extractive sector permits, licenses, and contracts awarded between 2009 and 2011 were in compliance with applicable Liberian laws at the time of their award.

We set out in the tables below the status of compliance for each of the contracts reviewed.

#### Table 1 - Summary of compliance

<table>
<thead>
<tr>
<th>Ref</th>
<th>Sector/Agency</th>
<th>Category</th>
<th>Company/Contract</th>
<th>Location/other</th>
<th>Findings (*)</th>
<th>Overall Compliance with Regulations</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Agriculture/WA</td>
<td>Concession</td>
<td>Natural Rubber Corporation</td>
<td>Maryland</td>
<td>[3, 4, 6, 9, 10, 12]</td>
<td>PC</td>
</tr>
<tr>
<td>2</td>
<td>Agriculture/WA</td>
<td>Concession</td>
<td>Eastern (Venteen &amp; Jacobs) Inc.</td>
<td>Maryland</td>
<td>[1, 3, 4, 5, 7, 9, 12]</td>
<td>NC</td>
</tr>
<tr>
<td>3</td>
<td>Agriculture/WA</td>
<td>Concession</td>
<td>Global Palm Inc / Disants</td>
<td>Maryland</td>
<td>[1, 4, 5, 8, 10, 11]</td>
<td>FC</td>
</tr>
<tr>
<td>4</td>
<td>Agriculture/WA</td>
<td>Concession</td>
<td>丰胸 Derby Plantation (Ind) Inc.</td>
<td>Maryland</td>
<td>[2, 3, 4, 6, 7, 9]</td>
<td>FC</td>
</tr>
</tbody>
</table>

- A contract was judged as compliant where we did not note several instances of non-compliance;
- A contract was judged as partially compliant when the instances of non-compliance encountered were not material to the extent that the whole process was deficient;
- A contract was judged as non-compliant with applicable regulations where we noted major departures from relevant legislation; and
- A limitation of scope was emitted when we did not receive the documentation pertaining to the award process.

28 EITI Standard, Section 6.2(a)

Mongolia’s EITI e-reporting website includes year-on-year analysis of revenue streams.

5. ACTION

EITI implementation is of little value if it fails to bring tangible improvements to natural resource governance in EITI member countries. Timely EITI reports that are relevant and contain open data that has been meaningfully analyzed should ultimately facilitate improved governance.

MSGs are required to “review the outcomes and impact of EITI implementation on natural resource governance” in their annual activity reports. We found that only around half of countries considered whether their EITI processes had impacted sector governance in their annual activity reports. In EITI reports themselves, only a few countries included recommendations on substantive policy improvements that went beyond just improving EITI reporting.

To improve action, MSGs should:

• Recommend improvements in fiscal and legal policies.
• Recommend improvements on policy enforcement and administration, and corruption.
• Recommend improvements to institutional mandates and interagency coordination.
• Recommend improvements to transparency and accountability in government and company systems.
• Share recommendations with government agencies and company representatives.
• Explore how EITI best practice can be mainstreamed into government and company systems.
• Ensure that government representatives on the MSG transmit EITI recommendations and lessons within their agencies.
• Encourage advocacy by accountability actors.

30 See: http://e-reporting.eitimongolia.mn/dataExplorer
31 EITI Standard, Section 7.2
Action: Areas for improvement


V. RECOMMENDATIONS

According to the results of the reconciliation performed we recommend:

1. Payers providing Reports on Taxes and Other Obligatory Payments to the Budget for reconciliation must improve the quality of preparation of Reports in compliance with the Report Completion Instruction.

2. Recipient (the Tax Committee of the Ministry of Finance of the RoK and the Customs Committee of the Ministry of Finance of the RoK) must be obliged to provide data on receipt of payments within the terms established by Terms of Reference, and specify the discrepancies after supporting documents are received from Reconciling Company (from Payers). The officials must be engaged as employees and be held responsible for provision of form of Report on Essential Tax and Non-Tax Receipts and for the information provided.

3. The Treasury must be obliged to timely provide Form on receipts paid by Payers in US dollars according to Attachment 1-2.

4. The Companies making payments in US dollars must be obliged to provide Attachment 1-1 "Form on payments made in US dollars", and attach currency payment register in its USMS.

5. The work plan for 2014 must include seminars and trainings to be conducted by NCPC for responsible officials of companies on meeting the Report Form Completion Instruction for preparation of Report.

Action: Areas of achievement

Ghana’s 2013 EITI oil and gas and mining reports[33] contain substantive policy recommendations along the entire decision chain: they recommend reform of the licensing regime; include bidding rounds and open contracts; identify local revenues that were never disbursed; and demand compliance with regulations that require the development of an investment guide for the petroleum funds.

Policy Recommendations from GETHI report

<table>
<thead>
<tr>
<th>Allocation of Rights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue Collection</td>
</tr>
<tr>
<td>GNPC</td>
</tr>
<tr>
<td>Subnational transfers</td>
</tr>
<tr>
<td>Revenue Management</td>
</tr>
</tbody>
</table>

### Policy Recommendations

- **Allocation of Rights**
  - Not an open process and may lead to awarding oil blocks and mining contracts to ineligible or related parties
  - Small scale producers and Minerals Commission should introduce open bidding and tendering process to make licensing system more transparent and efficient
  - Online cadastre (publicly with information on available, true, true, rights, transfer, etc.) should be introduced to improve transparency
  - Contract details should be published by both companies to ensure transparency and also add civil society and media to conduct further analysis and play effective oversight role

- **Revenue Collection**
  - Minerals royalty collection should be expanded to cover small scale miners/ producers—according to the report 65% of gold production for the 2012-2013 period came from small scale producers
  - System should be clarified between small scale and large scale mining operations

- **GNPC**
  - GNPC’s overall expenditures are not fully disclosed, such CSR expenditures
  - Given the high reported export costs of about $982.7 million, GNPC should publish its investment plans to justify their export costs
  - Other expenses on CSR should also be published

- **Subnational transfers**
  - Subnational fixes in the distribution of mineral revenue from the GNRL to MMRA in 2013, EITI report indicated that no money was disbursed to local government, should be published
  - Revenues should be calculated twice without delays to ensure smooth continuation of OANDA projects
  - There should be a mined revenue distribution and management Act to ensure greater transparency and accountability

- **Revenue Management**
  - PFMG does not address reporting on spill over or stocks and lower stocks are not expressed in revenue terms—2012 lithium produced production was 72,696 tons and 642,762 in 2013
  - Revenue statement of annual reports on petroleum funds from MMRA should include stocks as “non-revenue cf
  - AFRF expenditure should be disaggregated further to enable tracking of projects

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[33] Available at: https://eiti.org/report/ghana/2013
Nigeria’s EITI published substantive recommendations on the Petroleum Industry Bill and participated in a National Assembly hearing on the legislation.34

PART 2: CONTENT

6. CONTRACTS
Disclosing contracts and licenses is one of the most important steps that EITI implementing countries can take to promote more effective management of their extractive resources. Contract transparency promotes constructive relationships between citizens, companies and governments, which can reduce conflict and facilitate stability in the sector. It helps set realistic expectations about the terms of and timelines for extraction, which facilitates accurate government revenue collection and forecasting. And the disclosure of contracts provides enhanced opportunities for multi-stakeholder monitoring of adherence to obligations, which encourages all parties to act accountably in project implementation. Without an understanding of the contractual rights and obligations that govern extraction, stakeholders are unable to fully analyze EITI information. Contract disclosure enhances the utility of all EITI disclosures by providing context for revenue information, production figures, and other data. MSG members should consider the exponential potential of contract disclosure to enhance the overall impact of EITI implementation.

Section 3.12 of the EITI Standard encourages EITI-implementing countries to “publicly disclose any contracts and licenses that provide the terms attached to the exploitation of oil, gas and minerals.” The EITI Standard also requires that reports document the government’s policy on contract disclosure and, where applicable, provide an overview of the contracts and licenses that are publicly available, and include a reference or link to the location where these are published.

Of the 22 reports that have been prepared under the EITI Standard, only six (DRC, Liberia, Congo, Mali, Mozambique and the Philippines) provide links to contracts. Whilst Timor Leste refers to a publicly available contracts database, the report doesn’t include a link. Another four reports (Niger, Republic of Congo, Timor Leste, and Sao Tome and Principe) indicate that contracts are publicly available, but fail to provide

34 Noel Onoja “NEITI urges NASS to address community issues” (6 August 2013) http://www.vanguardngr.com/2013/08/neiti-urges-nass-to-address-community-issues/
a link or information on how to access them. And four reports (Burkina Faso, Côte d’Ivoire, Democratic Republic of Congo and Mauritania) note that contract disclosure is required by law in the country, but does not fully take place in practice. Sixty-four percent of the new reports indicate that contracts are required to be disclosed or recommend that they should be. Nine reports (Iraq, Kazakhstan, Liberia, Nigeria, Norway, Mauritania, Togo, Timor Leste & Zambia) fail to describe the country’s policy on contract disclosure.

To improve contract disclosure MSGs should:

- Act on recommendations to pursue contract transparency contained in EITI reports and elsewhere.
- Undertake a thorough evaluation of whether and how contract disclosure could contribute to the achievement of national policy objectives.
- Decide on the types of licenses and contracts to disclose, and when to disclose them.
- Assemble and verify the contracts to be disclosed.
- Publish copies of contracts on a website that is accessible free of charge and without a registration requirement, and make copies available free-of-charge in hard copy. Published contracts should be in open format that can be searched, rather than locked pdfs.
- Develop strategies for public education on contracts.
- Request authorization from the proper levels of government and coordinate with the ministry or agency that is the signatory of the contract or issuer of the license, to ensure that the correct, complete documents are collected.
- Coordinate with companies to help address any commercial sensitivity or confidentiality concerns they may have.
- Engage with technical support providers like the World Bank Institute, Columbia Center on Sustainable Investment, NRGI, and the Open Contracting Partnership.

Contracts: Areas for improvement

Niger’s 2012 EITI report states that contract disclosure is a constitutional requirement and that contracts are published in full in the Official Journal of the Republic of Niger, but no information is given on how or where stakeholders can obtain copies of the Official Journal.
Contracts: Areas of achievement

Guinea’s EITI website provides a link to their publicly available contracts database (www.contratsminiersguinee.org), which promotes wider understanding of contract terms by linking the full contracts and licenses to plain-language summaries of key terms, facilitating analysis of issues that users are particularly interested in. The government of Guinea pioneered this approach, which builds on technology being developed by the global www.resourcecontracts.org project. The technical support providers noted above can help MSGs develop similar sites tailored to their specifications.

7. BENEFICIAL OWNERSHIP

While a complex and opaque ownership structure is not necessarily a sure sign that an extractives company is engaging in misconduct, secret ownership structures do enable some extractive companies to evade tax payments or hide improper relationships with government officials. Publishing information about the “beneficial owners” of companies — the human beings who ultimately control or derive economic benefits from companies — can help to deter such practices and enable detection. MSGs should identify the people with whom countries do business.

In the course of developing the EITI Standard, the EITI International Board determined that the initiative should in the future require disclosure of beneficial ownership information for companies operating in implementing countries. It was agreed that, subject to successful piloting, the EITI Board will develop detailed provisions with a view to making this an EITI requirement from 1 January 2016. We applaud the countries currently taking part in the EITI beneficial ownership pilot35 for tackling this critical issue. The pilot has revealed that disclosing useful beneficial ownership information is feasible and useful. While a fair amount of legal ownership information has been disclosed in pilot countries, a relatively small number of beneficial owners have

35 See: https://eiti.org/pilot-project-beneficial-ownership
been disclosed. However, the pilots form an excellent basis for returning to companies and asking them to report on their beneficial owners.

To improve beneficial ownership disclosures, MSGs should:

- Develop and publish a clear definition of “beneficial owner” which includes fundamental aspects such as natural persons (meaning a human being, not a company), ultimate owners (which goes beyond just shareholders and direct legal title), economic benefit (including indirect relationships or influence resulting in receipt of a significant part of the company’s economic benefit), and control (e.g., individuals with a significant say in company decision-making, regardless of their legal ownership).

- Collect beneficial ownership information by asking companies to provide it instead of seeking such information from government registries, which generally do not have it. Include additional details about the identity of beneficial owners, such as address, nationality and date of birth.

- Consider what approach will make beneficial ownership information most useful to their objectives and priorities, such as incorporating disclosures for any politically affiliated beneficial owners and chains of ownership alongside ultimate owners.

- Communicate with reporting companies so that they clearly understand the information being sought.

- Discuss with government how beneficial ownership disclosures can be incorporated into existing, related platforms, such as license registries and contract disclosure platforms, which can significantly increase the usability of such data.

- Seek inputs from civil society on how to make the information most useful as a tool for public understanding.

Beneficial Ownership: Areas for improvement

This example from Nigeria’s 2012 mining EITI report demonstrates the problem of identifying corporations, rather than natural persons, as beneficial owners, even though the report does in other instances identify individuals.

<table>
<thead>
<tr>
<th>Companies</th>
<th>N°</th>
<th>Name/Entity</th>
<th>Level of ownership</th>
<th>Nationality of the owner</th>
<th>Stock exchange quotations (yes/no)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Setraco International Holdings S.A.L</td>
<td>2</td>
<td>Said Khalaf</td>
<td>49.00%</td>
<td>Nigerian</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>Said Khair</td>
<td>20.00%</td>
<td>Nigerian</td>
<td>No</td>
</tr>
<tr>
<td>Crushed Rock Ind. Ltd</td>
<td>1</td>
<td>Pescher</td>
<td>52.00%</td>
<td>German</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>Omars</td>
<td>48.00%</td>
<td>Nigerian</td>
<td>No</td>
</tr>
<tr>
<td>Ashaka Cem Plc</td>
<td>1</td>
<td>Lafarge Nigeria UK Ltd</td>
<td>58.61%</td>
<td>French</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>Nigerian Investors</td>
<td>41.39%</td>
<td>Nigerian</td>
<td>Yes</td>
</tr>
<tr>
<td>Zeberced Nig. Ltd</td>
<td>1</td>
<td>Ayedh Kurt</td>
<td>60.00%</td>
<td>Turkish</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>Erkan Kurt</td>
<td>40.00%</td>
<td>Turkish</td>
<td>No</td>
</tr>
<tr>
<td>Ratcon Construction Co. Ltd.</td>
<td>1</td>
<td>Courdisian(Nigerian) Limited</td>
<td>51.00%</td>
<td>Nigerian</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>Leqa Investments Limited</td>
<td>39.00%</td>
<td>Nigerian</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>Fahd Hana Khoury</td>
<td>10.00%</td>
<td>Lebanese</td>
<td>No</td>
</tr>
<tr>
<td>Arab Contractors Nig. Ltd</td>
<td>1</td>
<td>Abtabl Construction Nigeria Limited</td>
<td>60.00%</td>
<td>Egyptian</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>Arab Contractors(CAO) Cairo</td>
<td>40.00%</td>
<td>Egyptian</td>
<td>No</td>
</tr>
<tr>
<td>P.W. Nig. Ltd</td>
<td>1</td>
<td>Nigerian citizens</td>
<td>41.36%</td>
<td>Nigerian</td>
<td>NA</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>P.W Group</td>
<td>58.20%</td>
<td>Irish</td>
<td>NA</td>
</tr>
</tbody>
</table>

36 Available at: https://eiti.org/files/Nigeria-SMA-Report-2012_0.pdf
Beneficial Ownership: Areas of achievement

This example from the Democratic Republic of Congo’s 2012 EITI report goes beyond the immediate shareholding companies and trust arrangement, and identifies a politically affiliated person as the ultimate beneficial owner of this company.

Although this example from Mongolia’s EITI website focuses on shareholder information, which is not the same as beneficial ownership information, it does a good job of explaining the name, nationality and ownership percentage of natural persons.

8. PRODUCTION

Data on production helps put revenue figures in context, so that people can understand how public revenues compare to the total value of the extracted resources. MSGs should determine what extracted resources are worth.

Under the EITI Standard, reporting countries must now disclose a range of contextual information, including on exploration activities, production and export values and volumes, with each broken down by commodity and state or region, where applicable. Our initial review of EITI reports suggests that while most countries were able to provide some limited information on production and exports, 81 percent of countries are

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37 Available at: https://eiti.org/files/Rapport%20de%20Conciliation%20EITI%20RDC%202012.pdf
38 For more information on Dan Gertler, see: http://www.africaprogresspanel.org/gecamines-didnt-tell-government-of-kcc-gertler-deal/
39 EITI Standard, Section 3.3, 3.5a&b
struggling to assign a monetary value to production volumes. Only Mongolia, Ghana, Albania and Mozambique disclose production values by commodity, and none break these values down by state or region. However, disclosing data on production volumes by commodity appears to have been relatively straightforward.

To improve production data, MSGs should:

- Develop methods for disclosing values of production and disaggregating these by state or region, where applicable.
- Include the price data and formula used to compute production values.
- Report on production for at least one year prior to enable comparison over time.
- Reconcile government and company production data.
- Identify a reliable source of information for production and export data, and not relying exclusively upon company production figures. This could include mapping out the different government agencies/bodies that release production data and determining which is the most reliable.

**Production: Areas for improvement**

Mongolia’s 2013 report is only one of two reports to disclose production values for all of the country’s commodities. But it fails to include the prices and formula used to calculate those values.

<table>
<thead>
<tr>
<th>No.</th>
<th>Commodities</th>
<th>Production</th>
<th>Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Quantity</td>
<td>Amount (thous. MNT)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Quantity</td>
<td>Amount (thous. MNT)</td>
</tr>
<tr>
<td>1</td>
<td>Copper concentrate</td>
<td>801,839.6</td>
<td>1,489,270,910.0</td>
</tr>
<tr>
<td>2</td>
<td>Molybdenum concentrate</td>
<td>3,700.0</td>
<td>19,186,346.5</td>
</tr>
<tr>
<td>3</td>
<td>Gold</td>
<td>7,932.0</td>
<td>382,185,405.9</td>
</tr>
<tr>
<td>4</td>
<td>Silver</td>
<td>403.4</td>
<td>9,700,212.0</td>
</tr>
<tr>
<td>5</td>
<td>Coal</td>
<td>7,190,950.9</td>
<td>148,661,737.2</td>
</tr>
</tbody>
</table>

**Production: Areas of achievement**

The DRC’s 2012 EITI report usefully reconciled government and company exploration values and volumes and identified a number of discrepancies.

40 Available at: https://eiti.org/files/Shorter%20PDF%20MEITI%20Report-English%20Master_final_2013.pdf

41 Available at: http://www.itierdc.com/formulaire/Rapport%20de%20Conciliation%20EITI%20RDC%202012%20-%20Final%2020.pdf
9. PROJECT-LEVEL REPORTING

Given the complexity of the extractive industries, aggregated data is often of limited value. Project disclosures enable citizens and host communities to monitor whether the government is collecting a fair return and to track spending, which in turn helps to manage expectations. Governments can use the information to begin to determine if a company is underpaying, as well as in audits and compliance checks. MSGs should make reporting relevant to the communities affected by extractive projects.

The EITI Standard requires reporting at project level, provided that it is consistent with the United States Securities and Exchange Commission rules and the EU Accounting and Transparency Directive requirements. However, the lack of project-level reporting indicates a need for additional support in this area. EITI countries should respond to the growing international momentum behind project-level reporting. Demonstrating the feasibility of such disclosures, Statoil recently published its project-level payments to governments around the world under EU Accounting and Transparency Directives. Statoil operates in a number of EITI-implementing countries Azerbaijan, Indonesia, Nigeria, Norway and the US.

To improve project-level data, MSGs should:

- Develop reporting templates which require companies to make disclosures on the basis of individual projects.
- Include an explanation of the approach that EITI reports take on project-level reporting based on the requirements of the standard.
- Adopt project-level reporting as the standard level of disaggregation across additional EITI disclosures where relevant (e.g., production, exports and social expenditures).
- Agree on a definition of a project, which is consistent with that of the EU Accounting and Transparency Directives. This would mean ensuring that each project is defined on the basis of the legal or contractual relationship between the company and the government. This could be on the basis of one contract such as a Production Sharing Contract, or on the basis of multiple contracts which are substantially interconnected such as a number of mining concessions and licenses which cover the activities related to a single mine.

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42 EITI Standard, Section 5.2e. The EU Accounting Directive defines a project as “the operational activities that are governed by a single contract, license, lease, concession or similar legal agreements and form the basis for payment liabilities with a government. None the less, if multiple such agreements are substantially interconnected, this shall be considered a project”.

Project-level reporting: Areas for improvement

Zambia’s EITI report\(^\text{44}\) discloses revenue payments at the company level, not the project level.

Project-level reporting: Areas of achievement

Iraq’s EITI report\(^\text{45}\) reconciles information on cost recovery, remuneration fees and corporate tax (see screenshot) for individual oil fields operated under a specific legal agreement (in this case a Technical Service Contract). However, it is unclear, from the reporting templates used for reconciliation, how information was collected at the project level. There are references to “contracts” and “Contract Signing Date[s]” but it is unclear if these are linked explicitly to the oil fields which are being reported upon.

5.21 Corporate tax reconciliation between Ministry of Oil and International Oil Companies for year 2012

Differences in tax reconciliation is mainly attributed to the fact that corporate income tax for the year 2012 was deducted by the Ministry of Oil during year 2013, while deductions were recorded by most providers during the year 2012. This is illustrated in the table below.

10. SUBNATIONAL PAYMENTS

A significant portion of the revenue collected for a country’s resources end up going to local governments. This occurs through payments made directly by companies to local governments as well as the transfer of resource revenues from national government to state, regional and local governments. Of the 58 countries in the Resource Governance Index, 30 have mechanisms in place which distribute extractive revenues from national to local governments. Given the importance of effective collection, management and distribution of these, such EITI data will provide particularly useful in contributing to policy debates. MSGs should report on the revenue streams most relevant to sub-national stakeholders.

Under EITI requirements, countries are required to report upon resource revenue transfers from national to local governments, as well as the direct payments which are

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\(^{44}\) Available at: https://eiti.org/files/zeiti_2013_reconciliation_final_report_18_12_14%20%282%29.pdf

\(^{45}\) Available at: https://eiti.org/files/IEITI%20Final%20Report%202012%20%20English.pdf
made by companies to local governments. Of the EITI reports under review, 63 per cent disclosed direct payments from companies to sub-national governments and reconciled the figures, but 53 per cent of implementing countries struggled to report on transfers from national to sub-national governments. Revenue-sharing formulas are included, but often without information about the actual transfers.

To improve subnational data, MSGs should:

- Disclose transfers from national to subnational government as well as revenue sharing formulas.
- Deliver reports with information that is relevant to subnational stakeholders.
- Disclose more than just revenue payments and receipts. Reports should include additional information, such as local content and social expenditure data, broken down by locality.
- Ensure that all material resource revenues flowing to subnational governments are included in reporting and reconciled.
- Consult subnational stakeholders to determine what disclosures are most relevant to them.
- Conduct some form of mapping study in order to identify all resource revenue streams flowing to subnational governments.
- Work with the Independent Administrator to develop appropriate reporting templates which address the aforementioned points.

Subnational: Areas for improvement

Liberia’s EITI report includes information about payments that government agencies made to subnational governments, but no reporting from subnational governments on what they received.

<table>
<thead>
<tr>
<th>Company</th>
<th>Amount paid by company</th>
<th>Agency</th>
<th>Amount received by entity</th>
<th>Beneficiary</th>
<th>Amount disbursed to beneficiary</th>
<th>Difference accounted for</th>
<th>Difference not accounted for</th>
</tr>
</thead>
<tbody>
<tr>
<td>Axicor Mittal</td>
<td>3,100,000.00</td>
<td>Ministry of Lands, Mines and Energy</td>
<td>3,100,000.00</td>
<td>Bong</td>
<td>500,000.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Grand Bassa</td>
<td>1,500,000.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Nema</td>
<td>1,500,000.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Scientific Research Fund</td>
<td>150,000.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3,100,000.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>China Union</td>
<td>6,049,946.00</td>
<td>Ministry of Lands, Mines and Energy</td>
<td>6,049,946.00</td>
<td>Bong</td>
<td>1,750,000.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Margina</td>
<td>875,000.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

46 EITI Standard, Sections 4.2d&e
47 Country reports which disclose company to subnational government payments: Zambia, DRC, Mongolia, Philippines, Liberia, Kazakhstan, Ghana, Togo, Albania, Cameroon, Mauritania and Nigeria. Reports which don’t include national to subnational transfers (excluding countries where such transfers are not required): Zambia, DRC, Iraq, Cote D’Ivoire, Niger, Cameroon and Mali.
Subnational: Areas of achievement

In the Philippines local governments receive 40 percent of centrally collected mining revenues from operations in their jurisdictions. The Philippines 2012 report\(^49\) includes the revenue sharing percentages along with the actual amounts that were transferred, broken down by local government units. The figures were then reconciled and any discrepancies explained.

### Table 30. Summary of share in national wealth

<table>
<thead>
<tr>
<th>LGU</th>
<th>Mining</th>
<th>Royalties from mineral reservation</th>
<th>Oil and gas production</th>
<th>Total per DBM</th>
<th>per LGU template</th>
<th>Variance</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Province Benguet</td>
<td>29,910,567</td>
<td>-</td>
<td>-</td>
<td>29,910,567</td>
<td>29,910,567</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Municipality Marikayan</td>
<td>8,431,246</td>
<td>-</td>
<td>-</td>
<td>8,431,246</td>
<td>9,626,130</td>
<td>(1,194,884)</td>
<td>A</td>
</tr>
<tr>
<td>Tuba</td>
<td>29,043,221</td>
<td>-</td>
<td>-</td>
<td>29,043,221</td>
<td>31,726,733</td>
<td>(2,683,512)</td>
<td>A</td>
</tr>
<tr>
<td>Iloango</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>26,167,238</td>
<td>(26,167,238)</td>
<td>A</td>
</tr>
</tbody>
</table>

| Region III              |         |                                    |                        |               |                 |          |         |
| Province Bulacan        | 512,533 | -                                 | -                      | -             | -               | 512,533  | A       |
| Province Zamboanga      | 3,288,670 | 7,357,385                        | -                      | 10,626,055    | 6,285,788       | (4,340,267) | B       |

11. STATE-OWNED ENTERPRISES

Information on state-owned enterprises (SOEs) makes EITI reports more relevant given that in many countries the sale of commodities by SOEs represent the largest source of government revenue in the extractive industries.\(^50\) Beyond selling government crude, SOEs often also collect revenues from private companies, as well as owning and operating projects. While some SOEs have been instrumental in effectively governing the extractive sector, others have posed major obstacles to harnessing the benefits of the country’s resources. EITI MSGs should not treat an SOE as just another extractive company; they should ensure reporting covers quasi-fiscal expenditures, ownership in extractive companies and detailed contextual information on SOE roles and responsibilities.

The EITI Standard now requires implementing countries to disclose a range of contextual information on SOEs and to reconcile material payments and receipts.\(^51\) Most EITI reports provide some contextual information on their SOEs, outlining their financial relationship to the government. There is consistent reporting on company payments to SOEs and transfers between government agencies and SOEs. Some EITI-implementing countries also disclose ownership by SOEs in joint ventures, although details are often missing on the terms of the government/SOE equity stake in the extractive project. There is a notable lack of reporting on quasi-fiscal expenditures such as social services, public infrastructure or fuel subsidies. This is particularly concerning given that these expenditures often have significant impacts on the local economy and government finances.

To improve SOE data, MSGs should:

- Include contextual information on the country’s SOEs and its subsidiaries. EITI MSGs would do well to include an overview of the roles and responsibilities of the SOE, as well as rules and practices related to: corporate governance including the members of the board and their appointment procedure; the identity of the SOE’s shareholders and their rights; and oversight mechanisms and auditing procedures.

\(^{49}\) Available at: http://www.ph-eiti.org/#/EITI-Report/First-Country-Report


\(^{51}\) EITI Standard, Section 3.6c, 4.2c
• Include links or references to publicly available annual reports and audit statements. For instance, while Liberia’s national oil company has a website with a range of useful contextual information and downloadable annual reports, the EITI report does not provide a link to these.

• Report on the ownership of SOEs in extractive companies and include details on the terms attached to their stake in the companies.

• Cover any transfers from the government to the SOE, such as contributions to operating and capital expenses, loans or funds for fuel subsidies.

• Disclose details of SOEs’ quasi-fiscal expenditures, broadly defined to include all payments which are not part of their core operations as petroleum or mining companies.

• Engage SOEs more closely within the EITI process, by integrating reporting mechanisms within the SOEs themselves.

• Include links to the websites of SOEs in EITI report, noting what information is available and what is missing, rather than replicating that information in the reports.

SOEs: Areas for improvement

Liberia’s 2012 report includes payments made by the National Oil Company of Liberia into a social development fund, but it is unclear whether these were voluntary or mandated payments, or whether NOCAL made any quasi-fiscal expenditures.

SOEs: Areas of achievement

Ghana’s 2012 and 2013 report provides detailed information on payments made by the SOE to the government, including cargo-by-cargo data on the sale of government-owned crude.
Kazakhstan includes in its 2013 report all of its SOE’s subsidiaries and joint ventures, including the percentage of ownership. It also includes a breakdown of dividends payments from its subsidiaries.

Table 9: Dividends received by KMG NC JSC

<table>
<thead>
<tr>
<th>No.</th>
<th>Payer</th>
<th>Amount of Payment, thous. tenge</th>
<th>Amount of Payment, thous. dollars USA</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>KazMunaiGas Exploration and Production JSC (the state share is 63.22%)</td>
<td>85,139,924</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Tengizchevroil LLP (the state share is 20%)</td>
<td></td>
<td>539,871</td>
</tr>
<tr>
<td>3</td>
<td>KazakhtransMunai LLP (the state share is 51%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>KazakhOil Alkhebe LLP (the state share is 50%)</td>
<td>no dividends were paid out</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>KazMunaiTeniz OOC JSC</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Kasyagaz B V LLC</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Unitran Operating LLP</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Satpayev Operating LLP</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>KMG Kunkol LLP</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: data of the company’s report

CONCLUSION

In our review of the first 22 reports released under the EITI Standard we found that they demonstrated the potential to make extractive sector disclosures more useful. In many aspects, countries have risen to the challenge and become more ambitious and comprehensive in their reporting. However, there remain significant gaps that are holding countries back from seeing meaningful impacts from their EITI processes.

If implementing countries want to make the EITI more impactful, they will need to transition away from a focus on producing reports and towards goals of using the EITI as a platform to stimulate public debates, to inform policy analysis and decision-making, and to improve government and company systems. This will require developing EITI work plans with strong links to national policy priorities, releasing relevant and timely information in open data formats, facilitating the use of EITI data in analyses of the issues that matter, and both developing and realizing strong recommendations in EITI reports.

More than anything, while highlighting that further improvements are needed, these first reports show that great gains are indeed possible.