



THE WORLD BANK

# Building on Progress to Implement the EITI Standard

.....  
Extractive Industries Transparency Initiative –  
Multi-Donor Trust Fund (EITI MDTF)



GORDON GAHAN / National Geographic Creative

## Annual Report 2013



Implementing  
Transparency

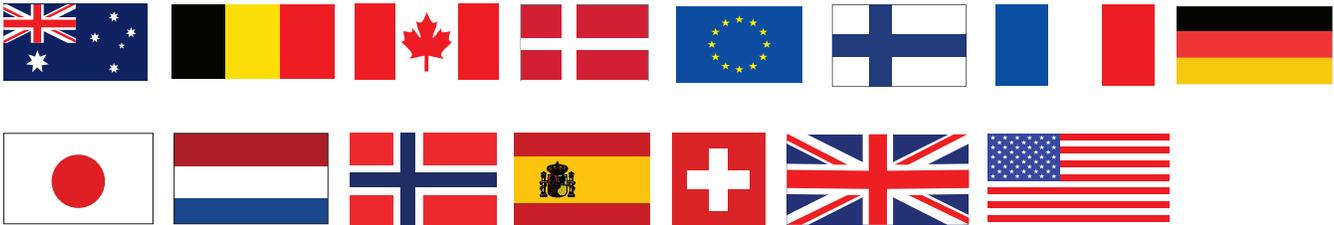
Public Disclosure Authorized

Public Disclosure Authorized

Public Disclosure Authorized

d

*EITI MDTF Donors: Australia, Belgium, Canada, Denmark, the European Commission, Finland, France, Germany, Japan, the Netherlands, Norway, Spain, Switzerland, the UK, and the USA*





THE WORLD BANK

# Building on Progress to Implement the EITI Standard



Extractive Industries Transparency Initiative –  
Multi-Donor Trust Fund (EITI MDTF)

Annual Report 2013





# Contents

Message from the Program Manager .....	7
Executive Summary .....	8
Introduction – The World Bank and EITI .....	10
<a href="#">Spotlight on Implementation: Nigeria and Liberia</a> .....	12
<b>CHAPTER 1</b>	
Recipient-Executed Trust Fund Grants .....	14
<a href="#">Spotlight on Implementation: Zambia and Indonesia</a> .....	22
<b>CHAPTER 2</b>	
Civil Society Capacity Building .....	26
<a href="#">Spotlight on Implementation: Mongolia and Kazakhstan</a> .....	30
<b>CHAPTER 3</b>	
Contributions to the Global Process, Knowledge and Learning .....	32
<a href="#">Spotlight on Implementation: Peru and Guatemala</a> .....	36
New Challenges Ahead .....	37
Annex – Financial and Work Program Tables .....	40



# FOREWORD

*Message from the Program Manager:*

PAULO DE SA



## **A new EITI Standard raises the bar for implementation**

The adoption of the EITI Standard at the 6th EITI Global Conference in Sydney in May 2013 was a defining moment for the Initiative and global efforts to improve governance in the extractives sector more broadly. The new Standard sets clearer rules for reporting which will result in more accessible reports containing more relevant and reliable information. Greater clarity and precision enables more focused action, and sets the stage for more meaningful reform.

This new EITI Standard poses new challenges for implementing countries, as well as for the EITI Multi-Donor Trust Fund, which supports the countries undertaking that EITI implementation.

A new EITI Standard implies a new way of doing business. Looking forward, I believe we will have to move to a systematic automatized production of the countries' EITI annual reports based on standardized reports. We will have to mobilize and align EITI data and information systems so that they can interact directly with analogous country systems. Reports need to be completed as the payments are made, not a year later as has been the case.

This will not be easy. It will require additional technical assistance and financing on several fronts. It also means demand for a quickened pace of delivery, but without sacrificing rigor or accuracy. If our information-gathering and presentation are changing so too must our auditing procedure.

The EITI Standard raises the bar for expectations of countries, and also for the Multi-Donor Trust Fund. Indeed, its purpose is to make the process more exacting so as to meet the expectations of the global community and, most important, the citizens of resource-rich countries, especially those still struggling to reduce high levels of poverty.

Can we do it? The EITI enterprise never would have made the progress it has without the optimism that has characterized it since its inception. Both the EITI and the compliant countries have, over the past decade, delivered solid results that inspire confidence. Nigeria, the first African government to decide, in 2003, to implement EITI, became compliant in 2011, and at the Global EITI Conference in Sydney in May 2013, it was recognized for going beyond the EITI minimum standard and for making the EITI relevant and influencing policy in the country. This reflects the rigor of Nigeria EITI's (NEITI) audit reports, its assertive effort to publicize them, and a complementary campaign to inform the debate over a new Petroleum Industry Bill currently before Nigeria's National Assembly. NEITI's audit report covering the period 1999-2008 identified a loss of \$2.6 billion in revenues to government due to "leakages" in the system, and a failure by oil companies to pay \$9.9 billion in royalties. The latter finding has enabled Nigeria, which undertook an audit as a result, to recover \$2.4 billion to date.

Transparency, accountability and sound governance of valuable resources do not fall from the sky. Achieving and sustaining them is, by its nature, a constant work-in-progress. Every victory is rewarded with a tougher challenge. Our challenge now is to develop strategies and plans that will meet the test of bringing all the EITI countries, including the 25 that are compliant and the 16 candidates—as well as new ones—into this new more rigorous world. It will be a more demanding world, but also a better one.

We hope you will enjoy reading this first Annual Report of the EITI MDTF. With this new product, we attempt to summarize the support given to EITI implementing countries over the last eight fiscal years, and will provide annual updates in future years.

Paulo de Sa  
Sector Manager  
World Bank  
Sustainable Energy—Oil, Gas and Mining Unit

# EXECUTIVE SUMMARY

“Natural resources are neither a curse nor a blessing. They are simply a source of opportunity. They can be used for tremendous good or they can be wasted.”

**Kofi Annan**, Chair of the Africa Progress Panel, UN Security Council, June 2013.

“It is worth taking a step back and recognizing how far we have come. Transparency around these vast revenue flows is becoming a global norm.”

**Jonas Moberg**, Head of the EITI International Secretariat

The Extractive Industries Transparency Initiative (EITI) is a global coalition of governments, companies and civil society working together to improve accountability in the management of revenues from natural resources. Natural resources, such as oil, gas, metals and minerals are usually the property of the State and therefore when they are developed citizens have a right to know how those resources benefit them. Extraction of these resources creates opportunity for economic growth and social development, but if poorly managed it can lead to corruption and even conflict. More openness around how a country manages its natural resource wealth is necessary to ensure that these resources benefit all citizens.

In an effort to create an international, credible vehicle for advancing transparency in the extractives industry, the EITI created the EITI Standard. The EITI Standard is implemented by countries to ensure full disclosure of taxes and other payments made by oil, gas and mining companies to governments. Each participating country discloses these payments in an annual EITI Report that allows citizens to see for themselves how much revenue their government is receiving from their country's natural resources. The annual report is one of many requirements that countries need to meet in order to be recognized as first an EITI candidate, and ultimately an EITI compliant country.

The transparency achieved through revenue reporting aims to ultimately lead to accountability, but this can only be done if there is understanding of what the figures mean and public debate about how the country's resource wealth should be managed. Therefore, the EITI Standard requires that EITI Reports are understandable, actively communicated to stakeholders, and contribute to public debate.

The EITI Standard is overseen by the EITI Board, with support from the International Secretariat based in Oslo, Norway. The Secretariat works with partners to provide financial and technical support for EITI implementation.

The EITI Board is made up of members from governments, companies and civil society and has an independent Chair. The EITI Board has responsibility for the overall development, strategic direction and credibility of EITI, as well as for outreach and advocacy, and is responsible for the validation process of the EITI implementing countries.

Given that the EITI Standard sets a high bar in terms of transparency requirements, implementing countries often need assistance in their efforts to meet it. For this reason the EITI-Multi-Donor Trust Fund (EITI-MDTF) was established in 2004 to provide financial support to countries in their efforts to implement the EITI Principles. The EITI-MDTF is administered by the World Bank and governed by the Management Committee, which consists of one representative of each donor country and one representative of the World Bank. The Management Committee donor countries are: Australia, Belgium, Canada, Denmark, the European Commission, Finland, France, Germany, Japan, the Netherlands, Norway, Spain, Switzerland, the United Kingdom and the United States of America. The Management Committee is responsible for reviewing and approving the overall work program for use of the EITI-MDTF funds.

While the EITI and the EITI-MDTF have a common objective, they also recognize their different roles and mandates, in addition to being two separate legal entities with different management and administrative contexts. The International Secretariat is governed by the EITI Board which focuses on the promotion and validation of EITI Principles. On the other hand, the EITI-MDTF managed

by the World Bank and governed by the Management Committee which focuses on (a) the donor countries strategic goals regarding governance and transparency with respect to extractive industries, and (b) the World Bank's position with respect to its country assistance strategies, its general responsibility to its member countries, and its financial responsibility as Administrator of the EITI-MDTF.

The World Bank Group provides technical and financial assistance to developing countries implementing the EITI across five continents. The International Finance Corporation (IFC) increasingly uses EITI implementation as an indicator for commitment to governance improvements in countries where it is considering investments, and it makes EITI implementation an important part of its investment decision in the natural resources sectors of fragile and conflict-affected states.

The World Bank administers the MDTF and supports EITI implementing countries by:

- Providing technical assistance and grants to implementing countries;
- Supporting civil society actors to engage effectively in the EITI process; and
- Contributing to global knowledge and sharing international best practice.

Joining the EITI sends a clear signal to all stakeholders about the commitment to transparency. It sets a global standard perceived to tangibly reduce investor risks; provides a systematic framework for collaboration between government, industry, and civil society stakeholders; assembles revenue information/industry financial flows in one place; and offers a platform for discussing broader sector governance reforms and better public financial management—beyond EITI.

As of November 2013, there were 41 EITI implementing countries, including the recently approved candidate applications from the Philippines and Honduras. In addition, over 80 companies support

the EITI—international, state-owned as well as extractive and non-extractive companies. Over 90 institutional investors with total assets of more than US\$19 trillion support the EITI. Of the 41 EITI countries, 25 countries are now compliant. Through the EITI, resource-rich countries have increased their understanding of their fiscal position and thus gained a clearer picture of the risks to their fiscal prospects. This can help attract investment. Governments can use EITI implementation to demonstrate to their own people the benefits from large and sometimes controversial extractive industry projects; to improve credit-worthiness; and to achieve a recognized stamp of approval for good governance.

Thus, it is important that governments uphold the leadership of and the commitment to EITI, which has provided tangible governance improvements in resource-rich conflict-affected countries.

In May 2013, at the 6th EITI Global Conference in Sydney, the EITI took a major new step when the new EITI Standard was approved. The new challenge for all implementing countries, as well as for the International Secretariat and the World Bank and the Multi-Donor Trust Fund, is to make sure that the implementation of the new Standard is successful.

To be "EITI compliant," countries must complete a rigorous, independent assessment of their reporting practices. Every EITI implementing country has a validation deadline. Candidate countries must undertake a validation after two and a half years. If the EITI Board concludes that all requirements have been met, the country is designated EITI compliant. The compliant countries are revalidated every three years. Under the EITI Standard, this process is managed by the EITI Secretariat. Countries may be suspended or delisted if deadlines are not met or if meaningful progress is not made. The maximum candidacy period after which a country will be delisted if it has not achieved compliance is five years. Compliance, and the penalties for non-compliance, are determined on the same basis as before; the requirements are considered either to have been met, unmet but with meaningful progress, or unmet.

## INTRODUCTION

# The World Bank, EITI, and Donor Partners

The MDTF is both part of the World Bank's response to its own Extractive Industries Review in 2002 and one of the many tools identified in the Bank's Governance and Anti-Corruption Strategy. The Bank and other Multilateral Development Banks have committed to supporting the EITI as a global initiative and a key element of their strategies for governance and extractive industry sector reforms.

To finance the EITI Implementation at the country level, a multi-donor trust fund (MDTF) was created within the World Bank in 2004 with an initial contribution from the United Kingdom's Department for International Development (DFID). As of 2013, the MDTF has grown to 15 donor partners and over \$65 million in contributions.

In the Bank, the Multi-Donor Trust Fund is managed by the Oil, Gas, and Mining Unit (SEGOM), housed in the Sustainable Energy

Department, which is part of the World Bank Group's Sustainable Development Network. All donors contributing at least US\$500,000 to the MDTF are invited to participate as members of the Management Committee (MC), the governing body of the MDTF. They are: Australia, Belgium, Canada, Denmark, European Union, Finland, France, Germany, Japan, the Netherlands, Norway, Spain, Switzerland, United Kingdom, and the United States.

As with other Multi-Donor Trust Funds managed by the World Bank,

**TABLE 1: EITI MDTF ANNUAL FUNDING (IN US\$'000) (WORLD BANK FY JULY 1-JUNE 30)**

Country	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	Total Receipts FY05-FY14	% of Total	\$ Pledges
Australia			205	432		561	3,137	2,072	4,200	3,555	14,162	22%	
Belgium				707				689			1,395	2%	
Canada			661	99	81	1,497	102	10,079			12,520	19%	
Denmark								458			458	1%	
EC					511	280	246	459			1,496	2%	
Finland					419		643				1,062	2%	
France			500	300	450	357					1,607	2%	
Germany		430		212	192	515	349	330	322	330	2,679	4%	
Japan								150	150		300	0%	
Netherlands		500	500		500						1,500	2%	
Norway	235		838		142	177	336				1,728	3%	
Spain				2,160		1,434	1,332				4,925	8%	
Switzerland						1,000	500				1,500	2%	
UK	4,374		2,115		60	150					6,699	10%	
USA						5,976	4,500		3,000		13,476	21%	
<b>Total</b>	<b>4,609</b>	<b>930</b>	<b>4,820</b>	<b>3,909</b>	<b>2,355</b>	<b>11,947</b>	<b>11,144</b>	<b>14,237</b>	<b>7,522</b>	<b>3,885</b>	<b>65,507</b>	<b>100%</b>	
<b>World Bank</b>													
WB/IFC	514	692	1,186	839	1,151	761	1,012	729	465	12	7,360		
DGF	105	499	500								1,104		
<b>Total WB</b>	<b>619</b>	<b>1,191</b>	<b>1,686</b>	<b>839</b>	<b>1,151</b>	<b>761</b>	<b>1,012</b>	<b>729</b>	<b>199</b>		<b>8,452</b>		

donor partners pool their interest in a particular sector, in this case the extractive industries, and neutralize perceptions of commercial conflicts of interest through collective action with other donors. Contribution to the EITI MDTF allows the donor partners to benefit from the World Bank's strict fiduciary management of funds, as well as the global knowledge and presence of World Bank teams in EITI implementing countries. The World Bank can help to consolidate lessons from its own teams as well as donors, and facilitate South-South learning through its neutral convening power.

The MDTF is a separate fiduciary instrument between donors and the World Bank. It is not a part of the EITI Board or Secretariat as such, but coordinates its work with both of them to support the goals of the EITI and further shared goals. Indeed, separation of the funding mechanism (the EITI MDTF) from the regulatory mechanism (the International Secretariat) is important for the credibility and functioning of both groups.

The World Bank team in SEGOM works closely with country management units and donor partners to support governments on EITI issues as part of broader Bank-supported programs on extractive industries reform, natural resource management, and good governance/anti-corruption. The Bank also provides financial support from its own funds to a number of civil society groups (CSOs) involved in the EITI implementation process.

At the global level, the MDTF supports and promotes the global EITI movement through communication and dissemination of knowledge and good practice and collaboration on training at all levels.

#### **BOX 1: Bilateral Funding of EITI Activities which Complement and Reinforce EITI MDTF Technical Assistance**

The EITI MDTF is a major—but not exclusive—source of technical assistance funding for EITI-implementing countries. Many bilateral donors independently provide funds and support to implementing countries. For example, in Peru, the government of Germany provided a staff member on secondment to work from the World Bank office in Lima for two years. The staff member worked closely with the government of Peru on EITI implementation. In addition, when the Government of Peru faced funding shortages and was hard pressed to pay for the validation firm as required at the time (under the new EITI Standard, the Validation process will be managed by the International Secretariat instead of the countries), the Government of Switzerland stepped up and provided the needed funding on a bilateral basis. There are many other such examples in other countries.



THOMAS J. ABERCROMBIE / National Geographic

## Spotlight on EITI Implementation

### Nigeria

Nigeria, Africa's leading oil producer and one of the world's top ten oil producers, has struggled with corruption for many years. Transparency International's 2012 Corruption Perceptions Index gave Nigeria 27 points out of a maximum potential 100 on public sector corruption, which indicates "a serious corruption problem," in TI's judgment, and a "need to be more transparent, with public officials more accountable." Nigeria's corruption perception score placed it 139th among the 176 countries assessed.

"There is always corruption, every day," adds Javier Aguilar, Senior Operations Officer in SEGOM. "On the other hand, there is a depth of information now available that has not been available before to ordinary Nigerians, detailed information that they have never seen before. So you can talk about 'before EITI' and 'after EITI,' and in terms of transparency, this is quite an impressive story."

A key element in Nigeria's effort against corruption began with its federal government's decision in 2003 to implement EITI, the first African country to do so. This was followed in 2004 with a Multi-Stakeholder Group whose recommendations led to the establishment in 2007 of Nigeria EITI, a permanent body to manage implementation of EITI requirements. In early 2011, Nigeria became EITI compliant, and at the Sixth Global EITI Conference in Sydney, Nigeria received the Chair Award for going beyond the minimum standard and for making the EITI relevant and influencing policy in the country. This recognition reflects the rigor of NEITI's audit reports, its assertive effort to publicize them, and a complementary



campaign to inform the debate over a new Petroleum Industry Bill currently before Nigeria's National Assembly. In September 2012, NEITI convened a National Stakeholders Forum on the PIB, at which companies, investors, legislators, government, civil society organizations, and the public discussed the content and issues surrounding the proposed Bill. This consultation resulted in a memorandum which NEITI presented to the National Assembly in March 2013, proposing a wide range of modifications reflecting international experience and earlier NEITI findings.

These findings are in NEITI's audit report covering the period 1999–2008, which identified a loss of \$2.6 billion due to "leakages" in the system, as well as a failure by the oil companies to pay \$9.9 billion in royalties; the finding enabled the Federation to recover \$2.4 billion to date. To place this in context, \$9.9 billion is enough to cancel Nigeria's federal government budget deficit for 2012.

In an address at the September 2012 consultation in Lagos, NEITI's Board Chairman Ledum Mitee outlined the challenge on the PIB: *"It is my hope," he said, "that together we would be able to come out with concrete suggestions that would enrich the PIB with a view to fashioning it into a comprehensive and reliable legislation that can complement the NEITI Act both in principles and practice which would in turn lead to improved revenues for government, halt oil theft, and check degradation of the environment in the host communities through stringent and enforceable legal provisions."*

Mitee's optimism is supported by NEITI's record of accomplishment since 2007, which resulted in Nigeria:

- Being the first country to adopt an EITI law, the NEITI Act;
- Being one of the first countries to commission a detailed communications strategy for the EITI process;
- Publishing disaggregated data, which many other EITI countries have failed to do;
- Conducting physical audits; and
- Conducting audits of downstream petroleum product price subsidies.

In May 2013, a World Bank delegation visited Nigeria to finalize a Multi Donor Trust Fund two-year grant project to support the NEITI Secretariat in improving the annual EITI reconciliation and reporting process. The project will finance development of an automated data transfer mechanism, assistance for implementing remediation steps arising from the findings of the previous audits, and capacity building of Nigerian accountants and others.

## Liberia

As the first African country to be designated EITI Compliant in 2009, Liberia, with the help of EITI and the World Bank's Multi-Donor Trust Fund (MDTF), has become the fastest implementer of EITI, voluntarily establishing a mineral resources law that goes beyond the EITI requirements to manage resources sustainably.

The country received the EITI Chair Award in 2009, based on Liberia's rapid progress and trend-setting performance.

*"EITI has been a most important contribution to the concept of transparency in Liberia," says Daniele La Porta, Mining Specialist in SEGOM. "There are new laws that are part of the system; it's become internalized. And from where Liberia started, it has advanced tremendously. EITI has become a seal of approval and it encourages investments in the country."*

According to the 2013 EITI Progress Report, Liberia has continued to expand its EITI beyond core reconciliation of payments and revenues, bringing further transparency to key sectors of the economy in order to manage the resources sustainably. This makes EITI even more relevant to the country.

EITI is incorporated into the national plan to develop the mining sector. The initiative now also includes the forestry sector and it has reached out to help EITI implementation in neighboring Sierra Leone. The rating for Liberia in Revenue Watch's Resource Governance Index is number 16—with Ghana at 15 and Zambia at 16 as the three top African countries. (Nigeria is ranked number 40).

Liberia is rich in natural resources, diamonds, gold, iron ore, timber and rubber. During a 14-year-long civil war that ended in 2003, all major mines were closed and the mineral sector's contribution to the economy was reduced to almost nothing.

The civil wars in Liberia were fueled by "blood diamonds." Control over natural resources often plays an important role in armed conflicts, and EITI has proven useful in reducing the risk of post-conflict countries' relapsing into conflict. In this way, EITI contributes to wider peace and reconciliation processes in post-conflict countries.

Liberia's fourth EITI (LEITI) Report was published in May 2013. The country's fiscal income from the extractives industries jumped 70 percent in 2011, as Liberia received US\$117.5 million in the fiscal year 2010/11. All sectors, except forestry, contributed more to the national treasury than previously. Most of this increase was driven



by the oil sector from which revenues grew fivefold, reaching 42 percent of total revenue. An innovation in implementation is the inclusion of "what ought to be paid" audits. This first audit attempt could only be completed partially, as production information was not available for most of the resources. The limited audit in the forestry sector found significant discrepancies between amounts paid and amounts due.

Another innovation in the 2010/11 LEITI report was the inclusion of in-kind contributions. Eleven companies estimated their contributions to communities in the form of roads and schools construction, water and sanitation, education, etc., totaling US\$13 million on top of the collected taxes.

LEITI's first "Post Award Process" audit, which looked at 68 contracts awarded by the Ministry of Agriculture, NOCAL, the Forestry Development Authority and the Ministry of Land, Mines and Energy between July 2009 and December 2011, found that around 10 percent of the contracts were awarded in compliance with all applicable norms. The rest were either partially compliant (37 percent), or did not follow a significant number of applicable regulations, including lack of competitive bidding or incomplete documentation (53 percent). An estimated US\$8 billion worth of contracts signed by Liberia since 2009 were found to have violated the country's laws, prompting civil society organizations such as Global Witness and Publish What You Pay to request new audits, a public hearing, and an investigation.

## CHAPTER 1

# RECIPIENT-EXECUTED TRUST FUND GRANTS

EITI is a global standard—but implemented nationally. Through the MDTF, the World Bank Group has provided technical and financial assistance to countries implementing or considering implementing the EITI. The support has also included making EITI advisers and consultants available to governments to assist them in implementation; sharing international best practices; and providing grants to governments to help fund EITI implementation activities.

The MDTF grant process begins when a government expresses interest in implementing EITI, either directly to the World Bank, to bilateral donors or through the EITI International Secretariat. Before being declared a candidate, the country may receive a small amount of support from the MDTF, to prepare its candidacy application. After obtaining candidate status, a country may prepare a request for a Recipient-Executed Trust Fund (RETF) grant and negotiate the activities and terms of the grant. The government prepares a proposal for the grant, including the specific amount desired, activities to be financed, and duration of the work plan developed under the candidacy process. After approval of the MDTF Work Plan by the Management Committee, the World Bank and the government sign a Grant Agreement detailing the conditions of the grant to the government.

At the country level, the MDTF helps to build consensus for EITI, at the start as well as during implementation; establish multi-stakeholder structures to design and manage the EITI on the ground; and ensure that the country will achieve EITI Compliance. At the country level, the RETF grants finance:

- Setup and operating costs of National EITI Secretariat;

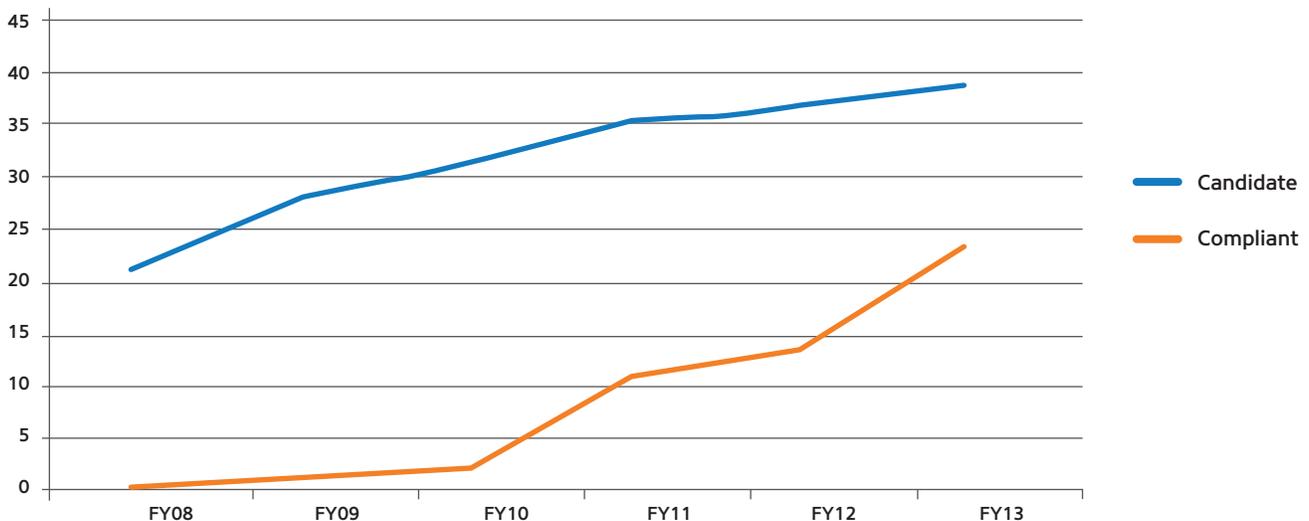
- Setup and operating costs of MSGs;
- Stakeholder capacity building;
- Communications on EITI throughout the country;
- Analysis of legal obstacles to successful EITI implementation; and
- Audit firm to prepare the reconciliation report.

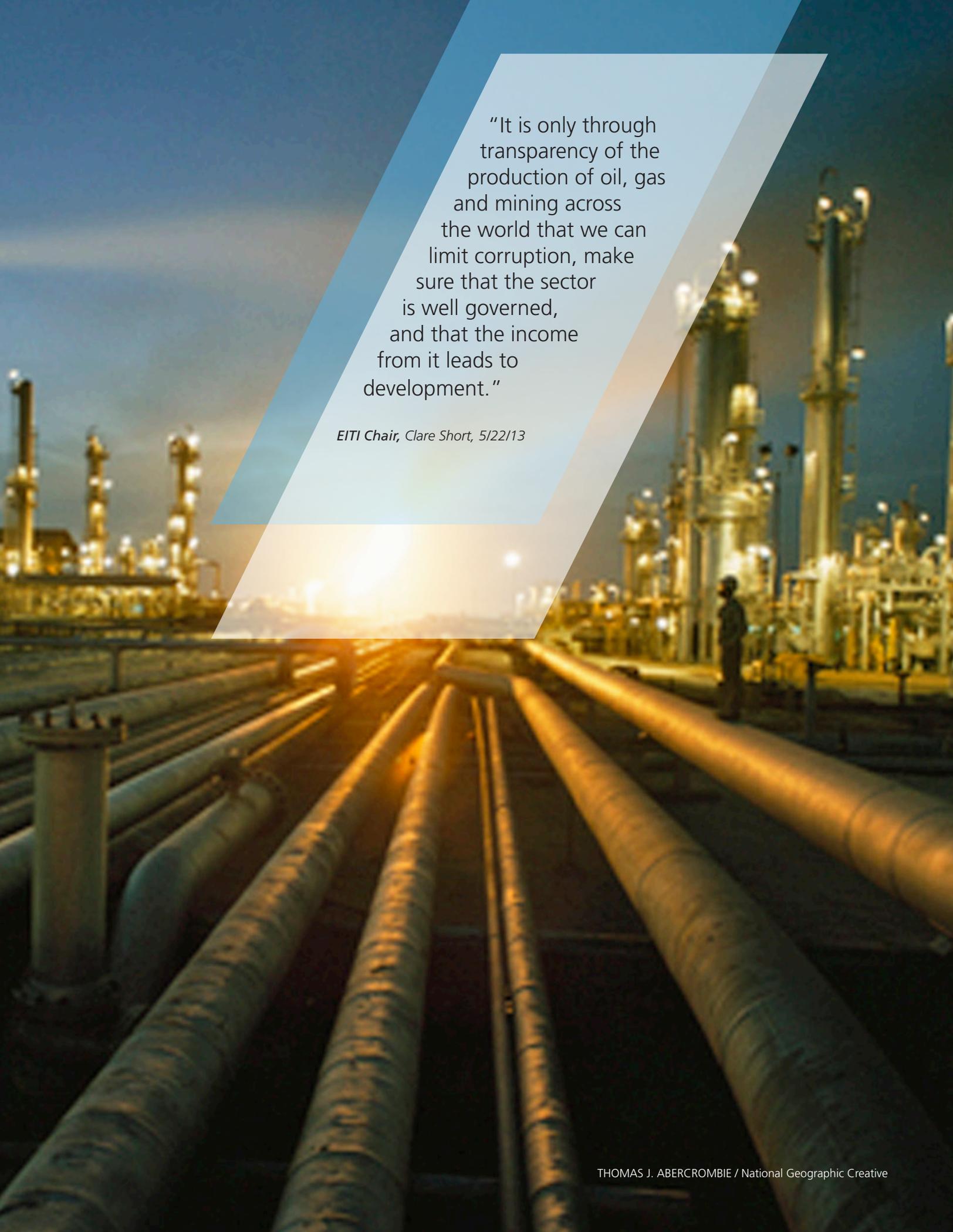
World Bank task team leaders provide technical assistance on the ground (with personnel and experts); supervise MDTF grants executed by the recipient government; maintain close liaison with the International Secretariat in Oslo and with donors on the progress of EITI implementation; and coordinate bilateral support from donors, especially staff based in country offices. In addition, the MDTF team works in close liaison with non-governmental organizations (NGOs) and civil society organizations (CSOs), extractive companies, and the government, with financing for capacity building for NGOs/CSOs as well as governments and companies through the Multi Stakeholder Group (MSG).

Since FY08, SEGOM has delivered or is processing 82 grants to 37 EITI implementing countries: 17 have received or will receive one grant so far; 19 have received or will soon receive a second grant; and 9 of these countries have received or will receive a third EITI grant (for post-compliance support).

In six years since FY08, the EITI has evolved from 21 implementing countries (and 0 compliant countries) to 41 implementing countries (and 25 compliant countries) in FY13 with MDTF support.

FIGURE 1: CANDIDATE AND COMPLIANCE





“It is only through transparency of the production of oil, gas and mining across the world that we can limit corruption, make sure that the sector is well governed, and that the income from it leads to development.”

*EITI Chair, Clare Short, 5/22/13*

**TABLE 2: COUNTRY-LEVEL SUPPORT FOR EXTRACTIVE SECTORS**

Country	IDA?	Status	Candidate FY	Compliant FY	MSG Support	Pre-Candidacy Support	MDTF Grant to Validation	MDTF Grant Post-Compliance	CSO Support (RWI/ PWYP/ Direct)	WB TA Project	# of Grants
<b>AFRICA</b>											
Burkina Faso	Yes	Compliant	FY09	FY13		Yes	Yes	Yes	Yes	Yes	2
Cameroon	Yes	Compliant	FY08			Yes	Yes		Yes	Yes	2
Central African Republic	Yes	Compliant	FY09	FY11		Yes	Yes	Yes	Yes		2
Chad	Yes	Candidate	FY10			Yes			Yes		1
Congo, Democratic Republic of	Yes	Candidate	FY08			Yes	Yes		Yes	Yes	2
Congo, Republic of	Yes	Compliant	FY08	FY13		Yes	Yes	Pending	Yes		1
Côte d'Ivoire	Yes	Compliant	FY08	FY13		Yes	Yes	Yes			2
Equatorial Guinea	No	Pre-Candidate				Yes			Yes		0
Ethiopia	Yes	Pre-Candidate				Yes					1
Gabon—Delisted	No	Delisted	FY08			Yes			Yes		0
Ghana	Yes	Compliant	FY08	FY11		Yes	Yes	Yes	Yes	Yes	3
Guinea	Yes	Candidate	FY08			Yes	Yes			Yes	2
Liberia	Yes	Compliant	FY08	FY10		Yes	Yes	Yes	Yes		3
Madagascar	Yes	Candidate	FY08			Yes	Yes			Yes	2
Mali	Yes	Compliant	FY08	FY12		Yes	Yes	Yes			2
Mauritania	Yes	Compliant	FY08	FY12		Yes	Yes	Yes		Yes	3
Mozambique	Yes	Compliant	FY09	FY13		Yes	Yes	Yes	Yes	Yes	3
Niger	Yes	Compliant	FY08	FY11		Yes	Yes	Yes	Yes		3
Nigeria	Yes	Compliant	FY08	FY11		Yes	Yes	Yes		Yes	3
São Tomé e Príncipe	Yes	Candidate	FY13			Yes	Yes				2
Senegal	Yes	Candidate				Yes					1
Sierra Leone	Yes	Candidate	FY08			Yes	Yes		Yes	Yes	2
South Sudan	Yes	Pre-Candidate				Yes					0
Tanzania	Yes	Compliant	FY09	FY13		Yes	Yes	Pending	Yes	Yes	2
Togo	Yes	Compliant	FY11	FY13		Yes	Yes	Yes			2
Zambia	Yes	Compliant	FY09	FY13		Yes	Yes	Yes	Yes		2
<b>EAST ASIA AND PACIFIC</b>											
Indonesia	No	Candidate	FY11			Yes	Yes		Yes		2
Mongolia	Yes	Compliant	FY08	FY11		Yes	Yes	Yes	Yes	Yes	3
Myanmar	Yes	Pre-Candidate				Yes	Pending				1
Papua New Guinea	Yes	Pre-Candidate				Yes	Pending			Yes	1
Philippines	No	Candidate	FY13			Yes	Pending		Yes		1
Solomon Islands	Yes	Candidate	FY12			Yes	Pending		Yes		1
Timor-Leste	Yes	Compliant	FY08	FY11		Yes	Yes	Pending			2
<b>EUROPE AND CENTRAL ASIA</b>											
Albania	No	Compliant	FY09	FY13		Yes	Yes		Yes		3
Azerbaijan	No	Compliant	FY08	FY09		Yes			Yes		0
Kazakhstan	No	Compliant	FY08			Yes	Yes		Yes		1
Kyrgyz Republic	Yes	Compliant	FY08	FY11		Yes	Yes	Yes	Yes		3

Country	IDA?	Status	Candidate FY	Compliant FY	MSG Support	Pre-Candidacy Support	MDTF Grant to Validation	MDTF Grant Post-Compliance	CSO Support (RWI/PWYP/Direct)	WB TA Project	# of Grants
<b>EUROPE AND CENTRAL ASIA</b>											
Tajikistan	Yes	Candidate	FY13			Yes	Pending				1
Ukraine	No	Candidate				Yes	Pending		Yes		1
<b>LATIN AMERICA AND CARIBBEAN</b>											
Colombia	No	Pre-Candidate				Yes	Pending				1
Dominican Republic	No	Pre-Candidate				Yes	Pending				1
Guatemala	No	Candidate	FY11			Yes	Yes		Yes		2
Guyana	Yes	Pre-Candidate				Yes	Pending				1
Honduras	Yes	Candidate	FY13			Yes	Pending				1
Peru	No	Compliant	FY08	FY12		Yes	Yes	Yes	Yes		2
Trinidad & Tobago	No	Candidate	FY11			Yes	Yes		Yes		2
<b>MIDDLE EAST AND NORTH AFRICA</b>											
Iraq	No	Compliant	FY10	FY13		Yes	Yes				1
Tunisia	No	Pre-Candidate				Yes					0
Yemen	Yes	Compliant	FY08	FY11		Yes	Yes		Yes		1
<b>SOUTH ASIA</b>											
Afghanistan	Yes	Candidate	FY10			Yes	Yes		Yes	Yes	2
<b>OECD COUNTRIES</b>											
Australia (Pilot)	N/A	Pre-Candidate				N/A	N/A	N/A	N/A	N/A	0
France	N/A	Pre-Candidate				N/A	N/A	N/A	N/A	N/A	0
Germany	N/A	Pre-Candidate				N/A	N/A	N/A	N/A	N/A	0
Italy	N/A	Pre-Candidate				N/A	N/A	N/A	N/A	N/A	0
Norway	N/A	Compliant	FY09	FY11		N/A	N/A	N/A	N/A	N/A	0
UK	N/A	Pre-Candidate				N/A	N/A	N/A	N/A	N/A	0
USA	N/A	Pre-Candidate				N/A	N/A	N/A	N/A	N/A	0

## BOX 2: EITI MDTF World Bank Staffing

The number of World Bank personnel and consultants dedicated to EITI MDTF management and support to EITI implementing countries has grown significantly, and will continue to do so. In FY06, the first year of operations for the EITI MDTF, there were seven staff and three consultants involved in country-level work to assist governments in EITI implementation and manage Recipient-executed Trust Fund Grants. For non-country support (administration and management), there were five staff and one consultant, for a total of 17 staff servicing 15 countries. In FY13, the figure for country-level support has grown to 29 staff and 27 consultants, and four staff and three consultants for administration and management, for a total of 63 staff covering 64 countries.

### BOX 3: The EITI MDTF

The EITI Implementation Support Facility is funded by a multi-donor trust fund (MDTF) that is supported by 15 donors. All donors contributing at least US\$500,000 to the MDTF/Facility are invited to participate as members of the Management Committee (MC), the governing body of the MDTF/Facility.

The MDTF/Facility provides technical assistance and grant funding to governments to implement the EITI principles, as well as global knowledge and learning support. Governments begin the process by expressing interest in implementing EITI, either to the World Bank directly, or through the International Secretariat or bilateral donors. Before being declared Candidate, the country may receive a nominal amount of support from the MDTF, which will fund a team of World Bank and other experts to work with the government to prepare its candidacy application. After obtaining Candidate status, a country may prepare a request for an MDTF grant and negotiate the activities and terms of the grant. The government prepares a proposal for the grant, including the specific amount desired, activities to be financed, duration, etc. of the work plan developed under the candidacy process. After approval of the MDTF/Facility Work Plan by the Management Committee, the World Bank prepares a Grant Agreement detailing the conditions of the grant to the government.

At the country level, the MDTF helps to build consensus for EITI, at the beginning and during implementation; establish multi-stakeholder structures to design and manage the EITI on the ground; and ensure that the EITI process will lead the country to achieve “Compliant” status.

The World Bank task team leaders provide technical assistance from experts and personnel on the ground in World Bank offices in some countries; financing, mostly through the MDTF (executed by the recipient government); close liaison with the International Secretariat in Oslo and with donors on progress in EITI implementation; coordination of bilateral support from donors, especially staff based in country offices; and close liaison and training with NGOs/CSOs, extractive companies, and the government on the EITI process, with financing for capacity building for NGOs/CSOs as well as governments and companies through the MSG.

The EITI MDTF finances the following activities at the country level: setup and operating costs of National EITI Secretariat; setup and operating costs of MSGs; stakeholder capacity building; communications on EITI throughout the country; analysis of legal obstacles to successful EITI implementation; and audit firm to prepare the reconciliation report (exceptional cases: validation if agreed with Oslo).

At the global level, MDTF-financed activities support and promote the global EITI movement through communication and dissemination of knowledge and good practice and collaboration on training at all levels.

### Emerging results from EITI and EITI country portfolio

Globally, EITI continues its strong momentum and has become the established standard for transparency in the oil, gas and mining sectors. There are now 41 EITI implementing countries, with two-thirds (25) of these countries now EITI compliant. Importantly, EITI was a priority topic in the recent G8 agenda and more OECD countries have announced their intent to implement EITI—from Norway initially (EITI compliant) to USA and Australia (moving towards EITI candidacy) and now Canada, France, Italy, Germany and UK (announcements at recent G8 meeting on their intent to look into EITI implementation or adopt mandatory reporting initiatives). The growth in EITI-implementing countries is also a reflection of the positive results emerging in these EITI countries, in particular that: (i) information on oil, gas and mining revenues and other sector information is being disclosed to the public in detail, and generating debate; and (ii) in-country dialogue and civil society engagement in EITI is increasing as a result, helping to cement trust between different stakeholders.

**Africa Region (AFR).** The MDTF has been a valuable source of financing for countries. Since inception, cumulative EITI MDTF allocations for technical assistance and grants to EITI countries and civil society in Africa now total just over **\$24.0 million** (data as of June 30, 2013).

AFR currently has 22 EITI-implementing countries, of which 15 are now EITI Compliant, and the remainder in initial stages of EITI implementation.

Beyond these countries there is a pipeline of countries in AFR that are in various stages of dialogue, internally among government and stakeholders and with WB on adopting EITI. These include, in particular, **Ethiopia, Malawi, Seychelles, South Sudan and Uganda** (active in working towards EITI candidate status), while other countries which include Rwanda and South Africa have had intermittent dialogue on EITI. In **Zimbabwe**, the SEGOM team has worked closely with the country team to design and support a domestic process of revenue transparency and stakeholder participation, as a prelude to moving to the full EITI process.

The momentum outlined above has needed an extensive on-the-ground effort by SEGOM including (i) building a network of county office-based capacity to work closely with respective country units; and (ii) ensuring close coordination with AfDB and bilateral donors/embassies (especially Australia, Canada, the Germany, Norway, and the UK). This decentralized technical assistance effort is especially important to SEGOM’s work on direct support to civil society in AFR, where SEGOM has designed and manages capacity building and networking programs with civil society, as an integral part of EITI MDTF work plans.

**East Asia and Pacific Region (EAP).** Cumulative EITI MDTF allocations for technical assistance and grants to EITI countries and civil society in EAP now total around **US\$6.8** million (data as of June 30, 2013).

**Timor-Leste** and **Mongolia** continue to advance on their EITI-compliant status, seeking to improve disclosures and public debate, and link EITI to wider sector reforms. For these countries, SEGOM's technical assistance work, and EITI MDTF support is now focused on this very agenda. Beyond this, direct support to civil society in Mongolia has also been designed (also funded by the EITI MDTF) and as an integral part of the TA and capacity building effort.

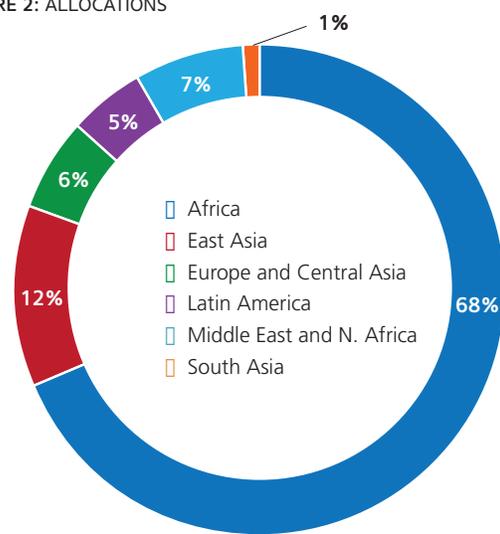
Among EITI candidate countries, Indonesia is progressing with its EITI implementation having issued its first EITI Report which broke new ground in information about oil gas and mining (such as oil sector monetization of in-kind oil volumes), while Philippines and Solomon IslandsGoo became EITI candidate countries during the FY. This is an important development for these countries and proactive TA effort and EITI MDTF grant funding is underway.

Beyond that, dialogue and preparatory work continue in **Papua New Guinea** and, recently, in **Myanmar** who have sought international support in this area.

**Europe and Central Asia Region (ECA).** Cumulative EITI MDTF allocations for technical assistance and grants to EITI countries and civil society in ECA now total just over US\$3.0 million (data as of June 30, 2013).

**Azerbaijan, Albania, Kazakhstan, and Kyrgyz Republic** are now EITI-compliant, having successfully completed the external validation for their EITI process. In these countries, SEGOM's technical assistance work, and EITI MDTF support is now focused on consolidating EITI and supporting their "beyond EITI" agenda and scaled-up steps for good governance in the mining sector. In addition, capacity building support to civil society is being delivered in a number of ECA countries, funded by the EITI MDTF.

**FIGURE 2: ALLOCATIONS**



**TABLE 3: ANNUAL DISBURSEMENTS OF EITI MDTF FUNDS BY REGION**

Activities	Allocation	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	Total FY05-14	% of Total Grants	Balance
<b>Country-Level Grants—Actual and Planned</b>														
Africa	17,260		250	1,648	652	152	1,043	1,545	2,411	1,055	174	8,930	68%	8,330
East Asia	5,175		0	50	126	134	210	158	436	393	62	1,570	12%	3,605
Europe and Central Asia	1,715		0	0	0	40	118	250	169	197	22	796	6%	919
Latin America	3,612		0	0	60	0	238	39	0	370	0	708	5%	2,904
Middle East and N. Africa	1,990		0	0	0	0	115	192	211	388	51	956	7%	1,034
South Asia	575		0	0	0	0	0	0	30	93	65	189	1%	386
<b>Total Country-Level Grants</b>	<b>30,327</b>	<b>0</b>	<b>250</b>	<b>1,698</b>	<b>838</b>	<b>325</b>	<b>1,724</b>	<b>2,184</b>	<b>3,257</b>	<b>2,496</b>	<b>374</b>	<b>13,148</b>	<b>100%</b>	<b>17,179</b>
Technical Assistance by Bank	16,264		436	482	860	1,246	1,459	1,780	2,545	2,262	229	11,300		4,964
Global Knowledge, Support to CSOs and Learning	8,459	295	807	248	306	507	173	1,097	887	900	102	5,323		3,136
Fiduciary	1,402					118	183	362	304	347	59	1,375		27
<b>Total EITI Disbursements</b>	<b>56,452</b>	<b>295</b>	<b>1,493</b>	<b>2,428</b>	<b>2,004</b>	<b>2,197</b>	<b>3,539</b>	<b>5,423</b>	<b>6,993</b>	<b>6,005</b>	<b>764</b>	<b>31,145</b>		<b>25,307</b>

#### BOX 4: EITI MDTF Sources and Uses of Funds

As of June 30, 2013, a total of US\$67.5 million has been pledged to the EITI Trust Fund Facility by 15 donors (US\$65.5 million received). Annual disbursements from the Multi-Donor Trust Fund Facility (MDTF/Facility) have increased steadily since FY06.

The MDTF/Facility work program for FY2014-16 calls for a total budget of US\$67.8 million, which includes:

- US\$33.9 million actual disbursements (US\$27.4 million from active or closed support to recipients; and US\$6.5 million for knowledge, learning, CSO support, and fiduciary).
- US\$33.8 million commitments (US\$14.0 million in grants being processed or planned; US\$8.2 million in technical assistance by the World Bank; and US\$11.7 million for knowledge, learning, CSO support, and fiduciary).

In addition, from inception through June 2013, the World Bank Group has disbursed US\$7.4 million through its own internal budget processes and US\$1.1 million through the Development Grant Facility (DGF), which is now closed to new grants.

Tajikistan is also now an EITI candidate country. Both receive technical assistance support including via an Astana-based SEGOM staff member (EITI support in ECA relies extensively on decentralized, country-based staff and consultant capacity and close liaison with the country teams).

Elsewhere in the region, Ukraine is now an EITI candidate, while World Bank initial discussions with Armenia on EITI and mining issues and with Bulgaria on transit revenues have not advanced much.

**Latin America and Caribbean Region (LCR).** Cumulative EITI MDTF allocations for technical assistance and grants to EITI countries and civil society in LCR now total around **US\$3.7 million** (data as of June 30, 2013).

The upturn in regional interest in and take-up of EITI continues, with Peru (the first EITI-implementing country in LAC to be EITI-compliant) working to consolidate and deepen the EITI process, covering key topics such as partial transfers of mining revenues to sub-national governments. In this regard, Peru receives very proactive support from SEGOM and county teams, as well as by donor partners in Lima. EITI implementation is also underway in three other EITI candidate countries Guatemala, Honduras and Trinidad and Tobago.

Elsewhere in LCR, Colombia has announced its intent to seek EITI candidacy, while Dominican Republic and Guyana had expressed interest in EITI earlier, where missions had earlier taken place jointly with partners. Dialogue on EITI has also taken place, albeit intermittently, with Brazil, Chile, Mexico and Suriname.

**Middle East and North Africa Region (MNA).** Cumulative EITI MDTF allocations for technical assistance and grants to EITI countries and civil society in MNA now total around **US\$2.8 million** (data as of June 30, 2013).

MNA currently has two EITI-implementing countries, Iraq and Yemen, both EITI Compliant. Iraq, in particular has made good progress in its EITI implementation processes, having set up a well-functioning national EITI structures (including good engagement with civil society and with industry) and has achieved a high standard of disclosure of audited oil revenue information. More recently, the emphasis has been on integrating representatives from the Kurdish Region (KRG) into the EITI process, as well as finalizing reconciliation of oil exports for subsequent EITI Reports, with the close support of SEGOM and the WB Baghdad office and other partners.

More broadly in the Region, SEGOM's EITI outreach work in MNA will remain a priority in the context of SEGOM's broader work on oil, gas and mining, working closely with MNA country teams and with other partners (e.g. in Tunisia). Globally, EITI has demonstrated its value as an effective instrument of promoting transparency and participation via multi-stakeholder engagement, and these features may offer potential lessons for wider goals of advancing openness in the Region.

**South Asia Region (SAR).** Afghanistan currently remains the sole EITI candidate country in SAR and has been actively working on EITI implementation including (i) issuing the first EITI Report, disclosing mining revenues and payments; and (ii) building a well-functioning national EITI Secretariat, overseen by a lively multi-stakeholder group comprising government, mining companies and Afghan civil society. The SEGOM team and team in Kabul provide close technical support and financing resources, linked to ongoing mining sector operations in Afghanistan managed by SEGOM.

Elsewhere in the SAR Region, there have been no other expressions of interest in EITI as yet, although in the case of state-level mining sector advisory work in Orissa State, India, some discussions have occurred on the suitability of EITI as part of good governance of the sector.

**“By including contracts and licenses, beneficial ownership, state-owned companies and production information, the new Standard could make EITI more effective in addressing the vast governance challenges facing resource-rich countries.”**

*Daniel Kaufmann, President of the Revenue Watch Institute,*

5/22/13

**TABLE 4: COUNTRY PORTFOLIO SUMMARY—WORLD BANK EITI MDTF TECHNICAL ASSISTANCE WORK PROGRAM**

FY14-16 work program including MDTF grants to countries

EITI Compliant	EITI Candidate	Pre-Candidate	In Dialogue
Implementing EITI (Validated as Compliant and issuing EITI Reports) (25 countries)	Implementing EITI (16 countries)	Have endorsed EITI (18 countries)	Have made some progress toward Sign-up (19 countries)
Burkina Faso **	Chad (via SwissAid)*	Equatorial Guinea (delisted)	Angola
Cameroon **	DRC **	Ethiopia	Burundi
Central African Rep ***	Guinea **	Gabon (delisted)	Malawi (priority)
Congo, Republic of *	Madagascar * (suspended)		Rwanda
Côte d'Ivoire **	Senegal	Seychelles	South Africa (priority)
Ghana ***	São Tomé e Príncipe *	South Sudan	Uganda
Liberia ***	Sierra Leone ** (suspended)		Zimbabwe
Mali **	Indonesia **	Myanmar	
Mauritania **	Philippines *	Papua New Guinea	Cambodia
Mozambique **	Solomon Islands *		China
Niger ***	Tajikistan *		Laos
Nigeria ***	Ukraine		Vietnam
Tanzania **		Colombia	
Togo *		Dominican Republic	Georgia
Zambia ***		Guyana	Poland
Mongolia ***	Guatemala *		
Timor-Leste **	Honduras*	Kuwait	Brazil (priority)
	Trinidad & Tobago *	Tunisia	Chile (priority)
Albania ***			Mexico (priority)
Azerbaijan	Afghanistan *		Suriname
Kyrgyz Republic **			
Kazakhstan *		<i>Australia (pilot)</i>	Egypt
Peru**		<i>France</i>	Libya
		<i>Germany</i>	
Iraq *		<i>Italy</i>	
Yemen *		<i>UK</i>	
		<i>USA</i>	
Norway			
<b>By WBG Region:</b>			
AFR—15 countries	AFR—7 countries	AFR—5 countries	AFR—7 countries
EAP—2	EAP—3	EAP—2	EAP—4
ECA—4	ECA—2	ECA—0	ECA—2
LAC—1	LAC—3	LAC—3	LAC—4
MNA—2	MNA—0	MNA—2	MNA—2
SAR—0	SAR—1	SAR—0	SAR—0
OECD—1	OECD—0	OECD—6	OECD—0

MDTF grant status to country: The countries in italics above are shown for completeness, and either have not requested EITI MDTF grant assistance or are not eligible (OECD countries).

\* First MDTF grant is active or in process.

\*\* Second (or post-compliance) MDTF grant is active or in process.

\*\*\* Third (or post-compliance) MDTF grant is active or in process.

## Spotlight on EITI Implementation

### Zambia

Zambia became an EITI candidate in 2008 and in September 2012, it became compliant with EITI's rules and principles. This represented a milestone for transparency in Zambia's mining sector.

It had entered the EITI process at the same time as Mozambique and Tanzania, but of these three African countries, Zambia was first to achieve compliant status.

*"At first, Zambia did not see the advantages of the EITI, and the CSOs could not even enter the mines," says Anwar Ravat, Operations Adviser in SEGOM, "but Zambia overcame its initial distrust and is now an EITI success story."*

The practical gain of the EITI process, according to Ravat, is the improved dialogue in the country, which the Bank has helped to foster. "It's our job to help this process along. What has still not happened is a reform in the functioning of the mining industry, and this is a more difficult task, since there is a big confusion about ownership."

Zambia has registered a decade of economic growth of more than five percent per year. The growing extractives sector is a key to continued growth, poverty reduction and social and economic development. The country has known fluctuating fortunes during its long history of copper exploitation. This time, though, the government and other key stakeholders want to ensure that the mineral resources benefit all Zambians. But much remains to be done to ensure that the sector effectively contributes to poverty reduction and sustainable economic growth. Zambia's journey towards transparency has not been easy but important progress is being made.

Now, says Bryan Land, Lead Mining Specialist and Extractive Team Leader for Africa, the reporting is quite thorough with plenty of new information available; there is no longer any reservation about who paid what; the Multi-Stakeholder Group (MSG) is in place and has

promoted a new dialogue.

The copper sector's troubled history in Zambia has created perceptions that mining companies enjoy a generous tax and royalty climate and that tax compliance is low.

*"People are still asking where this new transparency is leading," Bryan Land says. "There is skepticism. How is the government using the money? People are suspicious of private companies and that the government and these companies are cooking up deals. In this regard, Zambia is not unique."*

The three EITI Reports are an important step in addressing these concerns, as they tell a clear story about the rapidly increasing copper revenues, as well as social and infrastructure investments by companies. Citizens can see increases in copper output, prices and investment. They can compare tax rates and revenues in similar mining environments.

So far, Land adds, there have been no "missing billions" in Zambia. Before EITI, there was real concern that huge sums were missing, but so far only relatively trivial amounts have been found.

Anwar Ravat believes that once in the EITI, the process is irreversible:

- The CSOs—they are at the table for the first time and they want to keep their place there.
- The companies—leaving the EITI would be reputationally bad for them.
- The governments—many different reasons to stay in the EITI but the main one is to continue to show transparency.

*"Mining in Zambia accounts for 70 to 80 percent of export earnings, but now there is a sustained demand for more accountability," says Anwar Ravat. "The challenge now facing EITI-compliant countries such as Zambia is to move beyond EITI, using the MSG to look at other issues and push beyond the narrow mandate of revenue reporting."*

The country's CSOs feel that EITI has been a vehicle through which good governance can be promoted. Training and advocacy activities have helped the CSOs gain an enhanced understanding of revenue flows. They have also leveraged EITI discussion to pressure local government officials to discuss pollution and land displacement issues. They are also hoping that the government will make EITI the law and institutionalize transparency and accountability in the sector, and that compliance will lead to reforms in other areas such as taxation and employment.

The World Bank, through its EITI Multi-Donor Trust Fund, is supporting capacity building of Zambia's CSOs to strengthen their participation in EITI. A CSO consultation was held in Lusaka in September 2012 and CSO capacity building activities in 2013.



RANDY OLSON / National Geographic Creative

## Indonesia

“Imagine a country,” says Frederic Cegarra, Senior Adviser in SEGOM, “that stretches from Spain to Moscow, with 230 million people spread out over 18,000 islands. Indonesia’s difficulties can be found in its size plus decentralization, and we have to adapt EITI to the structure of the country and the reality of the economy. Given this complexity, it is a success.”

Indonesia’s annual economic growth of six percent over the last three years has been accompanied by rising foreign investment. In 2011, the extractive industries amounted to 16 percent of gross domestic product (GDP) and over 40 percent of the country’s exports. The country holds almost four billion barrels of proven oil reserves and over six billion short tons of recoverable coal. Indonesia’s natural resource wealth is likely to be an important driver for economic growth for many years.

Indonesia started to implement EITI in 2010. Its first EITI Report was published in April 2013, revealing US\$25 billion in revenues in 2009, or 24 percent of total government revenues that year, from 57 oil and gas companies, 18 mineral, and 54 coal mining companies.

But much work remains, and it will be several years before we get a precise idea of the extractive industry’s revenues.

Civil society in Indonesia has played a pivotal role in the emergence of the EITI in Indonesia but the groups need support to effectively contribute to EITI implementation. The MDTF’s capacity building activities support CSOs to assess sub-national data, carry out research and communications activities to disseminate the findings to their communities.

Maryati Abdullah is National Coordinator for Publish What You Pay in Indonesia and that CSO’s representative on the multi-stakeholder group of EITI-Indonesia. Here is how she explains why the EITI process is important for Indonesia’s CSOs:

*“Generally, we hope the EITI process can bring changes and improve the governance of the revenue system and make it more efficient, transparent and accountable to the public. We also hope that the government, academia, parliament and policy makers in general can use the report as starting point to discuss the weak point of the revenue system and make recommendations for improving the policies.*

*For the CSO, in particular, we hope to get better analysis and to better track the data for advocacy purposes as well as for policy engagement with other stakeholders to improve extractive revenue governance.*



FRANS LANTING / National Geographic Creative

*The WB and its MDTF play a crucial role to make sure that civil society can engage fully in the EITI process, to independently criticize the process and while creating public demand and debate to raise awareness on transparency about the extractive revenue and on contextualizing EITI to the local communities.”*

In a big country like Indonesia, the documents are huge and difficult to understand, and the challenge is to make the information relevant.

According to EITI News, Indonesian CSOs have also been assisting their Philippines counterparts in promoting revenue transparency, and implementing the EITI, under the auspices of the IKAT-US project, managed by the Revenue Watch Institute (RWI).

Recently, the IKAT project has made significant strides promoting EITI in the Philippines and these activities culminated in January 2013 when Bantay Kita’s members officially selected civil society representatives for the EITI Multi-Stakeholder Group (MSG) in the Philippines. This collaborative activity between CSO partners from Indonesia and the Philippines has had positive results at the sub-national level as well.

## CHAPTER 2

# CIVIL SOCIETY CAPACITY BUILDING

Civil society has long been a key element of the EITI process, and the civil society organizations remain a driving force, playing three key roles: advocacy, analysis and capacity building. International civil society groups such as the Revenue Watch Institute also provide extensive funding and technical assistance to local civil society groups involved in EITI implementation.

To a large extent, it was pressure from international civil society organizations such as Global Witness and the Publish What You Pay coalition that led to the creation of the EITI. The CSOs are interested in EITI, because it makes governments and companies more accountable to the country's citizens and is a crucial step toward the broader sharing of the gains from extraction of natural resources. Their role is critical to the success of the EITI process in promoting transparency and accountability, which requires an informed, capable and engaged civil society.

**“The development challenge of the decade is undoubtedly resource governance,”** said Daniel Kaufmann, President of the leading international CSO, Revenue Watch Institute, in a speech in Oslo in February 2013.

The World Bank, together with other donors, has stepped in to support capacity building of civil society groups to increase their effectiveness in the EITI process.

**EITI-MDTF Civil Society Direct Support Program.** The Bank's EITI Multi Donor Trust Fund has established multiple funding mechanisms to support CSO involvement in EITI. Since 2011, direct support to local NGOs has amounted to \$2 million total in the target countries. The EITI-MDTF Civil Society Direct Support Program has facilitated activities in four EITI candidate countries—Guatemala, Indonesia, Solomon Islands, and Trinidad and Tobago—and seven compliant countries, Kazakhstan, Kyrgyz Republic, Mongolia, Mozambique, Niger, Tanzania, and Zambia. CSO support projects are also being prepared for Albania, Liberia, Myanmar, Peru, and Sierra Leone.

In many countries, the CSOs face challenges in participating in the EITI process, including a lack of technical expertise, weak organization/coalitions, and difficult operating environments. In many countries, there has also been a failure to engage the broader civil society and community groups. This has prevented effective CSO participation in multi-stakeholder groups.

The main objectives of the MDTF support to the CSOs are to:

- Strengthen CSO participation in the Multi-Stakeholder Group (MSG) and its contributions to EITI implementation;
- Broaden the definition of civil society and increase diversity of CSOs involved in the EITI process; and
- Support initiatives proposed by local CSOs, to increase ownership and capacity.

*“The issue is the same everywhere – capacity,” says Nina Inamahoro, who helps coordinate the Bank's CSO efforts in the EITI process. “They [CSOs] are new to democratic issues and new to multi-stakeholder issues, and all this information has previously been secret.”*

In each country, the World Bank has organized consultation events with civil society representatives from national and international NGOs, media, unions, and other community leaders involved and interested in the extractive industries to identify challenges and opportunities for improved EITI engagement. The events have facilitated the development of action plans to strengthen civil society participation in EITI implementation. Capacity building activities have allowed CSOs to receive specific training on EITI, assess the information contained in national EITI reports, disseminate findings to communities who are often unaware of the issues and have misconceptions about EI management by governments and EI companies.

Through the MDTF Direct Support Program, CSO representatives, community leaders and in some cases local elected officials received targeted training on the EI value chain, such as licenses and contract monitoring, legal systems for extractives, revenue management, corporate social responsibility, and sustainable development.

CSOs have used the support from the MDTF to coordinate their activities in EI monitoring, exchange information, and to network amongst themselves. By increasing knowledge, access to information and dialogue among the civil society organizations, the Multi-Donor Trust Fund is also contributing to strengthening the dialogue between CSOs and the other stakeholders—governments and the private sector.



"The EITI's influence rests on it being seen as a reformers club which governments and companies want to be part of. This attraction will fade if the initiative is seen to be merely playing catch-up with more dynamic reforms taking place elsewhere."

*Corinna Gilfillan, Head of Global Witness'  
U.S. Office, May 2013*

**Revenue Watch Institute (RWI).** Revenue Watch Institute was chosen on a competitive basis to implement a \$1 million civil society strengthening program in six countries. Early work with Revenue Watch has helped to develop training tools and launch pilot CSO activities. RWI has also provided a body of knowledge about the challenges, bottlenecks, and opportunities to improve CSO engagement in EITI.

During the fall of 2012, EITI MDTF Management Committee approved a \$1.5 million second contract with RWI to implement CSO strengthening activities in two areas that are crucial to the future success and impact of EITI: first, outreach to prospective implementing countries; and second, advancing implementation beyond the minimum standard of compliance.

The outreach component will include regional training with participation of not-yet implementing country civil society representatives, as well as targeted programs in the Philippines and Ukraine. Additional countries will be selected. The “beyond compliance” component will include development of key analytical and training materials and targeted country support, including technical advice, capacity building, grants, and mentoring in Niger, Burkina Faso, Democratic Republic of Congo, Cameroon, Ghana, Zambia, Tanzania, and Azerbaijan. It will also include regional workshops.

Expected results include a more robust EITI implementation, a more diverse and active civil society using EITI reports and processes to advocate for policy and sector reforms.

A major future challenge for the MDTF, as it seeks to build CSO capacity in various countries, is how to sustain this capacity, for example by involving local groups with strong community ties and by encouraging them to share their knowledge. Durable CSOs are needed to ensure that this new knowledge is captured in lessons learned and widely shared.

**Publish What You Pay (PWYP).** The EITI MDTF is also negotiating with Publish What You Pay (PWYP) to provide support for the implementation of that organization’s new strategy, entitled Vision 20/20. The objective of the new collaboration is to: (1) reinforce civil society coalitions and their capacity to influence policies and practices in the EI; (2) build capacities to effectively engage and influence the outcomes of EITI, both in terms of the process and the quality and scope of reports; and (3) enhance dissemination and use of data to reach out to communities affected by EI, marginal groups, youth, women and citizenry in general in view of promoting public debate and reforms.



JOEL SARTORE / National Geographic Creative

**TABLE 5: SUMMARY OF MDTF-SUPPORTED CIVIL SOCIETY ORGANIZATIONS (CSO) ACTIVITIES**

	WB EITI MDTF Civil Society Organizations Direct Support Program	PWYP	RWI
<b>TOTAL BUDGET</b>	USD 2 million	USD 500,000	USD 1.5 million
<b>Duration</b>	Since September 2011	15 months	18 months
<b>WB staff role and time</b>	TTL, STC on the ground, coordination by MDTF team to follow up on implementation	WB reviews/approves the main grant proposal PWYP implements proposed activities	WB reviews/approves main grant proposal RWI implements the proposed activities
<b>Country of focus</b>	Niger, Guatemala, Mongolia, Kyrgyz Republic, Kazakhstan, Trinidad & Tobago, Solomon Islands, Tanzania, Zambia, Mozambique, Indonesia, Liberia, Sierra Leone, Albania	Cameroon, Chad, Central African Republic, Gabon, DRC, Republic of Congo, Equatorial Guinea	(1) Philippines, Ukraine, Niger, Burkina Faso, DRC, Cameroon, Ghana, Zambia, Tanzania, Azerbaijan and perhaps Colombia and South Sudan; (2) fund participation of CSOs from specific countries to RWI regional hub training for Anglophone Africa, Eurasia, Asia-Pacific and Latin America
<b>EITI status of targeted countries</b>	Candidate (Guatemala, Kazakhstan, Solomon Islands, Trinidad & Tobago, Indonesia), compliant (Niger, Mongolia, Kyrgyz Republic, Tanzania, Zambia, Mozambique, Liberia, Albania), suspended (Sierra Leone)	Two candidates (Cameroon, Chad), one compliant (Republic of Congo), two suspended (DRC, CAR), delisted (Equatorial Guinea, Gabon)	Outreach (Philippines, Ukraine), compliant (Niger, Burkina Faso, Ghana, Zambia, Tanzania, Azerbaijan), candidate (Cameroon), suspended (DRC)
<b>Particularity of approach</b>	Single country engagement (WB holds one CSO consultation event followed by capacity building activities implemented by a leading local CSO)	PWYP 20/20 Vision, AMV, regional approach for Central Africa	(1) Outreach countries to help start the EITI process; (2) Beyond compliance focusing on [EITI] report analysis and utilization. (3) Support to increased participation in MSG by CSOs.
<b>Key challenge</b>	(1) Low understanding of EITI by CSOs; (2) Low participation of CSOs in MSG; (3) Lack of diversity of CSO participation in EITI	Slow advance of EITI due to weak environment for CSO engagement (persecution and intimidation of campaigners, etc.)	Get some outreach countries to sign-up to EITI
<b>Grant-making (Y/N)</b>	No (except for projects in Indonesia and Kazakhstan)	Yes (national coalitions to implement projects around key priorities they identified)	Yes (one component of the program: local CSOs to do outreach and advocacy on EI and EITI)
<b>Objectives</b>	(1) Strengthen CSOs participation in the EITI Multi-Stakeholder Group (MSG): increase ownership and strengthening CSO contributions to the EITI implementation process; (2) broaden the scope of civil society organizations engaged in EITI: increase diversity of CSOs involved in the EITI process; (3) Support more intensive and thorough use of information generated by EITI; (4) Help catalyze additional resources for civil society organizations engaged in the extractive industries and EITI	(1) Reinforcing civil society coalitions and their capacity to influence policies and practices in the EI; (2) building capacities to effectively engage and influence the outcomes of EITI, both in terms of the process and the quality and scope of reports; (3) enhance dissemination and use of data to reach out to communities affected by EI, marginal groups, youth, women and citizenry in general in view of promoting public debate and reforms	(1) Four outreach countries sign up to EITI and begin a trajectory towards robust implementation; (2) In four outreach countries, a diverse and active civil society coalition engages in and utilizes the EITI process; (3) In eight implementing countries, civil society utilizes multi-stakeholder processes to push for improvements in the EITI process and reports; (4) In eight implementing countries, civil society uses EITI reports and processes to demand EI sector reform (this outcome receives an estimated 50% weight as the largest component of the proposed activities)
<b>Tools</b>	Face to face consultation events, research activities by CSOs, awareness raising through community radio, peer to peer learning in mining regions, EI courses, investigative reporting by journalists	Working in partnerships with experienced organizations to delivers various trainings	Regional trainings and events, RWI teaching material, web-based report evaluations
<b>Targeted organizations</b>	CSOs both involved in EI or seeking to be involved, EITI MSG and non-MSG, academia, and media	CS in general but particularly PWYP coalitions, EITI MSG CSO members, EITI participating CSOs, CBOs involved in EI, media & youth groups involved in EI	CSOs involved or who seek to be involved in EITI
<b>Activities</b>	(1) Training on EI and EITI; (2) Media training; (3) Peer to peer learning in mining regions of the same country; (4) Coalition building	(1) National-level workshops to develop strategies; (2) strengthen coalitions; (3) adoption of protection mechanisms of civil society; (4) capacity building and technical training; (5) regional peer learning events	(1) Regional trainings and events in outreach countries; (2) funding of participation costs of CSOs from outreach countries to RWI regional hub trainings in four continents; (3) Support to CSOs in implementing countries with technical assistance to strengthen their participation; (4) research papers on EITI
<b>Risks</b>	(1) High-expectations of WB involvement on time and assistance to organizations, (2) Need for continued support by CSOs	(1) Overlap with RWI activities in Cameroon, DRC; (2) long-term need of financial support	(1) Outreach countries don't sign up for EITI; (2) sustainability of support beyond grant
<b>Risk management</b>	Linking with other WB in-country projects when possible	Coordination with RWI	[None proposed]

## Spotlight on EITI Implementation

### Mongolia

In January 2006, Mongolia decided to join the EITI. It became EITI compliant in October 2010. During this time, the World Bank, through its Multi-Donor Trust FUND (MDTF), extended financial, technical and advisory support to the Mongolian EITI to cover costs for reconciliation activities. Today, the Mongolian government is fully funding this task.

In 2006, the EITI Report covered payments from 25 companies, while the latest reports cover upwards of 200 companies. Subsequent reports have seen decreasing discrepancies as both the government and the companies are improving their data collection performance. The last two reports have also been connected to the concept of “beyond compliance” and include some information on licenses, mining plant performance, natural rehabilitation expenses, and donations.

In 2012, Mongolia published its 2011 EITI Report, which contained an extensive overview of the extractives sector, including detailed information on payments and revenues. It included additional information such as commodity price developments, a map of deposits of strategic importance, an overview of license holders and license transfers, data on environmental protection payments and social expenditures.

Mongolia experienced 12.3 percent economic growth in 2012, down from 17.5 percent in 2011, largely due to lower coal and copper exports, says the World Bank’s April 2013 economic update on the country. This year, the country’s mineral revenues are expected to account for 20 percent of total government revenues, and the

minerals’ share of total exports is expected to be over 90 percent. The country is seeing a slowdown in foreign direct investments, signaling growing wariness among foreign investors over Mongolia’s investment climate.

Mongolia faces the challenge of managing this wealth of data to stimulate debate about natural resource extraction. Although the 2010 Validation Report cited “remarkable progress” made “to ensure that transparency becomes institutionalized and operational,” there is little evidence, according to ScanTeam’s report from May 2011 that EITI Mongolia (EITIM) data has entered into the larger political and public debate. It did say, however, that the data’s availability has contributed to reducing the “culture of secrecy” in the country and thereby reduced the opportunities for corruption.

But, the report also says that EITIM has not made a “discernible contribution” to improved accountability in Mongolia, and “there is no clear evidence attributing to the EITIM the larger improvements in governance, poverty reduction and the business environment.”

An EITI law and a strategy for 2010-2014 are currently being drafted with enhanced CSO capacity and participation. This is seen as important in sustaining the process which, observers say, is driven more by the CSOs than by the government.

Katherine C. Heller, Social Development Specialist in SEGOM, says the CSOs in Mongolia have made progress in building their capacity, especially in Ulan Bator, but that in rural areas, awareness is lower and capacity is weaker as a result.

The World Bank consultations were based on pressing demands by the CSOs to increase their knowledge about EITI and EI issues. But it is more than that.

*“In our consultations, a whole range of issues came up, beyond EITI, all related to democracy and community participation. So when we asked about EITI, the response was much broader, and it took longer than we anticipated,” says Katherine Heller.*

The Bank’s review sought to determine ways to make EITI reports more understandable and ‘usable’ by CSOs, and Publish What You Pay was contracted for this purpose. Journalists were trained to strengthen their knowledge and understanding of the issues, and CSO training took place with the help of Revenue Watch Institute.

Some comprehensive EITI training activities for mining communities were carried out through July 2013. Other training programs will seek to raise awareness and engagement around EITI, while also creating opportunities to forge stronger links between CSOs concerned with mining issues at the local level and those active at the national level. This will help strengthen EITI implementation and advance transparency.



## Kazakhstan

Since the country signed on to EITI in 2005, civil society engagement has been dynamic and ever more CSOs are involved. In 2010, a “Dialogue Platform” was formed to coordinate CSO activities and develop common approaches to monitor the extractive industries. Today, the Platform unites around 500 NGOs from coalitions such as “Oil Revenues—Under Public Oversight” and “Civic Alliance of Kazakhstan.”

With the support of the MDTF, eight EITI national and regional advocacy conferences have been held in various areas of the country between 2008 and 2012, bringing together between 80 and 180 attendees.

In 2013, the MDTF plans further activities to train CSOs in extractive regions of the country. The activities will help improve the negotiating and advocacy capabilities of the CSOs on behalf of ordinary citizens.

*“We have had pilot projects and direct funding through the MDTF to help increase the awareness of the NGOs about the EITI process and figuring out how to make it more useful, and it’s going well,” says Gary McMahon, Senior Mining Specialist in SEGOM. “The local NGOs don’t have a problem with understanding the EITI issue. They understand the importance of transparency and that the EITI opens up the mining sector to all kinds of issues.”*



JUSTIN LOCKE / National Geographic Creative

## CHAPTER 3

# WB/MDTF CONTRIBUTIONS TO GLOBAL PROCESS, KNOWLEDGE AND LEARNING

Although the World Bank team and most MDTF Management Committee members do not sit on the EITI Board, they nonetheless contribute to the global process by participating on EITI Board Working Groups and Committees. The culmination of this work was seen at the 6th EITI Global Conference in Sydney, in May 2013, at which the new EITI Standard was launched.

In terms of knowledge and learning, both World Bank staff and MDTF Management Committee members contribute to preparation of training courses and learning, in close collaboration with the EITI International Secretariat in Oslo. When the New Rules were introduced in 2011, the WB/MDTF co-funded training courses with the Secretariat. Now with the EITI Standard, such activities will also be supported by the World Bank team with funding from the MDTF, and based on a strategy developed with the Secretariat in Oslo.

In terms of major knowledge products, the EITI MDTF has financed the following publications to contribute to better understanding of the EITI purpose and process.

- “Implementing EITI: Applying Early Lessons from the Field” (November 2008).
- “Toward Strengthened EITI Reporting” (August 2009).
- DVD “EITI at Work” (October 2010).
- “Voices of Transparency” (March 2011)
- “Implementing EITI at the Subnational Level” (October 2011)
- Revision/Update of “Implementing EITI: Applying Early Lessons from the Field” in 2013: “Implementing EITI for Impact” (pending revision to take account of new EITI Standard).

### The New EITI Standard and the Way Forward

“The transparency that the EITI drives can help deliver reform. There is still a long way to go until the citizens of resource-rich countries truly see the benefits. I hope and believe that the new EITI Standard will make an important contribution to realizing this aim.”

Clare Short, Chair of the EITI Board.

The EITI Standard was approved at the 6th EITI Global Conference in Sydney in May 2013. It replaces the EITI Rules from 2011 while retaining the twelve EITI Principles. The Standard incorporates lessons learned about effective EITI implementation. It gives a clearer set of rules, encourages more understandable, relevant and more reliable information, as well as better linkages to wider reforms.

### There are seven requirements in the new Standard:

1. Effective oversight by the Multi-Stakeholder Group.
2. Timely publication of EITI Reports.
3. EITI Reports that include contextual information about the extractive industry.
4. The production of comprehensive EITI Reports that include full government disclosure of extractive industry revenues, and disclosure of all material payments to government by oil, gas and mining companies.
5. A credible assurance process applying international standards.
6. EITI Reports that are comprehensible, actively promoted, publicly accessible, and contribute to public debate.
7. The Multi-Stakeholder Group to take steps to act on lessons learned and review the outcomes and impact on EITI implementation.

### The key changes in the new Standard are:

**Making the EITI more relevant.** The new Standard is based on the need to ground implementation in the national dialogue about natural resource governance. Each country—through its Multi-Stakeholder Group—is required to agree on a work plan with clear objectives and activities linked to national policies and reforms. Multi-stakeholder groups are encouraged to more clearly articulate what they want to achieve with the EITI, how these objectives will be achieved and document the impact of the EITI.

**Making the EITI Reports more useful and understandable.** To date, EITI Reports have often been difficult to read and interpret. They often require the reader to have technical expertise on the extractive sectors and government accounts. The new Standard challenges implementing countries to use the EITI to address the most pressing governance challenges in the extractive industries. The Board has therefore agreed that EITI Reports should include more contextual and explanatory information. The new Standard requires information about the contribution of the extractive sector to the economy, a description of the fiscal regime, an overview of relevant laws, and a description of how extractive industry revenues are recorded in national budgets. The new Standard also requires information on licensing and production, and government participation in the extractive sectors. MSGs are also encouraged to address beneficial ownership and contract transparency.

**Ensuring timely, comprehensive and reliable data.** The EITI requirements have been restructured to more clearly emphasize the importance of timely, comprehensive and reliable information.



“The new Standard has opened the door for EITI to become much more relevant to meaningful policy reforms to improve resource governance. The challenge now is for the 41 countries to implement the Standard in a timely and thorough way.”

*Erica Westenberg,  
Revenue Watch, 5/22/13*

The EITI Report will be required to show full government disclosure of all revenues received from the extractive industries, published on a project-by-project basis. The new Standard also includes detailed provisions on infrastructure and barter arrangements, social expenditures, transportation and transit payments, and sub-national payments and transfers. The reporting procedures have also been strengthened, requiring the Independent Administrator and the Multi-Stakeholder Group to assess prevailing auditing practices and agree on the procedures for ensuring that the data is disclosed in the EITI Report. These changes seek to ensure that the EITI Report provides a complete picture of the revenues received, and that the EITI Report more clearly addresses the reliability of the data.

**Improving the Validation process.** Validation is an essential feature of the EITI process. In order to improve its quality, efficiency and consistency, validators will be procured and managed by the International Secretariat rather than by implementing countries. This will allow the Multi-Stakeholder Groups to focus on EITI implementation. An EITI candidate country is required to commence validation within two and a half years of becoming a candidate. Compliant countries will also be required to undertake validation more frequently—every three years instead of every five years. The EITI Board is also examining mechanisms outside validation to give greater recognition to countries that develop innovative approaches to ensure that the EITI achieves its objectives and has an impact on the ground.

Since the 41 EITI implementing countries are at different stages of implementation, the EITI International Secretariat has proposed transitional arrangements for the new Standard while encouraging implementing countries to transition to the new Standard as soon as possible.

“The EITI has finally recognized that, when it comes to complex industries, merely disclosing payments is not enough. By including contracts and licenses, beneficial ownership, state-owned companies and production information, the new Standard could make EITI more effective in addressing the vast governance challenges facing resource-rich countries.”

*Daniel Kaufmann, President of the Revenue Watch Institute*

Countries admitted as candidates from May 22, 2013, forward will be required to implement the EITI in accordance the new Standard. A country applying for candidacy in 2013 and subsequently accepted will have their reporting and validation deadlines extended by six months to allow the Multi-Stakeholder Groups to make adjustment to their work plans. For those who apply after January 1, 2014, the standard deadlines will apply.

All implementing countries are required to publish a 2013 annual activity report by July 1, 2014.

In a report entitled “Implications for Implementation” of the new EITI standard, published after the Sydney EITI conference in May 2013, the World Bank’s Bryan Land and Javier Aguilar call the new Standard a “bold move” and say that, “*there is no doubt that, if implemented well, the new EITI Standard will secure the global EITI transparency movement center stage in the quest for greater transparency and accountability in resource rich countries. The challenge for all, including the World Bank, is to ensure that the new EITI Standard is implemented well.*”



#### **BOX 5: Implementing EITI for Impact: A Handbook for Policy Makers and Stakeholders**

This publication was completed in early 2013. The “Road Show Version” was launched for comments at the EITI Board Meeting and Conference in Lima, Peru in June 2012, and the online version was shared with stakeholders in December 2012.

It was then decided to do a limited print run till the new EITI Standard was approved. The publication is being updated and will be disseminated more broadly in a print format in 2014.

The ongoing development of the handbook will serve as an interactive tool for advisory/guidance to EITI practitioners.



#### BOX 6: The “Resource Curse“

The resource curse, also known as the paradox of plenty, refers to the paradox that countries with abundant extractive resources – oil, gas and mining – tend to register lower economic and social performance than countries without these natural resources. These countries also tend to experience a higher than average incidence of social and political unrest and violence.

This is hypothesized to happen for many different reasons. Including a decline in the competitiveness of other sectors, caused by appreciation of the real exchange rate as resource revenues enter the economy, also known as the “Dutch disease.” Other factors are the volatility of revenues from resource extraction, government mismanagement of resources, and weak, ineffectual, unstable or corrupt institutions.

While there is no universally accepted theory of the resource curse, corruption has been widely recognized as a central explanatory factor. Since the extractive resource revenues are concentrated and easily appropriable, government officials in resource rich countries are tempted in rent-seeking, patronage and degradation of institutional checks and balances.

Sources: Auty (1993), Collier (1999), Sachs and Warner (2001), Kolstad and Wiig (2009).

## Spotlight on EITI Implementation

### Peru

**Peru** is so far the only EITI compliant country in Latin America. However, more countries are on the way to joining. Guatemala, Trinidad and Tobago and, this year, Honduras, are all EITI candidate countries, while Colombia has announced its commitment to EITI.

In the last decade in Peru, the extractive industries have expanded and will continue to grow as new and large projects are developed in the near future. Following President Humala's recognition that transparency is needed to 'heal the wounds' of Peru's mining sector, the country is seeking to strengthen transparency and accountability at local levels through four sub-national EITI pilot programs in the next couple of years.

The first EITI MDTF grant to Peru helped the country to implement EITI and reach compliant status. Now a second grant for post-compliance will help the government address weaknesses identified in the validation report and prepare a more robust second EITI report.

Peru's EITI reports have included data on production by commodity, which has enabled its citizens to trace how these resources are being exploited and the benefits that accrue to the national treasury. They also showed that the government redistributes a significant share of the extractive industry revenues to the regions, local municipalities, and universities.

According to the latest EITI Report, the Peruvian government received over US \$5 billion in 2010, six times more than in 2004, when Peru first disclosed the figures. Over 60 percent of the revenue came from mining.



### Guatemala

**Guatemala** published its first EITI Report in 2013. The mining and oil industries account for close to two percent of the country's GDP. With an August 2013 EITI validation deadline, the context for the EITI implementation is favorable, but it's a "very complicated environment," says Kristina Svensson, Senior Operations Officer in the Bank's Oil, Gas and Mining Unit. This is due to the presence of a strong anti-mining movement, which has led to political polarization over the extractive operations.

The dialogue between the three main stakeholders needs to be strengthened, and a representative group from civil society should be encouraged to participate. The work of the EITI Commission can only strengthen its legitimacy by increasing CSO participation and representation.

It is here that the MDTF has come in. The purpose of the MDTF grant is to strengthen the capacity of civil society organization, academics, community leaders and indigenous groups to participate effectively in the EITI process. Two areas were prioritized, namely training on EITI and extractive industry management, and communications outreach to 30 indigenous groups in the areas affected by EI projects.



## NEW CHALLENGES AHEAD

The EITI is now the global standard for revenue transparency. Once EITI has taken root in a country, it is usually irreversible.

As the Independent Evaluation Group, an independent unit within the World Bank, concluded in its 2011 report about the Multi-Donor Trust Fund, the EITI, with support from the MDTF, is in process of “achieving its objective of increasing transparency in resource-dependent countries.” But, it continued, “the program’s contribution to the broader goal of improving governance and fighting corruption remains unclear.” And the Group called in its report for a roadmap for the future. The new EITI Standard can be seen as that roadmap.

The future is unknown, but it is clear that the Extractive Industries Transparency Initiative and the World Bank’s Multi-Donor Trust Fund will face new and daunting challenges in the second decade of EITI’s existence.

With the launch of the new EITI Standard, EITI is not only building on its impressive record and rapidly increasing the number of participating nations, both rich and poor, but also seeking new ways to expand its mandate for transparency and, ultimately, accountability, in the world’s extractive industries.

The new EITI Standard means significant changes for implementing countries, and the World Bank’s technical assistance and funding from the MDTF will respond accordingly. For example, there will be enhanced capacity building to help countries with additional reporting requirements while, at the same time, MDTF will seek ways for EITI countries to bear more of the EITI reporting costs previously funded through the MDTF (for instance, by integrating EITI reporting into national systems and redeploying funds previously used to cover validation costs). There may also be a need for bridge funding from bilateral donors as this transition is implemented. These implementation issues will need to be taken into consideration by both the MDTF and donors.

The EITI multi-stakeholder platform has proven to be a powerful tool to stimulate a debate that goes beyond revenue transparency. In country after country, even basic transparency has become the starting point for wider-ranging discussions, covering mining and resource deals, improving tax collection systems to track down missing money, and how money is spent.

A broader scope for EITI would mean a wide scope also for the Multi-Donor Trust Fund and for funding activities. This important issue will require attention from the Management Committee Members.

The MDTF now faces further challenges to:

- Sustain current implementation of EITI;
- Expand efforts to build capacity in CSOs;
- Follow up closely on MDTF results and improvements to capture country results;
- Adjust support to countries to implement the new EITI Standard.

Much work remains to be done. A review of the 2013 Revenue Watch Resource Governance Index makes this clear. Tracking of transparency performance shows that far too many countries fall short of meeting the Standard. Of the 58 resource-rich countries that produce 85 percent of the world’s petroleum, 90 percent of diamonds and 80 percent of copper and generate trillions of dollars in annual profits, only 11 of them have satisfactory standards of transparency and accountability. Norway, the United States, the U.K., and Australia head the index, but six countries from Latin America—Brazil, Chile, Colombia, Mexico, Peru, and Trinidad and Tobago—are among the top eleven too, showing that emerging economies can also deliver good governance .

In the remaining 58 countries, however, there is a major governance deficit, especially in the most resource-dependent countries, where nearly half a billion people live in poverty despite that resource wealth. The future of these countries depends on how well they manage their oil, gas and minerals, according to the Revenue Watch Index.

The EITI is now the global standard for revenue transparency. Once EITI has taken root in a country, it is usually irreversible. The challenge for all stakeholders going forward will be to implement the new EITI Standard and ensure that the process is embedded in country systems and leads to broader reforms where needed, to ensure that the revenues generated from the oil, gas and mining resources in a country contribute to development for the benefit of its citizens.



# ANNEX

# ANNEX

TABLE 1: WORK PLAN SUMMARY (WORK PROGRAM AND SIGNED/PENDING GRANT AGREEMENTS (US\$000))

	WB TA Disb. from inception until Dec. 31, 2012	WB TA Work Program (Jan. 1, 2013-June 30, 2016)	WB TA Amount Revisions for Approval	Actual or Planned Grant Amounts	Disb. of Signed Grants through Dec. 31, 2012	Available Balance of Signed Grants	Grant Amount Revisions for Approval	Grant Status	Total Funding from Facility
<b>A. COUNTRY LEVEL</b>									
<b>AFRICA</b>									
Angola	144	-		-	-	-		Closed	144
Botswana	-	-		-	-	-		Ltd Fac. inv.	-
Burkina Faso	168	-		224	224	-		Closed	392
Burkina Faso PC1	3	159		200	-	-		Pending	362
Cameroon	80	-		99	99	-		Closed	179
Cameroon Phase II	77	-		-	-	-		Closed	77
Central African Republic	85	-		291	291	-		Closed	376
Central African Republic PC1	1	142		250	-	-		In Process	393
Chad (WB-managed)	348	98		375	-	-	375	Pending	821
Congo Republic	164	82		350	126	224		Signed	596
Côte d'Ivoire	117	-		130	130	-		Closed	248
Côte d'Ivoire PC1	10	150	47	350	-	-	100	Pending	510
Democratic Republic of Congo	563	-		495	495	-		Closed	1,058
DRC Phase II	67	150	42	495	-	495		Signed	712
Equatorial Guinea	504	-	(7)	-	-	-		Closed	504
Ethiopia	183	272	200	250	-	-		Pending	705
Gabon	-	70		350	-	-		In Dialogue	420
Ghana	142	-		218	218	-		Closed	360
Ghana PC1	137	27		400	391	9		Signed	564
Ghana PC2	-	120	120	400	-	-	400	Pending	520
Guinea	440	-		419	419	-		Closed	859
Guinea Phase II	-	166	100	350	-	-		Pending	516
Liberia	122	-		399	399	-		Closed	521
Liberia Phase II	3	-		165	165	-		Closed	168
Liberia PC1	4	201	50	200	-	-		In Process	405
Madagascar	203	-		344	344	-		Closed	547
Madagascar Phase II	-	100	100	480			480	Pending	580
Malawi	21	83		275	-	-		In Dialogue	379
Mali	78	-		185	185	-		Closed	263
Mali PC	-	210		200	-	-		Pending	410
Mauritania	60	-		148	148	-		Closed	209
Mauritania PC1	86	59		275	183	92		Signed	420
Mauritania PC2	-	100	100	350	-	-	350	Pending	450
Mozambique	292	-		361	361	-		Closed	653
Mozambique Phase II	45	-		350	350	-		Closed	395

	WB TA Disb. from inception until Dec. 31, 2012	WB TA Work Program (Jan. 1, 2013-June 30, 2016)	WB TA Amount Revisions for Approval	Actual or Planned Grant Amounts	Disb. of Signed Grants through Dec. 31, 2012	Available Balance of Signed Grants	Grant Amount Revisions for Approval	Grant Status	Total Funding from Facility
Mozambique PC1	-	250	112	350	-	-	350	Pending	600
Niger	159	-		240	240	-		Closed	399
Niger PC1	18	-		200	200	-		Closed	218
Niger PC2	-	165		200	-	-	200	Pending	365
Nigeria	13	-		1,665	1,665	-		Closed	1,678
Nigeria Phase II	224	-		761	761	-		Closed	985
Nigeria PC1	49	61		900	-	900		Signed	1,010
Rwanda	-	125		-	-	-		In Dialogue	125
Sao Tome e Principe (Delisted)	37	-		1	1	-		Closed	37
Sao Tome e Principe (Re-engaged)	130	151	100	285	-	-	285	In Process	566
Senegal	101	164	100	500	-	-	120	Pending	765
Sierra Leone	301	-		279	279	-		Closed	579
Sierra Leone Phase II	53	268	-	310	-	-		Pending	631
South Africa	-	10		-	-	-		In Dialogue	10
South Sudan	-	30	20	-	-	-		Pending	10
Tanzania	472	-		336	336	-		Closed	808
Tanzania Phase II	14	327	-	350	240	110		Signed	691
Togo	103	75	-	275	177	98		Signed	452
Togo PC1	-	100	100	270	-	-	270	Pending	370
Uganda	75	81	-	300	-	-		In Dialogue	456
Zambia	197	-	-	309	309	-		Closed	506
Zambia Phase II	40	107	60	350	-	-		Signed	497
Zimbabwe	-	-		-	-	-		N/A	-
<b>Sub-total</b>	<b>6,133</b>	<b>4,103</b>	<b>1,244</b>	<b>17,260</b>	<b>8,737</b>	<b>1,928</b>			<b>27,495</b>
<b>EAST ASIA</b>									
Cambodia	-	20		-	-	-		In Dialogue	20
Indonesia	699	4	80	1,050	560	490		Signed	1,753
Indonesia Phase II	-	380	46	1,050	-	-		In Process	1,430
Lao PDR	47	26		-	-	-		In Dialogue	74
Mongolia	42	-		304	304	-		Closed	346
Mongolia Phase II	29	-		275	275	-		Closed	304
Mongolia PC1	69	109	50	250	183	67		Signed	428
Myanmar	48	90	90	450	-	-	450	Pending	588
Papua New Guinea	359	152		460	-	-		Pending	971
Philippines	48	200	128	600	-	-	600	Pending	848
Solomon Islands	343	134		350	-	-	50	Pending	828
Timor-Leste	59	-		186	186	-		Closed	245
Timor-Leste PC	8	67		200	-	-		Pending	275
Vietnam	-	20		-	-	-		In Dialogue	20
<b>Sub-total</b>	<b>1,751</b>	<b>1,202</b>	<b>394</b>	<b>5,175</b>	<b>1,508</b>	<b>557</b>	<b>1,100</b>		<b>8,128</b>

	WB TA Disb. from inception until Dec. 31, 2012	WB TA Work Program (Jan. 1, 2013-June 30, 2016)	WB TA Amount Revisions for Approval	Actual or Planned Grant Amounts	Disb. of Signed Grants through Dec. 31, 2012	Available Balance of Signed Grants	Grant Amount Revisions for Approval	Grant Status	Total Funding from Facility
<b>EUROPE AND CENTRAL ASIA</b>									
Albania	130	-		272	272	-		Closed	402
Albania Phase II	-	-		79	79	-		Closed	79
Albania Phase III	6	108		300	-	-		In Process	415
Azerbaijan	15	-		-	-	-		N/A	15
Bulgaria	18	-		-	-	-		Grant unlikely	18
Kazakhstan	631	88	50	-	-	-		Closed	719
Kyrgyz Republic	235	-		264	264	-		Closed	499
Kyrgyz Republic PC1	66	70		200	159	41		Signed	336
Kyrgyz Republic PC2	-	30	30	300			300	Pending	330
Tajikistan	75	115	45	300	-	-		Pending	490
Ukraine	-	60		-	-	-		Pending	60
<b>Sub-total</b>	<b>1,175</b>	<b>471</b>	<b>125</b>	<b>1,715</b>	<b>774</b>	<b>41</b>	<b>300</b>		<b>3,361</b>
<b>LATIN AMERICA</b>									
Brazil	-	150		-	-	-		In Dialogue	150
Colombia	140	127	120	450	-	-		Pending	717
Dominican Republic	34	191	100	300	-	-		Pending	525
Guatemala	174	50	49	300	220	80		Signed	524
Guatemala Phase II	-	75	75	300	-	-	300	Pending	375
Guyana	-	100	50	300	-	-	300	Pending	400
Honduras	29	131	120	300	-	-	300	Pending	460
Peru	107	-		337	337	-		Closed	444
Peru PC1	132	132	150	350	-	-		In Process	614
Suriname	15	115		350	-	350		Pending	480
Trinidad & Tobago	168	88		325	150	175		Signed	581
Trinidad & Tobago Phase II	-	50	50	300	-	-	300	Pending	350
<b>Sub-total</b>	<b>797</b>	<b>1,209</b>	<b>714</b>	<b>3,612</b>	<b>708</b>	<b>605</b>	<b>1,200</b>		<b>5,619</b>
<b>MIDDLE EAST &amp; NORTH AFRICA</b>									
Egypt	-	-		-	-	-		Unlikely	-
Iraq	302	353	150	1,640	599	1,041		Signed-tranche1	2,295
Tunisia	-	60		-	-	-		In Dialogue	60
Yemen	137	210	150	350	307	43		Signed	697
<b>Sub-total</b>	<b>439</b>	<b>623</b>	<b>300</b>	<b>1,990</b>	<b>906</b>	<b>1,084</b>			<b>3,052</b>
<b>SOUTH ASIA</b>									
Afghanistan	211	159	100	275	123	152		Signed	645
Afghanistan Phase II	-	100	100	300	-	-	300	Pending	400
<b>Sub-total</b>	<b>211</b>	<b>259</b>	<b>200</b>	<b>575</b>	<b>123</b>	<b>152</b>	<b>300</b>		<b>1,045</b>

	WB TA Disb. from inception until Dec. 31, 2012	WB TA Work Program (Jan. 1, 2013-June 30, 2016)	WB TA Amount Revisions for Approval	Actual or Planned Grant Amounts	Disb. of Signed Grants through Dec. 31, 2012	Available Balance of Signed Grants	Grant Amount Revisions for Approval	Grant Status	Total Funding from Facility
Contingency allocation for new countries	563	350							913
<b>Sub-total - Country</b>	<b>11,069</b>	<b>8,218</b>	<b>2,977</b>	<b>30,327</b>	<b>12,755</b>	<b>4,366</b>	<b>5,830</b>		<b>49,613</b>
<b>B. SUPPORT TO CSOS, GLOBAL KNOWLEDGE, LEARNING SUPPORT AND FIDUCIARY</b>									
Support to CSOs, global knowledge, learning support and fiduciary	6,522	11,673	8,334						18,195
<b>Sub-total - Global knowledge</b>	<b>6,522</b>	<b>11,673</b>	<b>8,334</b>						<b>18,195</b>
<b>GRAND TOTAL</b>	<b>17,591</b>	<b>19,890</b>	<b>11,311</b>	<b>30,327</b>	<b>12,755</b>	<b>4,366</b>	<b>5,830</b>		<b>67,808</b>

**TABLE 2: GLOBAL KNOWLEDGE, LEARNING SUPPORT AND FIDUCIARY FOR FY13-FY14**

	Actuals	Revised Plans									CSO Support		TOTAL
	Cumulative Global KM, Learning and Fiduciary Activities to 6/30/2013	MC/EITI Board Meetings & related side events 1/	General Global KM Events 2/	Regional Africa Workshops 3/	Regional East-Asia Workshops 4/	Regional MNA Workshops 5/	Other Regional Workshops 6/	2013 and 2015 Conference 7/	MDTF Fiduciary Management and Liaison	Subtotal Revised Plans	Vendor /Grantee Managed CSO Program	Direct WB Managed CSO Support Program *	Total (Plans + Actuals)
Initial and current allocation for pending activities	4,710	450	900	300	300	200	200	200	750	3,300	6,185	4,000	<b>18,195</b>
Actual expenses to date	4,710									0	1,144	668	<b>6,522</b>
<b>Available Balance</b>	<b>0</b>	<b>450</b>	<b>900</b>	<b>300</b>	<b>300</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>750</b>	<b>3,300</b>	<b>5,041</b>	<b>3,332</b>	<b>11,673</b>

1/ Covers participation at MDTF Management Committee meetings, EITI Board meetings, donor meetings, and related EITI Board or Secretariat business meetings (and side events), including information sharing with potential EITI partners and supporting governments and entities

2/ Other general global knowledge management events, training and learning events, and activities/publications/website, such as contribution by World Bank team to "Advancing the EITI in the Mining Sector" publication prepared by the EITI Secretariat, Oslo which was launched at the Doha International Conference February 2009 and "Strengthening EITI Reporting" exercise, May 2009 and support to training events like "InWEnt events". The publication "EITI Lessons Learned and Best Practices" will be re-written in November 2011. "EITI @ Work" DVD was launched at the MC meeting in October 2010. The publication "Voices of EITI Stakeholders" was distributed during the EITI Global Conference.

3/ Structured EITI regional workshops covering training events for development agencies, knowledge dissemination, sharing best practice and EITI knowledge sharing; may cover West Africa/ECOWAS Regional Nigeria/Ghana/Sao Tome/Liberia/Sierra Leone event on exchanging best practice - cost shared in concert with local donors, hence difficult to estimate amount, but is not expected to be significant.

4/ Workshop for EITI stakeholders, including MDTF donors (for example, workshop held in Bangkok in October 2007), and planned workshop for EITI practitioners in East Asia and the Pacific to be held in Jakarta in October 2011.

5/ Events in the Middle East and North Africa Region.

6/ Structured EITI regional workshops covering training events for development agencies, knowledge dissemination, sharing best practice and EITI knowledge sharing; for example in Europe and Central Asia, and Latin America.

7/ 2013 International EITI Conference.

#### Examples of Actual Deliveries (and selected product costs) before FY13: Support for CSOs, Global KM, Learning Support and Publications

- Program evaluation report submitted May 2009 at MC meetings (actual \$89,977); WBG/MDTF presentation at Doha conference on "Improving the Quality of EITI Reports" (and follow-on exercise on "Strengthening EITI Reporting", final report issued August 2009).
- Preparation and launch of implementation of lessons learned - Implementing EITI: Applying Early Lessons from the Field, April 2, 2008 (not specifically budgeted, but part of general outreach plans).
- Audit and Reconciliation Workshop, Paris, April 1, 2008 (actual \$26,955).
- Implementing EITI: Inwent course on Best Practice and Tools, Berlin, June 9-13, 2008 (organized event cost shared with EITI Secretariat) (actual \$22,911); November 10-14, 2008 and December 15-19, 2008 (actual \$50,784; World Bank staff participation as speakers \$34,741).
- Implementing EITI: Applying Early Lessons from the Field, launched at donors' meeting in Paris in November 2008 (actual \$56,488 includes French translation).
- Chapter on Advancing the EITI in the Mining Sector (actual \$5,300).
- National Coordinators' Meeting, May 2009 (actual \$66,296).
- Toward Strengthened EITI Reporting, final report - August 2009 (actual \$10,355).
- Sub-regional Oil and Gas Seminar (joint COCPO/AfDB/AFRITAC), Libreville, April 29-30, 2008 (actual \$73,892).
- Training event with AfDB, Tunis, June 2-3, 2008 (part of general outreach plans).
- West Africa EITI Conference, Abuja, September 11-12, 2008 (actual \$62,443).
- Capacity building in West/Central Africa, November 2008 (actual \$22,930).
- Mediterranean Roundtable, Tunis, November 25-26, 2008 (part of general outreach plans; actual \$7,207).
- East Asia workshop for donors, Bangkok, October 2-3, 2007 (actual \$7,072).
- Karaganda, Kazakhstan EITI conference, January 29, 2009 - attendance by Kyrgyz representatives (actual \$5,308).
- Implementing EITI in Asia - Introductory Seminar, March 1-4, 2010.
- Lima Multi-stakeholder Group meeting, July 23, 2010 (actual \$12,216).
- EITI at Work DVD, shown during the EITI Board meeting, October 21, 2010.
- National Coordinators' Workshop, Brussels, November 22-24, 2010 (actual \$53,000).
- Voices of EITI Stakeholders publication, distributed at the 5th EITI Global Conference in Paris, March 2-3, 2011 (actual \$26,891).
- EITI Regional Workshop for Beginner Countries, Lome, May 18-20, 2011 (actual \$73,561).
- Learning Event on New EITI Rules, Washington, DC, June 21-22, 2011 (actual \$15,924).
- Implementing EITI at the Subnational Level, published October 2011 (actual \$75,660).
- Workshop for EITI Practitioners in East Asia and the Pacific, October 24-31, 2011 (actual \$77,476).

**TABLE 3: SOURCES AND USES OF FUNDS (IN USD '000; EXPENDITURE ACTUALS AS OF JUNE 30, 2013)**

	Inception to Date Actuals	Unpaid Contribution (approx. US\$ equivalent)	Total
<b>SOURCES OF FUNDS</b>			
Donor Contributions			
Australia	14,162	1,319	15,481
Belgium	1,395		1,395
Canada	12,520		12,520
Denmark	458		458
European Commission	1,496		1,496
Finland	1,062		1,062
France	1,607		1,607
Germany	2,679	664	3,343
Japan	300		300
The Netherlands	1,500		1,500
Norway	1,728		1,728
Spain	4,925		4,925
Switzerland	1,500		1,500
UK DFID	6,699		6,699
USA	13,476		13,476
<b>Total Donor Contributions</b>	<b>65,507</b>	<b>1,983</b>	<b>67,490</b>
Admin. fee, net of investment income (MDTF only)	-1,365	-59	-1,425
<b>Confirmed and Expected Funds as of June 30, 2013</b>	<b>64,142</b>	<b>1,924</b>	<b>66,065</b>
<b>USES OF FUNDS</b>			
<b>A Country Work Programs 1/</b>	<b>17,591</b>	<b>33,895</b>	<b>51,486</b>
Upcoming TF Grants to Countries		14,005	14,005
Technical Assistance by World Bank	10,996	8,218	19,213
Kazakhstan (TF056869) - \$0.1 m allocated; <i>closed 12/31/06</i>	73		73
Global Work Programs			
Knowledge and Learning	3,466	2,550	6,016
Proposal for CSO grants	1,812	8,373	10,185
Vendor/grantee managed	1,144	5,041	6,185
Direct WB-managed	668	3,332	4,000
Fiduciary and program management	1,244	750	1,994
<b>B Allocated under TF Grant Agreements (being disbursed)</b>	<b>16,322</b>	<b>0</b>	<b>16,322</b>
Afghanistan (TF099986)	275		275
Albania (TF096009) - \$0.280 m allocated; <i>closed 6/30/12</i>	272		272
Albania II (TF012148)-\$0.110 m allocated; <i>closed 12/22/12</i>	79		79
Burkina Faso (TF094795) - \$0.245 m allocated; <i>closed 10/22/12</i>	224		224
Cameroon (TF056698) - \$0.130 m allocated; <i>closed 6/30/08</i>	99		99
Cameroon II (TF097366)	0		0
CAR (TF093887) - \$0.300 m allocated; <i>closed 10/22/12</i>	291		291
Congo Republic (TF011465)	350		350
Cote d'Ivoire (TF093112) - \$0.1743m allocated; <i>closed 6/30/12</i>	130		130
DRC (TF091920) - \$0.500 m allocated; <i>closed 8/31/11</i>	495		495

	Inception to Date Actuals	Unpaid Contribution (approx. US\$ equivalent)	Total
DRC II (TF013846)	495		495
Eq. Guinea (TF093704) - \$0.260 m allocated; closed 10/29/10	0		0
Ghana (TF057337) - \$0.249 m allocated; closed 12/31/09	218		218
Ghana Post Compliance I (TF010102)	400		400
Guatemala (TF010050)	300		300
Guinea (TF056637)	419		419
Indonesia (TF099302)	1,050		1,050
Iraq (TF097358)	840		840
Kyrgyz Rep (TF090545) - \$0.266 m allocated; closed 6/30/11	264		264
Kyrgyz Rep Post Compliance I (TF099968)	200		200
Liberia (TF091608) - \$0.400 m allocated; closed 6/30/09	399		399
Liberia II (TF094794) - \$0.175 m allocated; closed 12/31/10	165		165
Madagascar (TF093111) - \$0.350 m allocated; closed 9/30/12	344		344
Mali (TF094007) - \$.210 m allocated; closed 10/22/12	185		185
Mauritania (TF056657) - \$0.240 m allocated; closed 6/30/08	148		148
Mauritania II (TF097286)	275		275
Mongolia (TF058156) - \$0.304 m allocated; closed 12/31/09	304		304
Mongolia II (TF094658); \$0.275 m allocated; closed 10/31/11	275		275
Mongolia Post Compliance I (TF099918)	250		250
Mozambique (TF096920) - \$0.375 m allocated; closed 5/31/12	361		361
Mozambique II (TF010226)-\$0.350m allocated; closed 12/31/12	350		350
Niger (TF093888) - \$0.245 m allocated; closed 6/30/12	240		240
Niger PC I (TF099427) - \$0.2 m allocated; closed 10/22/12	200		200
Nigeria (TF056072) - \$2.2 m allocated; closed 3/28/08	1,665		1,665
Nigeria II (TF095381);\$0.900 m allocated; closed 3/31/12	761		761
Nigeria PC I (TF014025)	900		900
Peru (TF057870) - \$0.350 m allocated; closed 9/30/10	337		337
STP (TF093113) - \$0.110 m allocated; closed 6/30/10	1		1
Sierra Leone (TF093541) - \$0.310 m allocated; closed 4/30/11	279		279
Tanzania (TF096777); \$0.425 m allocated; closed 3/31/12	336		336
Tanzania II (TF012532)	350		350
Timor-Leste (TF093143); \$0.230 m allocated; closed 12/31/11	186		186
Togo (TF098712)	275		275
Trinidad & Tobago (TF011834)	325		325
Yemen (TF091467)	350		350
Zambia (TF095437) - \$0.320 m allocated; closed 6/30/12	309		309
Zambia PC I (TF013154)	350		350
Total Uses of Funds (actuals and projected)	<b>33,913</b>	<b>33,895</b>	<b>67,808</b>

	Inception to Date Actuals	Unpaid Contribution (approx. US\$ equivalent)	Total
<b>EXPECTED AVAILABLE FUNDS as of June 30, 2016</b>			<b>-1,743</b>
<b>Incremental costs implementation of new EITI standard, not included in work plans and global knowledge:</b>			
Sign-up steps		3,600	
Create PFM system		1,000	
TA for Contextual information		3,000	
Disclosure of revenues and payments to governments		1,600	
Validation		1,000	
<b>TOTAL</b>			<b>10,200</b>
<b>EXPECTED SHORTFALL, including EITI Standard, as of June 30, 2016</b>			<b>-11,943</b>

1/Includes amounts planned/set aside for TF grants to countries before such grants are actually signed with countries.

**TABLE 4: WORK PLAN RECONCILIATION FROM DECEMBER 31, 2012 TO JUNE 30, 2013**

Total Original work plan, December 2012		51,321
<b>NEW GRANTS</b>		
Afghanistan Phase II	300	
Chad	375	
Ghana PC-2	400	
Guatemala Phase II	300	
Guyana	300	
Honduras	300	
Kyrgyz Republic PC-2	300	
Madagascar Phase II	480	
Mauritania PC-2	350	
Mozambique PC-1	350	
Myanmar	450	
Niger PC-2	200	
Philippines	600	
Sao Tome re-engagement	285	
Togo PC-1	270	
Trinidad & Tobago Phase II	300	
<b>REVISIONS TO APPROVED GRANT ALLOCATION</b>		
Cote d'Ivoire PC-1	100	
Senegal	120	
Solomon Islands	50	
<b>NEW ALLOCATIONS FOR BANK-EXECUTED PORTION OF WORK PLANS</b>		
Afghanistan Phase II	100	
Ghana PC-2	120	
Guatemala Phase II	75	
Guyana	50	
Kyrgyz Republic PC-2	30	
Madagascar Phase II	100	
Mauritania PC-2	100	
Mozambique PC-1	112	
Myanmar	90	
Philippines	128	
Sao Tome re-engagement	100	
Togo PC-1	100	
Trinidad & Tobago Phase II	50	
<b>INCREASE/DECREASE IN ALLOCATIONS OF BANK-EXECUTED PORTION PURSUANT TO WORK PLAN REFINEMENT:</b>		
Afghanistan	100	
Colombia	120	
Cote d'Ivoire PC-1	47	
DRC Phase II	42	
Dominican Republic	100	
Equatorial Guinea	-7	
Ethiopia	200	

**INCREASE/DECREASE IN ALLOCATIONS OF BANK-EXECUTED PORTION PURSUANT TO WORK PLAN REFINEMENT (CONTINUED):**

Guatemala	49	
Guinea Phase II	100	
Honduras	120	
Indonesia	80	
Indonesia Phase II	46	
Iraq	150	
Kazakhstan	50	
Liberia PC-1	50	
Mongolia PC-1	50	
Peru PC-1	150	
Senegal	100	
South Sudan	20	
Tajikistan	45	
Yemen	150	
Zambia PC-1	60	

**RETURN OF UNDISBURSED BALANCE FROM CLOSED GRANTS**

Albania II	-31	
Burkina Faso	-21	
Cameroon Phase II	-200	
Central African Republic	-9	
Cote d'Ivoire	-44	
Guinea	-150	
Madagascar	-6	
Mali	-25	
Mozambique	-14	
Niger	-5	
Nigeria Phase II	-139	
Zambia	-11	

**INCREASE IN CSO SUPPORT, GLOBAL KNOWLEDGE, LEARNING AND FIDUCIARY**

2,334

**INCREASES DUE TO NEW EITI STANDARD:**

Regional training	500	
Regional communications training	500	
World Bank managed program	2,000	
Managed by international CSOs	3,000	

**ROUNDING**

1

**Total revised work plan, October 2013**
**67,808**

