

International Secretariat 2015 Workplan

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INTERNATIONAL SECRETARIAT 2015 WORKPLAN

Summary

The International Secretariat will continue to focus work on the following priority areas:

Priority 1: Implementing the EITI Standard

Building on experience and best practice, encouraging good implementation of the EITI Standard and supporting countries to move from transparency to accountability to informed public debate.

The Secretariat continues to see it as its foremost task to support stakeholders in the 46 countries with their implementation of the EITI Standard. The Secretariat provides this assistance through in-country training and technical assistance, policy development, piloting innovative elements, sharing examples, and active and broad coordination with other providers of technical assistance.

To ensure sustainability, national EITIs will need to reach a critical mass of support and capacity in-country, able to maintain momentum without depending on external support. This means, for example, strengthening engagement of political leaders, companies, civil society organisations and parliamentarians. It also means strengthening the role of National Coordinators and members of the EITI Board to provide leadership and carry the EITI on a national, regional and global level.

2015 will see the first Validations undertaken under the Standard and with contracts and financing managed by the International Secretariat. There will necessarily be financial and human resource implications of this work.

Priority 2: Strengthening the EITI as a global standard

Continue with strategic positioning, outreach, network development and data interoperability.

Recent years have seen growing attention as well as new efforts to improve natural resource governance; itself partly as consequence of EITI's successes but also its limitations. To benefit from this growing attention, the Secretariat needs to work on ensuring that the EITI is visible as a tool to deal with country-specific issues around the good governance of natural resources. The EITI needs to work closely with other efforts to learn from each other and ensure complementarity. The growth of the available data from EITI reporting is a case in point. In order to promote further use of this data, it is required that the data collection and presentation is of high quality, and is interoperable with data from other sources. In addition, with the promise of more countries committing to implement the EITI Standard, and some movement within many non-implementing countries towards implementation, an expansion of global awareness through outreach activities is required.

Priority 3: Lean management and strong governance

The Secretariat is to continue to ensure lean management and support strong governance of the EITI.

The Secretariat recruited seven new staff members in 2014, to cover both staff that left Oslo and the need to increase its capacity. 2015 should only see minor growth in staff and budget, with a focus on putting systems and an organisational structure in place for an organisation that has grown.

Explanation of this workplan

Section 3 in this workplan sets out the tasks and actions the International Secretariat commits to perform in 2015, giving effect to the priorities identified above. In section 4, support by the Secretariat to the EITI Board is explained.

Section 5 addresses the management, funding and monitoring of the International Secretariat. Finally, section 6 sets out a multi-year outlook.

This workplan should be considered in parallel with the EITI budget for 2015, which has been considered by the EITI Board's Finance Committee.

Priorities for 2015

1.1 Background

2014 has so far seen a number of significant developments. To understand the Secretariat's priorities for 2015, these are summarised here:

- a) **The EITI is evolving into a global Standard:** A growing number of countries are implementing the EITI. New countries in 2014 so far are Myanmar, Senegal, Ukraine and the United States. In total, forty six countries currently implement the EITI. Candidature applications have been received from Colombia and the United Kingdom. France, Germany and Italy, amongst others, have announced their intention to implement. Australia has completed an EITI pilot and a decision about full implementation is expected in late 2014. In addition, the Democratic Republic of Congo, Guatemala, Guinea, and Sierra Leone were declared compliant with the EITI requirements in 2014.
- b) **The EITI is at the heart of the current debate about improving governance in the extractive industries:** EITI figures have informed debate in a way that was not possible half a decade ago. In the past eight and a half years, 35 countries have disclosed – in over 200 reports – over US \$1.3 trillion worth of revenues from oil, gas and mining. These reports have also shed light on numerous gaps in revenue collection and distribution mechanisms leading to a vast body of recommendations for improving government and company systems.

EITI processes - including the national commissions, secretariats and the communications - are increasingly being used as hubs of good governance in the sector. Countries like Peru are bringing the process closer to regions and affected communities where so many conflicts have affected the sector. In Zambia, the EITI has been a key forum for informing and debating the current mining reforms.

Presently, more than 400 people that around the world work full time implementing the EITI, and over 1100 people serve on EITI MSGs.

- c) **The Standard has been "rolled out":** The Standard, adopted in Sydney in 2013, includes many new aspects, such as information on how licenses are allocated, publication of license registers, production data, and contribution to the economy, efforts to disclose more beneficial ownership information, more transparency in the activities of state-owned enterprises, greater involvement in tracking earmarked payments from the national level to sub-national entities, and the disclosure of social expenditures by companies where contractually or legally required.

The development of guidance materials on how to implement the Standard is on-going. The EITI is also facilitating a pilot project in a number of implementing countries on beneficial ownership disclosure.

1.2 Implementing the EITI Standard

1.2.1 Direct support to implementing countries

In 2015 a key focus will be on sharing experiences and developing best practice from the early implementation of the Standard. The International Secretariat will continue to assist countries with understanding and making the most use of the EITI Standard as a tool for wider reform. This will include supporting countries in delivering against the objectives set out in their workplans, improving guidance and model examples as good practice emerges, facilitating peer learning on thematic issues of common interest across implementing countries, providing feedback

on the many EITI Reports that will for the first time be produced in accordance with the EITI Standard, and encouraging innovative ways of collecting, managing and using EITI data. Specific attention will be given to countries that have Validations in 2015 and 2106 to help ensure that MSGs are adequately prepared and that the new Validation procedures are well understood.

The Secretariat expects an increased demand for technical assistance. As countries begin implementing the wider scope of the EITI Standard, many will face a wide range of challenges in the implementation of new requirements including: (i) disclosure of contextual information, (ii) data reliability, timeliness and comprehensiveness, (iii) effective oversight by MSGs, including the preparation of a coherent workplan and reporting on the expected impact. In addition, ten countries are expected to produce their first EITI Report in 2015.

It is foreseen that the Secretariat will play an increasing role in preparing for Validation and in assisting the Board in monitoring progress and quality assurance. Support to implementation will focus on ensuring that the EITI leads to tangible impacts. This will include support to help ensure that: (i) each country has a coherent workplan that address key governance challenges, (ii) the quality of EITI Reports continues to improve, (iii) there is a transition from a box ticking exercise to a more holistic approach of EITI reporting, (iv) governance of MSGs improves.

ACTIONS

1. Support countries in their implementation of the EITI Standard by monitoring progress, and providing regular guidance and feedback on:
 - The preparation of Workplans and Annual Activity Reports to encourage EITI implementation to address key national priorities.
 - Technical aspects of EITI implementation and EITI Reports, including analysing scoping studies or draft preliminary reports to increase the quality of the EITI Reports.
 - Progress on EITI reporting to ensure timely publication of comprehensive EITI Reports.
 - exploring potential linkages to wider reforms and current events, and identify areas of improvements and innovation.
 - Strengthening government systems to collect data.
 - Defining and measuring of impact of EITI.
 - Improving MSG and national secretariat governance.
 - Assisting countries to better inform public debate.
 - Communicating and using EITI data.
 - Monitoring and follow-up on the recommendations by Independent Administrators and Validators including by identifying concrete actions and actors that can support the implementation of such actions.
2. Share experiences and good practice of Scoping Studies, Workplans, EITI Reports and Annual Activity Reports.
3. Provide trainings to MSGs and National Secretariats through in-country visits.
4. Develop an Implementer's Portal to improve access to guidance and best practices as a new section of the EITI website.
5. Facilitate peer learning and experience sharing through staff exchanges, regional workshops and National Coordinators' visits to the International Secretariat.
6. Refine and improve guidance on implementation as good practice and examples emerge.
7. Develop guidance and pre-validation self-assessment tools for countries that are undergoing Validation.
8. Continue to develop pilot projects on Beneficial Ownership and state-owned enterprises.

1.2.2 Coordinate and strengthen support

The International Secretariat in 2015 will aim to: strengthen coordination; work to ensure consistency of messaging; reach out to other support providers; continue to strengthen the involvement of in-country actors; and stimulate peer exchanges.

The Secretariat has an important role in coordinating and convening the growing group of actors involved in providing support to the EITI. In addition to partners such as the World Bank, NRGi, GIZ and PWYP, there is a need to bring together for example Validators and Independent Administrators. The Secretariat's role is also shifting, increasingly becoming one of not providing advice and guidance, but rather facilitate national secretariats, National

Coordinators, and MSG members sharing of their expertise and experience. Companies have also shown interest in providing training and guidance. There is room for further expanding the number of actors involved, some of whom are clearly showing their interest in deeper involvement, such as companies, Members of Parliament and universities.

Finally, there is still a gap between supply and demand. Other ways must be explored to meet support needs by an increasing number of EITI stakeholders for basic and more in-depth training. There is presently a joint World Bank-EITI review into this issue and the Secretariat will have to act on the consequent recommendations and options.

ACTIONS

9. Facilitate twinning, peer learning and exchanges between implementing countries.
10. Work with implementing countries (NC's, MSG's) and key partner organisations (World Bank, NRGi, PWYP, ICMM, GIZ, etc.) to organise at least four regional workshops, led and facilitated by implementing countries.
11. Engage EITI Board members in every regional or national workshop organised in the margins of Board Meetings.
12. Work with partners who are providing wider extractive sector assistance to ensure that, where relevant, opportunities for strengthening government systems are acted upon.
13. Identify 'training' coordinators for support partners (WB, NRGi, PWYP, ICMM, GIZ); exchange monthly training agendas; organise coordination meetings twice per year in the margins of Board Meetings.

1.3 Enhancing informed international debate about governance of natural resources

1.3.1 Evolution of the EITI and strategic positioning

The International Secretariat will put greater focus on encouraging in-country conversations about the various outcomes of from EITI implementation. It will do this by working with MSGs on identifying appropriate actions that support reforms and ensuring that these are well documented in MSG workplans and annual activity reports.

While EITI Reports will still in many countries continue to fill transparency gaps, the Secretariat will to a greater extent encourage implementing countries to consider what information about the extractive sector is currently available in government systems, where the gaps are, and how the EITI can help strengthen these systems. This may include cases where extractive revenue data is already published regularly by government or where national taxation systems are moving towards online tax assessments and payments.

In many implementing countries, recommendations from EITI reporting and Validation are not adequately considered or followed up. This limits the potential contribution of the EITI to improving weaknesses in government systems identified through the EITI as well as wider impact on policy change.

The International Secretariat will continue to support countries that are facing challenges or wish to adapt their EITI processes to increase its relevance by identifying workable approaches to implementation that will not compromise the consistent application of the EITI Standard. With several OECD countries likely to join the EITI in 2015, it will be important to recognise that implementing countries have different challenges, starting points and systems, and that there needs to be more flexibility to account for a great range of different countries.

The EITI International Secretariat should coordinate and build on the EITI's increasingly distinct global position. There are other complementary international processes, such as the Open Government Partnership, the World Economic Forum, the G8 and G20 processes, that needs to be worked with to enhance and embed natural resource management.

ACTIONS

14. Support countries where circumstances suit adapted implementation by assisting MSGs with developing credible approaches to implementation.

1.3.2 Outreach

The International Secretariat has an important role in encouraging countries to implement the EITI. The goals, strategies and priorities for outreach are set out in the Outreach Strategy, as approved by the EITI Board. The current [Outreach Strategy](#) was approved in February 2014.

As well as developing clear priorities and channels of influence, the Secretariat – with oversight from the Outreach and Candidature Committee, and support from partners – will need to respond to opportunities, with an aim to strengthen momentum. By the same token, sudden developments such as conflicts may make outreach efforts and EITI implementation unfeasible in a priority country.

The Secretariat will utilize the guidance materials that have been developed to support stakeholders in prospective implementing countries. This includes guidance on [how to become a Candidate country](#), and on [developing a workplan](#) and [establishing an MSG](#). Often this support needs to be carefully tailored to a particular country or audience within a country.

The International Secretariat also aims to enlarge the broader EITI family by liaising with prospective supporting countries, companies and civil society organisations, and international development institutions.

ACTIONS

15. Coordinate EITI outreach in accordance with the Board's outreach strategy and support preparations for implementation in countries that commit to EITI implementation
16. Review and update guidance materials for prospective implementing countries.
17. Review and update guidance materials for prospective supporting countries, companies and civil society stakeholders
18. Provide support to the Board's consideration of sign-up requirements for supporting companies.

1.3.3 Communication and access to EITI data

The communications work at the International Secretariat concentrates on three types of engagement: firstly, with stakeholders in EITI countries and on the EITI Board, secondly, with the growing network of supporters, partners and followers, and finally with the wide range of interested citizens from all over the world.

A main communication focus will be to enable better access to the information and data that will be published as part of the EITI Standard on the EITI website. This will include developing the existing online database with the extensive set of data that will be available, tools and apps that stakeholders can use to present and analyse the EITI data. Alongside this, the country pages will be revised to focus more on providing useful and usable data. A considerable number of EITI Reports under the EITI Standard are set to be published in 2015. With the Standard there is a shift from publishing data in paper reports, towards publishing data online, and in open formats. This will require a new approach to how the EITI makes this data available and useful, both on its own website and within each country's EITI. This work needs to be aligned with other international efforts and data standards to promote consistently and comparability.

As part of implementing the EITI standard, countries are planning to develop systems for electronic data collection/reporting and integration with public financial management systems. The Secretariat will facilitate this work by supporting countries directly and by working with partners on projects to improve access and use of EITI data, including the IMF, the World Bank, DFID and GLZ.

The International Secretariat will continue to share stories that come out of each country's EITI process, and document how the EITI is leading to change. This follows the EITI Standard's requirements related to how the EITI contributes to public debate, meeting the objectives that each country sets, and linkages to other issues related to the management of natural resources.

ACTIONS

19. Redesign of the EITI website, including country pages, data repository, and an implementers portal.
20. Regular production of content that documents how the EITI leads to change in countries, including presenting the findings from EITI Reports and a 2015 EITI Progress Report.
21. Produce a new EITI video.
22. Hold competitions and other tools to build engagement, including a photo competition, an infographic/use-of-data competition, and a national EITI website competition.
23. Develop, together with partners such as the WB, IMF, DFID and GIZ, tools and guidance for electronic reporting, integration of EITI data with governments' financial management systems (IFMIS or cadastres) and improving access to open EITI data. Provide support to select countries that are implementing such processes.

1.4 Preparing for the 2016 Global Conference

The International Secretariat will begin preparations for the 2016 Global Conference. The Secretariat will also support the current Board and the implementing country constituency with nominations for the new Chair and Board members for the period 2016-2019.

In accordance with Article 7.1 of the EITI Association, "an EITI Conference shall be held at least every three years". The last Conference was held in 2013 in Sydney, Australia and welcomed around 1,200 participants, which makes the Global Conference the largest gathering of EITI implementers, stakeholders and supporters.

The 2016 Global Conference will provide an opportunity to shift the global mindset in and about the EITI from the technical aspects and process of the EITI to the more ambitious debate about informing natural resources policy and investment. It will serve as a forum for implementing countries to share lessons learnt, best practices and address future challenges for the EITI. As with previous Conferences, this Global Conference will also include an EITI Member's Meeting, which will formally appoint the new EITI Chair and Board for 2016-2019.

Pending a Board decision, the 2016 EITI Global Conference will have objectives such as the following:

- Draw out the lessons of the Standard three years after its adoption.
- Create a platform where stakeholders can meet and discuss progress and challenges, including a National Exhibition for countries to showcase progress.
- Show how the data disclosed in EITI Reports can be used to improve the lives of citizens.
- Consider the composition, structure and balance of constituency interest as implementing countries increase.

ACTIONS

24. Propose options for location and dates of the 2016 Global Conference.
25. Develop the communications plan for the 2016 Global Conference.
26. Begin preparations for the Members' Meeting.
27. Support the Board with the nominations process of a new Board Chair.
28. Support the implementing country constituency in nominating representatives for 2016-2019 Board.

Support to the EITI Board

The International Secretariat will work with the Chair and the Board to prepare agendas, provide activity reports, oversee translation of documents and make other practical arrangements for Board meetings. The Secretariat will organise at least three EITI Board meetings in 2015 and provide the Board with the necessary support and documentation for decisions taken both in Board meetings and through Board circulars. Considering the composition of the current EITI Board and its Committees, this support will need to be provided in three or four of

the working languages of the EITI (English, French, Russian, Spanish). The International Secretariat will assist implementing country constituencies in particular to strengthen their internal coordination before Board meetings.

The Secretariat works with the Chair and the Board – mostly through its Committees and Working Groups¹ – to develop policy proposals and recommendations. For 2015, the Secretariat will work with Board Committees on a number of tasks on their respective agendas:

- **Finance and Audit Committees:** strategically manages the EITI's financial resources and monitors the budget, as well as reviewing the 2014 audit report. In particular, the Finance Committee will consider questions related to financing Validation.
- **Governance Committee:** addresses issues relating to the governance of the EITI, including in 2015, the composition of the 2016-19 Board.
- **Nominations Committee:** oversees the process for finding and nominating a new Chair, as well as overseeing that each constituency undertakes its own nomination process for the 2016-19 Board.
- **Implementation Committee:** oversees progress with implementation of the EITI Standard, including reviewing Implementation Progress Reports, EITI Reports, and the impact of the EITI.
- **Outreach and Candidature Committee:** defines priority outreach countries, and to elaborate and refine strategies for outreach to specific countries, and to assess candidature applications (including applications expected from France, Germany, and Malawi).
- **Rapid Response Committee:** monitors events that could put EITI stakeholders or process in EITI implementing countries at risk, and makes recommendations to the Board for possible responses.
- **Validation Committee:** reviews Validation reports and applications for Validation extensions. Validations are expected in 2015 for Azerbaijan, Liberia, the Solomon Islands, Timor-Leste, Ghana, Mongolia, Kyrgyzstan and São Tomé and Príncipe.

ACTIONS

29. Organise three EITI Board meetings in 2015.
30. Provide ongoing support to the EITI Board, committees and working groups.
31. Hold regular Committee meetings.

Management, funding and monitoring

1.5 Management of the International Secretariat

The International Secretariat currently has 19 full time staff. Three part-time staff members provide additional support: one assistant to the Chair (one day per week); one French language co-ordinator and one part time senior advisor (see organisational chart in Annex A and staff allocation to work areas in Annex D).

Staff numbers – and associated expenses – are expected to increase modestly in 2015. With more countries implementing the EITI Standard, the need for further support will increase. One senior staff member's secondment²

¹ The Audit Committee, the Finance Committee, the Governance Committee, the Implementation Committee, the Nominations Committee, Outreach and Candidature Committee, the Rapid Response Committee, the Validation Committee. More information on the Committees can be found in their ToRs.

² Wouter Biesterbos is on a three year secondment from the Netherlands Ministry of Foreign Affairs from mid-2012 to mid-2015.

to the Secretariat, which is paid for by the Netherlands Ministry of Foreign Affairs, will come to end in mid-2015 and will need replacement; a Conference manager will need to be recruited; and additional staff might be required. For 2015, the Secretariat therefore plans to recruit around three staff members.

The Oslo office is expected to have to move to larger and more expensive premises in 2015 or 2016. This follows the fact that NORAD's lease comes to an end and that they have informed the EITI that they are not seeking new premises for themselves that includes space for the EITI.

ACTIONS

32. Recruit around three new staff members, whilst continuing to provide assistance to existing staff to deliver on their objectives.
33. Continue to develop staff policy and procedures, including the functioning of the Staff Committee and the development of the staff manual and office procedures.
34. Find suitable office accommodation and ensure a smooth relocation in 2015.

1.6 Funding of the International Secretariat

The EITI's funding strategy³ recognises that the international management of the EITI enjoys a strong and diverse funding base that enables it to meet its financial needs. It is expected that this funding base will continue to support the EITI.

The International Secretariat remains a lean organisation, although the recruitment of new staff in 2014 and the expected costs of new budget lines such as fronting the costs of Validation mean that the Secretariat should be prepared to encounter new challenges finding and managing its funding. A number of improvements have been made on this front in 2014, including the recruitment of a Finance Manager. The Secretariat will underline the importance of multi-year funding arrangements in its contacts with current and potential funders to ensure predictability and stability in its funding base. The Secretariat will also continue to examine possibilities to limit its expenses.

To execute this 2015 workplan, the Secretariat considers a budget of US \$5.2m as necessary, as elaborated in the 2015 Budget which can be found under Annex E.

1.7 Monitoring and evaluation

The Secretariat will continue to report to the Board on its own performance through annual activity and finance reporting and within particular Implementation Progress Reports and Outreach Progress Reports on progress with the EITI itself. The monitoring of EITI impact is also addressed above in the communications section.

The Secretariat will provide coordination to the Board's and other bodies follow up of the findings due to be published by Scanteam, as part of its technical assistance review.

The Secretariat will provide support to the performance exercise the Board itself may conduct of its own activities and any subsequent governance review.

The International Secretariat will propose to the Board a revised set of performance indicators in 2015. This follows the expanded scope following the implementation of the Standard and the fact that reporting and communications are increasingly digital.

Performance of staff follows procedures agreed through the EITI Staff Manual.

³ Discussed at the 21st meeting of the EITI Board in Lusaka, October 2012.

ACTIONS

35. Propose to the Board a revised set of performance indicators in 2015.

Multi-year outlook

The Secretariat welcomes any decision by the Board in 2015 to develop a longer term EITI strategy. Individual Board members have suggested that such a strategy is developed, considering amongst other things the need to ensure that the EITI is integrated into government systems and taking into account the earlier agreement by the EITI International Advisory Group that the EITI should be mainstreamed. The findings of the EITI technical assistance review by Scanteam will be relevant.

In the 1-3 year term, the Secretariat foresees that its role will continue to evolve. It will be centred on acknowledging, encouraging and incentivising implementation of the Standard and create a platform for efforts to inform and inspire other countries. The Secretariat envisages to increasingly acts as a facilitator of conversations between peer countries about how the Standard can be best used to strengthen government systems and inform public debate. With a critical mass of compliant countries compliant with the EITI Requirements, the focus will continue to move from the technical aspects of the Standard to highlighting how it can make a difference in diverse settings. Countries have emerged as leaders in different aspects of using the EITI to deliver transparency, accountability, debate and reform. The Secretariat will continue to acknowledge, encourage and incentivise such actions and create the platform for these efforts to inform and inspire other countries. Consequently there are more peer learning workshops, staff exchanges, internet communities of practice, case studies of good practice, country news items, blogs, etc.

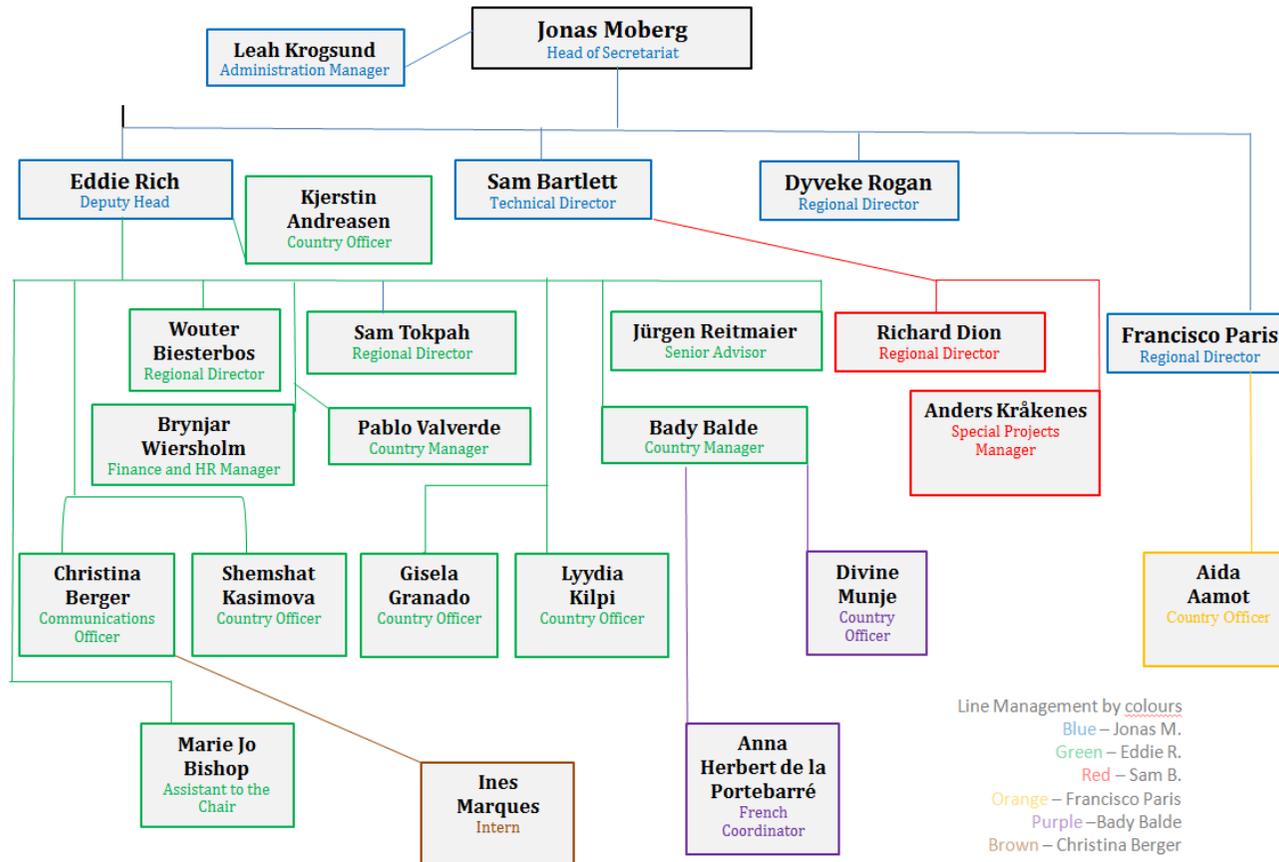
This shift of focus will also create new challenges for the EITI as some implementing countries take the process in their own direction beyond the Standard established by the Board. The increasing number of OECD countries implementing the EITI might also create a different dynamic as the EITI Standard is used to address a different set of issues than the technical requirements it was originally designed to address.

The Secretariat has developed a Training Plan for 2015 to cover five regional workshops on the Standard and a further three regional communications and open data workshops. A proposal for parallel funding of around US \$0.5m will be sought from the World Bank MDTF to cover these.

The 2015 Budget which can be found under Annex E includes a three year outlook under two scenarios – one with slow growth and one with the Secretariat's proposal of growth. The slow growth scenario (of 0% growth in 2015) would have major implications on outreach activities and on the development of the website to provide more easy-to-use and interactive guidance for implementers and more EITI stories of impact for public, supporters and stakeholders.

Annex A - EITI International Secretariat Organisational Diagram

International Secretariat Organogram (September 2014)
Inc. Line Management



Annex B - EITI International Secretariat Key Performance Indicators

Note: These indicators were approved by the Board in 2010 (see Board Circular No. 75).

Part I. Outcome Indicators

	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Jan-Sep	2015 Estimate
1) No. of compliant countries (2)	N/A	N/A	2	5	12	16	25	29	36
2) No. of implementing countries (2)	15	23	29	33	35	37	42	46	50?
3) No. of supporting companies (2)	37	37	41	52	60	76	85	90	95
4) No. of supporting investors (2) (before 2010 measured in assets under management)	N/A	USD14trm	USD16trm	84	90	90	94	94	96
5) No. of supporting countries (2)	10	12	16	17	18	18	18	18	18
6) No. of countries that have submitted final Validation reports (2)	N/A	N/A	2	17	27	31	41	43	52
7) Visits to EITI website (<i>per month</i>)	5,300	6,000	8,700	10,140	12,950	15,600	23600	19300	23500
8)									
9) References of EITI in, tracked by Factiva.com (<i>per year</i>) (4)	1031	1231	1532	2200	1740 (8)	2020	2500	2060	2800
10) Subscribers to EITI's newsletter (2)	N/A	N/A	1700	2000	N/A (10)	3100	5900	7000	8000
11) Reporting									
• No. of EITI reports (fiscal periods)	19(5)	7	17	10	21	40	42	41	45
• % of implementing countries reporting	41%	33%	74%	34%	58% (9)	86.4%	94%	97%	100%
• Companies participation (7)	N/A	776	800						

(1) Until 15 September 2013.

(2) Cumulative.

(3) Measures articles in Financial Times, The Economist, Le Monde, Le Figaro. Indicator depreciated from 2014 since growth of digital-only articles/blogs is making it difficult to find meaningful figures that can be compared year-over-year.

(4) Include references to "EITI" on English sites and "ITIE" on French sites.

(5) Cumulative 2003-2007.

(6) It is expected that reports become an annual exercise thereafter.

(7) Cumulative number of companies that have participated in EITI Reports published during the year.

(8) The service provided has changed their statistics models. 2011 and 2012 figures are not comparable to previous years.

(9) 31 implementing countries were expected to publish reports. (The calculations exclude Yemen and Madagascar that were suspended; and new candidate countries, Trinidad and Tobago and Guatemala).

(10) Data not available due to change of service provider.

Part II. Agency effectiveness indicators

Area (Figures are in USD)	2010	%	2011	%	2012	%	2013	%	2014 Jan-Jul	%
Support to implementing countries	696 702	23	1 159 125	25	1 265 655	31	1 699 444	26	747 512	40
Outreach activities	201 080	7	283 732	6	363 850	9	410 523	6	255 613	14
Board and Chairman support	776 843	26	617 627	13	582 930	14	889 271	14	405 224	22
Rel.Stakeholders (incl. Global Conference)	381 222	12	1 132 520	24	348 171	9	1 587 060	25	73 747	4
Communication	356 903	12	547 964	12	454 976	11	709 331	11	137 558	7
Management and administration	608 153	20	931 253	20	1 060 642	26	1 225 727	18	247 668	13

Outputs

	2010	2011	2012	2013	2014 Jan-Sep
Website & Publications					
News items	51	71	45	64	43
Tweets	72	202	111	693	700
Facebook				64	62
Blogs	8	19	13	36	24
Newsletter	3	5	5	9	7
Regular publications ⁸	25	21	23	90	80
Videos	0	5	0	1 + 14	0
Progress report	1	2	0	2	2
Validations reports reviewed	15	10	4	10	4
Secretariat Reviews					4
Reconciliation reports reviewed⁴	10	21	27	42	12

⁴ Fiscal periods

Meetings					
Donors roundtables	1	1	1	1	1
National coordinators meeting	1	0	1	Global Conference	Regional
Board meetings	4	4	3	4	3
People trained	150	180	170	250	400
Countries visited					
Implementing	26	25	28	40	25
Outreach	7	17	15	22	12
Disclosure of Revenues					
No of EITI Reports (fiscal periods)	10	21	40	36	12
No of EITI Reports (disaggregated)	6	9	4	30	10
Regularity of EITI disclosure	34 %	58 %	51%	97%	N/A
Companies participating in reporting ⁵	N/A	N/A	N/A	776	?

⁵ Cumulative number of companies that have participated in EITI Reports published during the year

Annex D - Summary of allocation of staff time

Policy Staff		Administrative		Distribution	
Moberg	100%	Krogsund	100%	Support to implementing countries	13.55
Rich	100%	Andreasen	15%	Outreach	1.7
Bartlett	100%	Herbert	25%	Support Board and Chair	1.95
Rogan	100%	Bishop	20%	Stakeholder relations (incl. Global Conference)	1.1
Paris	100%	Berger	100%	Communication	1.7
Biesterbos	100%	Wiersholm	100%	Other management and administration	2.1
Dion	100%	Conference manager	50%	Total	22.10
Tokpah	100%				
Balde	100%				
Reitmaier	25%				
Valverde	100%				
Kråkenes	100%				
Aamot	90%				
Munje	100%				
Kilpi	100%				
Andreasen	85%				
Kasimova	100%				
Granado	100%				
New staff	100%				
Subtotal	18	Subtotal	4.10		
		Total	22.10		

Annex E: 2015 Budget

EITI International Secretariat

19 December 2014

EITI BUDGET 2015

1 Summary

The 2015 budget is based on the 2015 Secretariat Workplan. It foresees a 6% increase in Secretariat expenditure over the revised 2014 forecast due to a continued high level of implementation and outreach support, and inflation. The Secretariat will be responsible for the delivery and costs of validation for the first time. These are included in this paper but not in the budget total since they are expected to be covered by the World Bank MDTF. US \$0.6m is foreseen for validation costs in 2015.

For the first time, the budget is presented on an accruals basis. This has little impact for comparison purposes but removes, for example, any costs incurred in 2015 for the 2016 Global Conference.

With the latest increased forecast for 2014, the proposed budget has an increase of 6% as opposed to 13% when last presented at the board meeting in Myanmar. The Secretariat has therefore limited the scenarios with 3 year outlook to one with 0% growth in addition to the proposed budget with 6% growth. Budget scenarios with 0% and 6% growth underline both the significant fixed cost structure of the Secretariat as well as how lean and efficient the Secretariat is run. The 0% growth scenario will significantly reduce outreach activity as well as communication efforts to inform the public, stakeholders and implementers about the EITI.

A 3 year outlook, which provides a good basis for all stakeholders to consider the financial basis for a longer term strategy for the Secretariat, is included. The 3 year outlook is based on gradual growth in addition to special events such as the 2016 global conference as well as the need for new offices by the summer of 2016.

2 Background

At the Board meeting in Myanmar, the Secretariat was requested to provide alternative scenarios and a multi-year outlook. The Board received feedback from company representatives that as companies see challenging times ahead, it would be prudent for the EITI to provide alternative budgets with the effects this might have. As mentioned, the increased forecast for 2014 has resulted in only one alternative scenario of 0% in addition to the proposed budget scenario.

The Governance and Finance Committees have reviewed projections of both revenues and expenditures with the Secretariat and are confident that they are well-founded. The proposed 2015 Budget is to be considered alongside the 2015 Workplan for approval by the Board. The Budget cannot be considered and approved in isolation, as the activities are set out in the Workplan.

With continued efforts by the Secretariat to widen the EITI funding base, the existing commitments from supporting countries and companies, and an expected carry-over from 2014 to 2015, the Secretariat expects to have access to sufficient funding to fully execute the 2015 Workplan.

The reserve of US \$0.5m that can be called upon when needed, contributes towards financial sustainability.

3 2015 Budget

The Secretariat considers a budget of US \$5.2m (6% increase) as necessary and adequate to execute its mandate as defined in the EITI Articles of Association and in the 2015 Workplan. The Secretariat foresees increased expenditure for salaries, implementation and office expenses. Salaries, the most significant cost expenditure, are expected to increase by 13% due to inflation (3%)⁶, performance-related salary increases (around 3%), and new staff (the rest).

The budget excludes the US \$0.5m reserve. With the Secretariat obtaining most revenue in US dollars and with most costs in NOK, there is always unpredictability due to currency fluctuations.

Underlying this proposed budget are the activities identified in the Workplan.

1. More intense support will need to be provided to the almost 50 **implementing** countries and to **outreach** efforts. This will create an increased work load and a need for increased staff capacity as set out in the 2015 Workplan. More staff will need to travel together and provide more intense support. The EITI Standard contains elements that have not been reported upon by many of the countries, and detailed guidance and support is required to integrate these elements into their reporting processes. As a consequence, the budget for implementation is estimated to increase from US \$0.53m to US \$0.55m; the budget for outreach will decrease by US \$0.02m to US \$0.23m. Conference will increase with the hiring of a conference manager from April.

The International Secretariat will assist countries by drafting further guidance notes, templates and checklists; offering general and specialised training and facilitating peer knowledge exchange; functioning as a knowledge centre for good practices; conducting reviews; and assisting countries in elaborating scoping studies and feasibility studies, terms of reference for scoping and reconciliation. There will continue to be specific attention to assisting countries in elaborating and adapting their work plans and communication plans to reflect the increasingly important role of these documents in the implementation process.

2. **Staff numbers** – and associated expenses – are expected to increase modestly in 2015. With more countries implementing the EITI Standard, the need for further support will increase. One senior staff member's cost-free secondment to the Secretariat will come to end in 2015 and will need replacement, there will need to be a new Conference manager, and possibly one additional staff member. For 2015, as noted in the Workplan, the Secretariat plans to recruit around three to five new staff members which, along with inflation and performance-related salary increases, would lead to an expected increase for salary of US \$0.3m or 13%.
3. **Office expenses** are expected to increase from US \$0.32m to US \$0.36m in 2015 to cover a possible relocation towards the end of the year.
4. In addition, at its 23rd meeting in Sydney on 22 May 2013, the EITI Board agreed that the EITI International Management⁷ should finance and procure EITI **Validation**, replacing the current arrangement by which Validation is paid for and procured by implementing countries, often with bilateral donor support. The

⁶ This inflation rate is based on the Norges Bank's inflation rate of 2.5% (<http://www.norges-bank.no/en/Statistics/Inflation/>) plus 0.5% to allow a cushion.

⁷ EITI International Management refers to the International Secretariat, Board and Conference.

Secretariat is in the process of seeking additional funding from the World Bank Multi Donor Trust Fund (MDTF) following the review of the EITI and World Bank support to the EITI. Eight Validations are expected in 2015 – Azerbaijan, Liberia, the Solomon Islands, Timor-Leste, Ghana, Mongolia, Kyrgyzstan and São Tomé and Príncipe. These are expected to cost in the order of US \$75k each, leading to a new budget line in the 2015 accounts of US \$0.6m. The total funds allocated by the MDTF for 2015 validations are US \$1.0m which allows some cushion for overspend if needed.

These plans and developments translate to expenses in 2014 as presented in Table 1.

NB: The Chair of the EITI executes her function pro bono and is only compensated for actual costs covering, for example, travel. The budget line 'Chair Support' refers to the cost for running the support to her and Eddie Rich (Deputy Head of Secretariat) in London – this consists of a PA who works 20% of the time, telecommunications, visas, office and IT costs, and incidentals. She provides a room in her house as an office for Eddie and the PA at no cost to the EITI.

Table 1: EITI Budget 2015 in US \$

EITI Reporting 2014

All figures in USD thousands

Item	2010	2011	2012	2013	2014	2015	% increase 2014-2015
	Actual	Actual	Actual	Actual	FC	Budget	
Core contribution, Government of Norway							
Government of Norway	603	669	583	0	719	394	-45 %
Supporting countries, International Development Agencies (IDAs) and NGOs (approximately 50% of remaining requirement)							
Civil Society					-	10	
Supporting countries and IDA's	1 328	2 317	2 436	3 656	2 147	2 404	12 %
Private sector (approximately 50% of remaining requirement)							
Investors	4	14	13	10	10	10	3 %
Oil and Gas	749	1 003	1 254	1 205	1 220	1 598	31 %
Mining and Minerals	130	816	635	904	758	800	6 %
Non-extractives	0	0	0	10	5	5	3 %
Validation - WBMDTF						600	
Total Revenues	2 814	4 821	4 921	5 784	4 859	5 820	20 %
Costs							
Implementation	207	162	200	706	530	550	4 %
Outreach	105	151	169	212	250	230	-8 %
Board meetings	458	428	496	605	500	410	-18 %
Communications	95	226	173	461	539	490	-9 %
Chair's support	154	86	35	35	51	40	-22 %
Project consultants	107	305	168	186	141	150	7 %
Salary	1 403	1 922	1 779	2 260	2 320	2 620	13 %
Other staff expenses	93	72	173	155	223	240	8 %
Office expenses	179	363	562	452	321	360	12 %
Conference	219	958	261	1 442	41	130	220 %
Validation						600	
Total Costs	3 020	4 672	4 017	6 512	4 916	5 820	18 %
Net result	(206)	149	904	(728)	(57)	-	

With its continued efforts to strengthen the EITI funding base, the Secretariat expects to have access to sufficient funding in 2015 to cover the increased expenses and to properly execute the 2015 Workplan.

The reserve of US \$0.5m was set aside to cater to fluctuations in the exchange rate and uncertainties in some major funding streams. This reserve was agreed by the Board in 2010⁸.

This forecast is based on the expectation of a continued widening funding base:

- So far in 2014, six new supporting companies have made a financial contribution to the EITI. With continued new companies in 2015, it is expected that changes in the requested contribution from companies can be avoided for the third year in a row, though an increase is requested from ICMM on behalf of its members; and
- First time financial contributions are expected from supporting countries, including Belgium and the European Commission, also lead to the hope that significant increases in requests will not be required. In 2014 Norway provided funding for 2013 and 2014 while funding in 2015 will be a regular one year contribution. This explains the difference in contribution between 2014 and 2015.

Perhaps more than in previous years, there will be a need to focus on widening the funding bases and collecting contributions and pledges, in order to avoid increases in requested contributions. These considerations are presented in Table 1.

4 Scenarios and outlook for the 2015 Budget

The budget includes two scenarios: a 6% and 0% increase. Each also outline the 3 year outlook for these scenarios.

Both scenarios assume the global conference will take place in 2016 at a cost of US \$0.5m in addition to a conference manager. With the expiry of the generous Norad contract, new offices will be sought in late 2015 or 2016 with an increase in office expenses of US \$0.12m for all scenarios.

1. Proposed 6% growth

The 6% budget growth scenario proposed by the Secretariat responds to the growing demand and workload to meet the implementation support needs of a growing number of countries implementing the EITI standard. Note that in 2016, the costs of the global conference, and Secretariat office relocation, will limit the budget share for implementation work activities. However in 2017, implementation activities are projected to resume their growth trend, in all expenditure categories.

⁸ The annual reserve does not equal exactly US\$500,000 because it was established in Norwegian Kroner (NOK2.7m). The reserve has subsequently depreciated to US \$460,000.

EITI Budget years 2015-2017*Workplan scenario - 6% increase from latest forecast 2014*

All figures in USD thousands

Item	2014 Budget/FC	2015 Budget	% increase	2 016 Budget	% increase	2 017 Budget	% increase	% increase 2014-2017
Core contribution, Government of Norway								
Government of Norway	719	394	-45,2 %	394	0,0 %	394	0,0 %	-45,2 %
Supporting countries, Int. Development Agencies (IDAs) and NGOs (approximately 50% of remaining requirement)								
Civil Society	-	10		11	7,0 %	11	7,0 %	
Supporting countries and IDA's	2 147	2 404	12,0 %	2 832	17,8 %	2 767	-2,3 %	28,9 %
Private sector (approximately 50% of remaining requirement)								
Investors	10	10	0,0 %	11	7,0 %	11	7,0 %	14,5 %
Oil and Gas	1 220	1 598	31,0 %	1 883	17,9 %	1 839	-2,4 %	50,7 %
Mining and Minerals	758	800	5,5 %	941	17,7 %	920	-2,2 %	21,4 %
Non-extractives	5	5		5		6		14,5 %
Total Revenues	4 859	5 220	7,4 %	6 077	16,4 %	5 948	-2,1 %	22,4 %
Costs								
Implementation	530	550	3,8 %	570	3,6 %	612	7,4 %	15,5 %
Outreach	250	230	-8,0 %	245	6,5 %	275	12,2 %	10,0 %
Board meetings	500	410	-18,0 %	420	2,4 %	451	7,4 %	-9,8 %
Communications	539	490	-9,1 %	503	2,6 %	540	7,4 %	0,2 %
Chair's support*	51	40	-21,6 %	40	0,0 %	43	7,5 %	-15,7 %
Project consultants	141	150	6,4 %	150	0,0 %	161	7,3 %	14,2 %
Salary	2 320	2 620	12,9 %	2 786	6,3 %	2 990	7,3 %	28,9 %
Other staff expenses	223	240	7,6 %	255	6,3 %	273	7,1 %	22,4 %
Office expenses	321	360	12,1 %	505	40,3 %	542	7,3 %	68,8 %
Conference	40	130	225,0 %	604	364,2 %	61	-89,9 %	52,7 %
Total Costs	4 916	5 220	6,2 %	6 077	16,4 %	5 948	-2,1 %	21,0 %
Net result	(57)	-		-		-		

2015

3% inflation adjustment to salaries, other staff expenses and office expenses, 3% adjustment for salary rises.

Conference manager from June, replacement of seconded staff from May and one other new staff member.

Approx 4% increased Implementation budget with reductions to Outreach and Communications.

2016

Conference cost in 2016 of US \$0.5m.

New premises from 2016: added annual cost of US \$0.12m to office expenses.

Approx 3% adjustment to implementation, outreach, board meetings.

Flat chair's support and project consultants.

Salary increased by 6% to allow for inflation, promotion and new staff.

2017

7% overall increase excluding conference.

2. Proposed 0% growth

The flat budget growth scenario presented below has a major impact on programme and country support activities. For example, given the fixed nature of other Secretariat costs, one consequence of a flat budget is a 74% reduction in the outreach budget – which will sharply impact important outreach activity. Similarly, communications and web development would be severely constrained just when communication efforts will need to deepen its guidance about the process to EITI implementers, and to tell the EITI story to the public, supporters, and stakeholders.

EITI Budget years 2015-2017

Scenario 0% increase from latest forecast 2014

All figures in USD thousands

Item	2014 Budget/FC	2015 Budget	% increase	2 016 Budget	% increase	2 017 Budget	% increase	% increase 2014-2017
Core contribution, Government of Norway								
Government of Norway	719	394	-45,2 %	394	0,0 %	394	0,0 %	-45,2 %
Supporting countries, International Development Agencies (IDAs) and NGOs (approximately 50% of remaining requirement)								
Civil Society	-	10		11	7,0 %	11	7,0 %	
Supporting countries and IDA's	2 147	2 249	4,7 %	2 621	16,6 %	2 474	-5,6 %	15,2 %
Private sector (approximately 50% of remaining requirement)								
Investors	10	10	0,0 %	11	7,0 %	11	7,0 %	14,5 %
Oil and Gas	1 220	1 500	23,0 %	1 749	16,6 %	1 650	-5,7 %	35,3 %
Mining and Minerals	758	749	-1,3 %	872	16,5 %	824	-5,5 %	8,7 %
Non-extractives	5	5		5		6		
Total Revenues	4 859	4 916	1,2 %	5 663	15,2 %	5 370	-5,2 %	10,5 %
Costs								
Implementation	530	550	3,8 %	550	0,0 %	578	5,0 %	9,0 %
Outreach	250	66	-73,8 %	76	15,5 %	80	5,1 %	-68,2 %
Board meetings	500	410	-18,0 %	410	0,0 %	431	5,0 %	-13,9 %
Communications	539	475	-11,9 %	475	0,0 %	499	5,0 %	-7,5 %
Chair's support*	51	40	-21,6 %	40	0,0 %	42	5,0 %	-17,6 %
Project consultants	141	150	6,4 %	150	0,0 %	158	5,0 %	11,7 %
Salary	2 320	2 535	9,3 %	2 662	5,0 %	2 795	5,0 %	20,5 %
Other staff expenses	223	230	3,0 %	237	3,0 %	248	5,0 %	11,4 %
Office expenses	321	331	3,0 %	461	39,3 %	484	5,0 %	50,7 %
Conference	-	-		-		-		
Conference	40	130	225,0 %	604	364,2 %	57	-90,5 %	43,1 %
Total Costs	4 916	4 916	0,0 %	5 663	15,2 %	5 370	-5,2 %	9,2 %
Net result	(57)	-		-		-		

2015

3% inflation adjustment to salaries, other staff expenses and office expenses
 Conference manager from June and replacement of seconded staff from May
 Strongly reduced Outreach budget. Reduced budget on Communications and Board Meetings.

2016

Conference cost in 2016 of US \$500,000
 New premises from 2016: added annual cost of US \$120,000 to office expenses
 Other staff and office increased with 3%
 Salary increased by 5% to allow for inflation, promotion and new staff
 Flat implementation, board meetings, communications, chair's support and project consultants. Increase in outreach but far below 2014 level.

2017

5% overall increase excluding conference

3. Future reporting and planning

The Secretariat plans to revise the reported format to the Board, with both cost types and functions better reflected in the financial reporting. Using the current format can for example give the impression that implementation support is a minor part of the Secretariat's costs, whereas the vast majority of for example staff costs directly relate to implementation support. The Secretariat will also provide a more detailed forecast for 2016-17 with the updated formats.