CIVIL SOCIETY PARTICIPATION IN THE EITI

25 April 2017
Dili, Timor Leste

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Regional Director
EITI International Secretariat

OBJECTIVES OF THIS SESSION

At the end of this session, we want to be able to answer:

1. What is your role in the EITI?

2. How can you effectively perform that role?
PART I:
THE CIVIL SOCIETY’S ROLE IN THE EITI

EITI Standard

A national multi-stakeholder group decides how their EITI process should work. Agrees EITI workplan with objectives linked to national priorities for the extractive sector.

This group publishes an EITI Report where government revenues and other data are disclosed and independently assessed.

The findings are analyzed and communicated to create public awareness and debate about how the country should better manage their resources.
EITI and the Civil Society

Civil society is represented in the EITI International Board

Why CSOs participate in EITI:

• Provides a safe and sustained platform for dialogue with governments & companies
• Helps build capacity and enhance understanding of extractive sector
• Venue to push for policy reforms
EITI and the Civil Society

Why CSOs participate in EITI

- Enables access to reliable information on the extractive sector
- Enables CSOs to demand accountability from government and companies
- Regular diagnostic of country’s transparency mechanisms in the extractive sector

Examples:

**Mozambique**: Civil society demands have influenced public opinion on extractive resources governance leading to a debate on contract re-negotiation.

**Indonesia**: Civil society uses EITI to engage government in discussions on beneficial ownership

**Philippines**: Civil society uses EITI to push for transparency legislations in Congress and revision of mining fiscal regime
CSOs write open letter to President Mahama on beneficial ownership

Dear Mr. President,

We, the undersigned civil society organizations in Ghana, understand your attendance at the upcoming EITI Consultation Forum in the UK this week will mark yet another important opportunity to demonstrate your government’s commitment to the fight against corruption in Ghana. We write to respectfully request you to make concrete commitments to a central register of beneficial owners accessible by law enforcement agencies, competent authorities and the public, backed by:

1. An explicit public beneficial ownership provision in the draft Companies Act.

2. Changes to the Petroleum (Exploration and Production) Bill to include beneficial ownership disclosure.

3. The clarity of passage of the Right to Information Bill with the amendments proposed by the Select Committee on Constitutional, Legal and Parliamentary Affairs.

4. Strengthen other relevant areas, including public procurement and financial transparency in commodity trading and minerals, reporting corruption and asset recovery in order to fight corruption in Ghana.

Discussions on beneficial ownership disclosure have gained unprecedented global and national traction in the last few weeks, more so since the release of the Panama Papers. The ability of employees to take their identities, control company decisions, or receive substantial economic gains by using opaque company structures present various risks of corruption, tax evasion, tax fraud, money laundering and terrorist financing, among others. The underlying trends are profound. For instance, the African Progress Panel revealed that Africa loses $150 billion a year in illicit financial outflows mainly through commercial transactions, corruption, tax evasion, money laundering, lottery, drugs, arms and human trafficking. Public officials and their

PNG govt urged to improve resources management

A feedback report about Papua New Guinea’scommons website has highlighted a pressing need for transparency by area authorities.

The latest report on transparency in PNG, which was based on performance in Australia, contains an overview of implementation as well as improvements to improve management.

Following the launch, the PNG government reported that the website has been implemented and relevant stakeholders are fully implementing the recommendations.

The report states that the government has been proactive in improving transparency in the country, and that the website is a key part of the government’s efforts to improve management.

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Opportunities in Timor Leste:

1. Engagement in discussions on revenue management
2. Evaluation of licensing and tendering process for oil and gas projects
3. Examination of benefits of oil revenues to communities
4. Discussions on economic diversification
5. Contract transparency including contract negotiations
6. Understanding operations of Timor Gap

CSO engagement under the EITI Standard

EITI Requirement 1.3:

1. Civil society must be fully, actively and effectively engaged in the EITI process.
2. The government must ensure that there is an enabling environment for civil society participation.
3. The government must ensure that there are no obstacles to civil society participation in the EITI process.
4. The government must refrain from actions which result in narrowing or restricting public debate in relation to implementation of the EITI.
CSO engagement under the EITI Standard

**EITI Requirement 1.3:**
Stakeholders, including but not limited to members of the multi-stakeholder group must:

i. Be able to **speak freely** on transparency and natural resource governance issues.

ii. Be substantially engaged in the **design, implementation, monitoring** and evaluation of the EITI process, and ensure that it contributes to **public debate**.

iii. Have the right to **communicate and cooperate** with each other.

iv. Be able to operate **freely and express opinions about the EITI** without restraint, coercion or reprisal.

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**Role of MSG members:**

- Members of the multi-stakeholder group should have the **capacity to carry out their duties.**
- The multi-stakeholder group should **undertake effective outreach activities** with civil society groups and companies, including through communication such as media, website and letters, informing stakeholders of the government’s commitment to implement the EITI, and the central role of companies and civil society.
- The multi-stakeholder group should also **widely disseminate the public information** that results from the EITI process such as the EITI Report.
- Members of the multi-stakeholder group should **liaise with their constituency groups**
CSO engagement under the EITI Standard

Role of MSG members:
- Approve EITI work plan
- Oversee EITI reporting process including approval of EITI Report
- Approve Annual Progress Report including evaluation of impact and progress towards objectives
- Engage in Validation

EITI Civil Society Protocol:
The protocol sets out the questions the EITI Board (including Committees) and validators should consider in assessing whether the provisions pertaining to civil society participation (1.3) have been met, as well as the types of evidence to be used in answering those questions
Best practices of CSOs from EITI countries

**DRC:** Evaluation workshops organised by the PWYP coalition every 3 months

**Results:**
- A more united civil society
- Stronger voice on the MSG
- Broader ownership of the EITI process at national and sub-national level

In **Myanmar**, CSO representatives regularly engage subnational constituents in the EITI process
In the **Philippines**, CSOs regularly consult with constituents on aspects of EITI implementation:

**Key activities:**
- CSO preparatory meetings before each MSG meeting
- Review of draft EITI Reports before publication
- Publication of assessment of EITI Reports after publication
- National conference on EITI Reports after publication
- Participation in EITI roadshows/outreach

In **Ukraine**, regional CSOs participate in discussions on transparency of local payments and allocations on social and economic development of local communities.
Self-assessment of CSO participation in the EITI- key issues to consider:

For MSG members:
1. How would you evaluate your participation in MSG activities such as MSG meetings, outreach, oversight of the reporting process?
2. What can you say about the decision making process in the MSG? Are there obstacles to your participation?
3. Which aspects of the EITI Standard and EITI reporting do you find difficult to understand?

Self-assessment of CSO participation in the EITI- key issues to consider:

For non-MSG members:
1. How would you evaluate the consultation mechanisms conducted by your EITI MSG representatives with wider constituents (other CSOs in T. Leste)
2. Is there effective communication of EITI Reports among your constituents? How can it be improved?
3. Are there obstacles to your participation in EITI activities?
4. Is the EITI process helpful in your work as CSO?
SHARING OF RESULTS OF SELF-ASSESSMENT

Group Work

1. Considering the priority issues, goals and strategies you identified in the morning session, what challenges do you face in achieving these goals?

2. Considering the results of your self-assessment, what challenges do you face in effectively engaging in the EITI? Examples could be technical capacity, communications, understanding of issues, lack of manpower/financial resources, enabling environment.

3. What do you need to do to address these challenges and achieve these goals? Draft a capacity building plan to set concrete actions with timelines.
GROUP WORK

CSO WORKSHOP TEMPLATE:

<table>
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<tr>
<th>TOP 3 GOALS AS CSO REPRESENTATIVE</th>
<th>CHALLENGES</th>
<th>ACTION PLAN TO ADDRESS CHALLENGES</th>
<th>RESOURCES NEEDED TO IMPLEMENT ACTION PLAN</th>
<th>TIMETABLE</th>
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PART II. CSO SELECTION PROCESS
CSO Selection Process

Requirements under the EITI Standard:

- Invitation to participate in the group should be open and transparent.
- Each stakeholder group must have the right to appoint its own representatives, bearing in mind the desirability of pluralistic and diverse representation.
- The nomination process must be independent and free from any suggestion of coercion.
- Civil society groups involved in the EITI as members of the multi-stakeholder group must be operationally, and in policy terms, independent of government and/or companies.

Example from Zambia:

The selection process for CSO EITI MSG representatives will be premised upon being inclusive, accessible, and transparent. The specific context, pressures and resources, will be taken into consideration for selection, however the following considerations will be used:

1. Publicizing the nomination process and the procedure for members to participate in selecting candidates. Information will be sent to CSOs, communities and populations (especially those operating or living in regions affected by mineral activities with sufficient notice to allow individuals to participate. While communication may refer to social media, websites, regular meetings, and newspapers where possible.

2. Establishing a selective or elective process that is fair, participatory, and transparent. This could be through an election process, consensus decision-making, committee review stages, or any other method—provided that the process is transparent, based on fair and participatory principles, and is subject to review to ensure future selections with lessons learned from the challenges or shortcomings of past experiences.

3. Ensuring the process is free from government interference. Civil society has the right to appoint its own stakeholders (EITI Standard, Requirement 1.3(f)(4)). While it may sometimes be helpful to draw on the support of government in this process, civil society will ensure any involvement does not negatively impact the process.
Civil Society in EITI

Example from Zambia:

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<table>
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<tr>
<th>6.1</th>
<th>Applying good integrity and good governance criteria for CSO representatives</th>
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<td>The criteria below are to ensure independent, committed, and legitimate representatives are appointed to the MSG during each term</td>
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<td><strong>Independence and non-interference</strong> CS representatives should be able to show that their companies are government-controlled, and that they will remain independent during their tenure on the MSG. At a minimum, the panel candidates will agree to conflict of interest provision. CS representatives will require disclosure of financial records to ensure that they are not found to be benefiting from extractive industries or the national government.</td>
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<td><strong>Commitment to social and political gain</strong> CS representatives must commit to the CS role of counsel, including representation for stakeholders, preparation, and participation in MSG and constituency members, as well as shares in linear work communities in considerations which may involve travel.</td>
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<td><strong>Legitimacy and visibility of the message</strong> CS representatives should submit true documentation in their submission on the MSG data sets, and verify that the candidate is correct and/or that the organization has not been the subject of complaints or charges that call into question their integrity, for example relating to financial disclosure.</td>
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<td><strong>Additionally</strong>, CSs should demonstrate proof that they have a domestic network or constituency for which the candidate will serve as a trust representative.</td>
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<th>6.2</th>
<th>Additional activities and social advocacy</th>
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<td>Zachariah CS representatives to the MSG will share for diversity (gender, race, etc.) to ensure that key perspectives and expertise are present in MSG discussions.</td>
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Example from DRC:

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| 3. Any candidate for the position of the civil society representative/delegate in the Multi-stakeholder Group or in any other structure in a similar domain must first fulfill the criteria hereafter: |
| --- | --- |
| **Be a member of a civil society organization that is active in the natural resources domain in DRC;** |
| **Have a mandate from their organization;** |
| **Have at least three years of experience in the domain of advocacy for the extractive industries transparency, including with state-level institutions and representatives of the private sector;** |
| **Be knowledgeable about governance matters of extractive industries in general and have an advanced knowledge in EITI in particular;** |
| **Have excellent interpersonal and interactional skills to deal with a wide range of role players both within the civil society as well as with the other stakeholders;** |
| **Have excellent oral and written presentation skills in order to present the civil society’s points of view in a convincing and strategic way;** |
| **Show evidence of self-reliance vis-à-vis the firms of the extractive sector and of the state-level institutions involved in the EITI process in DRC;** |
| **Show evidence of a high degree of morality, integrity, respect of their peers and a sense of accountability;** |
| **Be available.** |

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| 4. The signatory or member organizations of this code reiterate their full commitment to the gender questions and to take the necessary measures to guarantee a woman’s |
CSO Selection process in the Philippines

1. outreach program to inform interested CSOs across the country about EITI and seek their feedback
2. regional consultations on criteria and process were held in five regional centers- wide announcement through existing networks and social media
3. After consultation, agreement on composition: wide geographical representation, representative from mining affected community, gender balance, inter-generational representation

CSO Selection Process in the Philippines

4. Agreed on the following criteria:
   • must not have any affiliation, any direct or indirect engagement, or conflict for interest with the extractive industries whether past or present
   • strong negotiation and public relations skills, a commitment to the principles of PWYP,
   • a history of and integrity in advocacy.
   • membership in a legal organization, or be affiliated to a credible organization, and be endorsed by one of the organizations that participated in the CSO EITI consultations.
CSO Selection Process in the Philippines

5. Nominees were required to provide a letter expressing their commitment to attend and be prepared for all MSG/EITI activities. The letters also had to outline their relevant expertise, as well as identify any associations or interests in the extractive industry.

6. Nomination process
7. Voting

For discussion:

1. What process was followed by CSOs in Timor Leste in selecting CSO representatives in the MSG?

2. What are your comments on this process?

3. Is there a need to improve this process? If so, how can it be improved?
Thank you!

www.eiti.org

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