



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:

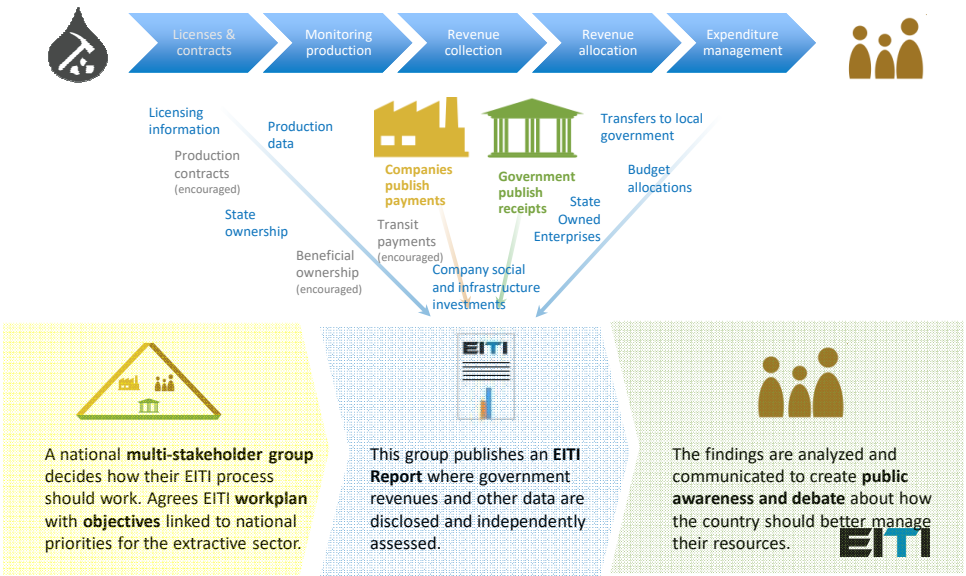
1. What is your role in the EITI?
2. How can you effectively perform that role?



PART I:
THE CIVIL SOCIETY’S ROLE IN THE EITI



EITI Standard



EITI and the Civil Society

Civil society is represented in the EITI International Board



EITI and the Civil Society

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

Category: Editorials/Opinion MAY 11, 2016 559



Dear Mr. President,

We, the under-signed civil society organizations in Ghana understand your attendance to the upcoming Anti-Corruption Summit 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 Bill;
- 2. changes to the Petroleum (Exploration and Production) Bill to include beneficial ownership disclosure;
- 3. the speedy 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 fiscal transparency; transparency in commodity trading and markets; reporting corruption; and asset recovery in order to fight corruption in Ghana

Discussions on beneficial ownership disclosure have gained unparalleled global and national traction in the last few weeks, more so since the release of the Panama Papers. The ability of individuals to hide their identities, control company decisions, or receive substantial economic gains by using opaque company structures present serious risks of corruption, tax avoidance, tax fraud, money laundering and terrorist financing, among others. The potential impacts are profound. For instance, the Africa Progress Panel revealed that Africa loses \$50 billion a year in illicit financial out-flows mainly through commercial transactions, corruption, tax evasion, money laundering, bribery, drugs, arms and human trafficking. Public officials, and their families, and close associates, can also benefit from company structures and assets held in offshore jurisdictions for



PACIFIC / PAPUA NEW GUINEA
PNG govt urged to improve resources management

8:28 am on 1 April 2016 Share this

A landmark report about Papua New Guinea's extractive industries has highlighted a pressing need for transparency by state authorities. The Extractive Industries Transparency report, which was launched at parliament on Wednesday, contains an extensive list of recommendations on how to improve natural resource management in PNG.

Following the launch, the PNG Resource Governance Coalition has urged the government and relevant stakeholders to fully implement the recommendations.

The Coalition's National Coordinator, Martyn Namorong, said the findings of the report were quite damning and highlighted the need for swift action.

Even though the vast majority of PNG's population have seen little benefit from these sectors, the country's impressive economic growth in the past decade was based mainly around mining, oil and gas projects.

However the resources boom in PNG is considered to have tailed off, with the economy now struggling due to the slump in global commodity prices.

The government is pinning its economic hopes on expansion of the liquefied natural gas sector.

But Mr Namorong said that PNG risks losing its petroleum licence registry because the records were kept in torn, hand-written, ledger books as highlighted in the report.

He said it remained unknown how much of PNG's minerals and hydrocarbons had left its shores because relevant government entities were dependent on company-provided figures which weren't independently verifiable.



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.



CSO engagement under the EITI Standard

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



Civil society extends knowledge of the EITI regionally

On May 12-14, study seminars for civil society organizations and leaders on the Extractive Industries Transparency Initiative (EITI) were held in Lviv and Donetsk.

Participants of the seminars expressed interest in self-governance and communities – have had the opportunity to understand key requirements of the standard.

The seminars were conducted by the Eurasia Extractive Industries Knowledge Hub director Ingilab Akhmedov, the Revenue Watch Institute regional coordinator Galib Efendiev together with members of the “EnergyTransparency” Association.



Particular interest of the participants was caused by the issues of mandatory and recommended requirements, 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:

TOP 3 GOALS AS CSO REPRESENTATIVE	CHALLENGES	ACTION PLAN TO ADDRESS CHALLENGES	RESOURCES NEEDED TO IMPLEMENT ACTION PLAN	TIMETABLE



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:

3.0 Transparent and Inclusive Selection Process

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

- i. **Publicizing the nomination process, a call for candidates, and the procedures for becoming eligible to participate in selecting candidates.** Information will be sent to CSOs, constituencies and populations (especially those operating or living in regions affected by extractive activities with sufficient notice to allow individuals to participate. While communication may often involve word of mouth, there should also be a public notification. This will be done at least through electronic media/social media and newspapers where possible.
- ii. **Establishing an election or selection process that is fair, participatory, and transparent.** This could be through an election process, consensus decision-making, committee review stages, or some 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 challenges or shortcomings of past experiences.
- iii. **Ensuring the process is free from government interference.** Civil society has the right to appoint its own stakeholders (EITI Standard, Requirement 1.3(f)(ii)). 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.



Example from Zambia:

4.2. Adopting specific eligibility and qualification criteria for CSO representation

The criteria below are to ensure independent, committed, and legitimate representatives are appointed to the MSG during each term.

- Independence and accountability.** CS representatives should be able to show that neither companies nor governments influence their activities, and that they will remain independent during their term on the MSG. At a minimum, this requires candidates to agree to conflict of interest provisions. CS constituencies will require disclosure of financial records by nominees, to demonstrate that they are not funded or benefited by extractive industries or the national government.
- Commitment to attend and participate.** CS representatives must commit to the CS code of conduct, including expectations for attendance, preparation, and participation in MSG and constituency meetings, as well as duties for liaising with constituents in consultations, which may involve travel.
- Legitimacy and credibility as civil society.** CS representatives should submit legal documents to prove charitable or non-profit status, and verify that the candidate individual and/or their organization have not been the subject of complaints or charges that call into question their integrity, for example relating to fraud or dishonesty.
- Additionally, CSs should demonstrate proof that they have a domestic network or constituency for which the candidate will serve as a clear representative.

4.3. Additional selection and diversity considerations

Zambian CS representation on the MSG will strive for diversity (Gender, area of work- province, etc) to ensure that key perspectives and expertise are present in MSG discussions.

United Kingdom

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Example from DRC:

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.

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 representation within the Multi-stakeholder Group.

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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!*

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