

Monitoring & Analyzing Integrated Extractives Disclosures: The opportunity for joint accountability efforts

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Impetus for “mainstreaming” EITI disclosures

EITI data was:

- Old
- Hard to access
- Hard to analyze
- Not linked to policy debates and reform efforts

2016 EITI Standard created space to improve

- countries have flexibility to “mainstream” disclosures into government and company reporting systems
- stakeholders will have to determine which elements are mainstreaming priorities
- mainstreamed disclosures still subject to Board approval and the EITI requirements

Broad scope of disclosures in EITI Standard

Allocation of Rights	Production	Revenues	State-owned enterprises	Subnational Transfers	Social impact	Revenue Management
Register of licenses	Production volumes & values	Taxes & Primary Revenues	SOE ownership	Subnational payments/ receipts	Mandated company social expenditures	Revenues recorded & <i>not</i> recorded in national budget
License award/ transfer process & any deviations	Export volumes & values	In-kind revenues	Government transfers by SOEs	Mandated national /subnational transfers		Earmarked revenues & budget/audit processes
Beneficial owners		Infrastructure/ barter provisions	SOE quasi-fiscal expenditures			
Contract/ license disclosure		Transportation Revenues				

Considerable overlap with potential SAI audits

The EI value chain	Examples of areas for audit
1. Legal framework	The SAIs may audit whether laws are supported by relevant regulations and instructions, and point to overlap or blurred lines of responsibilities between institutions
2. Surveying and data management	The SAIs may audit whether relevant data are properly managed and secured, and that government has control and ownership of the data generated.
3. Contracts and licensing	The SAI may audit whether the process of handing out contracts and licenses was transparent and designed to attract the most competent companies, and whether the process is in line with laws and regulations.
4. Monitoring of operations	The SAI may audit whether the government complies with its roles as a regulator of the extractive industries. It may assess how government carries out inspections and gets assurance on the quality of reported information from the EI companies.
5. Collection of revenues	The SAI may audit how the government agency tasked with collecting revenue has established an effective system for revenue collection, which ensures adoption of international best practice such as the OECD guidelines on transfer pricing.
6. Revenue management	The SAI may follow the revenue flow and reconcile figures. If they exist, EITI reports may give valuable input to SAIs on discrepancies which may require further investigation.
7. Environment and sustainable policies	The SAI may audit how laws and regulation aimed at reducing negative impact of the EI sector are being implemented and whether the system of control and oversight by government is effective.

What mainstreaming could entail

A simple model:

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

Details of Key Observations

We also referred to the websites of the following institutions and Agencies:

1. LEITI Secretariat, <http://www.leiti.org.lr> for the database on extractive companies as well as companies' concession contracts;
2. NOCAL, <http://www.nocal.com.lr/operations/block-status> for the status of leased and open blocks; and
3. The mining cadastre at MLME. See appendix H for the Mineral Property Map of Liberia.

About NOCAL Operations Social Responsibility Learning Business Opportunities News & Media

Home > Operations > Block Status

Liberia Basin Status

Liberia Basin Status

The Liberia Basin consists of thirty concessionary blocks, 17 of these blocks are from the depths of between 2500 to 4000 meters. 13 of the blocks are considered "ultra deep" with depths of 4500 meters.

Click on each block of the map for more information

Block 8
Block 9
Block 10
Block 11
Block 12
Block 13
Block 14
Block 15

Open Block Bidding
Liberia Basin Bid Round 2014

Seismic Specs
Operators
Secondment

Learn more:
• NOCAL News
• Oil and Gas Fundamentals
• NOCAL Resource Library

LB-09

- Contractor Percentage : European Hydrocarbons Limited
- Contract Date : June 25, 2009
- Total Surface Area : 1014.4 ha
- Requisitioned Area : 977 ha
- Released Area : 236.5 ha
- Well Drilled :
 - Agila-1
 - Hanna-1
 - New-Carell
- Location : Off the coast of Rivercess Delta
- Exploration Period And Work Commitment :
 - 1st Phase :
 - 4 Years (\$10M as per PSC)
 - 30 Seismic, 071,500 Sq km
 - One well
 - 2nd Phase :
 - 2 Years (\$10M as per PSC)
 - One well
 - 3rd Phase :
 - 2 Years (\$10M as per PSC)

Download Production Sharing Contract (PSC)

Read More

What mainstreaming could entail

A complex model:

Norwegian Continental Shelf >>

**ONGOING SEISMIC**
List
Map

**EXPLORATION DRILLING RESULTS**

09.06.2016	30/11-13
30.05.2016	30/11-12 S and 30/11-12 A
27.05.2016	16/1-26 S and 16/1-26 A

**PRODUCTION FIGURES**

17.06.2016	May 2016
20.05.2016	April 2016
15.04.2016	March 2016

**DRILLING PERMITS**

06.07.2016	35/11-20 A
21.06.2016	31/7-1 A
17.06.2016	25/10-15 S

**THE SHELF IN NUMBERS**
Maps and figures
Norwegianpetroleum.no

Production figures May 2016

17.06.2016 Preliminary production figures for May 2016 show an average daily production of about 1 944 000 barrels of oil, NGL and condensate.

New development concept on Oseberg

15.06.2016 When Oseberg Vestflanken 2 starts producing in 2018, it will represent a new concept on the Norwegian shelf. Unmanned wellhead platforms may be relevant for future developments.

Consent for start-up of Rutil

13.06.2016 The Norwegian Petroleum Directorate (NPD) has granted the licensees in Gullfaks (production licence 050) consent to start-up the facilities on the Rutil deposit on Gullfaks South, and to start...

Minor gas/condensate discovery southwest of the Oseberg South field in the North Sea - 30/11-13

09.06.2016 Statoil Petroleum AS, operator of production licence 272, has completed the drilling of wildcat well 30/11-13. The well proved gas/condensate.

[More news](#)



Aktive letebrønner
31/7-1 A
16/5-6
30/4-3 S
7222/1-1
30/11-14
1/5-5
Oversikt - årets letebrønner
Oppdatert 06.07.2016

FactPages

FactMaps

NORWEGIAN PETROLEUM



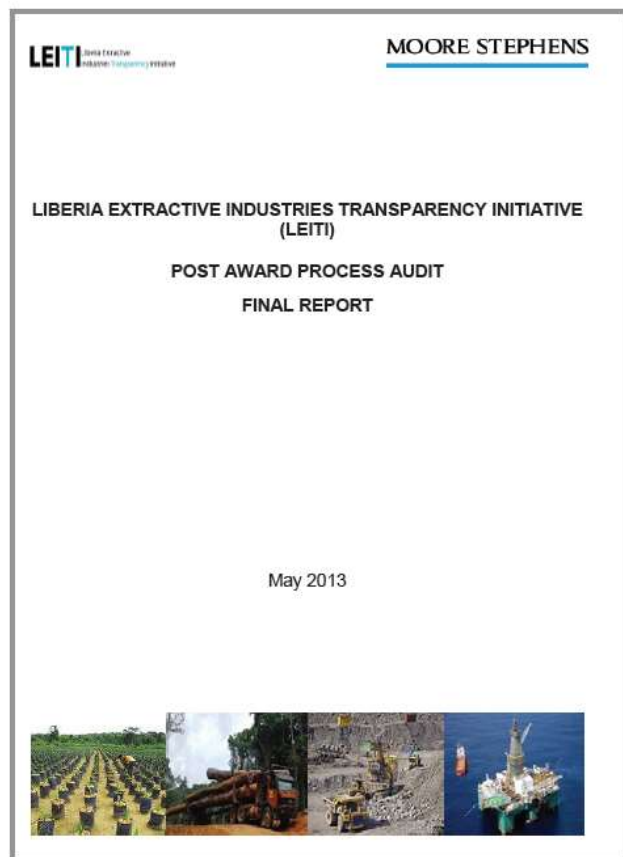
Norwegianpetroleum.no replaces printed Facts

Common open data formats needed to enable monitoring & analysis

- Machine-readable data, searchable and sortable (project, company, contract)
- Enable bulk downloads as CSV or similar format
- All disclosures should include basic “metadata”
- Disclosures should include Application Programming Interface (API)

What monitoring & analysis could entail

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



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

Table 1 - Summary of compliance

Compliant	C
Partially compliant	PC
Non-compliant	NC
Limitation of scope	LoS

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

Ref n°	Sector/ Agency	Category	Company/Contract	Location/other Reference	Findings (*)	Overall Compliance with Regulation
1	Agriculture MOA	Concessions	Cavalla Rubber Corporation	Maryland	1, 3, 4, 5, 6, 9, 12	PC
2			Golden Veroleum (Liberia) Inc.	Multiple	1, 3, 4, 5, 6, 7, 9, 12, 21	NC
3			Maryland Palm Oil / Decoris	Maryland	3, 4, 5, 6, 8, 10, 11	PC
4			Sime Darby Plantation (Liberia) Inc	Multiple	2, 3, 4, 5, 6, 7, 9, 12, 21	PC

What monitoring & analysis could entail

Ghana's 2013 EITI reports contain policy recommendations, including licensing reform, having bidding rounds and open contracts, addressing undistributed local revenues, and demands for compliance with regulations for an petroleum funds investment guide

Final Report: Production of Mining Sector GHEITI Report for 2012 and 2013.

11.0 OBSERVATIONS, SIGNIFICANT FINDINGS AND RECOMMENDATIONS

11.1 OBSERVATION: LICENSING REGIME

The mode of awarding licences and concessions still remain, as first-come-first-served basis. The determination of who came first is left for only the Commission to determine.

11.1.1 Recommendation

In order to ensure full transparency in the system, an open bidding process should be introduced with the highest bidder obtaining the concession. Transparency and also has the potential of generating high revenue. The Commission should accelerate its plans to introduce the

11.2 OBSERVATION: CADASTRAL SYSTEM OF ACCESSING LAND

As indicated in the earlier section 2.4, interested investors to find out if the concessions required have not been granted. However these searches are partially computerized. It has these shortfalls: i) It is not available online. ii) The details of the coordinates of the concessions. iii) Transfers of mineral rights not computerized; iv) fees made on these concessions are

11.2.1 Recommendation

In order to ensure transparency and the effective management of land, an online cadastral system should be introduced. This system will provide the coordinates of concessions and transfers of mineral rights.

The Minerals Commission should have official online cadastral system. With the EITI requirement of documenting the online cadastral system will be of immense assistance.

11.3 OBSERVATION: SMALL SCALE MINING, GOLD PRODUCTION AND REVENUES

According to the Minerals Commission, small scale production of gold. (See section 2.4 on production). However, payment by small scale gold.

Policy Recommendations from GHEITI report



Allocation of Rights

- Not an open process and may lead to awarding oil blocks and mining contracts to insufficient operators
- Ministry of Petroleum and Minerals Commission should introduce open bidding and tendering process to make licensing system more transparent and efficient
- Online cadastral / repository with information on coordinates, size, fees paid, rights transfers, etc. Should be introduced to improve transparency
- Contract details should be published by both commissions to increase transparency and also aid civil society and media to conduct further analysis and play effective oversight roles



Revenue Collection

- Mineral royalty collection should be expanded to cover small scale mineral producers - according to the report 24% of gold production for the 2012-2013 period were from small scale producers
- Royalty system can be differentiated between small scale and large scale mining operations



GNPC

- GNPC's overall expenditures are not fully disclosed, such as CSR expenditures
- Given the high reported unspent cash of about \$141.7 million, GNPC should publish its investment plans to justify their unspent cash. Other expenditures on CSR should also be published



Sub national transfers

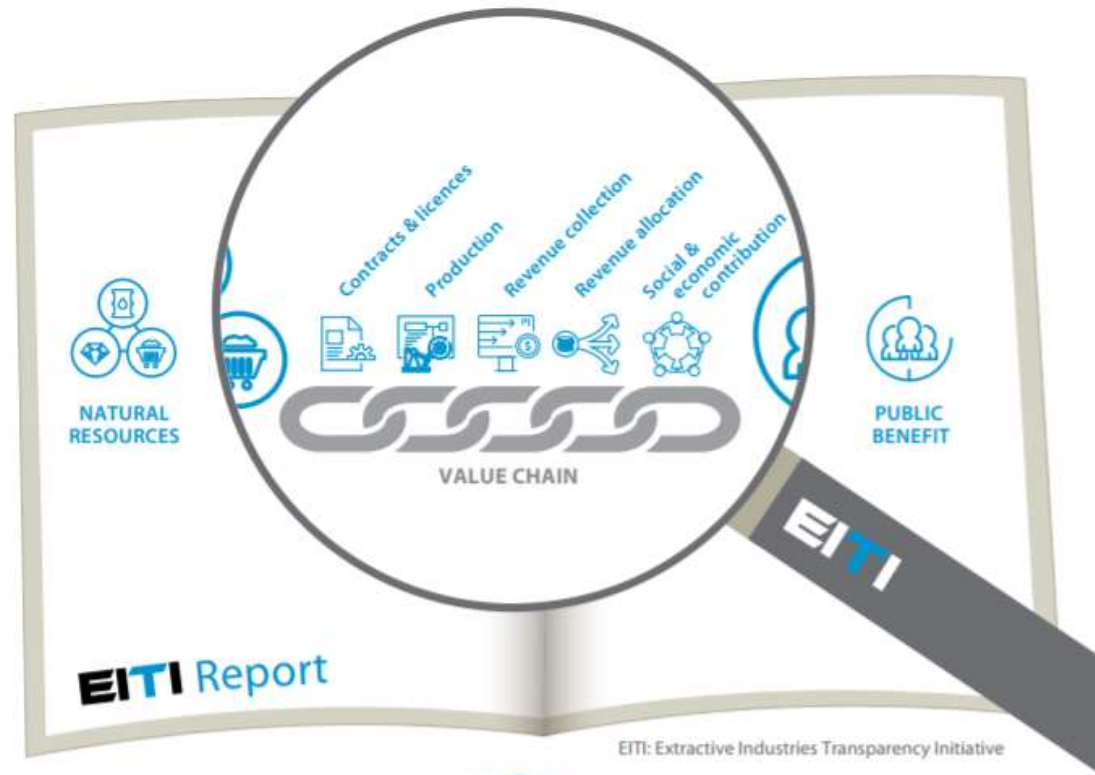
- Substantive delays in the disbursement of mineral royalties from the OASIL to MMDAs - in 2013, GHEITI report indicated that no royalties were disbursed to MMDAs
- Royalties should be disbursed on time without any delays to ensure smooth continuation of MMDAs projects
- There should be a mineral revenue distribution and management Act to ensure greater transparency and accountability



Revenue Management

- PRMA does not address reporting on spill-over or stocks and hence stocks are not expressed in revenue terms - 2012 litigation awarded production by 78,000 barrels and 460,702 in 2013
- Reconciliation of annual reports on petroleum funds from MCFEP should include stocks as "non-revenue oil"
- ARFA expenditures should be disaggregated further to enable tracking of projects

How SAIs & EITI mainstreaming could be mutually reinforcing



How SAIs & EITI mainstreaming could be mutually reinforcing

