

# STRATEGIC PLAN

## (2013-2016)

"From Transparency to Accountability"

NIGERIA EXTRACTIVE INDUSTRIES TRANSPERANCY INITIATIVE (NEITI)



# **NIGERIA EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (NEITI) STRATEGIC PLAN**

## **CONTENTS**

<b>1. Introduction</b>	<b>4</b>
<b>2. The Strategic Context</b>	<b>5</b>
<b>3. The NEITI Overall Strategy</b>	<b>7</b>
<b>4. Implementation Processes</b>	<b>10</b>
<b>5. Corporate Scorecard</b>	<b>11</b>

## Abbreviations and Acronyms

BEITI	Bails Expenditure and Income Transparency Initiative
CSO	Civil Society Organisation
DPR	Department of Petroleum Resources
EI	Extractive Industries
EITI	Extractive Industries Transparency Initiative
ES	Executive Secretary
FEC	Federal Executive Council
IMTT	Inter-Ministerial Task Team
JDZ	Joint Development Zone
MDA	Ministries, Departments and Agencies
M&E	Monitoring and Evaluation
MTSS	Medium Term Sector Strategy
NEITI	Nigeria Extractive Industries Transparency Initiative
NNPC	Nigeria National Petroleum Corporation
NSWG	National Stakeholder Working Group
PIB	Petroleum Industry Bill
RBM	Results Based Management
SM	Solid Minerals

## 1. Introduction

This NEITI Strategic Plan sets out the vision, goals, objectives and main lines of activity which NEITI is committed to pursuing in the post-validation context over the next 4 years from 2012 to 2016. It represents a set of decisions taken by the National Stakeholders Working Group (NSWG) on the priorities for deepening and strengthening NEITI's role in the national economy. The overall direction of the NEITI Strategic Plan is in line with the Government's Transformational Agenda which envisages a full implementation of the NEITI legal mandate. Under this strategic plan, NEITI will progress from its concentration to date on improving the transparency of the extractive industries, and notably of the oil and gas sector through the annual audits and the identification of areas requiring remediation, to a deeper engagement oriented towards achieving full and meaningful accountability in the extractive sector.

The core of the Strategic Plan is three (3) Strategic Goals, which taken together and fully implemented, will lead to NEITI impacting strongly on transparency and accountability in the extractive sector.

There are three (3) Goals:

- (1) **Achieve Operational Excellence in Regulation and Enforcement across the Extractive Industries** through delivery of effective Audit, continuous Monitoring and Evaluation, and stronger regulation, enforcement and compliance management.
- (2) **Attain Optimum Stakeholder Participation in E.I. Transparency and Accountability** through effective stakeholder relationship management, collaboration and cooperation.
- (3) **Build NEITI's Capacity** to achieve its Mandate, Vision and Strategy.

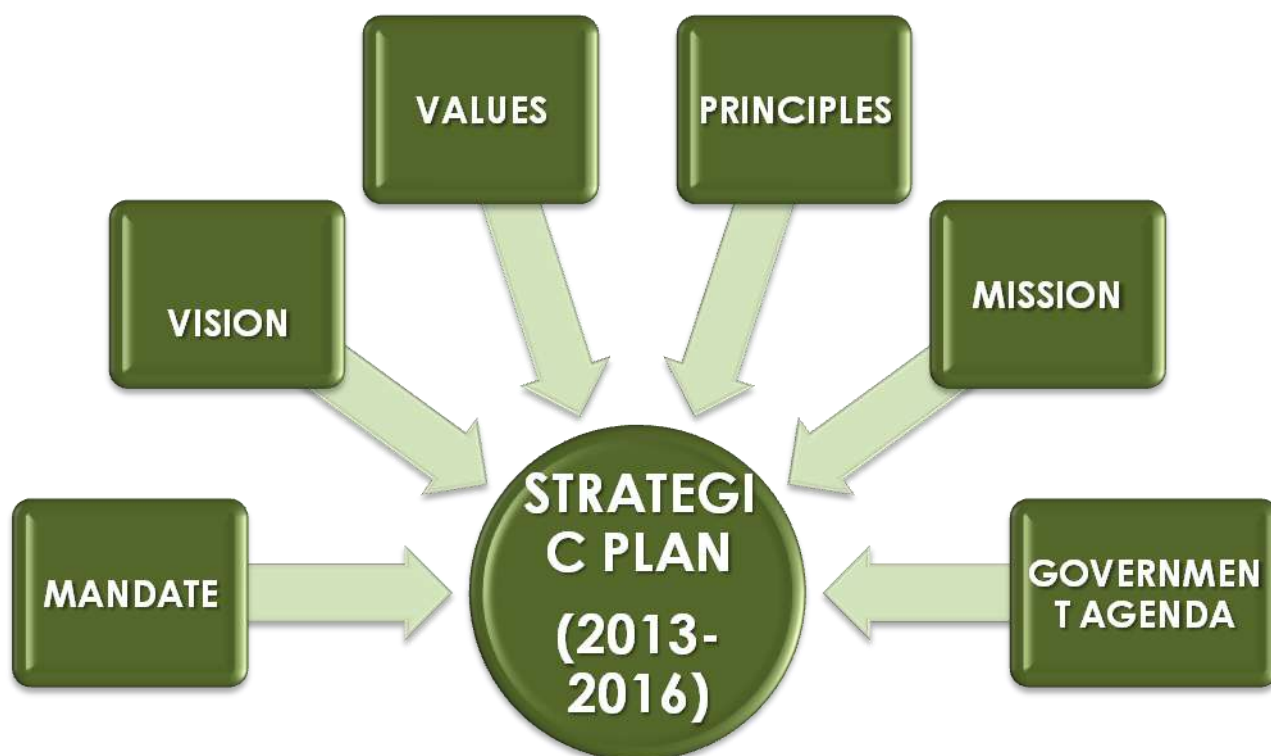
While the Strategic Goals provide the main thrusts of our development over the coming years, each of these Goals is broken down into subordinate Objectives which must be achieved if each Goal is to be accomplished.

Realisation of the objectives of this Strategic Plan will require the development of a more rigorous and systematic approach to NEITI's work. This will be carried forward through two main instruments:

**First**, the preparation of a rolling 4-year Medium Term Sector Strategy (MTSS), which will provide the annual activity plan to be undertaken in pursuit of the objectives and goals set out in the Strategic Plan; and

**Second**, building on the MTSS, NEITI will establish a rigorous system of Result-Based Management Monitoring and Evaluation to ensure that the National Stakeholder Working Group (NSWG) is kept fully abreast of the implementation of the Strategic Plan.

## 2. The Strategic Context



The key components of the NEITI Strategy going forward are:

1. The Transformation Agenda of the government of President Goodluck Jonathan, which calls explicitly for the full implementation of the NEITI Act. The Transformation Agenda also requires the strengthening of e-governance, the development of appropriate performance management tools and the establishment of well-supported systems for monitoring and evaluation in all Federal Institutions.

### 2. Legal mandate

The core legal mandate for NEITI can be summarised from the legislation as stated below:

- To Ensure **due process and Transparency** in the payments made by all Extractive Industries companies to the Federal Government and statutory recipients;
- To **monitor and ensure accountability** in the revenue receipts of the Federal Government from Extractive Industries companies;
- To **eliminate all forms of corrupt practices** in the determination, payments, receipts and posting of revenue accruing to the Federal Government from Extractive Industries companies;
- To ensure **Transparency and accountability** by Government in the **application of resources** from payments from Extractive Industries companies;
- To ensure **conformity with the principles of Extractive Industries Transparency Initiative**.

### 3. NEITI Mission

**“To institutionalise transparency, accountability and corporate governance in Nigeria’s extractive sector in support of poverty reduction in Nigeria”**

4. NEITI Vision

**“A regulatory and enforcement institution of Government that eliminates all forms of corruption and ensures that all Nigerians benefit from the wealth created by the well regulated, transparent, accountable and effectively governed extractive sector”**

5. NEITI Values

The **NEITI Core Values**, which will guide its actions, are:

- **Integrity and openness;**
- **Courage;**
- **Teamwork and collaboration;**
- **Efficiency and responsiveness; and**
- **Innovation.**

6. NEITI Principles

The **Principles** which NEITI wishes to promote among all stakeholders in the extractive sector are:

- **Transparency;**
- **Accountability;**
- **Collaboration between stakeholders; and**
- **Application of Extractive Industry revenues to benefit all Nigerians and contribute to the elimination of poverty.**

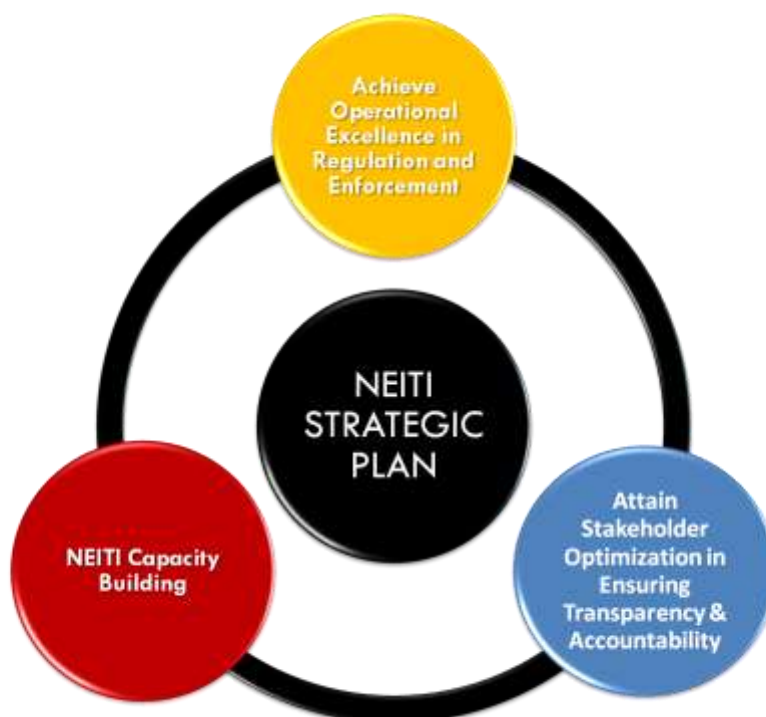
### 3. The NEITI Overall Strategy

The NSWG has formulated the NEITI strategy based on the fundamental premise that NEITI should rise fully to the challenge of its mandate and mission; and that NEITI should be a major instrument in assuring full transparency and accountability of the national's Extractive Industries. This requires a substantial strengthening, broadening and deepening of the current activities of NEITI.

In furtherance of this overall strategy of rising to the challenge, the Strategic Plan is built around the achievement of three Strategic Goals which, taken together, will ensure that the NEITI mandate is fully achieved.

The three Goals can be summarised as:

- (1) **GOAL 1 - Achieve Operational Excellence in Regulation and Enforcement across the Extractive Industries:** To develop an effective comprehensive framework for the delivery of effective Audit, continuous Monitoring and Evaluation, stronger regulation, enforcement and compliance management.
- (2) **GOAL 2 - Attain Optimum Stakeholder Development in E.I. Transparency and Accountability:** To develop a Robust Multi-Stakeholder Communication and Mobilization Strategy/Framework for effective stakeholder relationship management, collaboration and cooperation.
- (3) **GOAL 3 - NEITI Capacity Building:** To develop Organizational and Funding Capacity to achieve the NEITI Mandate, Vision and Strategy.



While the Strategic Goals provide the main thrusts of our development over the coming years, each of these Goals can be broken down into a number of strategic programmes which will be pursued in order to ensure that each Goal is fully achieved.

**Goal 1**, the *Operational Excellence Framework Goal* relates to the achievement of improved operational outcomes and greater impact through the existing NEITI core activities relating to the audits on revenue payment and receipts. This Goal will be achieved through a more comprehensive framework for the delivery of effective Audit, continuous Monitoring and Evaluation, stronger regulation, enforcement and compliance management.

**Goal 2**, the *Stakeholder Framework Goal* relates to NEITI's function as a catalyst for putting in place a strengthened framework of stakeholder engagement in the EI sector and enhanced collaboration between stakeholders. This Goal will be achieved through Robust Multi-Stakeholder Communication and Mobilization Strategy/Framework for effective stakeholder relationship management, collaboration and cooperation across a broadened set of stakeholders than are currently engaged, including driving the implementation of EITI at sub-national levels.

**Goal 3**, the *Institutional Development Framework Goal* aims to achieve the necessary institutional and organisational capacity-building for NEITI (both of NSWG and the Secretariat), but also to assess the existing funding framework and subsequently develop an adequate funding framework to achieve the NEITI Mandate.

Table 1 below details the matrix of Goals, Objectives, Programmes and Characteristic Actions which constitute the core of this Strategic Plan.



<b>GOALS</b>	<b>STRATEGIC OBJECTIVES</b>	<b>PROJECTS/STRATEGIC INITIATIVES</b>
<b>NEITI INSTITUTIONAL CAPACITY BUILDING</b>	DRIVE CORPORATE GOVERNANCE AND PERFORMANCE	Effective Stewardship of NEITI Impact and Performance Reporting to Presidency, NASS and EITI on 100% Compliance to NEITI Mandates and EITI principles.
		Broaden NEITI's institutional capabilities through the review of NEITI Act and Develop a Robust Framework to Meet Strategic Plan
		Periodic Environmental Scanning
		Competency Based Organization and Manpower Development
<b>ATTAIN OPTIMUM STAKEHOLDER DEVELOPMENT IN E.I. TRANSPARENCY AND ACCOUNTABILITY</b>	STRATEGIC STAKEHOLDER COMMUNICATION AND MOBILIZATION	Conduct a Comprehensive Stakeholder Analysis.
		Review, Develop and Implement a Robust Stakeholder Communication and Mobilization Strategy/Framework
		Facilitate Effective Support of Stakeholders in the Implementation of NEITI Mandate.
		Support establishment of Sub-national (State, Local Government and community) level EITI compliance.
<b>ACHIEVE OPERATIONAL EXCELLENCE IN REGULATION AND ENFORCEMENT ACROSS THE EXTRACTIVE INDUSTRIES</b>	ENSURE E.I. COMPLIANCE MANAGEMENT, ENFORCEMENT/ REMEDIATION	Develop and deploy effective compliance management, enforcement/remediation mechanisms and framework
		Develop an Intervention Framework to Achieve full EI Compliance in the Solid Minerals Sector.
		Strengthen multi-sector cooperation and collaboration in enforcement.
	EXTRACTIVE INDUSTRIES INTELLIGENCE	Review and evaluate existing structure and scope for information gathering from the covered entities.
		Develop a framework for continuous Monitoring and Evaluation, comprehensive information and data gathering and automation.
		Conduct Regular And Timely Industry Audits
		Expand Audit Portfolio e.g. Resources Application Audit, Value for Money, Fiscal Application Audit, Conduct Scoping Studies

## 4. Implementation Processes

The successful implementation of this strategic plan and the achievement of the three strategic goals set out above will necessitate NEITI's adoption of a systematic process of implementation.

The major components of this systematic approach to implementation of mandate will be:

- (i) **The preparation of a Medium Term Sector Strategy:** Besides being a requirement for NEITI's budget preparation as an agency of the Federal Government, the MTSS will also fill a critical gap linking the Strategic Plan with annual work plans. The MTSS will establish the annual milestones, targets and associated actions to be achieved within the context of the budgetary constraint, while maintaining sight of the medium and longer term objectives set out in the MTSS and SP. As is normal practice, the MTSS will be a rolling 4-year plan, which will be revised annually in the context of the evolution of the situation on ground and developments relating to NEITI's budget.
- (ii) **The establishment of a system of Results-Based Management.** This will provide a means of monitoring progress against milestones, targets and objectives which brings together financial reporting against activities, targets, objectives and goals, and reporting on service delivery in terms of inputs outputs and outcome realisation.

## 5. Corporate Scorecard

GOAL	STRATEGIC OBJECTIVES	STRATEGIC INITIATIVES	STRATEGIC MEASURES (OUTPUT)	STRATEGIC MEASURES (OUTCOMES)	STRATEGIC MEASURES (IMPACT)
<b>Achieve Operational Excellence In Regulation And Enforcement Across The Extractive Industries</b>	<b>Ensure extractive industries compliance management, enforcement/ remediation</b>	Develop and deploy effective compliance management, enforcement/remediation mechanisms and framework	Completion and Full Deployment of Framework for Enforcement and Remediation	%Remediation and Non-Compliance Closed	Volume (Naira/USD) of Revenue recovered from Remediation and Enforcement that is applied to actual public spending over a 5 year period.
			Completion and Full Deployment of Proactive Compliance Framework	% Sector Compliance to EITI Standards % of Cases Prosecuted to Successful Verdict	
		Develop an Intervention Framework to Achieve full EI Compliance in the Solid Minerals Sector.	Completion and Full Deployment of Framework	% Stakeholder Satisfaction with Improvement in Transparency and Accountability in the Solid Minerals Sector.	
		Strengthen multi-sector cooperation and collaboration in enforcement.	Number of MOUs signed on Enforcement Cooperation and Joint Operations	Number of MOU Objectives Implemented within the year	Measured Contribution of the MOU Strategic Actions on Transparency and Accountability

<b>Extractive industries intelligence efficiency</b>	Review and evaluate existing structure and scope for information gathering from the covered entities.	NEITI Information and Data Gathering Scoping Study Report for Document Management System	Development of an Integrated NEITI Data Management System and Deployment of IT Architecture to support data security, quality, efficiency and effective control.	NEITI enhanced capacity for comprehensive information and data gathering and automation (including machinery for effective and regular monitoring and evaluation process which should include federation account, CBN, FIRS, DPR, NNPC, OAGF & PTDF etc.
	Develop a framework for continuous Monitoring and Evaluation, comprehensive information and data gathering and automation.	Completion and Full Deployment of Framework	Monthly Extractive Sector M&E Report	Ability of NEITI to implement ongoing Risk Based Regulation, Monitoring and Evaluation beyond the Annual Audit Cycle
		Develop Operational Plan to ensure NEITI is directly linked to key data sources for EI Economic Information	Develop NEITI Capabilities for EI Analysis and Diagnostics of Real Time Data	
	Conduct Regular And Timely Industry Audits	On Time Delivery of Audits	% of Audit Non-Compliances and Remediation Cases closed for Audit under review	% Public Satisfaction with Impact of Remediation and Enforcement as a result of Audit reports
	Expand Audit Portfolio e.g. Resources Application Audit, Value for Money, Fiscal Application Audit, Conduct Scoping Studies	Develop Terms of Reference for all types of Audits presently not done by NEITI	Implement NEITI Expanded Audit Programmes	NEITI Specialized Audit Report's Impact on Accountability
		Develop Research and Development Terms of reference for Scoping Studies	Implement NEITI Research Programmes	Number of Research Recommendations incorporated into NEITI Strategic Planning and Implementation

GOAL	STRATEGIC OBJECTIVES	STRATEGIC INITIATIVES	STRATEGIC MEASURES (OUTPUT)	STRATEGIC MEASURES (OUTCOMES)	STRATEGIC MEASURES (IMPACT)
<b>ATTAIN STAKEHOLDER OPTIMIZATION IN ENSURING EXTRACTIVE INDUSTRIES TRANSPARENCY AND ACCOUNTABILITY</b>	<b>STRATEGIC STAKEHOLDER COMMUNICATION AND MOBILIZATION</b>	Conduct a Comprehensive Stakeholder Analysis.	Stakeholder Analysis Report	Number of Stakeholder Specific Interventions that increase Accountability and Transparency	Number of Stakeholder generated initiatives inspired on NEITI reports and Interventions
		Review, Develop and Implement a Robust Stakeholder Communication and Mobilization Strategy/Framework	Completion and Deployment of Framework	Number of Active Stakeholders contribution to critical	
			Number of Stakeholder Engagement Events Conducted	Number of Influential Stakeholder Event Communiqués published	% of Communiqués Resolutions Implemented
			Number of Stakeholder Sub-Group Audit Simplification and Mobilization Sessions Held	Number of Influential Sub-Group Audit Simplification Reports Developed and circulation	Number of Sub-Stakeholder Group Initiatives that arise as a result of Influential Sub-Group Audit Simplification Reports
		Facilitate Effective Support of Stakeholders in the Implementation of NEITI Mandate.	Number of Stakeholder Originated Interventions supported by NEITI	Effect of Stakeholder Originated Interventions	% Critical Stakeholder Satisfaction with Improvement in Accountability and Transparency in the Extractive Industries
		Support establishment of Sub-national (State, Local Government and community) level EITI compliance.	Number of States and Local Government with MOUs with NEITI on EITI compliance	Number of NEITI Interventions to improve EITI compliance with State, Local Government and community	

GOAL	STRATEGIC OBJECTIVES	STRATEGIC INITIATIVES	STRATEGIC MEASURES (OUTPUT)	STRATEGIC MEASURES (OUTCOMES)	STRATEGIC MEASURES (IMPACT)
<b>NEITI INSTITUTIONAL CAPACITY BUILDING</b>	<b>DRIVE CORPORATE GOVERNANCE AND PERFORMANCE</b>	Effective Stewardship of NEITI Impact and Performance Reporting to Presidency, NASS and EITI on 100% Compliance to NEITI Mandates and EITI principles.	Develop and Implement Performance, Monitoring and Evaluation Management Framework	% Performance of the Strategic Plan	NEITI Impact on Accountability and Transparency
			Develop and Implement Corporate and Management Compliance (Internal Control and Procurement) and Governance Scorecard	100% Compliance to NEITI Mandates and EITI principles.	Develop Disciplined and Robust Institutional Practice and Culture
		Broaden NEITI's institutional capabilities through the review of NEITI Act and Develop a Robust Framework to Meet Strategic Plan	Develop Terms of reference for Legislative Review and Gap Assessment.  Create Amendment Bill	Get Amendment Bill Submitted to the National Assembly and passed	Expand NEITI Organizational , Enforcement and Funding Capabilities
		Periodic Environmental Scanning	Development Environmental Scanning Report	Review NEITI's Strategic Plan in line with recommendations of the Environmental Scanning Report	Responsive and Proactive NEITI Strategic Framework
		Competency Based Organization and Manpower Development	NEITI Organizational Structure Review	Structure Best-Fit to Execute Strategic Plan	100% Strategic Plan Implementation
			NEITI Competency Based Staff Development Plan	Full Implementation of Competency Based Development Plan	75% Strategic Competency and Skills Upgrade
			NEITI Human Resources Audit/Assessments, Deployments and Redeployment	Human Capital Readiness	100% of NEITI Staff Deployed Based Competency
			Development of NEITI Performance Management System	Monthly Performance Reviews	Development of High Performance NEITI Culture

