

THE NEITI NEWSLETTER - AUGUST 2018 EDITION

COLOMBIA ATTAINS EITI SATISFACTORY PROGRESS RANKING



EITI Board Meeting

Colombia became the first country in Latin America to join the roster of countries that have achieved Satisfactory Progress in implementing the EITI Standard. The announcement was contained in a circular released to the EITI global community on the decisions taken at the last meeting of the board of the organization held recently in Berlin, Germany. Five other countries were adjudged to have achieved Meaningful Progress. They are Cameroon, Madagascar, Republic of Congo, São Tomé and Príncipe, and Ukraine. At the meeting, the EITI Board also accepted the decision of Solomon Islands to discontinue implementing the EITI due to minimal extractive activities in the country. The Netherlands was admitted as the 51st EITI implementing country at the meeting in Berlin. Until this development and from inception, The Netherlands was part of the EITI as a supporting country.

Stakeholders at the Berlin meeting welcomed the admission of The Netherlands to the EITI as timely in view of the country's changing circumstances in the gas sector. It's a well-known history that when the Groningen gas field in the north-east was discovered in 1959, it was one of the

largest gas fields in the world and it transformed the Dutch economy. However, management of that opportunity was a huge challenge resulting in what was termed the “Dutch disease” coined to describe the macroeconomic challenges that Netherlands had to contend with in those years. That same gas field is about to stop producing soon (2030) and the EITI is expected to contribute to a fact-based public debate on how to deal with the transition. Furthermore, the Netherlands’ expertise in diversifying the Dutch economy will be a valuable experience for other EITI countries to learn from.



EITI Chair, Fredrik Reinfeldt

SEARCH FOR NEW MEMBERS OF EITI BOARD BEGINS

The opportunity for nominations of new members into the EITI International Board for the period 2019 – 2022 opens at the end of October 2018. To begin the process, all major constituencies in the EITI multi-stakeholders’ framework are required to agree on suitable constituency guidelines on who should be and should not be nominated. The constituencies are government (represented by implementing countries), companies (represented by investors), and civil society (led by Publish What You Pay and other non-state actors in natural resource governance). There are currently two Nigerians on the EITI International Board namely: Mrs. Zainab Ahmed, the Minister

of State for Budget and National Planning representing Anglophone-Lusophone implementing countries in Africa and Ms. Faith Nwadishi, representing the Civil Society in Africa. The tenure of these two representatives expires soon.

NIGERIA, OTHERS AWAIT EITI VALIDATION RESULTS



Executive Secretary, Waziri Adio making presentation at the Pre-Validation Workshop, Abuja

In Berlin, the Board took decisions on the validations of Cameroon, Colombia, Madagascar, the Republic of Congo and Ukraine as well as on the second validation of São Tomé and Príncipe, Cameroon, Madagascar, the Republic of Congo and Ukraine were validated with assessments of Meaningful Progress. The Board agreed that São Tomé and Príncipe had achieved Meaningful Progress in addressing corrective actions from its first validation, with Satisfactory Progress across six of the nine corrective actions. In all these cases, the Board recognised the tangible improvements in aspects of extractive industry governance, ranging from translating EITI requirements into national legislation in the Republic of Congo and systematic disclosures by Cameroon's national oil company, opening up subnational transfers in Madagascar, to providing a platform for debate in São Tomé and Príncipe and beneficial ownership transparency in Ukraine.

With eleven validations currently ongoing, the majority of EITI implementing countries have either completed or are undergoing validation.

NATIONAL ASSEMBLY TO ESTABLISH PARLIAMENTARY FORUM ON EITI

A parliamentary group on Extractive Industries Transparency Initiative (EITI) is to be established by the National Assembly. The group expected to be drawn from relevant committees in the Senate and House of Representatives will coordinate legislative actions on implementation of remedial issues identified by independent audit reports of NEITI in the extractive industry.



Executive Secretary, Waziri Adio advocating for Parliamentary support to address NEITI Audit Remedial Issues at NEITI-Legislative retreat held at Protea Hotel, Kuramo, Lagos

The decision to set up the parliamentary group was part of the resolutions reached at a retreat held in Lagos for members of the National Assembly on EITI implementation in Nigeria.

The Chairmen of the relevant committees on extractive industry issues in both the Senate and the House of Representatives explained that the contents of NEITI reports are quite comprehensive in information and data, which are essential tools in national planning.

Addressing the retreat, the Executive Secretary of NEITI, Mr. Waziri Adio explained that the proposed parliamentary forum will help to coordinate the work of the various committees in addressing remedial issues in NEITI reports. The forum will also promote and strengthen intra-legislative committee relations, engagements and outreach on important issues that require urgent legislative intervention and advocacy.

Mr. Adio used the Forum to welcome the cordial working relationship between NEITI and the National Assembly especially in areas of monitoring and oversight. At the retreat supported by a non-governmental organisation, the Trust Africa, legislators and their aides were exposed to the principles, processes, methods and benefits of EITI implementation in Nigeria and role of the legislature in EITI value chain.

NEITI EXPANDS OPERATIONS TO COMMODITY TRADING



Director Communications & Advocacy, Dr. Orji Ogbonnaya Orji, addressing participants at the workshop on Commodity Trading held at BON Hotel, Abuja.

The Nigeria Extractive Industries Transparency Initiative (NEITI) has expanded its operations in the oil and gas industry to cover commodity trading.

The Executive Secretary of NEITI, Mr. Waziri Adio, at a workshop recently held for relevant government agencies and oil-trading companies said the decision to move into commodity trading is in line with the NEITI mandate and in compliance with EITI 2016 standard.

The Executive Secretary who was represented by the Director Communications and Advocacy, Dr. Orji Ogbonnaya Orji, said, “the overall objective of NEITI’s interest in commodity trading is to improve transparency in the sale of the state share of production by government and state-owned enterprises among others”.

He called on the companies and government agencies involved in commodity trading, to carefully study the templates developed by NEITI with a view to internalizing these new reporting requirements as part of their respective overall business model.

Responding, the representatives of government agencies, and oil and gas companies viewed NEITI’s decision to expand its operations to commodity trading as a most welcome development in view of the importance of transparency, fair competition and good business ethics. The participants advised NEITI on areas to focus on in commodity trading such as ensuring accurate data on production, accurate measurement of volumes of government equity crude oil including crude condensate, crude allocation for export and domestic use, accurate computation of in-kind revenues, taxes and royalty.

The agencies, marketers and crude oil traders also identified marketing contracts and related agreements, process of transfer of income from sales of equity crude, liftings and other similar transactions as other key areas in commodity trading where NEITI should pay particular attention.

The workshop reviewed the templates developed to reconcile transactions in the sector and resolved to give the marketers/traders time to study and make inputs.

All leading companies and government agencies covered in the NEITI process attended the workshop.

NORTH-EAST STILL RANKS THE POOREST DESPITE ABUNDANT MINERAL DEPOSITS, SAYS NEITI



Executive Secretary, Waziri Adio, addressing His Excellency, the Governor of Bauchi State and Participants at NEITI North East Zonal Outreach held at Zaranda Hotel, Bauchi, Bauchi State.

The Nigeria Extractive Industries Transparency Initiative (NEITI) says that despite the deposits of natural resources in commercial quantity in the North-East geopolitical zone, it has remained the poorest in Nigeria.

The Executive Secretary of NEITI, Mr. Waziri Adio, disclosed this during a two-day North-East zonal outreach and stakeholders' workshop organized by NEITI in Bauchi State. Mr. Adio stated that the zone scores low in school enrollment, maternal mortality and morbidity, infrastructure and high in poverty level while its natural resources remain untapped or underutilized.

Adio said: "Nigeria is blessed with 60 different types of mineral resources, out of which the North-East zone has 50 in commercial quantity but the region remains the poorest because of under-utilization and optimization of these endowments."

He said the aim of the outreach and stakeholders' workshop was to create awareness among civil society organisations, media and other stakeholders within the zone to bring them abreast of happenings in NEITI and the extractive sector in general.

Adio explained, “We are here to bring the activities of NEITI close to the people, promote grassroots participation in NEITI through public education, information sharing and enlightenment and create sub national platforms for dissemination of NEITI reports.”

In his remarks, the Acting Chairman, National Stakeholders’ Working Group of NEITI, Dr. Mahmud Isa Dutse, represented by Alhaji Sani Shehu, the President Miners Association of Nigeria, noted that a key function of NEITI is the conduct of independent audits in the oil, gas, and solid minerals sectors, including resource allocation and disbursement audit.

The representative of North – East zone on the NEITI Board, Alhaji Lawan Gana Lantewa, in his remark, called on state governments in the region to create desk offices to interface with NEITI. This is with a view to integrating the findings and recommendations of reports into various reform initiatives being embarked upon by the state governments, especially as they concern the extractive sector..

Declaring the workshop open, Bauchi State Governor Dr. Mohammed Abubakar said his administration was ready to collaborate with organisations with initiatives that would improve the lives of his people.

Represented by his deputy, Alhaji Bello Katagum, Dr. Abubakar said: “rest assured of our excellent and productive partnership. We have no doubt that the course of transparency and accountability in the management of natural resources in our state and the entire North East geo-political zone will be enhanced”.

He emphasized that “Bauchi State identifies strongly with the mandate, objectives and principles of NEITI and the state is willing to partner and support the implementation of EITI principles”.

The Outreach and Stakeholders’ Workshop had in attendance participants drawn from the civil society, media, government and extractive companies in the zone.