

This note has been issued by the EITI International Secretariat in association with GlZ. The purpose of the note is to provide guidance to implementing countries on developing a workplan in accordance with the EITI Standard. Readers are advised to refer to the EITI Standard directly, and to contact the International Secretariat to seek further clarification. Contact details can be found at www.eiti.org.

Guidance note 2: Developing an EITI Workplan

1. Summary

The EITI workplan forms the foundation for all EITI activities in implementing countries and ensures that implementation activities are targeted to deliver the results desired by stakeholders. Based on the EITI Standard and discussions about challenges and priorities for the extractive industries, the multi-stakeholder group, in consultation with key stakeholders, should develop a workplan that sets out why the EITI is being implemented and what issues the EITI process will seek to address. The EITI is relevant in different ways as between countries. It can, for example, be implemented to address specific concerns about corruption, lack of trust, to address quality of expenditure issues, to attract foreign direct investment, or simply bring all key data about the sector together in one place.

Requirement 1.4 of the EITI Standard sets out a number of requirements on what the workplan must contain. This note explains requirement 1.4 in more detail, and proposes a five step approach for how a workplan could be elaborated namely: (1) Identify national priorities for the extractive sector; (2) Define objectives for implementation; (3) Agree the activities needed to achieve the objectives; (4) Endorse and publish the workplan; and (5) Monitor and revise. The note draws from experiences gathered thus far, and provides examples and suggestions for further reading.

2. EITI workplan requirements

Requirement 1.4 of the Standard requires that the multi-stakeholder group maintains a current workplan, fully costed and aligned with the EITI reporting and Validation deadlines established by the EITI Board. The workplan must:

- a) Set EITI implementation objectives that are linked to the EITI Principles and reflect national priorities for the extractive industries. The multi-stakeholder group is encouraged to explore innovative approaches to extending EITI implementation to increase the comprehensiveness of EITI reporting and public understanding of revenues, and encourage high standards of transparency and accountability in public life, government operations and in business.
- b) Reflect the results of consultations with key stakeholders, and be endorsed by the multi-stakeholder group.
- c) Include measurable and time bound activities to achieve the agreed objectives. The scope of EITI implementation should be tailored to contribute to the desired outcomes and impact that have been identified during the consultation process. The workplan must:
 - i. assess and outline plans to address any potential capacity constraints in government agencies, companies and civil society that may be an obstacle to effective EITI implementation;

- ii. address the scope of EITI reporting, including plans for addressing technical aspects of reporting, such as comprehensiveness and data reliability (Requirements 4 and 5); and
 - iii. identify and outline plans to address any potential legal or regulatory obstacles to EITI implementation, including, if applicable, any plans to incorporate the EITI Requirements within national legislation or regulation.
- d) Identify domestic and external sources of funding and technical assistance where appropriate in order to ensure timely implementation of the agreed workplan.
 - e) Be made widely available to the public, for example published on the national EITI website and/or other relevant ministry and agency websites, in print media or in places that are easily accessible to the public.
 - f) Be reviewed and updated annually. In reviewing the workplan, the multi-stakeholder group should consider extending the detail and scope of EITI reporting including addressing issues such as revenue management and expenditure (3.7-3.8), transportation payments (4.1.f), discretionary social expenditures (4.1.e), ad-hoc subnational transfers (4.2.e), beneficial ownership (3.1.1) and contracts (3.1.2). In accordance with Requirement 1.3 (g)(viii), the multi-stakeholder group is required to document its discussion and decisions.
 - g) Include a timetable for implementation that is aligned with the reporting and Validation deadlines established by the EITI Board (see 1.6, below) and that takes into account administrative requirements such as procurement processes and funding.

Source: *EITI Standard*, p. 14-15

Simply put, the workplan should define and explain:

1. **What** the MSG wants to achieve through the EITI.; Which issues does the MSG want to address and why? How does the MSG aim to meet the requirements of the EITI Standard?
2. **How** the MSG plans to achieve these objectives: which actions will it take, which activities will it organise, how will it surpass obstacles, and which assistance may it need.
3. **When** the MSG plans to undertake these activities.
4. **Who** is responsible for the activities.
5. **How much** the implementation activities are expected to cost and how the process will be financed.

3. Guidance and examples

The EITI International Secretariat proposes the following five-step approach to developing a workplan:

1. Identify national priorities for the extractive sector

According to the EITI Standard the workplan must “set EITI implementation objectives that are linked to the EITI Principles and reflect national priorities for the extractive industries” (Requirement 1.4.a) and “reflect the results of consultations with key stakeholders” (Requirement 1.4.b). In order to identify national priorities for the extractive sector, the MSG is advised to:

- Identify and consult EITI stakeholders regarding their views on the priorities for the management of the extractive sector. Consultations could be conducted through national or regional workshops, or through an active and open invitation to all citizens through national and local media.

- Consider government policies or strategies for the extractive sector, public debates about issues in the extractive sector, and analysis and research undertaken by government, media, NGOs, companies or other institutions.
- Review the EITI Principles, the Standard, and the findings of Validation reports or EITI Reports where available.
- Consider any existing reform efforts aimed at improving extractive industry governance in the country.

Subsequent to the consultations, the MSG may wish to categorise and prioritise the issues identified with a view to agreeing priorities to be addressed through the EITI. In order to ensure relevance of the EITI process, the MSG may wish to emphasise data that can inform any major debates or concerns related to natural resource management in the country. The MSG is also encouraged to consider whether the issues identified can be addressed by data provided through the EITI, or whether complementary measures or other instruments are needed. In doing so, the MSG may wish to review the EITI Principles and the EITI Standard to explore how the issues identified fit with the overall goals of the EITI.

Examples of resources that can help identify priorities for the extractive sector:

- [Philippines Executive Order 79](#): "(...)increase revenues to promote sustainable economic development and social growth, both at the national and local levels"
- [Resource Governance Index Mozambique](#): "While the Petroleum Law requires that a portion of revenues go to communities where extraction takes place, no such payments have been made."
- [Senegal's Poverty Reduction Strategy Paper](#): "(...)the [mining & quarries] sub-sector faced constraints linked to the inadequate human and physical means of the mining administration and the complexity of procedures for the formalization of the gold washers' profession, as a result of their unfamiliarity with the regulations."
- [Financial Times](#): Headline story: Theft and disruptions knock Nigeria oil output to four-year low

Case study: identifying challenges and priorities

On 7-9 October 2013, some 30 government, industry and civil society representatives from Albania, Azerbaijan, Kazakhstan, Kyrgyz Republic, Mongolia, Tajikistan and Ukraine gathered in Astana to discuss the EITI Standard and share views on what they want to achieve through the EITI in their countries:

- In the **Kyrgyz Republic**, a key priority was to reduce conflict among local communities, companies and the government and increase investor confidence. To achieve this, participants highlighted the need for clearer tax legislation, elaboration of model agreements that include a 'social package', and a fairer and more accountable distribution of revenues to local levels so that citizens can more clearly see the benefits from the natural resources. The difficulty with verifying production figures was also a major concern.
- **Tajikistan's** main goal was to attract quality foreign investment in the nascent mining sector. The weak legal and regulatory framework was a significant obstacle alongside overlapping and confusing mandates of government agencies overseeing and regulating the sector.
- Participants from **Albania** thought that there was a need for more regular and mainstreamed EITI reporting. They also wanted the EITI to track how revenues are allocated and spent, in particular at local levels.
- **Azerbaijan's** short term priorities were to become compliant with the EITI Standard, strengthen the dialogue with civil society and finalise their Memorandum of Understanding. In the longer term, participants hoped that the EITI would contribute to greater social welfare of the population and more efficient use of the country's natural resources.
- In **Kazakhstan**, monitoring the use of social investment funds and tracking how revenues are spent was regarded as a key priority. Some considered that in order to attract investment there was a need to amend the legislation to reduce the tax burden on the companies. An online EITI data portal could ensure that data

collection for the EITI would be integrated into existing reporting obligations for extractive companies operating in the country. Other ideas were expressed such as the need for more transparency around how revenues accruing to the National Fund [Account] are invested and information about how the Fund is managed.

- Delegates from **Ukraine** wanted the EITI to contribute to a more attractive investment climate, including by reducing corruption and red tape. EITI reports could be a means of explaining to potential investors how the oil, gas and mining sector works in Ukraine.

Case study: Making the EITI relevant in Mongolia by addressing environmental aspects

Environmental aspects of natural resource management are considered important to many EITI stakeholders in Mongolia. Extractive companies therefore disclose details about funds transferred to the government for environmental rehabilitation. [Mongolia's 2012 EITI report](#) also includes a survey on the implementation of environmental protection and remediation activities (technical remediation, top soil remediation, and biological remediation), on the basis of reports provided by the Mongolian Mineral Resources Authority.

2. Define objectives for EITI implementation

Based on the priorities identified, the MSG should develop objectives for implementation. Objectives should set out what the MSG wants to achieve through the EITI, and should thus reflect the priorities identified. In formulating objectives, the MSG is advised to:

- Consider applying a SMART (Specific, Measurable, Achievable, Relevant, Time-bound) design.
- Consider complementing the objectives with a short narrative explaining the rationale.

Examples of workplan objectives :

- **Mauritania:** Show the direct and indirect contributions of the extractive industries to the national economy, and how these contribute to sustainable development.
- **Philippines:** Strengthen business environment and increase investments
- **Madagascar:** Improve transparency with regard to procedures for awarding mining permits
- **Kyrgyz Republic:** Develop a monitoring and reporting mechanism for local authorities regarding the use of resources allocated for infrastructure development. *Rationale:* A new type of non-tax payment was introduced in 2012 for extractive industries companies. The distribution of this payment between provincial, district and local budgets has not been fixed. It is unclear where these resources are going to be spent.

3. Agree the activities needed to achieve the objectives

According to the EITI Standard, the workplan must “include measurable and time bound activities to achieve the agreed objectives. The scope of EITI implementation should be tailored to contribute to the desired outcomes and impact that have been identified during the consultation process.” (EITI Requirement 1.4.c). Once the objectives have been defined, the MSG needs to decide what activities it plans to undertake to reach its objectives, including:

- Ensuring that the workplan contains the activities necessary to achieve the objectives.

- Ensuring that the workplan reflects necessary activities related to the various aspects of **EITI reporting**, including disclosure of contextual information, technical aspects of reporting, such as comprehensiveness and data reliability, and plans for communicating and disseminating EITI data.
- Identifying potential **constraints** (capacity, finances, legal, administrative) that may affect implementation of the activities.
- Assigning **responsibilities** for the various activities.
- Elaborating a **time frame** for implementing the activities. The timeframe should take into account the deadlines established by the EITI Board for production of EITI Reports, annual activity reports and Validation. In developing the timetable, the MSG also needs to take into account administrative requirements such as procurement processes and funding.
- Estimating the **cost** of the activities and identifying how these will be funded.

At this point, once there is further clarity on and definition of the objectives and activities, the MSG may wish to revisit the question of prioritising. The constraints, activities, costs, etc. could be applied as criteria in establishing which objectives to aim for, and in which order. A matrix such as provided in Annex 2 could assist in such a prioritisation exercise.

Examples of workplan activities linked to objectives :

Objective: Provide timely, comprehensive and reliable information about how licenses are awarded in [country]. This will enable stakeholders to understand on what basis rights to exploit natural resources are granted.

Activity 1: Produce an overview of blocks that are being awarded in [country's] 10th licensing round, including the applicable process, criteria (if any) and guidelines.

Activity 2: Publish a list of bidders.

Activity 3: Produce a template for disclosing information about how each block is awarded, in accordance with requirement 3.9 and 3.10 of the EITI Standard, and collect information from the relevant parties.

4. Endorse and publish the workplan

In accordance with requirement 1.4.e, "the workplan must be made widely available to the public, for example published on the national EITI website and/or other relevant ministry and agency websites, in print media or in places that are easily accessible to the public".

The MSG may find it helpful to organise the workplan in a format that is easy to use, monitor and revise, such as a table or a diagram. A template is provided in Annex 1.

The MSG may wish to attach narrative reports, or other documents complementing their workplans, including:

- A Gantt-chart, presenting a project schedule;
- A long-term workplan as well as a one-year excerpt;
- A running calendar, with dates of activities and events;
- A set of Key Performance Indicators, to monitor progress, performance and impact;
- A communications plan.

Example: Philippines' workplan

The [Philippines EITI](#) (PH-EITI) website contains a detailed narrative description of how the workplan was elaborated. The website also explains the issues that PH-EITI aims to address, the rationale behind the objectives, the planned activities, and how the different elements of the EITI process link to other reform efforts:

PH-EITI Work Plan

[About](#)

Objectives

Detailed Work Plan

Introduction

The Philippines was admitted as a candidate country by the EITI International Board on May 22, 2013. This coincided with the adoption of the 2013 EITI standard, thus necessitating a revision of the country's work plan. Pursuant to the requirement of the new standard, and after a series of consultations with stakeholders, the Philippine multi-stakeholder group formulated the following objectives that are linked to EITI principles and reflective of national priorities for the extractive industries:

1. Show direct and indirect contribution of extractives to the economy
2. Improve public understanding of the management of natural resources and public availability of data.
3. Strengthen national resource management / strengthen government systems
4. Create opportunities for dialogue and constructive engagement in natural resource management in order to build trust and reduce conflict among stakeholders
5. Strengthen business environment and increase investments

Formulating the MSG's Objectives

Determination of the Philippines' objectives for EITI implementation started with a discussion on what the stakeholders consider as major issues in natural resource management in the Philippines. Consultations with government, industries, and CSO representatives reveal the following issues that should be addressed:

5. Monitor and revise

The workplan is a living document, which must be reviewed and updated annually:

Requirement 1.4 of the Standard requires that the multi-stakeholder group maintains a current workplan (...) which must be "reviewed and updated annually." (Requirement 1.4.f)

"In reviewing the workplan, the multi-stakeholder group should consider extending the detail and scope of EITI reporting including addressing issues such as revenue management and expenditure (3.7-3.8), transportation payments (4.1.f), discretionary social expenditures (4.1.e), ad-hoc subnational transfers (4.2.e), beneficial ownership (3.11) and contracts (3.12)". (Requirement 1.4.f)

"The multi-stakeholder group is encouraged to explore innovative approaches to extending EITI implementation to increase the comprehensiveness of EITI reporting and public understanding of revenues, and encourage high standards of transparency and accountability in public life, government operations and in business." (Requirement 1.4.a)

In order for the workplan to be useful as a management tool, the MSG is advised to consider more regular updates and revisions. The MSG could, for example, agree to revisit briefly the workplan during each of its meetings to take stock of progress.

Revising the workplan is also essential to reflect lessons learned and integrate the recommendations for improvement, as for example presented by the Independent Administrator, in line with EITI Requirement 7:

“The multi-stakeholder group is required to take steps to act upon lessons learnt, to identify, investigate and address the causes of any discrepancies; and to consider recommendations for improvement from the Independent Administrator.” (Requirement 7.1).

The MSG may thus find it useful to update the workplan subsequent to the publication of the EITI Report.

The MSG is also required to annually undertake *“an assessment of progress with achieving the objectives set out in its workplan (Requirement 1.4), including the impact and outcomes of the stated objectives.”* (Requirement 7.2.iv). The findings of this assessment should be included in the annual activity report.

This note has been issued by the EITI International Secretariat in association with GIZ. The purpose of the note is to provide guidance to implementing countries on developing a workplan in accordance with the EITI Standard. Readers are advised to refer to the EITI Standard directly, and to contact the International Secretariat to seek further clarification. Contact details can be found at www.eiti.org.

Annex 1: Workplan template

[YEAR] WORKPLAN [COUNTRY]							
							Last updated: [date]
Objective	Rationale: Governance-related challenges and obstacles in the sector	Activities	Outcomes	Responsible party	Timeline	Cost	Funding source
Objective	Rationale: Governance-related challenges and obstacles in the sector	Activities	Outcomes	Responsible party	Timeline	Cost	Funding Source

This note has been issued by the EITI International Secretariat in association with GIZ. The purpose of the note is to provide guidance to implementing countries on developing a workplan in accordance with the EITI Standard. Readers are advised to refer to the EITI Standard directly, and to contact the International Secretariat to seek further clarification. Contact details can be found at www.eiti.org.

Annex 2: Infographic on developing a workplan

