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THE EITI IN ASIA

From reports to results

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Head EITI International Secretariat

21 September 2016

Asian Development Bank

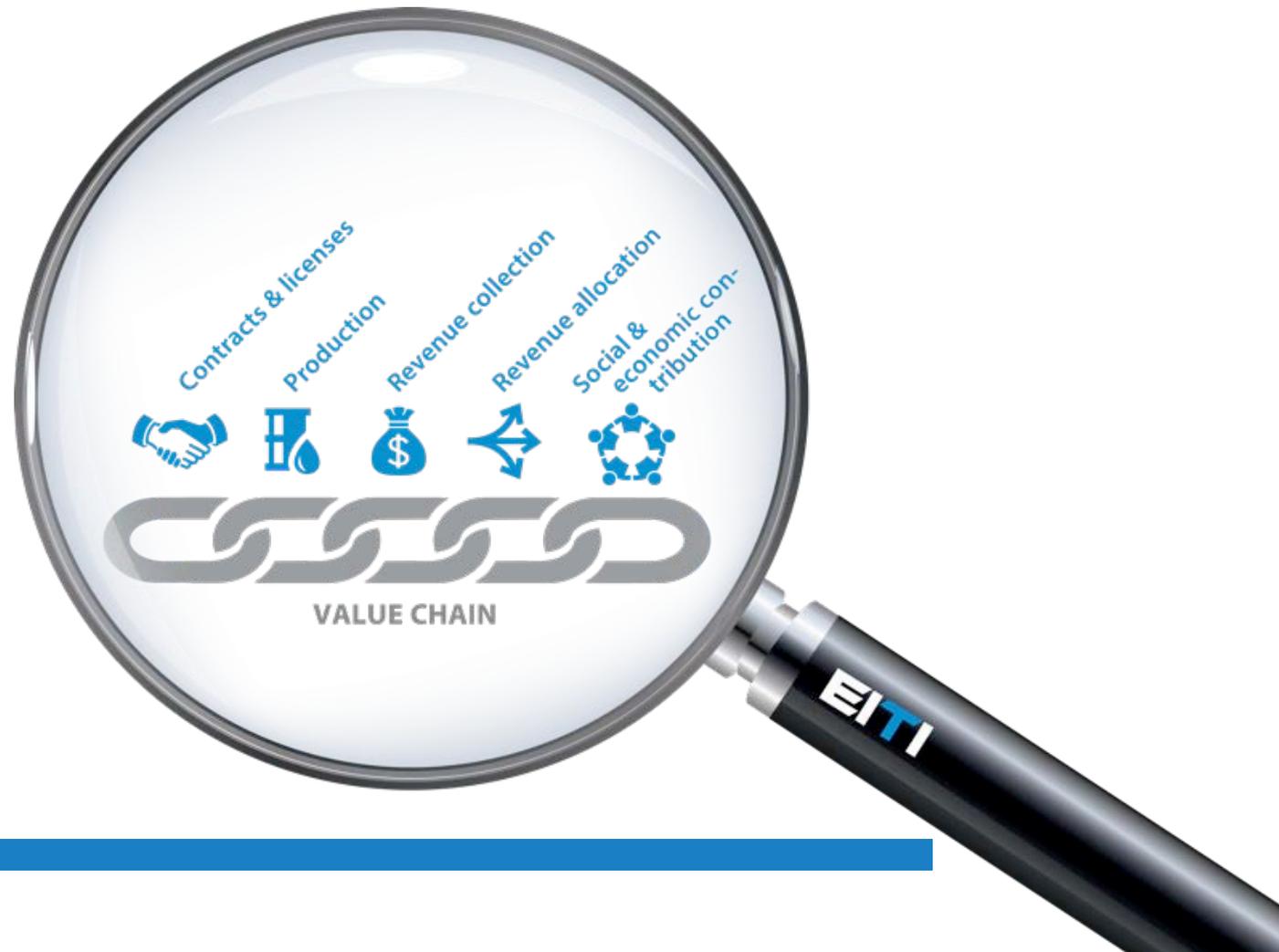
Manila, Philippines



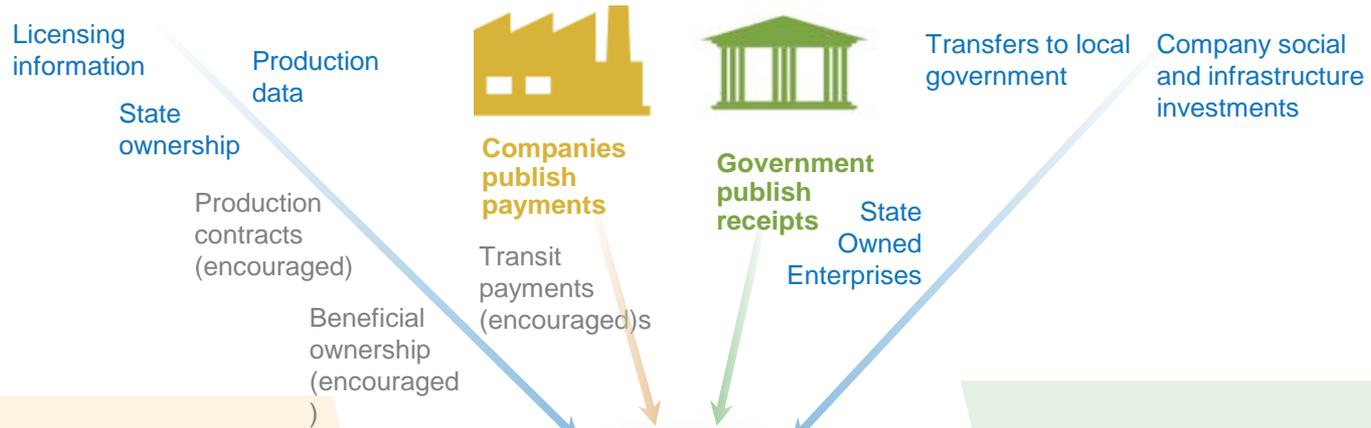
From principles, to rules to a global standard... to reforms

- 2003 EITI Principles
- 2005 EITI Criteria and Sourcebook (non binding guidance)
- 2008 EITI Validation Guide (binding requirements)
- 2011 EITI Rules and Validation Guide
- 2013 EITI Standard (global standard)
- 2016 **EITI Standard:**
 - Use of existing reporting systems for EITI data collection
 - Beneficial ownership
 - Quality assurance

The EITI Standard ensures transparency and accountability in more areas of the natural resource value chain



The EITI Standard ensures transparency and accountability in more areas of the natural resource value chain.



A national **multi-stakeholder group** (government, companies and civil society) decides how their EITI process should work.

This group publishes an **EITI Report** where government revenues and other data are disclosed and independently assessed.

The findings are communicated to create **public awareness and debate** about how the country should better manage their resources.

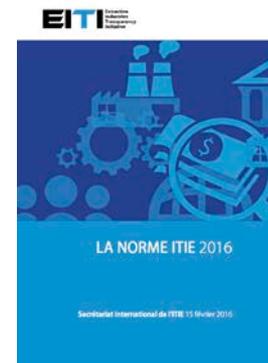


THE EITI STANDARD 2016

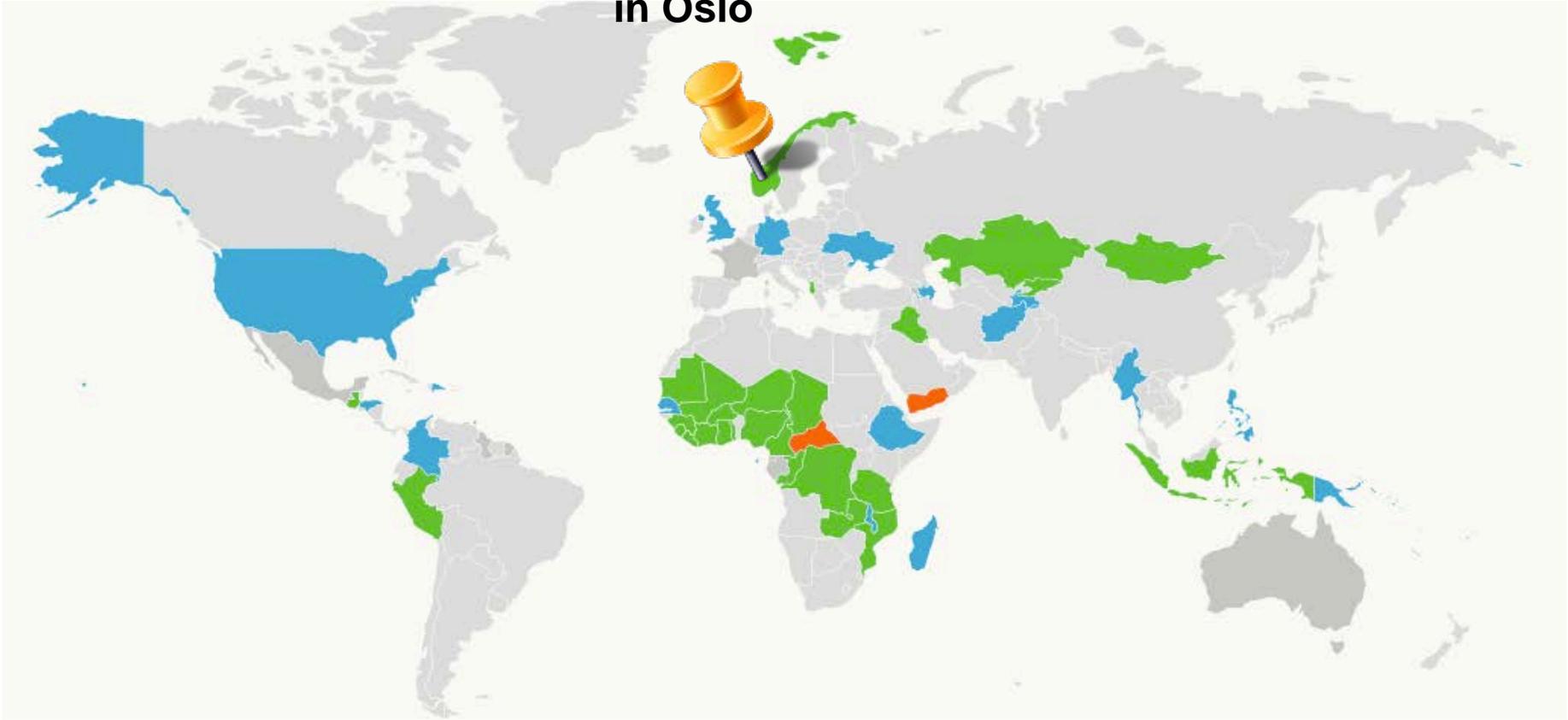
EITI International Secretariat 15 February 2016

One Standard

Guiding 51 countries
to improved governance and
accountability



Secretariat in Oslo



51
Member
Countries

31
are
compliant

USD 1.8 trillion
Gov. revenues
disclosed

282 years
Covered in
EITI Reports

AEITI Afghanistan Extractive Industries Transparency Initiative
د افغانستان د استخراجي صنایعو د شفافیت لوییت

EITI Extractive Industries Transparency Initiative
ALBANIA

MHŞT Maden Hasılatı Üzre Şeffaflık Teşebbüsü

ITIE-BF Initiative pour la Transparence des Industries Extractives Belgique-Faso

CAMEROON EITI CAMEROUN Initiative pour la Transparence dans les Industries Extractives

INITIATIVE POUR LA TRANSPARENCE DANS LES INDUSTRIES EXTRACTIVES - RCA
ITIE RCA

INITIATIVE POUR LA TRANSPARENCE DANS LES INDUSTRIES EXTRACTIVES - CÔTE D'IVOIRE

EITI COLOMBIA
Iniciativa para la Transparencia de las Industrias Extractivas

ITIE CONGO

EITI Extractive Industries Transparency Initiative
CONSEIL NATIONAL ITIE
CÔTE D'IVOIRE

ITIE RDC Initiative pour la Transparence des Industries Extractives

GHEITI Ghana Extractive Industries Transparency Initiative

EITI Extractive Industries Transparency Initiative
GUATEMALA

ITIE Initiative pour la Transparence dans les Industries Extractives
Initiative pour la Transparence dans les Industries Extractives en Guinée (ITIEG)

INICIATIVA PARA LA TRANSPARENCIA DE LAS INDUSTRIAS EXTRACTIVAS
EITI HONDURAS

EITI Extractive Industries Transparency Initiative
INDONESIA

IEITI Initiative pour la Transparence dans les Industries Extractives
Iraqi Extractive Industries Transparency Initiative

EITI ҚАЗАҚСТАН

KEITI Extractive Industries Transparency Initiative
KYRGYZSTAN

EITI Extractive Industries Transparency Initiative
Madagascar

Liberia EITI

REPUBLIQUE DU MALI
ITIE-Mali
Initiative pour la Transparence dans les Industries Extractives
De la transparence dans l'industrie extractive

Comite National
ITIE
Mauritanie

SECRETARIAT - MONGOLIA - EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE

EITI Extractive Industries Transparency Initiative
MOZAMBIQUE

MYANMAR
MEITI Extractive Industries Transparency Initiative

ITIE Initiative pour la Transparence des Industries Extractives
Niger

NEITI Nigeria Extractive Industries Transparency Initiative



EITI Perú
Iniciativa para la Transparencia en las Industrias Extractivas

PH-EITI Philippine Extractive Industries Transparency Initiative

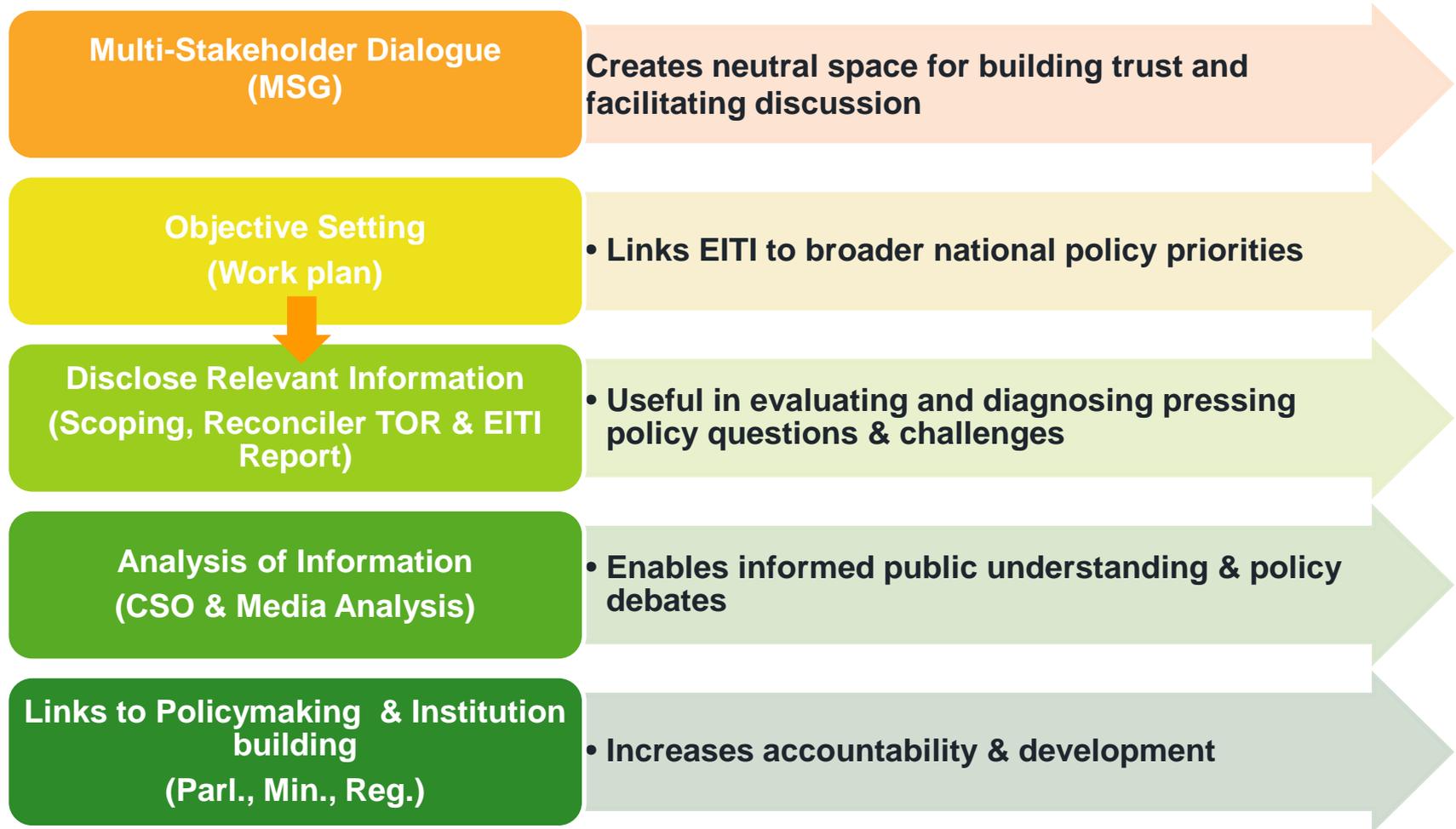
EITI Extractive Industries Transparency Initiative
Sao Tome & Principe

ITIE Initiative pour la Transparence dans les Industries Extractives du Sénégal

SLEITI Sierra Leone Extractive Industries Transparency Initiative

SI EITI SOLOMON ISLANDS EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE

The EITI: from reports to reform



Benefits of the EITI

- Support **evidence-based debate**
- **Trust-building** amongst three stakeholder groups
- Improved **community relations**
- Better understanding of state-owned enterprises
- **Locally-driven process** to address challenges
- Support energy security and reform debates
- Credit ratings positive

Benefits for all



GOVERNMENT

- Improving tax collection
- Preventing corruption
- Attracting quality investments
- Gaining citizens' trust



CITIZENS

- Information enables demanding accountability
- Ensuring citizens see benefits from natural resources



COMPANIES

- Showing they pay taxes
- Creating a level playing field
- Gaining citizens' and communities' trust

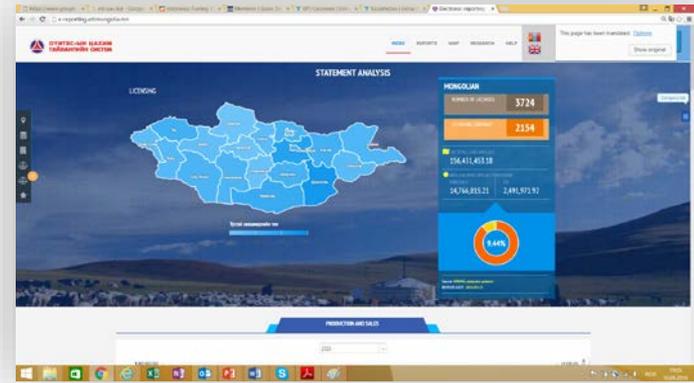
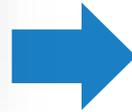
Outlook for the EITI globally

- Implementing 2016 EITI Standard.
- From reports to reform: to be successful, the EITI cannot exist in a silo.
- Mainstreaming: entrenching EITI reporting in government and company systems.
- Validations must take account of local circumstances and the direction of progress in meeting requirements of the EITI Standard.

Helping countries move...

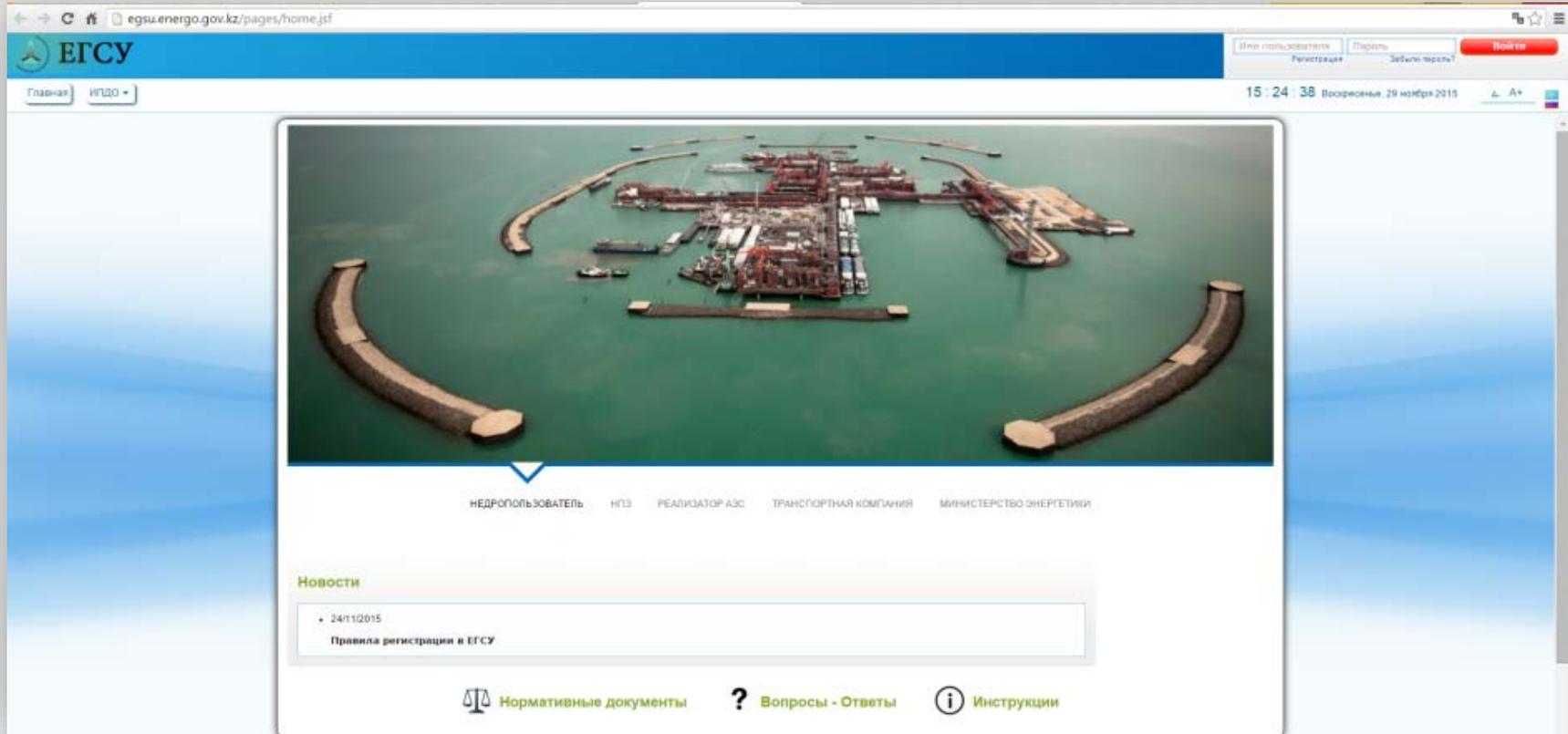


FROM THIS



TO THIS

Mongolia has mainstreamed EITI reporting. It has an online data portal with information on disaggregated tax payments collected through the eReporting platform.



Kazakhstan has shown the way for mainstreaming EITI reporting by requesting that companies file their EITI data as part of other mandatory reporting for subsoil license holders, using an existing online platform in the Ministry of Energy.

TIMOR-LESTE'S ONLINE DISCLOSURE OF DISAGGREGATED DATA

The screenshot shows the ANPM website with a navigation menu on the left and a main content area titled 'Publish What You Pay'. The main content area includes a section for 'Supplementary Information for 2013 EITI Report' and a table titled 'Petroleum Related Revenue - All Projects'.

Publish What You Pay

Supplementary Information for 2013 EITI Report

As part of Timor-Leste EITI continuing effort in meeting the EITI Standards, with collaborative support of the MSG, in particular the Industries, through the ANPM website, information relating to Production data, export volume and revenue stream from the projects in the JPDA for the reporting period of 31 December 2013 is published.

- EITI Report for Bayu Undan**
For the details please [click here](#).
- EITI Report for Kitan**
For the details please [click here](#).

Petroleum Related Revenue

The ANP is required to publish details of payments made to it under an Authorisation which includes a PSC. This legal obligation to PWYP is a significant step forward to achieving greater transparency and accountability.

Prior to the [Timor Sea Treaty](#) entering into force, petroleum revenues were shared equally between Timor-Leste and Australia. The table below reflects the prior revenue sharing arrangement as well as the respective 90/10 split of petroleum produced in the JPDA between Timor-Leste and Australia.

The table below highlights the reconciled aggregates of total company payments from the JPDA against total government receipts. The ANP receives revenues from the companies and subsequently distributes these revenues to the governments of Timor-Leste and Australia. The TSDA does not collect any tax revenue as this responsibility lies with the relevant tax authorities of Timor-Leste and Australia.

The link following the table provides the detail of payments received by the ANP to a project and a product level on a monthly basis rather than on a shipment basis. It differentiates between condensate revenue, liquefied petroleum gas or LPG revenue and liquefied natural gas or LNG revenue for the projects currently in production, namely [EITI and BayuUndan](#). The revenue includes both FTP and Profit Oil.

Petroleum Related Revenue - All Projects

	Total Net FTP & Profit Oil Received	Total Net FTP & Profit Oil Distributed	Timor Leste	Australia
Total FTP 2004-2004	\$6,863,856.38	\$6,863,856.38	45,872,315.94	10,991,540.44***
Jan 2005	4,878,842.64	4,876,842.64	4,389,158.38	487,684.26
Feb 2005	3,983,996.67	3,983,996.67	3,595,597.00	388,399.67
Mar 2005	6,695,190.71	6,696,190.71	6,101,790.00	593,399.67
Apr 2005	6,849,520.03	6,849,520.03	6,255,118.84	594,401.19
May 2005	1,503,421.12	1,503,421.12	1,353,079.02	150,342.11
Jun 2005	4,099,845.92	4,099,845.92	3,789,455.32	310,390.60

In T.Leste, disaggregated revenue, production and export data by project was disclosed through EITI



Contract disclosure in Mongolia, Philippines, Azerbaijan

A screenshot of the EITI Philippines website. The top section has a yellow background with the text "A free database of Mining, Oil and Gas Contracts in the Philippines". Below this, it says "NOW AVAILABLE" and features two buttons: "View all Contracts" and "View by Contract Type". The bottom section has a dark blue background with a map of the Philippines on the left and the text "CONTRACTS AND COMMODITIES" in large yellow letters on the right. A small red button with the text "View all Contracts" is visible near the bottom right of the screenshot.

TRANSPARENCY WHERE IT MATTERS

Transparency at the subnational level improved in...

- [Kyrgyzstan](#) which is using the EITI process to promote transparency in local development funds
- The [Philippines](#) which discloses social expenditures of companies in mining communities
- [Indonesia](#) which discloses actual revenues transferred between central government and different levels of subnational governments.

STRENGTHENING GOVERNMENT SYSTEMS

- **Kazakhstan** adopted a policy on budget classifications to ensure that companies transfer social payments to the budget and that these payments are tracked
- The **Philippines** amended its process for transferring revenues from central government to local governments to expedite subnational transfers
- **PNG** is seeking to improve its oil and gas register as recommended by the EITI Report

WHAT'S NEXT?

BENEFICIAL OWNERSHIP

REVEALING WHO STANDS
BEHIND THE COMPANIES



What the EITI Standard says

Summary of EITI Requirement 2.5:

- EITI Reports must document the government's policy and MSG's discussion on disclosure of beneficial ownership (#2.5.b.i).
- By 1 January 2017, the multi-stakeholder group must publish a roadmap for disclosing beneficial ownership information (#2.5.b.ii).
- By 1 January 2020, it is required that implementing countries request, and companies disclose, beneficial ownership information for inclusion in the EITI report or a public register (#2.5.c-f).
- The EITI Report should also disclose the legal owners and share of ownership (#2.5.g).



COMMODITY TRADING in Indonesia, Iraq, Kazakhstan, Myanmar

Figure 1 – The role of the NOC in the oil trade in Indonesia.

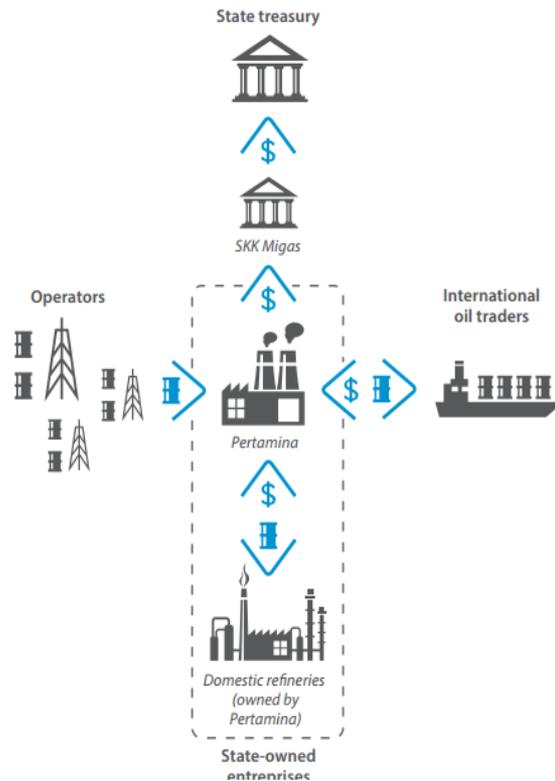
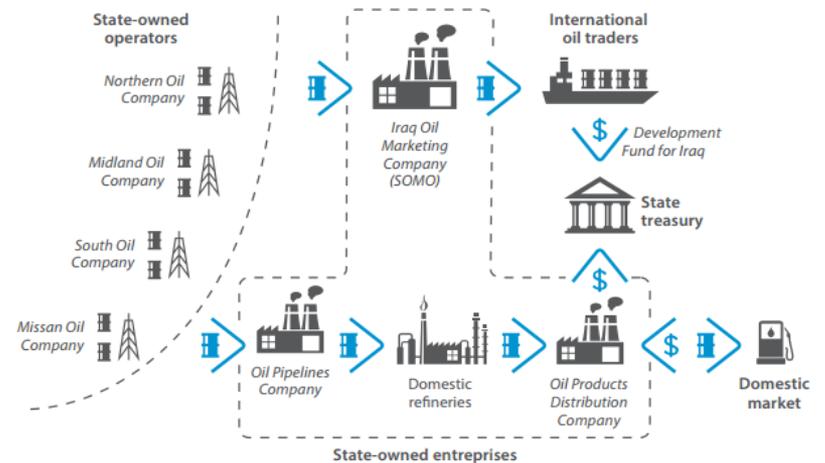


Figure 2 – The role of the NOC in the oil trade in Iraq.



Thank you!



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