

## **FINAL REPORT OF THE IAG: PROCESS AND CONTENTS**

### **A paper prepared for the EITI International Advisory Group (IAG) by the EITI Secretariat**

#### **1. Key Questions for the IAG**

- 1.1 Is the IAG content with the proposed scope of the final report?**
- 1.2 Is the proposed time line acceptable?**

#### **2. Introduction**

2.1 Participants at the EITI London Conference 2005 agreed that the UK Government, as the International EITI Secretariat, should seek guidance from an international advisory group (IAG), established for a limited period, to consider the future of EITI. By the next EITI Conference, now scheduled for October 2006, it was hoped that the IAG would be in a position to set out detailed recommendations for participants to consider on the future management of EITI support, incentives for implementation, and a suitable process for evaluating implementation – as well as how EITI complements other international efforts to promote improved budget transparency. During their deliberations the members of the IAG have also commissioned additional work from the Secretariat: on company validation, on sub-national implementation of EITI, and on the possible future engagement of emerging economies in EITI.

2.2 Over the last eight months, the IAG has sought to build consensus around all these issues. A number of outreach events over the next few months will seek the views of others outside the IAG. In their 3<sup>rd</sup> meeting at Abuja, the IAG suggested that two further meetings would be required to complete their deliberations: one meeting is being held in Baku (5 April) and one in London (20 June). This should allow sufficient time before the next EITI Conference in Oslo for the Secretariat to draft their report. This paper sets out a time line for finalisation of the IAG report; and suggests the contents.

#### **3. Reporting the conclusions of the IAG**

3.1 Managing disagreement: It is hoped that the IAG will reach consensus on the issues that they are discussing. The nature of the discussions to date suggests that this is likely. However, if it should prove impossible to reach consensus on some of the outstanding issues then there are two suggested options for the final report. The IAG could write a report which covered those elements where they were able to reach consensus on, briefly summarised the key issues where there was no consensus, and proposed that the outstanding issues be taken up either at the Conference or thereafter. Alternatively, the IAG could agree a majority report / minority report approach. The latter would obviously impose additional burdens on the Secretariat.

3.2 Achieving sign-off: The members of the IAG were appointed to serve on the IAG in their personal capacity but also as representatives of companies, organisations or governments. It is anticipated that different members / organisations will have different requirements to allow them to sign off the IAG recommendations. Sufficient time will need to be allowed in the timeline for this. An alternative would be for the report to formally come from the EITI Secretariat. This would be strictly consistent with the Statement of the Outcomes from the EITI London Conference 2005. However, this approach would weaken the impact of the report and is not recommended.

3.3 Circulating the report: The EITI Oslo Conference in October 2006 will be asked to agree the recommendations of the IAG. Further detail on how this might be done can be found in the IAG paper on “The Future Management of EITI”. The recommendations will need to be circulated widely before the Conference to allow other stakeholders and expected participants in Oslo to consider the recommendations. It is therefore proposed that the final report be made publicly available one month before the EITI Conference.

3.4 Implementing the recommendations: Some of the proposed recommendations of the IAG will, if agreed, require actions to be taken in short order after the Oslo conference. In particular, elements of the “Transition Strategy” imply actions being taken with respect to the Board and the Secretariat at or shortly after the Conference. To allow a smooth transition, the current Secretariat will wish to take certain preparatory steps before the conference (though without pre-judging the conference outcomes) – for example, canvassing stakeholder groups to agree Board members or identifying potential staff for the Transition Secretariat. The sooner that the recommendations are agreed by the IAG, the sooner the Secretariat will be able to start these processes, which would otherwise not come in to effect for some months after the Conference.

#### 4. Time line

4.1 The Secretariat note that there is limited flexibility on this time line – if the final deadline is to be met and IAG members are to have sufficient time at each stage to ensure that they are content with the recommendations:

<b>27 March</b>	Papers for 4 <sup>th</sup> IAG
<b>4 April</b>	<u>4<sup>th</sup> IAG Meeting, Baku</u> <ul style="list-style-type: none"><li>• Agrees future management arrangements</li><li>• Agrees contents page for final report</li><li>• Agrees any additional work required from Secretariat</li></ul>
<b>9 June</b>	Papers for 5 <sup>th</sup> IAG
<b>20 June</b>	<u>5<sup>th</sup> IAG Meeting, London</u> <ul style="list-style-type: none"><li>• Agrees country and company validation</li><li>• Agrees recommendations (if any) on other areas – including incentives; linkages to other initiatives; engagement with emerging economies; sub-national implementation</li></ul>
<b>30 June</b>	<u>1st Draft IAG report circulated to IAG members</u>
19 July	deadline for comments on draft
<b>28 July</b>	<u>2<sup>nd</sup> Draft IAG report circulated to IAG members</u>
<b>12 September</b>	Deadline for IAG members to sign off
<b>15 September</b>	<b><u>Web Publication of IAG report</u></b>
<b>17 October</b>	EITI Oslo Conference

## **Attachment 1:**

### **Final Report of the EITI International Advisory Group**

- **Foreword**

Either the Chairman or an alternative eminent person.

- **Executive Summary**

- **Summary of recommendations**

- **Introduction**

- 1. Management of EITI**

- Management structure

- 2. Validation of EITI**

- Validation model – including lessons from pilots
- Validation of companies

- 3. Extension of EITI**

- Sub-national

- 4. Incentives for EITI implementation**

- 5. Next steps for EITI**

- BRICS
- Linkages to other initiatives
- Transition