# Checklist for establishing the scope of EITI reporting

The multi-stakeholder group is required to agree the scope and the approach for publishing information about the extractive sector. The following checklist is intended to guide multi-stakeholder groups in establishing the scope of EITI reporting. Addressing these questions will help ensure that the multi-stakeholder group has an agreed position on the scope of the EITI Report prior to engaging the Independent Administrator and developing the reporting templates. The multi-stakeholder group is expected to document the process, so that the information is readily available during Validation. Multi-stakeholder groups are also encouraged to make scoping decisions publicly available to raise awareness and engage the stakeholders outside the multi-stakeholder group in these discussions.

**Linking the scope of the EITI Report with workplan objectives**

*Has the multi-stakeholder group …*

⃝ reviewed the objectives and activities set out in the workplan to ensure that the scope of the EITI report is in line with the MSG’s overall objectives?

⃝ explored opportunities for addressing recommendations from previous EITI reports?

⃝ considered extending the detail and scope of the EITI report to issues such as revenue management and expenditure (5.3), discretionary social expenditures (6.1), ad-hoc sub-national transfers (5.2), beneficial ownership (2.5) and contracts (2.4)?

**Timeliness of data**

*Has the multi-stakeholder group …*

⃝ agreed the fiscal period to be covered in the report?

⃝ assessed whether it is feasible to include information on the legal framework, licensing, production and revenue allocations that is more recent than the financial data?

**Disclosure of legal framework, licensing, production and revenue allocations**

*Has the multi-stakeholder group …*

⃝ reviewed the legal framework and fiscal regime governing the extractive industries (requirement 2.1)?

⃝ developed a good understanding of the extractive resources and industries in the country and its contribution to the economy (requirements 3.1 and 6.3)?

⃝ identified timely, comprehensive and reliable sources of information about production and exports (requirements 3.2 and 3.3)?

⃝ investigated the role of any state-owned enterprises in the extractive sector, including the financial relationship with the government, quasi-fiscal expenditures, and government ownership in oil, gas and mining companies (requirements 2.6 and 6.2)?

⃝ considered how extractive industry revenues, whether cash or in-kind, are recorded in the national budget (requirement 5.1), and opportunities for reporting on expenditures and revenue management as encouraged in requirement 5.3?

⃝ investigated the timeliness and comprehensiveness of the available information about license holders and license allocations as per requirement 2.2 and 2.3?

⃝ considered the feasibility of disclosing information about the beneficial owners of extractive companies operating in the country and explored the government’s policy on beneficial ownership transparency (requirement 2.5)?

⃝ explored the government’s policy on contract disclosure and considered contract transparency as encouraged in requirement 2.4?

⃝ explored to what extent the information listed above is already publicly available and whether the EITI Report could include links to the existing information?

⃝ explored ways how possible gaps in available data can be addressed to improve comprehensiveness, reliability and complementarity with existing systems, with a view to integrate data disclosure into government and company mechanisms, such as online cadastres, annual reports and websites? For information that is available but not public, has the multi-stakeholder group assessed what measures would be required in order to publish the data in government and company portals?

⃝ based on the above considerations, determined how each of the above points will be addressed in the EITI Report? Will the EITI Report include only a link to information available elsewhere, together with an assessment on data reliability, or a full or partial disclosure of the information? How will identified challenges and weaknesses be reported?

⃝ based on the above considerations, determined what information should be collected and what can be drawn directly from source and agreed on who should compile the information to be included in the EITI Report?

⃝ documented decisions taken on each of the points above?

**Disclosure of revenues**

*Has the multi-stakeholder group …*

⃝ reviewed the fiscal regime and other relevant revenue streams applicable to the extractive sector, with reference to EITI Requirement 4.1, including revenues from the sale of the government’s share of production or oil, gas and minerals received in-kind (4.2), social payments (6.1), transit payments (4.4), infrastructure provisions and other barter deals (4.3)?

⃝ considered transactions between government entities and state-owned companies (requirement 4.5)?

⃝ identified whether subnational government entities receive direct payments from companies (requirement 4.5) and whether there exist mandatory or ad-hoc transfers between central and subnational levels of government (requirement 4.6)?

⃝ reviewed existing data from the relevant fiscal period to determine the materiality of these revenue streams (requirement 4.1.a)?

⃝ agreed a definition of materiality that stipulates which revenue streams are material and will be covered in the EITI Report (requirement 4.1.a)?

⃝ established payment and revenue thresholds where appropriate (requirement 4.1.a)?

⃝ identified the extractive companies that make material payments within the scope of the agreed material revenue streams (requirement 4.1.c)?

⃝ identified the government entities, including subnational levels, that collect material revenues within the scope of the agreed material revenue streams (requirements 4.1.c,d, 4.5, 4.6 and 5.2)?

⃝ explored to what extent the financial information listed above is already publicly available and whether the EITI Report could include links to the existing information? Explored whether there are existing systems where revenue and payment data could be published beyond the EITI Report, such as online license cadastres, and government and company reports and websites?

⃝ documented decisions taken on each of the points above?

**Data quality**

*Has the multi-stakeholder group …*

⃝ investigated the prevailing auditing practices for company and government data (Standard Terms of Reference (TORs) for Independent Administrators[[1]](#footnote-2):)?

⃝ assessed whether the payments and revenues of companies and government entities are subject to credible, independent audit, applying international auditing standards (requirement 4.9.a)?

⃝ considered the types of assurances that can be provided by companies and government entities to ensure a credible reporting process of the financial data (Standard Terms of Reference (TORs) for Independent Administrators)?

⃝ documented decisions taken on each of the points above? Note that in accordance with the EITI Standard and Standard TOR for Independent Administrators, the MSG decisions related to data quality are subject to consultations with theIndependent Administrator.

**Confirming scoping decisions**

*Has the multi-stakeholder group …*

⃝ reviewed the legal and regulatory framework with a view to identify and remove potential barriers to disclosure, in particular where there are confidentiality provisions in contracts or legislation (requirement 1.5.c.iii)?

⃝ documented the MSG’s agreed positions on scoping considerations (requirement 1.5.c.ii), including for example summaries that can be made publically available and included in the EITI Report?

⃝ reflected the agreed scope in the Terms of reference for the Independent Administrator?

1. According to EITI Requirement 4.9.b.iii,”the multi-stakeholder group and the Independent Administrator are required to agree a Terms of Reference for the EITI Report based on the Standard Terms of Reference endorsed by the EITI Board”. This means that EITI Reports need to address i the provisions in the TORs in order to comply with EITI Requirement 4.9.b.iii. Requirement 4.9.b.ii further states that “should the multi-stakeholder group wish to adapt or deviate from these agreed upon procedures, approval from the EITI Board must be sought in advance”.

The Standard Terms of Reference for Independent Administrators are available here: <https://eiti.org/guidance-notes-and-standardterms-reference#ToRIA> [↑](#footnote-ref-2)