



**INTERNATIONAL CORPORATE
ACCOUNTABILITY ROUNDTABLE**

February 25, 2019

Fredrik Reinfeldt
Board Chairman
Extractive Industries Transparency Initiative

Dear Chair Reinfeldt:

I regret that I will be unable to attend the EITI board meeting in Kyiv on February 26th-28th. I wish the board a productive meeting and fruitful discussions on the EITI Standard. I am submitting this letter to provide my perspective and recommendations on the proposed EITI Standard revisions. I hope my comments will be considered in the meeting discussions.

Contract Transparency

Contract transparency has become a global norm and the EITI Standard should require the disclosure of contracts and licenses for all implementing countries, in order to remain relevant and in alignment with this trend. Publishing licenses and contracts presents an easy and uncomplicated way to achieve a higher level of transparency and allows citizens to better understand the fiscal regime under which their natural resources are governed. More than half of EITI implementing countries currently require some form of contract disclosure, it has long been standard practice for many international financial institutions, and the International Monetary Fund's Fiscal Transparency Code called contract transparency a global norm. I strongly support this change, with a preference for Option 1, where disclosure is applied retroactively. Any concerns with retroactive disclosures can be addressed by allowing for a flexible implementation timeline.

Environment & Energy Transition

Analyzing environmental impacts and risks is critical to understanding the sustainability and value of natural resource projects. Currently, more than half of EITI implementing countries make environmental management/policy disclosures of some kind. Increased information is needed on issues like environmental costs and impacts, how projects are monitored, and project risks. Without clear disclosure recommendations, reporting will remain inconsistent. I support Proposals 1, 2 and 3, and recommend that Proposal 1 be made a requirement, rather than encouraged.

Gender

The Board must address the inequality in gender representation and the availability of gender-specific information in the extractives sector. Currently, many multi-stakeholder groups (MSGs) have fewer than 25% female participation rates. Gender balance on MSGs should be an important goal when considering MSG composition, as better gender balance can change the content of debates and discussion, often making them more inclusive of a broader range of perspectives. Information should also be disclosed

about the gender employment breakdown in extractives projects. If natural resource extraction is to be an engine for development, it is important that women are able to participate and that the employment opportunities projects create are disclosed. Disclosing gender-disaggregated employment data is a first step in active measures to use data to monitor year-to-year changes and to better target women's empowerment and gender equality initiatives. Thus, I support the proposed change on ensuring consideration of gender balance in EITI MSG representation. I also strongly support the bracketed proposed change requiring gender-disaggregated employment data to be disclosed.

Commodity Trading

For many countries, the sale of oil, gas, and minerals by governments and State-Owned Enterprises to commodity traders and other companies provides a major share of government revenues from the extractives sector. However, despite their size these transactions are corruption-prone, often opaque, and provide citizens with little insight with which to hold governments to account. I support the proposed changes to the Standard that would require commodity trading payment information to be disclosed on a sale-by-sale basis (second bracketed option). I understand that a further compromise proposal was circulated on 21 February 2019 which would require contract-by-contract disclosure and provide flexibility for MSGs to decide whether or not to further break down information by individual sale. While this proposal falls short of requiring sale-by-sale disclosure, I am willing to support this compromise in order to reach consensus. Given the progress made on this issue over the last six years and the increased international attention this issue is receiving, it is critical that these revisions on commodities trading are agreed.

Project-level Reporting

Project-level reporting is a global standard and is being implemented by law in over thirty countries around the world. The EITI Standard must align with the requirements in these jurisdictions so as not to create a duplicative reporting burden on companies and to ensure the EITI Standard remains relevant. Therefore, I strongly support Option 1, which requires alignment with mandatory payment disclosure laws.

Thank you for your consideration.

Sincerely,



Jana Morgan
Director of Advocacy and Campaigns
International Corporate Accountability Roundtable
EITI Board Member, North America & Europe, Alternate