

Summary of UGEITI Report Recommendations for the FY 2022-2023

1. Strengthen the Legal and Institutional Basis for EITI Reporting (EITI Requirement 4.1)

Description:

Requirement 4.1 of the EITI require comprehensive disclosures of revenues from extractive industries, including from all government entities collecting revenues, and a credible, independent reconciliation of payments and revenues.

Recommended Actions:

We recommend that UGEITI:

- Advocate for a legal reform roadmap that makes EITI reporting mandatory for all relevant government entities and companies.
- Engage with policy and legal authorities to issue a ministerial directive or regulation institutionalizing participation.
- Provide technical training for focal points who actually fill in the reporting templates.
- Establish clear internal communication protocols to ensure accurate and timely submissions by both senior officials and technical staff.

The development of a government-wide protocol or directive mandating EITI reporting obligations could help institutionalize compliance across agencies.

Targeted institutions: Government Entities, Extractive Companies

2. Improve Beneficial Ownership and Contract Transparency (EITI Requirement 2.4 and 2.5)

Description:

Requirements 2.4 and 2.5 of the EITI respectively require that all extractive contracts be made public and that implementing countries maintain a public register of beneficial owners of companies holding extractive licenses.

Recommended Actions:

We recommend that the MSG:

- Enforce BO reporting through EITI reporting as well as through its integration during the company's registration at URSB.
- Develop an online repository of extractive contracts, hosted by MEMD or another state entity, ensuring all post-2021 contracts are disclosed.
- Conduct targeted outreach and training for extractive companies on BO obligations, with practical guidance on how to comply.

Targeted institutions: Government Entities, Extractive Companies

3. Enhance Environmental and Social Expenditure Reporting (EITI Requirement 6.1)

Description:

Requirement 6.1 of the EITI states that extractive companies must disclose mandatory social and environmental expenditures and are encouraged to disclose voluntary contributions. The nature and beneficiaries of such expenditures must be disclosed.

Recommended Actions:

MSG should standardize the reporting format for environmental and social expenditures and clarify reporting expectations for both mandatory and voluntary contributions. Engagement with NEMA and MEMD may support better alignment with national regulations, while the introduction of a verification mechanism would improve data reliability.

Targeted institutions: Government Entities, Extractive Companies

4. Improve Public Disclosure of Financial Information by Reporting Entities (EITI Requirement 4.1(c))

Description:

Requirement 4.1(c) mandates all companies making material payments to disclose their audited financial statements or main financial indicators.

Recommended Actions:

- All entities included in the reconciliation scope—whether state-owned or private—should publicly disclose their audited financial statements through official websites or government platforms.
- In cases where full audits are unavailable, companies should at a minimum publish:
 - Balance sheets, income statements, and cash flows;
 - Explanations of any legal or regulatory barriers to timely disclosure.
- The MSG should work with the Ministry of Finance and URSB to establish a compliance checklist and encourage regular financial transparency reviews.

Priority: High

Targeted institutions: Government Entities, Extractive Companies

5. Improve Public Disclosure of Financial Information by Reporting Entities (EITI Requirement 4.1(c))

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 - Balance sheets, income statements, and cash flows;
 - Explanations of any legal or regulatory barriers to timely disclosure.
- The MSG should work with the Ministry of Finance and URSB to establish a compliance checklist and encourage regular financial transparency reviews.

Targeted institutions: Government Entities, Extractive Companies

6. Enhance Transparency of Project-Level Capital and Operating Expenditures (EITI Requirement 4.10)

Description:

Requirement 4.10 requires implementing countries to disclose project-level data where revenues are levied at the project level. This includes relevant financial disclosures such as capital expenditures (CAPEX) and operational expenditures (OPEX), particularly in petroleum and large-scale mining projects.

Recommended Actions:

- The PAU should ensure the timely collection and disclosure of project cost data for all petroleum projects under its oversight.
- Companies operating large-scale projects should disclose their capital and operating expenditures disaggregated by project.
- MSG should collaborate with PAU to include CAPEX and OPEX fields in standard reporting templates and organize capacity-building sessions for companies.

Targeted institutions: Government Entities, Extractive Companies

7. Develop a Framework for measurement, reporting and verification of Greenhouse Gas Emissions in the Extractive Sector (EITI Requirement 3.4)

Description:

Requirement 3.4 encourages implementing countries to disclose data on environmental monitoring and impacts related to extractive activities, including emissions, pollution, and climate-related disclosures.

Recommended Actions:

- The Department of Climate Change, at Ministry of water and Environment needs to coordinate the development of the National climate change regulations for GHG measurement, reporting and verification.
- The MEMD, NEMA and the PAU, should develop sectoral guidelines for GHG measurement, reporting and verification for the extractive sectors.
- These guidelines should include mandatory GHG reporting for extractive companies and provide clear guidance on calculation methods (e.g., IPCC-compliant), verification, and publication.

Targeted institutions: Government Entities
