Systematic Disclosure (Mainstreaming)
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Learning Objectives: Systematic Disclosure

You will Learn some of the following:

1. What is meant by the terms "**systematic disclosure**" and "**mainstreaming**" as used by EITI.

2. What other countries are doing to satisfy the requirement for systematic disclosure.

3. What are some of the gaps and barriers to systematic disclosure in Guyana.

4. What opportunities and benefits are available with systematic disclosure.
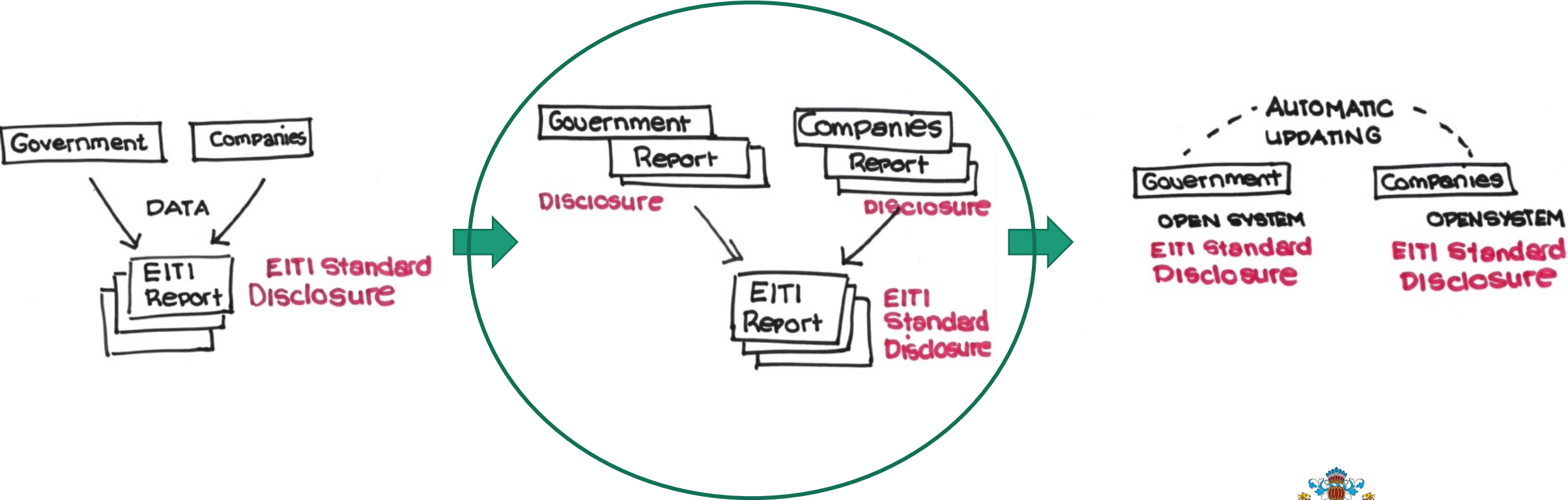
5. How do we get there.

What is Systematic Disclosure/Mainstreaming

THE EITI STANDARD 2019

The global standard for the good governance of oil, gas and mineral resources

17 JUNE 2019

- "Systematic Disclosure" and "Mainstreaming" used interchangeably by EITI.

- Refers to the publication of data <u>at source</u> using the systems of governments and companies.

- Disclosing data at source can be through:
    - Government and corporate databases
    - Online registries (e.g., for beneficial ownership)
    - Websites and portals

- *Focus is on **making disclosure and open data a routine part of government and corporate reporting;***

- *Providing information to stakeholders in a timeframe and format that can support its widespread use in analysis and decision making.*

What is Systematic Disclosure/Mainstreaming

The move towards systematic disclosure is progressive and most countries are somewhere in the second stage
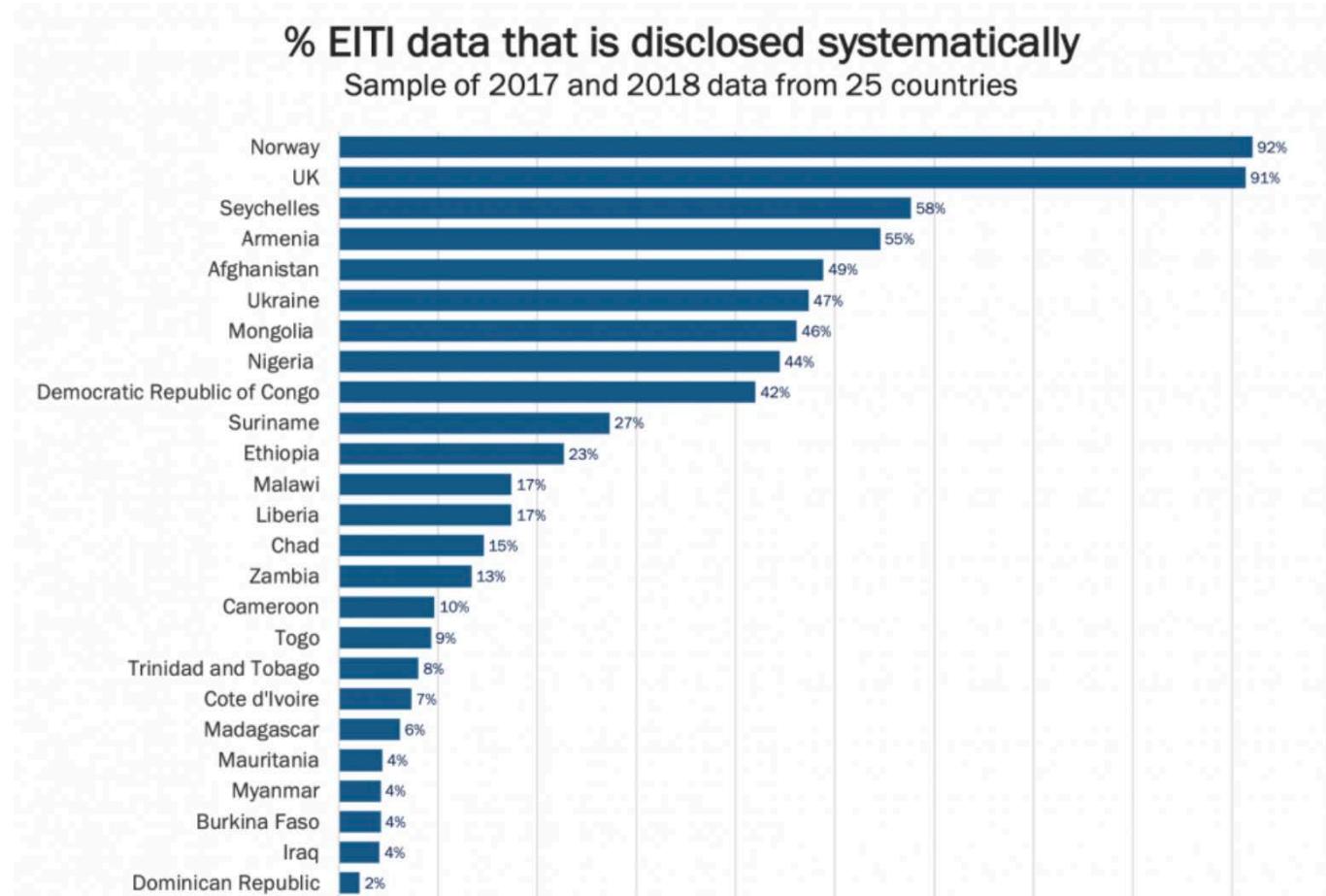
What are other countries doing?

What are other countries doing?

% EITI data that is disclosed systematically
Sample of 2017 and 2018 data from 25 countries

Country	%
Norway	92%
UK	91%
Seychelles	58%
Armenia	55%
Afghanistan	49%
Ukraine	47%
Mongolia	46%
Nigeria	44%
Democratic Republic of Congo	42%
Suriname	27%
Ethiopia	23%
Malawi	17%
Liberia	17%
Chad	15%
Zambia	13%
Cameroon	10%
Togo	9%
Trinidad and Tobago	8%
Cote d'Ivoire	7%
Madagascar	6%
Mauritania	4%
Myanmar	4%
Burkina Faso	4%
Iraq	4%
Dominican Republic	2%

- Countries are at different stages of systematic disclosure

- Norway tops the list through its online government platform

norkspetroleum.no

What are other countries doing?

- Different countries have different structures and systems to capture extractives sector revenue and related information.

- No two systems will be the same.

- No one-size fit all approach.

- Develop and implement systems that work with your country context.

What are other countries doing? – Philippines

EDGE
EXTRACTIVES DATA GENERATOR

EDGE TOOL

Contracts Portal

CONTRACTS PORTAL

StaR Track

STAR TRACK

ORE
Online Reporting in the Extractives

ORE TOOL

Environment and natural resources
data management tool (ENRDMT)

ENRDMT
Environment and Natural Resources Data Management Tool

ENRDMT

Aces Online

- Initiated the Systematic Electronic Extractives Disclosure or SEED initiative

- Package of innovations developed by PH-EITI and/or its partner agencies and organizations to mainstream extractives transparency in the Philippines.

What are other countries doing? – Philippines

What are other countries doing? - Suriname

- Ministry of Natural Resources Portal
  - Electronic Application for Mining Licenses
  - Track application process electronically online
  - Publicly accessible cadaster data

What are other countries doing? - Mexico

- The Government of Mexico has two portals for systematic disclosure
  - Data Mexico – systematic disclosure of key economic data
  - GEOINFOMEX – geographic data on extractive licenses, concessions, companies etc.

What are other countries doing? - Mexico

GYEITI Progress

GYEITI Progress

- Workplan
    - Workplan talks to systematic disclosure

- Feasibility Study
    - Tender in progress to conduct systematic disclosure Feasibility Study

- Partial Online Reporting
    - 2018 Report includes some data systematically disclosed
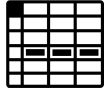
Barriers and Gaps

Barriers and Gaps

- Legal barriers
  - Laws prohibit disclosure of 'confidential' data
  - Incompatibility of legislation affecting regulatory and policy function
- Data gaps
  - Availability – disaggregation and comprehensiveness
  - Quality – credibility and assurance of data
  - Timeliness – age of data
  - Format – appropriately formatted for systematic disclosure
- Capacity constraints
  - Financial constraints to overcoming barriers
  - Technical capacity constraints to developing required systems
- Advocacy and Will
  - Political will to drive systematic disclosure
  - Citizen advocacy to drive systematic disclosure

Macro view - Policy on Open Data

- From a macro perspective, a starting point for Systematic Disclosure is the development of a Policy Framework on Open data.

- Open Data Barometer 2020: Latin America & Caribbean ranks <u>Guyana</u> 25.02/100.

- *"In the digital age, sustaining democracy and an informed citizenry in the region depends on open data"*

- Four (4) core policy recommendations for regional governments:

  1. *Consistently and sustainably invest in teams that guide and implement open data policies at all levels of government.*

  2. *Holistically consider the different aspects of the production and use of data from the public and private sectors, including regulatory aspects regarding privacy, use of data for the common good and emerging technologies…*

  3. *Redouble their efforts to include the private sector and civil society in the open data ecosystem in order to advance the agenda …*

  4. *Improve the quality of their data, taking special care to consider gender dimensions as well as other relevant variables, so that data include all people in their societies.*

Legal Barriers

CONSTRAINT:

Section 23 (1) of the Revenue Authority Act (1996) and Section 4 of the Income Tax Act (1929), prohibits the Guyana Revenue Authority (GRA) from disclosing information on individual taxpayers to unauthorized persons.

DISCUSSION:

The legal inability to disclose data presents a significant challenge to systematic disclosure. This barrier is however not unique to Guyana and has been encountered in other EITI reporting countries in the region, e.g., Trinidad and Tobago. It is not an easy barrier to overcome, particularly because legislative change has traditionally been slow in the region.

RECOMMENDATION:

Consistent with the Independent Administrator, the recommendation is for the Government of Guyana to amend the relevant sections of the legislation to allow for information to be disclosed for the purpose of EITI Reporting.

Further, with necessary controls move towards systematic disclosure of this information on a suitable portal or online platform.

Legal Barriers

CONSTRAINT:

Conflicts in existing laws and legal regulations in Guyana. According to a recent [IADB Technical Note](#) "there is significant overlap with other governmental bodies and their underlying Acts and regulations that creates disharmony in regulatory and policy functions within the oil and gas sector"

Table 7: Conflict map of existing legislations

	EPA Act	GEA 1997	GGMC Act 1979	Insurance Act 2016	Mart. Zones Act	OHS Act	PC Bill 2018	PEPA 1986	RAA
EPA Act		×	⊗	×	×		×	⊗	
GEA 1997	×		×		×		×	×	
GGMC Act 1979		×					×		
Mart. Zones Act	×	×					△	△	
PC Bill 2018	×	×	×	×	△			⊗	⊗
PEPA 1986	⊗		×	×	△		⊗		⊗
RAA							⊗	⊗	

× : Gap, conflict, and/or redundancy
△ : Harmonised
⊗ : Other issues

Source: Authors' elaborations

DISCUSSION:

This overlap has will likely affect the move towards systematic disclosure given existing gaps, conflicts, redundancies and other issues will affect availability of information, responsibility for disclosure and governance of data disclosed.

RECOMMENDATION:

Comprehensive review of existing laws and regulations with a view to harmonisation.

Data Gaps - Comprehensiveness
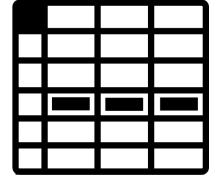
CONSTRAINT:

Gaps currently exist in the level of disaggregation and comprehensiveness of data (as required in Standard Requirement 4.1a) from both companies and government agencies.
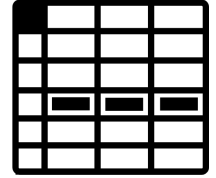
DISCUSSION:

Data disclosed using current manual systems and eventually to be systematically disclosed needs to be sufficiently disaggregated and comprehensive to enable current, manual reconciliation by the IA and eventually completeness and usefulness through electronic systems.

Current gaps in the level of disaggregation and comprehensiveness of data will present challenges in transitioning to systematic disclosure

RECOMMENDATION:

Efforts should be directed to ensuring that data disclosed is comprehensive and sufficiently disaggregated. Further training sessions with government agencies and reporting companies may be useful in clarifying requirements and addressing gaps.

Data Gaps - Quality

CONSTRAINT:

Gaps currently exist in the quality and assurance of data (as required in Standard Requirement 4.9) from both companies and government agencies.

DISCUSSION:

Systematic Disclosure requires the use of quality data that will be relied on for decision making. Assurance systems (including declarations by authorised signatories) are required to ensure quality. As a standard requirement, assurance is essential for 'manual' reporting and similarly as the transition is made to systematic disclosure.

Ensuring data provided by GYEITI participants (government agencies and companies) is assured, will ultimately enhance the reliability of the data and improve user confidence.

RECOMMENDATION:

Efforts should be directed to ensuring that authorisation is provided in the form of sign off prior to disclosure of data, currently for manual disclosure and moving towards online disclosure.

Capacity Constraints – Technical/Financial

CONSTRAINT:

Systematic Disclosure requires technical and financial capacity directed towards developing and integrating systems for electronic disclosure.

DISCUSSION:

Systematic Disclosure requires time, effort and technical expertise to develop appropriate systems that are integrated, reliable sufficiently secure and user friendly.

Most countries making this transition have solicited support of various agencies to assist in this transition.

RECOMMENDATION:

Engagement and discussions should be undertaken with various partners/donors who have experience, expertise and in some cases can provide financial support for systematic disclosure.

Support for similar projects in other EITI countries has been supported by organisations such as World Bank, IADB

Advocacy and Will
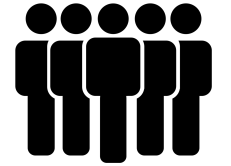
CONSTRAINT:

Moving systems and processes towards systematic disclosure requires political will to devote resources (time, effort, money) towards implementation.

DISCUSSION:

Systematic Disclosure requires a major shift in systems and processes but also in thinking and approach. This often needs to be driven by the citizenry who see the value and advocate for open and transparent systems which are easily accessible to society. Civil society has an important role to play in advocating for the move towards systematic disclosure.

RECOMMENDATION:

Continued efforts to demonstrate the importance of open and transparent systems will drive shifts in thinking and approach required to move systems and processes.

Opportunities and Benefits

Opportunities and Benefits

- Innovation
  - EITI has not been prescriptive in the approach to implementation of systematic disclosure, leaving room for country specific innovation.

- Early Days
  - Guyana, as a 'new' oil producer has the opportunity to develop and implement systems at a starting point that will cater to a developing sector.

- Cost-Benefit
  - Moving away from manual reconciliation can significantly reduce the recurring IA cost on an annual basis (acknowledging that implementation of online systems can require substantial initial investment)

- Step-by-step
  - Existing gaps and barriers does not prevent incremental progress towards systematic disclosure as demonstrated in the 2018 GYEITI report. Incremental continue be made in the absence of a 'grand' system.
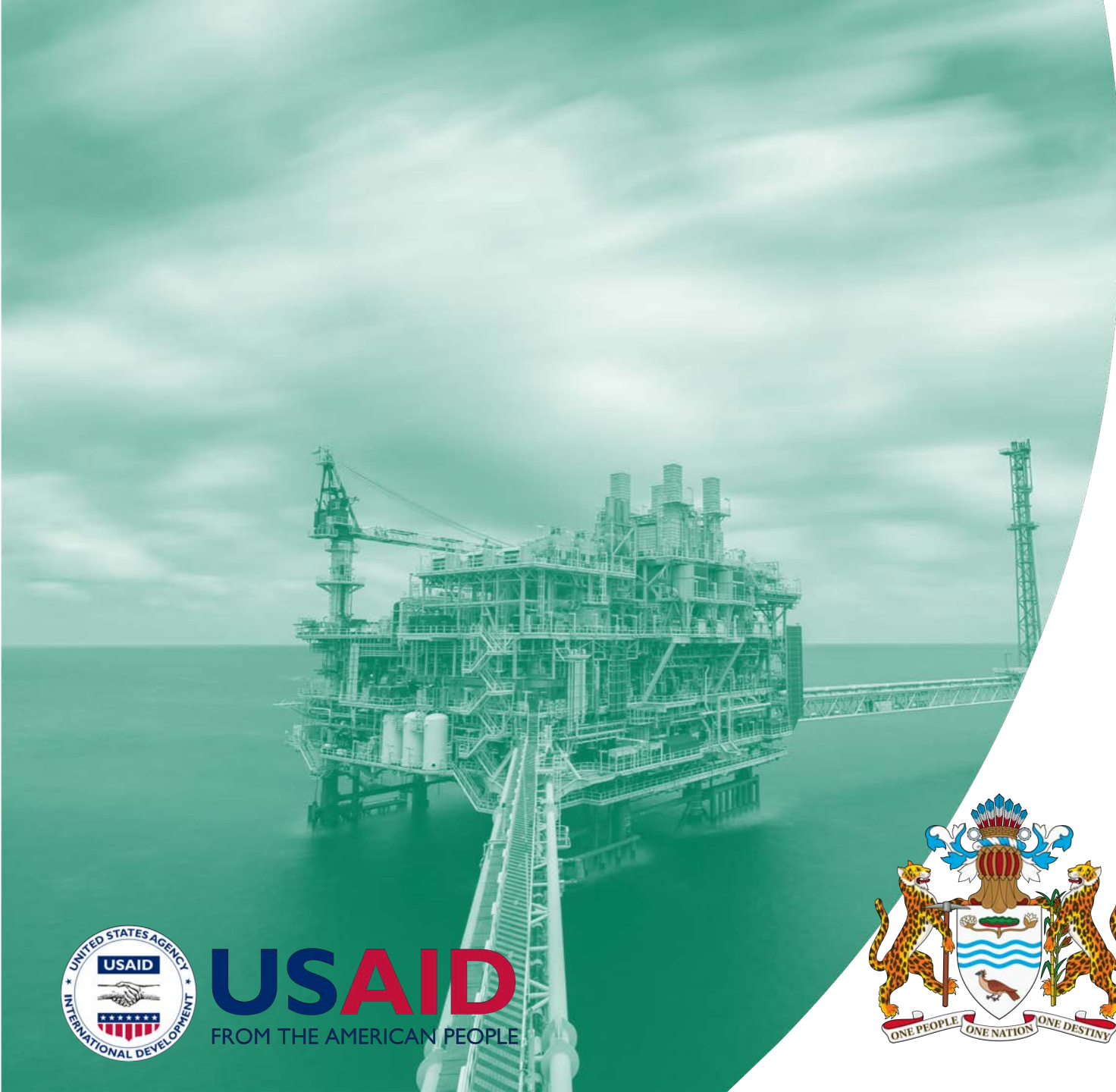
How do we get there?

How do we get there? – Address GAPS

STEP BY STEP

EITI Feasibility Study ✔
Undertaking of an EITI specific Systematic Disclosure Feasibility Study

Data Gaps
Conduct Gap Analysis and address gaps in data required to meet EITI Standard 2019 requirements

Advocacy & Will
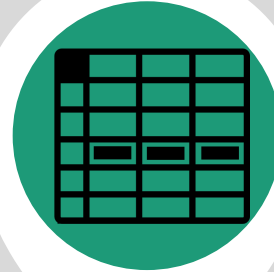Any change requires the will to change often driven by advocacy of the citizens

Open-data Policy
Development of a National Open-Data Policy .

Legal Constraints
Address incompatibility of legislation and prohibition on data disclosure

Capacity Constraints
Identify and secure resources (financial and technical) to support systematic disclosure implementation

GYEITI
Guyana Extractive Industries Transparency Initiative
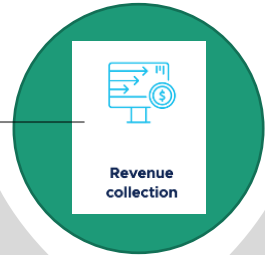
How do we get there? – Value Chain

2. Contracts & Licenses

EITI Req.2.2 Contract & License All
EITI Req.2.3 Register of Licenses
EITI Req.2.4 Contracts
EITI Req.2.5 Beneficial Ownership
EITI Req.2.6 State Participation
GGMC – Mining Licenses & Permits
Min NR – Petroleum Licenses
NICIL – State participation in Mining
Reporting Companies

4. Revenue Collection

EITI Req.4.1 Comprehensive Disclosure
EITI Req.4.7 Level of Disaggregation
EITI Req.4.8 Date Timeliness
EITI Req.4.9 Data Quality & Assurance
GRA /GGB/MoF/GGMC – Revenue Collection

6. Social & Economic Spending

EITI Req.6.1 Social & Environmental Expenditure
EITI Req.6.2 Quasi-fiscal expenditures
EITI Req.6.3 Contribution to the Economy
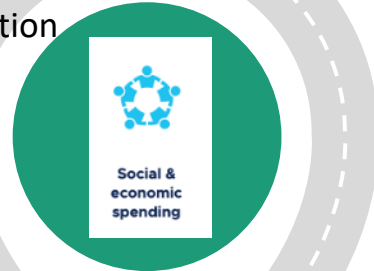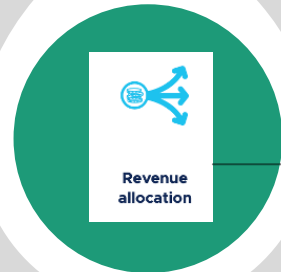EITI Req.6.4 Environmental Impact
EPA/MoF/NIS/NICIL

3. Exploration & Production

EITI Req.3.1 Exploration
EITI Req.3.2 Production
EITI Req.3.3 Exports
GGMC – Production volumes (mining)
Bank of Guyana – Production volumes (mining)
GGB – Export volumes/value
GRA – Export volumes/value
Reporting Companies

5. Revenue Allocation

EITI Req.5.1 Distribution of EI Revenues
EITI Req.5.2 Subnational Transfers
MoF – Revenue Allocation/National Budget/
Consolidated Fund
GGB to **GGMC** and **GRA**

7. Outcomes & Impact

EITI Req.7.1 Public Debate
EITI Req.7.2 Data Accessibility & Open Data
What is the 'new role' of GYEITI in a Mainstreamed Environment

Contracts & licenses

Production

Revenue collection

Revenue allocation

Social & economic spending

GYEITI

Feedback and Questions?

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Thank you!