

GUYANA EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE
MULTI-STAKEHOLDER GROUP
DECISION PAPER
EITI REQUIREMENT 6.1 – SOCIAL EXPENDITURES AND ENVIRONMENTAL
PAYMENTS

1. PURPOSE

This paper seeks the MSG's approval of the proposed approach for implementing **EITI Requirement 6.1 on social expenditures and environmental payments**.

Requirement 6.1 requires disclosure of material social expenditures mandated by law or contract and material environmental payments to government mandated by law, regulation or contract. Where reconciliation is not feasible, the EITI Standard provides for **unilateral company and/or government disclosure**.

2. PROPOSED APPROACH

Mandatory social expenditures and environmental payments

For the current reporting cycle, it is proposed that all mandatory social expenditures and environmental payments be disclosed on a unilateral basis by the government entity or Company with no material threshold.

The immediate objective is to ensure that the required information is publicly disclosed, including the nature and value of social expenditures, beneficiaries where applicable, and environmental payments to government.

While reconciliation is not proposed at this stage, it should remain a longer-term objective, with efforts made to progressively establish the systems and data required to reconcile these disclosures where feasible. The MSG will also agree an appropriate data quality and assurance procedure, consistent with EITI Requirement 4.9.

Discretionary/voluntary expenditures and payments

For discretionary social expenditures, environmental expenditures and/or discretionary environmental payments, the MSG proposes to apply the following materiality thresholds:

- **GYD 200,000** for the **mining and other extractive sectors**; and
- **GYD 10 million** for the **oil and gas sector**.

Discretionary/voluntary social and environmental expenditures or payments meeting or exceeding the applicable threshold will be disclosed as part of the EITI reporting process.

3. MSG DECISION

The MSG is invited to:

1. **Approve** unilateral disclosure of all **mandatory social expenditures and environmental payments** with no material threshold for the current reporting cycle where reconciliation is not feasible.
2. **Agree** that reconciliation of mandatory social expenditures and environmental payments will remain a **longer-term objective** as reporting and assurance systems improve.
3. **Approve** a materiality threshold of **GYD 200,000** for discretionary/voluntary social and environmental expenditures and payments in the **mining and other extractive sectors**.
4. **Approve** a materiality threshold of **GYD 10 million** for discretionary/voluntary social and environmental expenditures and payments in the **oil and gas sector**.
5. **Agree** that appropriate data quality and assurance procedures will be applied in accordance with **EITI Requirement 4.9**.