



# 2019 -2020 ZEITI WORK PLAN

## **1. Background**

The Extractive Industries Transparency Initiative (EITI) is a global initiative promoting public awareness about how countries manage their oil, gas and mineral resources. The EITI seeks to strengthen government and company systems, inform public debate and promote understanding. In each of the implementing countries, the EITI is supported by a coalition of government, companies, and civil society. The Standard is upheld by the international EITI Board.

Zambia has been implementing the Extractive Industries Transparency Initiative since 2009. To date, nine EITI reports have been issued covering the years 2008-2016. Zambia underwent the Validation process in January 2017, the Country was found to have made meaningful progress in ensuring transparent management in the extractive sector. The next Validation process to assess progress on the four (4) corrective actions will take place in April 2019.

The 18-member Zambia EITI Council is the multi-stakeholder group overseeing and coordinating EITI implementation in Zambia. It is chaired by the Secretary to the Treasury and is serviced by a Secretariat headed by the National Coordinator supported by three (3) full time staff and two support staff seconded from the government as well as three university graduates currently doing internship. The ZEITI Secretariat located in the Ministry of Mines and Minerals Development at the Geological Survey Department. Zambia's civil society has promoted the EITI, its influence continues to grow with much participation in information dissemination programs and engagement with the government through a face to face quarterly meeting with the Minister of Mines and Minerals Development. The ZEITI has also contributed to the inclusion of the beneficial ownership disclosure in the current amended companies legislation.

The implementation of the EITI globally has evolved over the years. Notably, the EITI reporting has commenced a process of mainstreaming the reporting of EITI data in government and company systems.

The key benefit of such EITI mainstreaming is sustainability since mainstreamed EITI could have a strong role for the EITI MSG to retain the effective working and trust that has been built over time. Expected benefits are greater cost-efficiency of the EITI process for government and companies (albeit after an initial investment), deeper and strengthened transparency and civic participation and, lastly, the potential to link EITI to other ongoing national initiatives in Zambia. For EITI MSG and wider NGO bodies in particular, mainstreamed EITI could enable them to operate on a higher plane by focusing on analysis and advocating for ongoing sector reforms. Mainstreaming effort would involve up-front cash investment in system scoping and development, to be offset in future years by lower recurrent costs for operating EITI and greater system-wide efficiencies among all participants in EITI reporting and disclosure.

The expected outcome is to raise EITI implementation in Zambia to a new level where ZEITI positions itself as a sounding board for multi-stakeholder supported policies for improved mining sector governance in Zambia by initiating and actively participation in the policy dialogue on mining sector governance. The impact of EITI would be its contribution to better informed multi-stakeholder policy proposals and to multi-stakeholder dialogue and inclusion within the mining industry.

## **2. ZEITI implementation – areas for potential improvement**

At the same time, the EITI reporting process and the validation process have identified areas where ZEITI stakeholders can make improvements – especially in:

- **Strengthened ownership in GRZ:** A key aspect for ZEITI is for strengthened ownership of the ZEITI process by GRZ, to help ensure mainstreaming of Zambia EITI into national systems – in particular as a platform for the Ministry of Mines and Minerals Development to advance key parts of its mining sector reforms agenda;
- **Long-term funding sustainability:** a key part of this ownership by GRZ has been commitment to continue increasing the funding from national budget for ZEITI processes, (largely for recurrent operating costs);
- **Higher ZEITI reporting quality – and follow-up on weaknesses identified:** greater emphasis on establishing a robust framework for mainstreaming EITI implementation and a consistent of agencies such as the Office of the Auditor General to follow up the weaknesses highlighted in the EITI reporting process; and
- **Beyond EITI:** key opportunities exist for the ZEITI process to be leveraged as a platform for ongoing reforms in mining sector reforms for better governance, especially in transparency in other aspects of the mining sector operations such as contract transparency, beneficial ownership and reliable production and export figures.

### **3. Proposed activities for 2019 and 2020**

#### *a. FEASIBILITY STUDY FOR MAINSTREAMING EITI REPORTING;*

The feasibility study and technical solution should: The implementation of EITI in Zambia will evolve from production of ZEITI reports to reporting of EITI data on government and company platforms in a timely manner.

- provide an overview understanding; describing the key existing GoZ and company systems that are already publicly available via web sites or other means;
- potential host platform;
- commitment and design inputs: obtain and document stakeholders' inputs on forming a working group to move ahead on EITI mainstreaming;
- identify constraints and enabling mechanisms: outline legal, technical/operating or any other barriers or gaps can limit mainstreaming goals above;
- technical solution: set out a proposed IT systems architecture, frequency of data flows, EDI data exchange protocols etc. for a mainstreamed EITI Portal in line with EITI Standard;
- interface with existing systems and data ownership: In particular, the technical solution should set out options on ways to build existing GoZ systems with new interfaces and sub-systems as needed;
- implementation mechanics: set out feasibility findings and technical solution, together with recommended implementation action steps, estimated costs, sequence, responsible parties, timelines, and resource needs;
- perform a cost-based comparison of standalone EITI vis-à-vis a component-wise costing of the various options provided for mainstreamed EITI;
- Propose a roadmap and a funding strategy for securing support for "EITI mainstreaming" implementation.

#### *b. Production of 2017 and 2018 EITI reports*

The production of the 2017 and 2018 EITI reports will involve the design TORs for 2017 and 2018 ZEITI reports and recruitment of an Independent Administrator.

- *Hire a consultant to produce the 2017 and 2018 EITI reports (partially mainstreamed)*
- *Produce summary reports based on the analysis of data in the EITI reports*
- *Design infographs from the reported data*
- *Redesign the ZEITI website to include aspects for mainstreaming the EITI data (interim mainstreaming strategy)*
- *Support MSG training needs in relation to media engagement*
- *Produce Policy briefs that explain EITI data in a context*
- *Form a website management working group to ensure constant update of the ZEITI website*
- *Capacity building to CSOs to analyse EITI data*

*c. ENACTMENT OF THE ZEITI LEGISLATION AND POLICY*

The enactment of the ZEITI legislation would contribute towards the development of a unified framework on natural resource governance. The legislation will enhance the disclosure of data (mainstreamed) and also the disclosure of beneficial ownership information.

- Hire a consultant to revise the existing draft ZEITI Bill and also to draft the ZEITI Policy
- Conduct consultative meetings with stakeholders
- Raise awareness on the ZEITI legislation and policy
- Engage Parliament to lobby for the enactment of the ZEITI legislation

**4. Activities carried forward from 2018**

- I. Dissemination of the 2016 ZEITI report*
- II. Company engagement on Beneficial Ownership in collaboration with PACRA*
- III. Financial modelling training for government and mining sector staff*
- IV. Production of the of the policy brief on ZCCM-IH*
- V. ASM study*