Transparency template

**Module: Revenue management and subnational contributions**

**Covering requirements: Distribution of revenues (#5.1), Subnational payments (#4.6), Subnational transfers (#5.2) and Additional information on revenue management and expenditures (#5.3)**

**Sector covered by this template**: ☐ Oil and gas OR [ ] Mining and quarrying

**Period under review:** *What is the period that this template covers?*Month and year to month and year: Financial year April 2021- October 2025

*Note: for Validation, it is the day of commencement of the previous Validation which marks the beginning of the period under review until the date of commencement of the upcoming Validation.*

This form is submitted for ☐ International Secretariat comments
OR [x]  Validation

**Introduction**

The Standard requires countries to disclose information about revenue management and subnational contributions to ensure the traceability of extractive revenues to the national and subnational budgets, and ensure the same level of transparency and accountability for extractive revenues that are not recorded in the national budget. Requirements on subnational payments and transfers are aimed at enabling stakeholders to gain an understanding of benefits that accrue to local governments through transparency in companies’ direct payments to subnational entities and through transparency in companies’ payments to the central government that are further distributed to local level. Lastly, through its encouraged provisions, the Standard seeks to strengthen public oversight of the management of extractive revenues; the use of extractive revenues to fund specific public expenditures; and the assumptions underlying the budget process, including considerations related to revenue sustainability.

**What is the purpose of this template?**

The purpose of this template (C6) is for the MSG to conduct a self-assessment on meeting the requirements of the component “Revenue management and subnational contributions” which covers Requirements 5.1, 4.6, 5.2 and 5.3.Given that the information is assessed per sector, the self-assessment allows to uncover further areas of improvement particular to the sector, as the challenges and opportunities are often very different.

Each requirement section contains:

1. A box with additional resources
2. Corrective actions from the previous Validation, where applicable
3. A self-assessment. This is divided between an assessment of the holders of information and the availability of systematic disclosures, complemented by EITI reporting and an assessment against the technical aspects and underlying objectives of the requirement in questions & response format
4. Comments from the Secretariat

Some requirements include a check of applicability. In that case there is one more section.

**When should this template be completed?**

The template should be used as a tool for implementation. MSGs are encouraged to use this template regularly and ahead of Validation, for example to inform reporting and identify areas where disclosures need to be strengthened. Before commencement of Validation, the templates could be updated regularly. In such instances, you may get support from your country lead and indicate that this form is for International Secretariat feedback.

**The templates should be finalised and published by the commencement of Validation.** For Validation, this form serves as basis for assessing the country under this component. The form must be reviewed and signed off by the multi-stakeholder group and submitted latest on the day of the commencement of Validation and be published on the country’s website. At this stage, it should be indicated on the form that the template is submitted for Validation.

**Who should fill-up this template?**

The national secretariat should fill up this template with support from government agencies and constituency members outside of the MSG. The International Secretariat can provide guidance. The MSG should review, discuss and give the final sign-off on the content of the template.

In this form

[**Requirement 5.1: Distribution of revenues 3**](#_heading=h.snkexp98zo7l)

[I.](#_heading=h.xmetkipj74um) Resources 3

[II.](#_heading=h.su0yqsmac7rg) Corrective actions/recommendations from previous Validation 3

[III.](#_heading=h.hne5gkc5vm5g) Self-assessment 3

[Holders of information 3](#_heading=h.8ofw8cc15kyh)

[Technical requirements 4](#_heading=h.kugif4aqst8l)

[Underlying objective 6](#_heading=h.ttz5wro55giy)

[Conclusion 7](#_heading=h.y72htvkba0k9)

[IV.](#_heading=h.upi58a4nixlv) International Secretariat feedback 7

[**Requirement 4.6: Direct subnational payments 8**](#_heading=h.dxzg3lbcqjap)

[I.](#_heading=h.m5lgwjx2zd7v) Resources 8

[II.](#_heading=h.attqz6lylhte) Corrective actions/recommendations from previous Validation 8

[III.](#_heading=h.z8b82qntbiae) Applicability of the requirement 8

[IV.](#_heading=h.a1dmj5ajd7wc) Materiality 9

[V.](#_heading=h.hto5oosdv922) Self-assessment 9

[Holders of information 9](#_heading=h.hlf82bi3isug)

[Technical requirements 10](#_heading=h.m4shumqc30vc)

[Underlying objective 11](#_heading=h.btazehdauuh4)

[Conclusion 12](#_heading=h.kd8mjjbzmspk)

[VI.](#_heading=h.etmo47wm2obw) International Secretariat feedback 12

[**Requirement 5.2: Subnational transfers 13**](#_heading=h.pmbvlqkxr22t)

[I.](#_heading=h.ft47ecfqp4mc) Resources 13

[II.](#_heading=h.gxfu1aesgwj8) Corrective actions/recommendations from previous Validation 13

[III.](#_heading=h.i4i4ssszjkki) Applicability of the requirement 13

[IV.](#_heading=h.ugxawhb6pzt9) Materiality 13

[V.](#_heading=h.ba5c55o6qxnf) Self-assessment 14

[Holders of information 14](#_heading=h.avnj965pupoj)

[Technical aspects of the requirement 15](#_heading=h.egwyokof7l3)

[Underlying objective 19](#_heading=h.54z26dy19tu1)

[Conclusion 20](#_heading=h.9ikzipwk02n)

[VI.](#_heading=h.2t93eje1qkl4) International Secretariat feedback 20

[**Requirement 5.3: Additional information on revenue management and expenditures 22**](#_heading=h.qsn61hsod2z1)

[I.](#_heading=h.l2ieqzwjgdv5) Resources 22

[II.](#_heading=h.fjploz3nvu3a) Corrective actions/recommendations from previous Validation 22

[III.](#_heading=h.pe17eijluhpw) Self-assessment 22

[Holders of information 22](#_heading=h.jla7erb6389o)

[Technical requirements 23](#_heading=h.bk9uafpz2m3g)

[Underlying objective 26](#_heading=h.powep4dvql03)

[Conclusion 27](#_heading=h.qs4dc1xvoh5v)

[IV.](#_heading=h.jaopf12i3enp) International Secretariat feedback 27

[**For Validation: MSG sign-off 29**](#_heading=h.ru4pzle3e4pe)

# Requirement 5.1: Distribution of revenues

## Resources

|  |
| --- |
| * [Requirement in full](https://eiti.org/eiti-requirements#_1-distribution-of-revenues--17322), [Validation guide](https://eiti.org/guidance-notes/validation-guide-2023-eiti-standard#requirement-51-distribution-of-revenues-19011)
 |

## Corrective actions/recommendations from previous Validation

ⓘ To inform the work on this module, stakeholders should be aware of corrective actions from previous Validation. In line with Requirement 7.3, the MSG should consider recommendations from EITI implementation such as those arising from EITI reporting related to this requirement or from other studies undertaken.

|  |
| --- |
| *To improve public debate, ZEITI could consider developing summaries of EITI reports focusing on different constituent needs. This could include developing summaries on subnational payments and environmental issues for local communities. Government could also benefit from receiving an overview of the economic contribution from industry and the areas were there may be wide differences in revenue or payment data. Other summarised data could include an overview of and progress on beneficial ownership and contract transparency.* |

## Self-assessment

ⓘ The self-assessment allows the MSG to understand the aspects of the requirement and estimate its progress towards meeting it. Diverging views within the constituency or between constituencies can be documented in the form.

### Holders of information

ⓘ The purpose of identifying the holders of information is to identify the entity or entities that are responsible for collecting, storing, processing and ultimately publishing information related to this requirement. It allows one to clearly identify who is the information steward that needs to provide the information for EITI reporting: either through reporting or systematic disclosures.

|  |  |  |
| --- | --- | --- |
|  | **Question** | **Response** |
| **Distribution of revenues 5.1.a** | Which **government entity(ies)** is/are responsible for holding information on how extractive sector revenues are distributed in the country for the sector?  | Ministry of Finance and national planningLocal authorities/Ministry of Local Government and Rural Development  |
| **Distribution of revenues, including off-budget revenues 5.1.b** | Which **government entity(ies)** is/are responsible for holding information on revenues that are not recorded in the national budget for the Choose an item. sector?  |  N/A |
| **Revenue classification system 5.1.c** | Which **government entity(ies)** is/are responsible for holding information on applicable revenue classification system for the Choose an item. sector?  | Bank of ZambiaMinistry of Finance |

### Technical requirements

|  |  |
| --- | --- |
| **Required** | **#5.1.a – distribution of revenues** |
| *Availability*  | Is a description of the distribution of revenues for the Mining sector disclosed? ☐ Yes [x]  No ***Where to find the description of the distribution of revenues:****Systematic disclosures: National Budget Statement on Min of Finance website* [*https://www.mofnp.gov.zm/?page\_id=4096*](https://www.mofnp.gov.zm/?page_id=4096)*Other sources: 2023 ZEITI Report Section 5.0 on Revenue Management and Distribution*  |
| **Required** | **5.1.b – distribution of revenues, including off-budget revenues** |
| *Availability*  | **Are all cash or in-kind revenues collected from the Choose an item. sector recorded in the national budget?**[x]  Yes ☐ No*Explain: Please refer to 2023 ZEITI Report section 5.1-5.2 on revenue management* If the response is ‘no’, some revenues are not recorded in the national budget * **Is there an explanation of the allocation and value of each revenue stream not allocated in the national budget or subnational government entities collected from the Choose an item. sector explained?**

☐ Yes ☐ No* **Are links to sources where information on these revenues could be found publicly available,** such as subnational budgets, extra-budgetary entities, development or sovereign wealth funds, SOEs.?

[x]  Yes ☐ No***Where to find the description of where the revenue streams from the sector are recorded in the national budget:****Systematic disclosures:*  *AND / OR**Other sources: Please refer to 2023 ZEITI Report section 5.1-5.2 on revenue management* ***Where to find the explanation of the allocation and value of each revenue stream that is not recorded in the national budget, including links to relevant financial reports as applicable:****This can include allocation of sector revenues to sovereign wealth and development funds, subnational governments, state-owned enterprises (SOEs) and other extra-budgetary entities**Systematic disclosures: Not applicable**AND / OR**Other sources: EITI Report (year and page number), EITI website etc,* |
| *Assessment of comprehensive-ness, reliability and timeliness of information* | Do you or any stakeholders (including, but not limited to MSG members) consider that the information on the material mandatory subnational transfers is **incomplete, unreliable or outdated ? [[1]](#footnote-1)** ☐ Yes [x]  NoIf is yes, please elaborate why: Elaborate: Not applicable. See further details in the ZEITI Report 2023 section 5.2If ‘yes’, have those gaps been clearly identified, for example through EITI reporting?☐ Yes ☐ No Explain:Are the gaps due to legal or practical barriers?☐ Yes ☐ NoIf yes, explain plans to overcome barriers to disclosure of the publication of accurate information on the distribution of revenue streams:Explain: *can include a reference to work plan activities, MSG meeting minutes etc.* |
| **Encouraged** | **#5.1.c – revenue classification system** |
| *Availability and disaggregation*  | Does the MSG reference national revenue classification systems or international standards, such as the IMF Government Finance Statistics (GFS) Manual?***Where to find the national revenues classified using national or international classification systems:*** *Systematic disclosures: website or routine publication by the* [*holders of information*](#_heading=h.jla7erb6389o). *AND / OR**Other sources: EITI Report (year and page number), EITI Summary data, EITI website etc,* |

**Additional comments and observations on this requirement, including any possible gaps, barriers to disclosures and how stakeholders (MSG, government, companies) are addressing those:**

|  |
| --- |
| Add any further comments:  |

Direct subnational payments

### Underlying objective

*The objective of this requirement is to enable stakeholders to gain an understanding of benefits that accrue to local governments through transparency in companies’ direct payments to subnational entities and to strengthen public oversight of subnational governments’ management of their internally generated extractive revenues.*

1. Is the traceability of oil and gas or mining revenues a topic of public debate?

|  |
| --- |
| [x]  Yes ☐ No *The MSG has included the reporting of subnational payments in its EITI reporting template and ensures that these disclosures are made publicly available on the ZEITI website, portal and the ZEITI reports as well as including them in the dissemination exercises.*  |

1. Is any of the information set out above (for example the value and allocation of off-budget revenues) available in an open format, for example an Excel worksheet, to facilitate its use?

|  |
| --- |
| ☐ Yes [x]  No  |

1. Has the MSG conducted any analysis using any of the information of this requirement?

|  |
| --- |
|  [x]  Yes ☐ No *The analysis has been carried out by the MSG but is awaiting finalisation and approval by the MSG. The analysis took the form of calculating G-Factor (Z) but for subnational payments.*  |

1. Is the MSG aware of stakeholders using this information?

|  |
| --- |
| ☐ Yes [x]  No *If yes, sources of where this analysis can be found: As the analysis is still in its draft form.* |

1. Are there any efforts under way or recently achieved to systematically disclose information (explanation and values) on the distribution of revenues?

|  |
| --- |
| ☐ Yes [x]  No *If yes, describe or reference work plan activities or ongoing work in government entities to provide this information on a regular basis.*  |

### Conclusion

Based on the review of the [technical aspects](#_heading=h.c99qzid9pqi2) and [underlying objective](#_heading=h.powep4dvql03), what is the MSG’s overall assessment towards meeting the requirement?

Score is:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **☐** | ☐ | ☐ | [x]  | ☐ | ☐ |
| very poor (0) | poor (25) | limited (50) | good (70) | very good (90) | leading (100) |
|  |  |  |  |  |  |

**Or**

**☐** not applicable

|  |
| --- |
| Please explain: |

## International Secretariat feedback

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| *To be filled in by the International Secretariat.**Observations of comprehensiveness of addressing the aspects, any gaps identified and further clarification needed.*

|  |  |
| --- | --- |
| 5.1.a distribution of revenues*Required* |  |
| 5.1.b distribution of revenues, including off-budget revenues*Required* |  |
| Assessment of comprehensiveness, reliability and timeliness*Required* |  |
| 5.1.c revenue classification system *Encouraged* |  |
| Underlying objective |  |
| Relevance of data when linked to ongoing issues/reforms in the country  |  |
| On availability of systematic disclosures |  |
| On the timeliness of disclosures |  |
| On open format of disclosures |  |
| On the use of data |  |
| Any other observations |  |

 |
|  |

# Requirement 4.6: Direct subnational payments

## Resources

|  |
| --- |
| * [Requirement in full](https://eiti.org/eiti-requirements%22%20%5Cl%20%22_6-subnational-payments--17314), [Validation guide](https://eiti.org/guidance-notes/validation-guide-2023-eiti-standard#requirement-46-direct-subnational-payments-19015)
* Guidance note on [Subnational payments and transfers](https://eiti.org/guidance-notes/subnational-payments-and-transfers)
 |

## Corrective actions/recommendations from previous Validation

ⓘ To inform the work on this module, stakeholders should be aware of corrective actions from previous Validation. In line with Requirement 7.3, the MSG should consider recommendations from EITI implementation such as those arising from EITI reporting related to this requirement or from other studies undertaken.

|  |
| --- |
| *Insert recommendation and/or corrective action from previous Validation or targeted assessment, if applicable. Indicate the status of addressing the corrective actions, if applicable. If this is a first Validation, this section can be left blank.*  |

## Applicability of the requirement

ⓘ The MSG should establish if this requirement is applicable.

**Do extractive companies in practice make direct payments to subnational government entities?**

[x]  Yes ☐ No

|  |
| --- |
|  The extractive companies make direct payments in the form of Annual Business Fees and Property Rates.  |

**Are there any legal, regulatory or contractual provisions that require companies to make direct payments to subnational governments?**

[x]  Yes ☐ No

|  |
| --- |
| The legal provisions for the Property Rates and Annual Business Fees are provided for in the Rating Act of 2018 ( <https://www.parliament.gov.zm/sites/default/files/documents/acts/The%20Rating%20Act%20No.%2021%20of%202018.pdf> ) and the Local Government Act of 2019 ( <https://www.parliament.gov.zm/sites/default/files/documents/acts/The%20Local%20Government%20Act%20No.%202%20of%20%202019.pdf> ) , respectively.  |

If the response is ‘no’ for both questions above, the requirement is not applicable. Move to the [next section](#_heading=h.pmbvlqkxr22t).

## Materiality

ⓘ Materiality is a threshold amount or percentage used to determine the largest revenue streams and companies that significantly contribute to the extractive sector in a country.

**Has the MSG assessed whether direct payments to subnational government entities are material?**

☐ Yes [x]  No

**Were these payments material in the period under review?**

☐ Yes [x]  No

|  |
| --- |
| If yes, note if the materiality threshold of these payments is different than for other revenue streams: Enter here |

**Documentation on MSG discussions:**

|  |
| --- |
| Enter here, for example MSG decision following the scoping study as noted in the MSG meeting minutes.  |

**If the response to materiality is ‘no’, the requirement is not applicable. Move to the**  [**section**](#_heading=h.pmbvlqkxr22t) **‘5.2 subnational** [**transfers**](#_heading=h.pmbvlqkxr22t)**.**

## Self-assessment

ⓘ The self-assessment allows the MSG to understand the aspects of the requirement and estimate its progress towards meeting it. Diverging views within the constituency or between constituencies can be documented in the form.

### Holders of information

ⓘ The purpose of identifying the holders of information is to identify the entity or entities that are responsible for collecting, storing, processing and ultimately publishing information related to this requirement. It allows to clearly identify who is the information steward that needs to provide the information for EITI reporting: either through reporting or systematic disclosures.

|  |  |  |
| --- | --- | --- |
|  | **Question** | **Response** |
| **Subnational payments 4.6** | Which **government entity(ies)** is/are responsible for holding/collecting data on subnational payments for the Choose an item. sector?  | *Ministry of local government and Rural development.* |
| **Subnational payments 4.6** | What companies make direct subnational payments to government entities (can be local)? |  *please specify All ZEITI In-scope reporting companies.* |

### Technical requirements

|  |  |
| --- | --- |
| **Required** | **#4.6.a – subnational payments** |
| *Availability*  | Are direct subnational revenues[[2]](#footnote-2) disclosed * For each revenue stream?

[x]  Yes ☐ No * For each company?

[x]  Yes ☐ No * For each subnational unit?

[x]  Yes ☐ No ***Where to find the disclosure of direct subnational payments / revenues:***  *ZEITI Portal* [*https://portal.zambiaeiti.org/home*](https://portal.zambiaeiti.org/home)*AND / OR* *ZEITI 2022 Report on page 33* |
| *Assessment of comprehensive-ness, reliability and timeliness of information* | **Which procedure to address data quality and assurance did the MSG choose for financial flows covered in this requirement (in accordance with Requirement 4.9)?**☐ Reconciliation☐ Risk-based approach – unilateral government disclosure[x]  None of the above, Board-approved deviation **Do any stakeholders (including, but not limited to MSG members) consider the information on subnational payments is incomplete, unreliable or out of date?**☐ Yes [x]  NoIf yes, please elaborate why: *If*‘yes’, **have those gaps been clearly identified, for example through EITI reporting?**☐ Yes ☐ No Explain:**Are the gaps due to legal or practical barriers?**☐ Yes ☐ No**If yes, explain plans to overcome barriers to the disclosure information on subnational payments**:Explain: *can include a reference to work plan activities, MSG meeting minutes etc.****Where to find the assessment of comprehensiveness, reliability and timeliness of subnational payments:***Auditor General’s Report. <https://www.ago.gov.zm/auditor-generals-main-reports/>  |
|  |  |

**Additional comments and observations on this requirement, including any possible gaps, barriers to disclosures and how stakeholders (MSG, government, companies) are addressing those:**

|  |
| --- |
| Add any further comments: The lack of Timely submission of data from sub nationals has made analysis of this data difficult, due to prolonged data gaps. |

### Underlying objective

*The objective of this requirement is to enable stakeholders to gain an understanding of benefits that accrue to local governments through transparency in companies’ direct payments to subnational entities and to strengthen public oversight of subnational governments’ management of their internally generated extractive revenues.*

1. Is the understanding of what benefits accrue to local governments from companies directly of interest in the public debate on the citizens’ benefits from the extractives sector?

|  |
| --- |
| [x]  Yes ☐ No *The MSG takes advantage of public engagements to disclose information on sub-national payments.* |

1. Are there any plans to introduce or to change the requirements from companies to provide direct subnational payments?

|  |
| --- |
| ☐ Yes [x]  No *If yes, describe: :* |

1. Is any of the information set out above available in an open format, for example an Excel worksheet, to facilitate its use?

|  |
| --- |
| [x]  Yes ☐ No *Describe the data set(s) available, including in what format:* |

1. Has the MSG conducted any analysis using any of the information of this requirement?

|  |
| --- |
| [ ]  Yes ☐ No *If yes, sources of where this analysis can be found: The MSG uses ZEITI data to analyze compliance on mining companies in making sub national payments and Whether the money collected by local authorities is used for local development.* |

1. Is the MSG aware of stakeholders using this information?

|  |
| --- |
| [x]  Yes ☐ No *ActionAid-* [*https://zambia.actionaid.org/publications/2023/joint-cso-statement-2021-zambia-extractive-industries-transparency-initiative#downloads*](https://zambia.actionaid.org/publications/2023/joint-cso-statement-2021-zambia-extractive-industries-transparency-initiative#downloads) |

### Conclusion

Based on the review of the [technical aspects](#_heading=h.c99qzid9pqi2) and [underlying objective](#_heading=h.powep4dvql03), what is the MSG’s overall assessment towards meeting the requirement?

Score is:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **☐** | ☐ | ☐ | ☐ | ☐ | [x]  |
| very poor (0) | poor (25) | limited (50) | good (70) | very good (90) | leading (100) |
|  |  |  |  |  |  |

**Or**

**☐** not applicable

|  |
| --- |
| Please explain: |

## International Secretariat feedback

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| *To be filled in by the International Secretariat.**Observations of comprehensiveness of addressing the aspects, any gaps identified and further clarification needed.*

|  |  |
| --- | --- |
| 4.6.a subnational payments *Required* |  |
| Applicability and materiality*Required* |  |
| Underlying objective |  |
| Relevance of data when linked to ongoing issues/reforms in the country  |  |
| On availability of systematic disclosures |  |
| On the timeliness of disclosures |  |
| On open format of disclosures |  |
| On the use of data |  |
| Any other observations |  |

 |
|  |

# Requirement 5.2: Subnational transfers

## Resources

|  |
| --- |
| * [Requirement in full](https://eiti.org/eiti-requirements%22%20%5Cl%20%22_2-subnational-transfers--17326), [Validation guide](https://eiti.org/guidance-notes/validation-guide-2023-eiti-standard#requirement-52-subnational-transfers-19016)
* Guidance note on [Subnational payments and transfers](https://eiti.org/guidance-notes/subnational-payments-and-transfers)
 |

## Corrective actions/recommendations from previous Validation

ⓘ To inform the work on this module, stakeholders should be aware of corrective actions from previous Validation. In line with Requirement 7.3, the MSG should consider recommendations from EITI implementation such as those arising from EITI reporting related to this requirement or from other studies undertaken.

|  |
| --- |
| *Insert recommendation and/or corrective action from previous Validation or targeted assessment, if applicable. Indicate the status of addressing the corrective actions, if applicable. If this is a first Validation, this section can be left blank.*  |

## Applicability of the requirement

ⓘ The MSG should establish if this requirement is applicable.

**Are there mandatory transfers between national and subnational government entities that are related to extractive sector revenues and mandated by a constitution, statute or other revenue-sharing mechanism?**

☐ Yes [x]  No

|  |
| --- |
| Add explanation: Enter here |

**Are there ad-hoc and/or discretionary (voluntary) transfers between national and subnational government entities that are related to extractive sector revenues?**

☐ Yes [x]  No

|  |
| --- |
| Add explanation: Enter here |

If the response is “no” for both questions above, the requirement is not applicable. Move to the [next section](#_heading=h.qsn61hsod2z1).

## Materiality

ⓘ Materiality is a threshold amount or percentage used to determine the largest revenue streams and companies that significantly contribute to the extractive sector in a country.

**Has the MSG assessed whether subnational transfers are material?**

☐ Yes ☐ No

**Were these payments material in the period under review?**

☐ Yes ☐ No

|  |
| --- |
| If yes, note if the materiality threshold of these payments is different than for other revenue streams: Enter hereThe MSG may wish to include material discretionary and/or ad-hoc subnational transfers (encouraged). If the MSG did so, please note here: Enter here |

**Documentation on MSG discussions on the materiality:**

|  |
| --- |
| Enter here, for example MSG decision following the scoping study as noted in the MSG meeting minutes.  |

If the response to materiality is ‘no’, the requirement is not applicable. Move to section on [additional information on revenue management and expenditures](#_heading=h.qsn61hsod2z1)

**Explainer:**



## Self-assessment

ⓘ The self-assessment allows the MSG to understand the aspects of the requirement and estimate its progress towards meeting it. Diverging views within the constituency or between constituencies can be documented in the form.

### Holders of information

ⓘ The purpose of identifying the holders of information is to identify the entity or entities that are responsible for collecting, storing, processing and ultimately publishing information related to this requirement. It allows to clearly identify who is the information steward that needs to provide the information for EITI reporting: either through reporting or systematic disclosures.

|  |  |  |
| --- | --- | --- |
|  | **Question** | **Response** |
| **Mandatory subnational transfers 5.2.a** | Which **government entity(ies)** is/are responsible for holding/collecting data on subnational transfers (revenue-sharing formula, expected transfers, actual transfers) for the mining and quarrying/oil and gas sector? | *N/A* |
| **Further information on subnational transfers 5.2.c** | Which **government entity(ies)** is/are responsible for holding/collecting information on actual disbursements and how extractive revenues earmarked for specific programmes or investments at the subnational level are managed, as well as how those programmes address women and other marginalised groups for the mining and quarrying/oil and gas sector? | Holder(s) of information: *please specify* |

### Technical aspects of the requirement

|  |  |
| --- | --- |
| **Required** | **5.2.a – mandatory subnational transfers** |
| *Availability*  | Are mandatory and material subnational transfers in the Choose an item. sector publicly disclosed, including:* Applicable legislation and rules, including the **revenue-sharing formula** for subnational transfers☐ Yes ☐ No
* Disclosures of expected amounts of subnational transfers for each subnational unit (calculated in accordance with the relevant revenue-sharing formula)☐ Yes ☐ No
* Disclosures of actual amounts that were transferred between the central government and each relevant subnational entity☐ Yes ☐ No
* Disclosures of discrepancies between expected and actual amounts ☐ Yes ☐ No

***Where to find the disclosures of mandatory subnational transfers:*** *Systematic disclosures: website or routine publication typically by the* [*holders of information*](#_heading=h.jla7erb6389o)*.* *AND / OR**Other sources: EITI Report (year and page number), EITI website, EITI thematic study, etc* |
| *Assessment of comprehensiveness, reliability and timeliness of information* | **Do you or any stakeholders (including, but not limited to MSG members) consider that the information on the material mandatory subnational transfers is incomplete, unreliable or outdated?**☐ Yes ☐ NoIf yes, please elaborate why: *If*‘yes’, **have those gaps been clearly identified, for example through EITI reporting?**☐ Yes ☐ No Explain:**Are the gaps due to legal or practical barriers?**☐ Yes ☐ No**If yes, explain plans to overcome barriers to the disclosure information on subnational payments**:Explain: *can include a reference to work plan activities, MSG meeting minutes etc.****Where to find the assessment of comprehensiveness, reliability and timeliness of subnational transfers:****Systematic disclosures: website or routine publication by the* [*holders of information*](#_heading=h.jla7erb6389o)*.* *AND / OR**Other sources: EITI Report (year and page number), EITI website, EITI thematic study, work plan activities. etc* |
| **Encouraged** | **5.2.a – explanation of discrepancies of mandatory subnational transfers** |
| *Availability*  | Are explanations for any discrepancies between the expected transfer and the actual amount transferred to the subnational entity available? ☐ Yes ☐ NoElaborate:***Where to find explanations for discrepancies?****Systematic disclosures: website or routine publication by the* [*holders of information*](#_heading=h.jla7erb6389o)*.* *AND / OR**Other sources: EITI Report (year and page number), EITI website, EITI thematic study,*  |
| **Encouraged** | **5.2.a – Procedure for data quality assurance** |
| *Quality of data: availability of procedure of assurances* | **Has the multi-stakeholder group agreed a procedure to address data quality and assurance of information on subnational transfers?**☐ Yes ☐ No **Is the procedure one of the following?**☐ Reconciliation☐ Risk-based approach☐ OtherExplain: **Where can the agreed procedure be accessed?**Systematic disclosures: website www. or routine publication by the [holders of information](#_heading=h.jla7erb6389o)AND / OROther sources: EITI report (incl year, page nr), EITI Scoping study, MSG meeting minutes, etc |
| **Encouraged** | **5.2.b – discretionary and ad-hoc transfers** |
| *Availability*  | **Are there any discretionary and material subnational transfers in the Choose an item. sector ?**Discretionary transfers refer to voluntary subnational transfers that are not mandated by a national constitution, statute or other revenue-sharing mechanism.☐ Yes ☐ NoAre those discretionary transfers publicly disclosed? ☐ Yes ☐ No**Are there any material ad-hoc transfers?**Ad-hoc transfers refer to subnational transfers that are used for a special purpose, without previous planning.☐ Yes ☐ NoAre those ad-hoc transfers publicly disclosed? ☐ Yes ☐ No***Where to find disclosure of discretionary and ad-hoc subnational transfers:****Systematic disclosures: website or routine publication by the* [*holders of information*](#_heading=h.jla7erb6389o)*.* *AND / OR**Other sources: EITI Report (year and page number), EITI website, EITI thematic study, etc* |
| *Quality of data: availability of procedure of assurances* | **Has the multi-stakeholder group agreed a procedure to address data quality and assurance of discretionary and ad-hoc subnational transfers?**☐ Yes ☐ No **Is the procedure one of the following?**☐ Reconciliation☐ Risk-based approach☐ OtherExplain: **Where can the agreed procedure be accessed?**Systematic disclosures: website www. or routine publication by the [holders of information](#_heading=h.jla7erb6389o)AND / OROther sources: EITI report (incl year, page nr), EITI Scoping study, MSG meeting minutes, etc |
| *Assessment of comprehensiveness, reliability and timeliness of information* | **Do you or any stakeholders (including, but not limited to MSG members) consider that the information on the material discretionary and/or ad-hoc subnational transfers is incomplete, unreliable or outdated?**☐ Yes ☐ NoIf yes, please elaborate: ***Where to find the assessment of comprehensiveness, reliability and timeliness of discretionary and ad-hoc subnational transfers:*** *Systematic disclosures: website or routine publication by the* [*holders of information*](#_heading=h.jla7erb6389o)*. Can also be an audit if the state audit institution, inspector general etc.* *AND / OR**Other sources: EITI Report (year and page number), scoping study, EITI website, EITI thematic study, etc***If the above question was responded with yes, have those gaps been clearly identified, for example through EITI reporting?**☐ Yes ☐ No Describe**Are the gaps due to legal or practical barriers?**☐ Yes ☐ No**If yes, explain plans to overcome barriers to disclosure:**Explain: *can include a reference to work plan activities, MSG meeting minutes etc.* |
| **Encouraged** | **5.2.c – further information on subnational transfers** |
| *Availability*  | **Is further information available on any of the following:** ☐ on actual disbursements ☐ how extractive revenues are earmarked for specific programmes or investments at the subnational level are managed, ☐ actual disbursements☐ how those programmes address women and other marginalised groups☐ Yes ☐ NoElaborate:***Where to find further information on actual disbursements as described above:*** *Systematic disclosures: website or routine publication by the* [*holders of information*](#_heading=h.jla7erb6389o)*.* *AND / OR**Other sources: EITI Report (year and page number), scoping study, EITI website, EITI thematic study, etc* |

**Additional comments and observations on this requirement, including any possible gaps, barriers to disclosures and how stakeholders (MSG, government, companies) are addressing those:**

|  |
| --- |
| Add any further comments:  |

### Underlying objective

*The objective of this requirement is to enable stakeholders to gain an understanding of benefits that accrue to local governments through transparency in companies’ direct payments to subnational entities and to strengthen public oversight of subnational governments’ management of their internally generated extractive revenues.*

1. Are subnational transfers an issue of public debate? Have there been any recent changes to the revenue sharing formula or are there plans for reform?

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| --- |
| ☐ Yes ☐ No *Describe what the public debate issues are or what planned reforms are:* |

1. Are there any efforts underway to publish actual disbursements in a timely manner through systematic disclosures?

|  |
| --- |
| ☐ Yes ☐ No *Describe any efforts under way :* |

1. Is any of the information set out above available in an open format, for example an Excel worksheet, to facilitate its use?

|  |
| --- |
| ☐ Yes ☐ No *Describe the data set(s) available, including in what format:* |

1. Has the MSG conducted any analysis using any of the information of this requirement?

|  |
| --- |
| ☐ Yes ☐ No *If yes, sources of where this analysis can be found:*  |

1. Is the MSG aware of stakeholders using this information?

|  |
| --- |
| ☐ Yes ☐ No *If yes, sources of where this analysis can be found:*  |

### Conclusion

Based on the review of the [technical aspects](#_heading=h.c99qzid9pqi2) and [underlying objective](#_heading=h.powep4dvql03), what is the MSG’s overall assessment towards meeting the requirement?

Score is:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **☐** | ☐ | ☐ | ☐ | ☐ | ☐ |
| very poor (0) | poor (25) | limited (50) | good (70) | very good (90) | leading (100) |
|  |  |  |  |  |  |

**Or**

[x] not applicable

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| --- |
| Please explain |

## International Secretariat feedback

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| *To be filled in by the International Secretariat.**Observations of comprehensiveness of addressing the aspects, any gaps identified and further clarification needed.*

|  |  |
| --- | --- |
| Applicability and materiality |  |
| 5.2.a – mandatory subnational transfers*Required* |  |
| 5.2.a – mandatory subnational transfers – assessment of comprehensiveness, reliability and timeliness*Required* |  |
| 5.2.a – explanation of discrepancies of mandatory subnational transfers*Encouraged* |  |
| 5.2.a – mandatory subnational transfers: procedure for data quality assurance*Encouraged* |  |
| 5.2.b – discretionary and ad-hoc transfers *Encouraged* |  |
| 5.2.b – discretionary and ad-hoc subnational transfers: procedure for data quality assurance*Encouraged* |  |
| 5.2.b – discretionary and ad-hoc subnational transfers: assessment of comprehensiveness, reliability and timeliness*Encouraged* |  |
| 5.2.c – further information on subnational transfers*Encouraged* |  |
| Underlying objective |  |
| Relevance of data when linked to ongoing issues/reforms in the country  |  |
| Any other observations |  |
| On availability of systematic disclosures |  |
| On the timeliness of disclosures |  |
| On open format of disclosures |  |
| On the use of data |  |

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|  |

# Requirement 5.3: Additional information on revenue management and expenditures

## Resources

|  |
| --- |
| * [Requirement in full](https://eiti.org/eiti-requirements#_3-additional-information-on-revenue-management-and-expenditures--17327), [Validation guide](https://eiti.org/guidance-notes/validation-guide-2023-eiti-standard#requirement-53-additional-information-on-revenue-management--expenditures-19012)
* Guidance note on [Sustainability of revenues from the extractive sector](https://eiti.org/guidance-notes/sustainability-revenues-extractive-sector)
 |

## Corrective actions/recommendations from previous Validation

ⓘ To inform the work on this module, stakeholders should be aware of corrective actions from previous Validation. In line with Requirement 7.3, the MSG should consider recommendations from EITI implementation such as those arising from EITI reporting related to this requirement or from other studies undertaken.

|  |
| --- |
| *Insert recommendation and/or corrective action from previous Validation or targeted assessment, if applicable. Indicate the status of addressing the corrective actions, if applicable. If this is a first Validation, this section can be left blank.*  |

## Self-assessment

ⓘ The self-assessment allows the MSG to understand the aspects of the requirement and estimate its progress towards meeting it. Diverging views within the constituency or between constituencies can be documented in the form.

### Holders of information

ⓘ The purpose of identifying the holders of information is to identify the entity or entities that are responsible for collecting, storing, processing and ultimately publishing information related to this requirement. It allows to clearly identify who is the information steward that needs to provide the information for EITI reporting: either through reporting or systematic disclosures.

|  |  |  |
| --- | --- | --- |
|  | **Question** | **Response** |
| **Earmarked revenues 5.3.a.i** | Which **government entity(ies)** is/are responsible for holding information on any extractive revenues earmarked for specific programmes, including those related to gender, or for geographic regions for the Choose an item. sector?  | Holder(s) of information: *please specify* |
| **Budget and audit process 5.3.a.ii** | Which **government entity(ies)** is/are responsible for holding information on the country’s budget and audit processes for the Choose an item. sector?  | *Ministry of Finance and National Planning* |
| **Revenue sustainability and resource dependence, forecasts related to future revenues 5.3.a.iii** | Which **government entity(ies)** is/are responsible for holding information on revenue sustainability and resource dependence for the Choose an item. sector? This may include the assumptions underpinning forthcoming years in the budget cycle and the proportion of future fiscal revenues expected to come from the Choose an item. sector. | *Ministry of Finance and National Planning.*  |
| **Forecasts related to future revenues 5.3.b** | Which **government entity(ies)** is/are responsible for holding information on forecasts related to future revenues from the Choose an item. sector, including the underlying assumptions related to projected production levels, projected project costs and projected commodity prices, where they exist?  | *Ministry of Finance and National Planning, Zambia Revenue Authority, Ministry of Mines and Minerals development, Zambia Statistics Agency* |
| **Cost recovery 5.3.c** | Which **companies** have disclosed projected project production levels, and estimated timelines related to cost recovery for the Choose an item. sector? | *First Quantum Minerals (Kansanshi, Trident, Operations), KoBold Metals,Barrick Lumwana,CNMC Luanshya Copper Mine (Shaft 28), Maamba Energy*  |

### Technical requirements

|  |  |
| --- | --- |
| **Expected** | **#5.3.b – forecasts related to future revenues**  |
| *Availability*  | Are any forecasts related to future revenues from the extractive sector, including the underlying assumptions related to projected production levels, projected project costs and projected commodity prices, where they exist, publicly disclosed for the Choose an item. sector?☐ Yes [x]  No  If **yes**: ***Where to find the revenue forecasts:****Systematic disclosures: website or routine publication by the* [*holders of information*](#_heading=h.jla7erb6389o)*.* *AND / OR**Other sources: EITI Report (year and page number), scoping study, EITI website, EITI thematic study, etc*If **‘No’ – is the lack of comprehensive publication due to legal or practical barriers?**☐ Yes ☐ NoIf yes, explain the MSG’s plans to overcome barriers to disclosure of forecasts of future revenues? This *can include a reference to work plan activities, MSG meeting minutes etc. if this is documented elsewhere through EITI implementation* (Encouraged)?☐ Yes ☐ No Explain: |
| **Encouraged** | **#5.3.b – considerations of energy transition and climate risk in forecasting**  |
|  *Availability* | Is information on how energy transition and climate risk considerations have been considered in revenue forecasting, publicly disclosed the Choose an item. sector?☐ Yes [x]  No  If **yes**: ***Where to find this information:****Systematic disclosures: website or routine publication by the* [*holders of information*](#_heading=h.jla7erb6389o)*.* *AND / OR**Other sources: EITI Report (year and page number), scoping study, EITI website, EITI thematic study, etc*If **‘No’ – is the lack of comprehensive publication due to legal or practical barriers?**☐ Yes ☐ NoIf yes, explain the MSG’s plans to overcome barriers to disclosure of forecasts of future revenues? This *can include a reference to work plan activities, MSG meeting minutes etc. if this is documented elsewhere through EITI implementation. Or a mention that this is not a priority.*  |
| **Encouraged** | **#5.3.a.i – earmarked revenues**  |
| *Availability*  | Is a description of any extractive revenues earmarked for specific programmes, including those related to gender, or for geographic regions publicly disclosed the Choose an item. sector?This should include a description of the methods for ensuring accountability and efficiency in their use. ☐ Yes [x]  No If **yes**: ***Where to find this information:****Systematic disclosures: website or routine publication by the* [*holders of information*](#_heading=h.jla7erb6389o)*.* *AND / OR**Other sources: EITI Report (year and page number), scoping study, EITI website, EITI thematic study, etc*If **‘No’ – is the lack of publication due to legal or practical barriers?**☐ Yes ☐ NoIf yes, explain the MSG’s plans to overcome barriers to disclosure of forecasts of future revenues? This *can include a reference to work plan activities, MSG meeting minutes etc. if this is documented elsewhere. Or a mention that this is not a priority for the MSG.*  |
| **Encouraged** | **#5.3.a.ii – budget and audit process**  |
| *Availability*  | Is a description of the country’s budget and audit processes and links to the publicly available information on budgeting, expenditures and audit reports disclosed for the Choose an item. sector?[x]  Yes ☐ No If **yes**: ***Where to find this information:****Systematic disclosures: website or routine publication by the* [*holders of information*](#_heading=h.jla7erb6389o)*. Ministry of finance website* [*https://www.mofnp.gov.zm/*](https://www.mofnp.gov.zm/) *, Office of the Auditor general website* [*https://www.ago.gov.zm/*](https://www.ago.gov.zm/)*AND / OR**Other sources: EITI Report (year and page number), scoping study, EITI website, EITI thematic study, etc*If **‘No’ – is the lack of publication due to legal or practical barriers?**☐ Yes ☐ NoIf yes, explain the MSG’s plans to overcome barriers to disclosure of forecasts of future revenues? This *can include a reference to work plan activities, MSG meeting minutes etc. if this is documented elsewhere. Or a mention that this is not a priority for the MSG.* |
| **Encouraged** | **#5.3.a.iii – revenue sustainability and resource dependence** |
| *Availability*  | Is information that will strengthen public understanding and debate around issues of revenue sustainability and resource dependence disclosed the Choose an item. sector? This may include the assumptions underpinning forthcoming years in the budget cycle and the proportion of future fiscal revenues expected to come from the extractive sector.☐ Yes [x]  No If **yes**: ***Where to find this information:****Systematic disclosures: website or routine publication by the* [*holders of information*](#_heading=h.jla7erb6389o)*.* *AND / OR**Other sources: EITI Report (year and page number), scoping study, EITI website, EITI thematic study, etc*If **‘No’ – is the lack of publication due to legal or practical barriers?**☐ Yes ☐ NoIf yes, explain the MSG’s plans to overcome barriers to disclosure of forecasts of future revenues? This *can include a reference to work plan activities, MSG meeting minutes etc. if this is documented elsewhere. Or a mention that this is not a priority for the MSG.* |
| **Encouraged** | **#5.3.c – cost recovery**  |
|  *Availability and disaggregation*  | Did the MSG request Choose an item. companies to disclose information on cost recovery?☐ Yes [x]  No Have companies followed suit on that request?☐ Yes [x]  No ☐ Partially Explain:If yes, ***Where to find this information:****Systematic disclosures: company website by the* [*holders of information*](#_heading=h.jla7erb6389o)*.* *AND / OR**Other sources: EITI Report (year and page number), scoping study, EITI website, EITI thematic study, etc*If **‘No’ – is the lack of publication due to legal or practical barriers?**☐ Yes ☐ NoIf yes, explain the MSG’s plans to overcome barriers to disclosure of forecasts of future revenues? This *can include a reference to work plan activities, MSG meeting minutes etc. if this is documented elsewhere. Or a mention that this is not a priority for the MSG.* |

 **Additional comments and observations on this requirement, including any possible gaps, barriers to disclosures and how stakeholders (MSG, government, companies) are addressing those:**

|  |
| --- |
| Add any further comments:  |

### Underlying objective

*The objective of this requirement is to enable stakeholders to gain an understanding of benefits that accrue to local governments through transparency in companies’ direct payments to subnational entities and to strengthen public oversight of subnational governments’ management of their internally generated extractive revenues.*

1. Are any of the issues from this requirement topic of public debate, such as revenue sustainability, cost recovery?

|  |
| --- |
| [x]  Yes ☐ No  *Describe what the public debate issues are or what planned reforms are:* |

1. Are there any efforts underway to systematically disclose any of the information covered in this requirement?

|  |
| --- |
| ☐ Yes [x]  No *Describe any efforts under way :* |

1. Is any of the information set out above available in an open format, for example an Excel worksheet, to facilitate its use?

|  |
| --- |
| ☐ Yes [x]  No *Describe the data set(s) available, including in what format:* |

1. Has the MSG conducted any analysis using any of the information of this requirement?

|  |
| --- |
| ☐ Yes [x]  No *If yes, sources of where this analysis can be found:*  |

1. Is the MSG aware of stakeholders using this information?

|  |
| --- |
| ☐ Yes [x]  No *If yes, sources of where this analysis can be found:*  |

### Conclusion

Based on the review of the [technical aspects](#_heading=h.bk9uafpz2m3g) and [underlying objective](#_heading=h.powep4dvql03), what is the MSG’s overall assessment towards meeting the requirement?

Score is:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **☐** | ☐ | [x]  | ☐ | ☐ | ☐ |
| very poor (0) | poor (25) | limited (50) | good (70) | very good (90) | leading (100) |
|  |  |  |  |  |  |

**Or**

**☐** not applicable

|  |
| --- |
| Please explain: |

## International Secretariat feedback

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| *To be filled in by the International Secretariat.**Observations of comprehensiveness of addressing the aspects, any gaps identified and further clarification needed.*

|  |  |
| --- | --- |
| 5.3.b forecasts related to future revenues *Expected* |  |
| 5.3.b considerations of energy transition and climate risk in forecasting*Encouraged* |  |
| 5.3.a.i earmarked revenues*Encouraged* |  |
| 5.3.a.ii budget and audit process*Encouraged*  |  |
| 5.3.a.iii revenue sustainability and resource dependence *Encouraged* |  |
| 5.3.c cost recovery *Encouraged* |  |
| Underlying objective |  |
| Relevance of data when linked to ongoing issues/reforms in the country  |  |
| Any other observations |  |
| On plans and availability of systematic disclosures |  |
| On the timeliness of disclosures |  |
| On open format of disclosures |  |
| On the use of data |  |

 |
|  |

# For Validation: MSG sign-off

**Date of MSG sign-off**

Click or tap to enter a date.

**Sign off through:** Click or tap here to enter text.

Examples are MSG meeting, through circular to MSG members and non-objection

**Link to documentation or provide evidence as attachment to submission:**

*Provide link to webpage with MSG meeting minutes or submit other evidence with the template submission*

\*\*\* Form ends

1. Incomplete means that the information is not comprehensive, that important information is not disclosed. [↑](#footnote-ref-1)
2. used interchangeably with ‘direct subnational payments’ [↑](#footnote-ref-2)