



## TERMS OF REFERENCE INDEPENDENT ADMINISTRATOR SERVICES For the preparation of GUYANA'S 3<sup>rd</sup> EITI REPORT

### BACKGROUND

On behalf of GYEITI MSG and on its own behalf, the Government of the Cooperative Republic of Guyana through the Ministry of Natural Resources seeks a competent and credible firm, free from conflicts of interest, to provide Independent Administrator services in accordance with the EITI Standard and with the directions of the Multi Stakeholder Group (MSG) to prepare Guyana's 3<sup>rd</sup> EITI Report

### EITI

The Extractive Industries Transparency Initiative (EITI) is a global standard for improving transparency and accountability in the oil, gas and mining sectors

EITI implementation has two core components:

- **Transparency:** oil, gas and mining companies disclose information about their operations, including payments to the government, and the government discloses its receipts and other relevant information on the industry. The figures are reconciled by an Independent Administrator, and published annually alongside other information about the extractive industries in accordance with the EITI Standard.
- **Accountability:** a multi-stakeholder group with representatives from Government, Companies and Civil Society is established to oversee the process and communicate the findings of the EITI reporting, and promote the integration of EITI into broader transparency efforts in that country.

The EITI Standard encourages the MSG to explore innovative approaches to extending EITI implementation to increase the comprehensiveness of EITI reporting and public understanding of revenues and encourage high standards of transparency and accountability in public life, government operations and in business. The requirements for implementing countries are set out in the EITI Standard 2019. Additional information is available via [www.eiti.org](http://www.eiti.org).

**The MSG should approve the terms of reference for the Independent Administrator, drawing on the objectives and agreed scope of the EITI as set out in the MSG's workplan.** The MSG's deliberations on these matters should be in accordance with the MSG's internal governance rules and procedures (see Requirement 1.4.b). The EITI requires an inclusive decision-making process

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throughout implementation, with each constituency being treated as a partner.

**The Independent Administrator should be perceived by the MSG to be credible, trustworthy and technically competent.** The MSG and Independent Administrator should address any concerns regarding conflicts of interest. The EITI Report and associated data files prepared by the Independent Administrator will be submitted to the MSG for approval and made publicly available in accordance with Requirements 7.1 and 7.2.

The international EITI Board has developed these procedures to promote greater consistency and reliability in EITI reporting.

The EITI process should be used to complement, assess, and improve existing reporting and auditing systems. The Board recommends that the process rely as much as possible on existing procedures and institutions, so that the EITI process draws on, complements and critically evaluates existing data collection and auditing systems. In this way, the EITI process has the potential to generate important recommendations to strengthen other oversight systems.

The EITI requires an assessment of whether the payments and revenues are subject to credible, independent audit, applying international auditing standards. The expectation is that government and company disclosures as per Requirement 4 are subject to credible, independent audit, applying international auditing standards. The expectation is that disclosures as per Requirement 4 will include an explanation of the underlying audit and assurance procedures that the data has been subject to, with public access to the supporting documentation.

## **GYEITI**

The Government of Guyana on the 4<sup>th</sup> May 2010 expressed Guyana's interest in the EITI. In 2012 a Memorandum of Understanding was signed with the EITI International Secretariat. In 2014 the Government of Guyana commissioned a feasibility study on the implementation of EITI in Guyana and a scoping study report was prepared.

On 17<sup>th</sup> November, 2015 by Cabinet Decision approval was given for the continuation of the EITI candidature application process and the establishment of a Multi-Stakeholder Group (MSG). A ratio of 4:4:4 was agreed to provide for equal representation from each of the three (3) sectors; civil society, industry and government.

The Cabinet of Ministers of the Government of Guyana identified the Ministry of Natural Resources as the "Lead Agency responsible for implementing the Guyana-EITI". The Minister of Natural Resources was identified as GYEITI Champion to lead the implementation of EITI in Guyana.

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On 22<sup>nd</sup> December, 2015 the Minister of Natural Resources publicly announced government's intention to continue Guyana's commitment to EITI implementation and declared the commencement of a process to establish a Multi Stakeholder Group (MSG).

On 15<sup>th</sup> February 2017 the GYEITI MSG was officially launched which comprise of twelve (12) members with four (4) representatives each from civil society, industry and government. Each MSG member has a designated alternate.

In February 2017 the Government of Guyana established the GYEITI National Secretariat within the Ministry of Natural Resources and appointed a National Coordinator and a Deputy Coordinator. The Secretariat operates under the supervision of the MSG and is tasked with carrying out the day to day administrative and operational functions of GYEITI.

In August 2017 Guyana officially submitted its candidature application to the EITI International Secretariat and on the 25<sup>th</sup> October 2017, Guyana's EITI candidature application was accepted making the country the 53<sup>rd</sup> EITI implementing country at that time.

On 25<sup>th</sup> April 2019, as mandated by the EITI Standard, the Cooperative Republic of Guyana published its 1<sup>st</sup> EITI Report FY 2017 to the EITI International Secretariat.

On 31<sup>st</sup> March 2021 Guyana published its 2<sup>nd</sup> EITI Report FY 2018

The GYEITI work plans, 1<sup>st</sup> and 2<sup>nd</sup> EITI Reports, Annual Progress Reports and Beneficial Ownership Roadmap can be viewed at the following website link <http://www.gyeiti.org>

Guyana's Validation is scheduled to commence 1<sup>st</sup> July 2021. Validation is the quality assurance mechanism in the EITI Standard. Validation's assessment is heavily reliant on the last EITI Report published before this deadline.

## OBJECTIVES OF THE ASSIGNMENT

### **The Independent Administrator is expected to:**

1. Conduct a comprehensive Gap Analysis and Prepare a Gap Analysis Report for the implementation of the EITI in Guyana. It must take into consideration the previous scoping studies, reports, most recent and any on-going reforms, existing systems, procedures and practices in data and information collection and processing in all the relevant government Ministries, agencies and departments, especially those which are recipients of revenues from extractive entities or transfers from other related government agencies.
2. Review all legislations pertaining to the extractive sectors with a view to identify all gaps between existing and required legislations, necessary to

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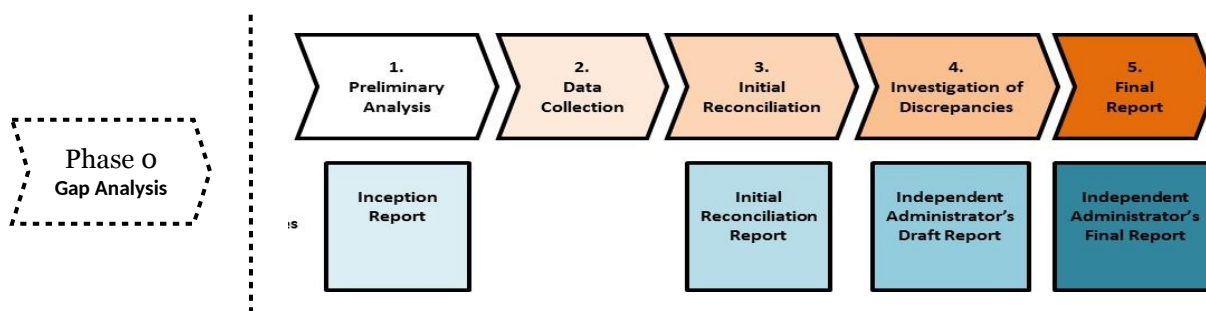
ensure compliance with the EITI Standard and make specific recommendations for closing these gaps.

3. Produce Guyana's 3<sup>rd</sup> EITI Report and the associated summary data files in accordance with the EITI Standard and section 3, below.
4. Provide a detailed status update, and identify additional actions required, to implement the recommendations from the 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> GYEITI Reports.

## SCOPE OF SERVICES, TASKS AND EXPECTED DELIVERIES

The work of the Independent Administrator has five (5) Conceptual Phases (see figure 1.). These phases may overlap and there may also be some iteration between the phases.. The Independent Administrator's responsibilities in each phase are elaborated below.

**Figure 1- Overview of the EITI Reporting process and deliverables**



### Phase 0- Gap Analysis

- The Independent Administrator will review the Scoping Studies conducted for GYEITI 1<sup>st</sup> and 2<sup>nd</sup> Reports and conduct a gap analysis to investigate and identify what are the likely gaps, shortfalls and issues of the scoping studies and identify options, solutions and recommendations for an appropriate reporting methodology for consideration by the Multi-Stakeholder Group in order to meet the requirement of the EITI Standard. The Gap Analysis sets the basis for producing a timely and comprehensive EITI Report. It is also an opportunity for the multi-stakeholder group to consider the feasibility of extending the scope of EITI reporting beyond the minimum requirements in order to address the objectives outlined in the GYEITI work plan.

The Gap Analysis involves looking at issues such as:

- The fiscal period to be reported;
- The comprehensiveness of the payments and revenues to be covered for oil, gas, fisheries, forestry, quarrying, bauxite and mining;
- The comprehensiveness of the companies and government entities that are required to report as defined by the MSG and in accordance with the EITI Requirement 4.1;

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- Supporting the MSG with examining the audit and assurance procedures in companies and government entities participating in the EITI reporting process;
- Examine the MSG's work plan in order to gain a clear understanding of the objectives and scope of Guyana's EITI implementation. The IA should also review any annual progress reports that have been produced by the MSG to see the progress made in achieving the objectives.
- Assess to what extent information that is required in the EITI Standard, outlined in point 3, 4, and 5 below, or information that is otherwise relevant for achieving the objectives outlined in the MSG's work plan, is already publicly available. Assess the timeliness, comprehensiveness and reliability of this information and provide recommendations on how publicly available data can be improved or complemented to address the EITI requirements and the MSG's objectives.
- For the purpose of project -level reporting, propose:
  - a definition of the term 'project' that is consistent with the definition provided, in Requirement 4.7
  - Produce an overview of the revenue streams that should be reported by project, classifying the revenue streams that are levied on a license/contract basis and should be reported as such as well as the revenue streams that are levied on a company basis and should be reported as such; and
  - Draft corresponding reporting templates, drawing on the model reporting templates for project level reporting developed by the EITI.

In undertaking the above the Independent Administrator is expected to consult the EITI's guidance note on project level reporting, and to make use of the template definitions in the guidance note.

### **EITI disclosure**

1. The EITI Standard requires the disclosure of information about the management of the extractive industries in line with the extractive industry value chain (Requirement 2, 3, 4, 5 and 6). The Independent Administrator is expected to identify sources and disclosure options for the following information:
  - a) The legal and institutional framework including ongoing reforms, including disclosures related to the allocation of contracts and licenses (EITI Requirement 2.1-2.3);
  - b) An overview of relevant legal provisions and administrative rules as well as actual practice related to environmental management and monitoring of extractive investments in the country.
  - c) Information on the legal framework could refer to any legal provisions or government policies related to gender equality with specific reference to enhancing the participation of women in and the benefits accruing to them from the extractive sectors; this should include information on any impacts

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- of the extractive sector on women and local communities and how such impacts are managed (EITI Requirement 6.4);
- d) The contribution of the extractive sector to the economy. It is required that this information includes employment in the extractive industries in absolute terms and as a percentage of total employment. The information should be disaggregated by gender and when available, further disaggregated by company and occupation level. (EITI Requirement 6.3);
  - e) The MSG is encouraged to document how it has taken gender considerations and inclusiveness into account. (EITI Requirement 7.4);
  - f) Implementing countries are required to disclose any contracts and licenses that are granted, entered into or amended from 1 January 2021. Implementing countries are encouraged to publicly disclose any contracts and licenses that provide the terms attached to the exploitation of oil, gas and minerals”. (EITI Requirement 2.4);
  - g) the identity of the beneficial owners (of companies that bid for, operate or invest in extractive assets in Guyana. The information on beneficial owners of companies that have been awarded licences could be disaggregated by gender. This could apply to all extractive industries covered by GYEITI reporting inclusive of oil & gas, forestry, fisheries and both large scale mining and artisanal and small-scale mining (EITI Requirement 2.5) The GYEITI MSG has agreed on the definition of beneficial ownership as defined in the Anti Money Laundering and Countering the Financing of Terrorism Act 2009 (AML/CFT) as amended. Section 2(1) of the Principal Act define beneficial ownership as *“beneficial ownership” means ownership by a natural person or persons who ultimately exercise individually or jointly voting rights representing at least twenty-five per cent of the total shares, or otherwise have ownership rights of a legal entity; or ownership by a natural person or persons who ultimately owns or controls a customer or the person on whose behalf a transaction is being conducted and includes those persons who exercise ultimate effective control over a legal person or arrangement.*”
  - h) exploration, export and production data (EITI Requirement 3);
  - i) where applicable, information about the role of state-owned companies (SOE) in the extractive sector and the financial relationships between the government and the SOE, quasi-fiscal expenditures, and any government ownership in oil, gas, forestry, fisheries and mining companies operating in Guyana (EITI Requirement 2.6, 4.6 and 6.2);
  - j) information about revenue allocations and distribution of revenues, subnational transfers in accordance with EITI Requirement 5; This could include information on whether a gender responsive budgeting process was followed and/or how the participation of different groups of women was sought in the decision making process as well as the level of social, economic and environmental benefits accruing to women - especially

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- women in the districts and regions where extractive industries are operating and impacting;
- k) information about the social and economic spending, and the contribution of the extractive industries to the economy (EITI Requirement 6); The data on beneficiaries of social expenditure by extractive companies could also be disaggregated by gender where named individuals are listed as beneficiaries,
  - l) Information about the environmental impact of the extractive activities (Requirements 6.1 and 6.4);
  - m) Information about systematic disclosure;
  - n) Information about the over-exploitation and/or extinction of species of fish, trees used for timber, non-timber forest plants, as well as ecological imbalances and loss of species of wildlife caused by deforestation from mining and the related loss of landscape values;
- 2.** Based on the examination of the Scoping Study conducted for the 1<sup>st</sup> and 2<sup>nd</sup> Reports, the gap analysis conducted for the 3<sup>rd</sup> Report, the Independent Administrator should suggest a framework for EITI reporting suitable to the country's situation and in line with the EITI Standard with special attention to the findings in the Preliminary analysis and inception report phase (emphasis on 1.2.1 to 1.2.4 of Standard ToRs for Independent Administrators<sup>1</sup>). To inform the options and recommendations to be presented to the MSG, the Independent Administrator is expected to:
- a) assess to what extent the information set out above is available in government systems and/or corporate reports and whether it is available online and accessible and comprehensible to a significant proportion of Guyana's citizens;
  - b) Assess the timeliness and reliability of the available data. If there are several public sources for the data, assess whether they are consistent;
  - c) Assess whether there are barriers to disclosure and recommend how gaps in publicly available information can best be addressed. The IA should assess if there is information available in government systems that is not publicly available but could easily be published online. For example, if an online license cadastre exists but does not contain all the data required by the EITI Standard, the IA should assess to what extent any missing information can be added to the existing cadastre, including a proposal for making this information publicly available;
  - d) Assess whether it is feasible to include in the EITI Report disclosure of other information about the sector that is more recent than the revenue data featured in the report;
  - e) Assess the capacity of existing systems to allow for systematic disclosure by government entities including Guyana Forestry Commission and Fisheries Department of the Ministry of Agriculture and companies engaged in forestry/timber extraction and extraction of fish from both marine resources and in land waters;

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<sup>1</sup> [www.eiti.org](http://www.eiti.org)

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- f) Assess the environmental impact of the extractive sector and various types of extractive activities (Forestry, Mining, Fisheries and offshore Petroleum Production. Provide data and quote relevant laws of Guyana on Environmental protection. The information must also include Guyana Geology and Mines Land Reclamation Policy, land restoration campaign, briefly describe the impact of the livelihood of citizens residing in or near the extractive operations where rivers provisioning freshwater and fish are essential for their existence and subsistence;
  - g) Briefly describe measures (catch and release policy) which help to prevent extinction of species of fish (arapaima) and which allows local citizens to benefit from sustainable and monitored sport- fishing tourism;
  - h) Based on the above, present a recommendation on how the information should be captured in the EITI report: whether it is sufficient to include a link to existing information in the EITI Report or whether the EITI Report should include a partial or full description of the information, what information the Independent Administrator should collect and what can be directly drawn from the source and what weaknesses and challenges should be addressed in the EITI Report;
  - i) Document carefully in the Gap Analysis all information collected, the sources, and the basis for the assessments made.
3. Based on an assessment of the 1<sup>st</sup> and 2<sup>nd</sup> GYEITI Reports the IA is expected to provide the MSG with options and recommendations on how to strengthen disclosure practices on each of the points above primarily through integrating information into government and company portals and secondarily by publishing information in the EITI Report. The IA is expected to take into account the local premises (e.g. level of access to Internet) and international best practices.

**EITI reconciliation**

- 4. The EITI Standard requires full disclosure of government revenues from the extractive sector and disclosure of material payments made by oil, gas and mining companies (Requirement 4.1.c). The IA is expected to assess the availability and reliability of revenue and payment data and explore ways how this information can best be made available. To this end, the IA is expected to undertake a comprehensive analysis of the payments and government revenue streams related to the extractive sector, noting in particular the revenue streams that must be covered in accordance with EITI Requirement 4.1(b). The analysis should also cover revenues related to the sale of the state's share of production or other revenues collected in-kind (EITI Requirement 4.2), infrastructure provisions and other barter arrangements (4.3), transportation revenues (4.4), transactions related to state-owned enterprises (4.5), subnational payments (4.6), subnational transfers (5.2), social expenditures by extractive companies (6.1), and quasi-fiscal expenditures (6.2).
- 5. The Independent Administrator is expected to describe what revenue and payment data listed in point 4 above is publicly available either online or through other government or company sources. The IA should assess the



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timeliness, comprehensiveness and reliability of the data (EITI Requirement 4.8 and 4.9). Where disclosures are complete, the IA should make recommendations for how payment and revenue data can be made public through channels other than the EITI Report in accordance with EITI Requirement 7.2(c)<sup>2</sup>. For example, by embedding data into online license cadastres or including a database and/or reporting templates on government, company and/or national EITI websites. Where there are gaps in the information, the IA should make recommendations on how to address these with a view to embed EITI reporting in the future.

- 6.** Following the analysis of revenue streams and payments, the IA is expected to:
- a) Review cadastre and revenue data from 2017-2019 and make recommendations as to which of these tax payments and government revenues streams should be considered material, including suggesting materiality thresholds for company disclosure if appropriate (with reference to the guidance note 13 and EITI requirement 4).
  - b) Based on the proposed materiality definition by the Multi Stakeholder Group, develop a preliminary list of the companies that make material payments and should be covered in the EITI Report (EITI requirement 4.1.a). Where materiality thresholds are proposed, this should include an estimate of coverage of company payments that will be disclosed relative to total government revenues from the sector. It should also identify the total contribution of companies not required to report (i.e. those that fall below the materiality threshold), with a clear indication of the relative size of each company. (This information will inform the assessment of the comprehensiveness of the EITI Report as per Requirement 4.1). The IA must briefly describe how materiality was determined and how reporting entities were identified by the MSG.
  - c) For each company, identify where available:
    - i. Company's Tax Payer Identification Number (TIN)
    - ii. Sector and phase of operation, i.e. exploration, production, oil, gas, mining etc.
    - iii. Type of license(s) held and the license number(s).
    - iv. Investigate any other information as mandated by the MSG.
  - d) Based on the proposed materiality definition, identify which government entities should be required to report. It should be noted that the government is required to disclose all revenues, regardless of the materiality (EITI Requirement 4.1.c). Thus, where materiality thresholds for company disclosures are established, a reconciliation of the company payments and government revenues in accordance with the materiality threshold would be appropriate. Any additional government revenues (i.e. from companies below the materiality threshold) would also need to be disclosed in the EITI Report as per Requirement 4.1(c).

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<sup>2</sup> For further guidance, please refer to the Standard Terms of Reference for feasibility studies for mainstreaming EITI disclosures.

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- e) In considering which government entities should participate in the reconciliation process, the IA should identify whether sub-national government entities receive direct or indirect revenues from the extractive sector in accordance with Requirement 4.6 and Requirement 5.2.
- f) Identify any legal, regulatory, administrative or practical barriers to comprehensive disclosure, and if necessary, set out options and make recommendations for addressing these barriers (see examples on guidance note 11).

**Data quality**

- 7. In accordance with EITI Requirement 4.9 examine the audit and assurance procedures in companies and government entities that are likely to participate in the EITI reporting process, including the relevant laws and regulations, any reforms that are planned or underway, and whether these procedures are in line with international standards. Review the reliability of data that is already available from public sources and recommend how reliability can be improved.
- 8. In accordance with EITI Requirement 4.9 propose assurances to be provided by reporting entities to the Independent Administrator.

**Phase 1 – Preliminary analysis and Inception Report**

**Objective:** The purpose of the inception report phase is to confirm that the scope of the EITI reporting process has been clearly defined, including the reporting templates, data collection procedures, and the schedule for publishing the 2<sup>nd</sup> EITI Report. It is imperative that the scope of EITI reporting is clearly defined, in line with the EITI Standard and with the MSG's agreed objectives and expectations for the EITI process. The findings from this phase should be documented in an Inception Report. The administrator shall undertake the following tasks during the inception phase:

- 1.1 Review the relevant background information, including the governance arrangements and tax policies in the extractive industries, the findings from any preliminary scoping work and the conclusions and recommendations from Report, inception and the 1<sup>st</sup> and 2<sup>nd</sup> EITI Reports (annex 1, 2 and 3).

**1.2 The Independent Administrator should review the scope proposed by the MSG in annex 1 with a particular focus on the following:**

- 1.2.1 Reviewing the comprehensiveness of the payments and revenues to be covered in the EITI Report as proposed by the MSG in Annex 1 and in accordance with EITI Requirement 4.
- 1.2.2 Reviewing the comprehensiveness of the companies and government entities that are required to report as defined by the MSG in Annex 1 and in accordance with EITI Requirement 4.1
- 1.2.3 Supporting the MSG with examining the audit and assurance procedures in companies and government entities participating in the EITI reporting process. This includes examining the relevant laws and regulations, any reforms that are planned or underway, and whether these procedures are in line with international standards. It is recommended that the EITI Report

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includes a summary of the findings, otherwise the MSG should make the results of the review of audit and assurance practices publicly available elsewhere.

1.2.4 Providing advice to the MSG on **the reporting templates based on the agreed benefit streams to be reported and the reporting entities (1.1.1– 1.1.2 above)**. Sample templates are available from the 1<sup>st</sup> EITI Report and the International Secretariat. It is recommended that the templates include a provision requiring companies to report “any other material payments to government entities” above an agreed threshold. The Independent Administrator shall review the template used in the 1<sup>st</sup> and 2<sup>nd</sup> EITI Reports and draft the reporting templates for 3<sup>rd</sup> Report for consideration and approval by the MSG.

**1.3** On the basis of 1.1 and 1.2 as applicable, produce an inception report that:

1.3.1 Review the payments and revenues to be covered in the GYEITI 2<sup>nd</sup> Report in accordance with EITI Requirement 4. The Inception Report should clearly indicate the GYEITI MSG’S decision on:

- The definition of materiality and thresholds, (as defined by the MSG annex 4) and the resulting revenue streams to be included in accordance with Requirement 4.1(b).
- The sale of the state’s share of production or other revenues collected in-kind in accordance with Requirement 4.2.
- The coverage of infrastructure provisions and barter arrangements in accordance with Requirement 4.3
- The coverage of social expenditure in accordance with Requirement 6.1.
- The coverage of transportation revenues in accordance with Requirement 4.4.
- Disclosure and reconciliation for payments to and from state owned enterprises in accordance with Requirement 4.6.
- The materiality and inclusion of direct sub-national payments in accordance with Requirement 4.5.
- The materiality and inclusion of sub-national transfers in accordance with Requirement 5.2.
- The level and type of disaggregation of the EITI Report in accordance with Requirement 4.7.
- Any other aspects as agreed by the MSG

1.3.2 Review the companies and government entities that are required to report in accordance with EITI Requirement 4.2. The Inception Report shall:

- Identify and list the companies that make material payments to the state and will be required to report in accordance with Requirement 4.2 (a)

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- Identify and list the government entities that receive material payments and will be required to report in accordance with Requirement 4.2 (a).
  - Identify any barriers to full government disclosure of total revenues received from each of the benefit streams agreed in the scope of the EITI Report, including revenues that fall below agreed materiality thresholds (Requirement 4.2 (b))
  - Confirm the GYEITI MSG's position on disclosure and reconciliation of payments to and from state owned enterprises in accordance with Requirement 4.2 (c)
  - Confirm the GYEITI MSG's position on materiality and inclusion of sub-national payments in accordance with Requirement 4.2 (d)
  - Confirm the GYEITI MSG's position on the materiality and inclusion of sub-national transfers in accordance with Requirement 4.2 (e)
- 1.4** Provide advice to the GYEITI MSG in examining the audit and assurance procedures in companies and government entities participating in the EITI reporting process in accordance with Requirement 5.2 (b). This includes examining the relevant laws and regulations, any reforms that are planned or underway, and whether these procedures are in line with international standards.
- 1.5** Provide advice to the GYEITI MSG on the Reporting Templates based on the agreed benefit streams to be reported and the reporting entities.
- 1.6** Provide advice to the GYEITI MSG on what information it should require to be provided to the Administrator by the participating companies and government entities to assure credibility of the data in accordance with Requirement 5.2(c). The Administrator should then employ professional judgement and apply appropriate international professional judgment to determine the extent to which reliance can be placed on the existing controls and audit frameworks of the companies and government entities. The Administrator should document the options considered and the rationale for the assurances to be provided. Where deemed necessary by the Administrator and the GYEITI MSG, assurances may include:
- Requesting sign-off from a senior company or government official from each reporting entity attesting that the completed reporting form is a complete and accurate record.
  - Requesting a confirmation letter from the companies' external auditor that confirms that the information they have submitted is comprehensive and consistent with their audited financial statements. The MSG may decide to phase in any such procedure so that the confirmation letter may be integrated into the usual work programme of the company's auditor. Where some companies are not required by law to have an external auditor and therefore cannot provide such assurance, this should be clearly identified, and any reforms that are planned or underway should be noted.
  - Where relevant and practicable, requesting that government

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reporting entities obtain a certification of the accuracy of the government's disclosures from their external auditor or equivalent.

1.7. The Administrator should exercise judgement and apply appropriate professional standards in developing a procedure that provides a sufficient basis for a comprehensive and reliable EITI Report.

*Table 1 – Non-revenue information to be provided in the EITI Report*

<b>Non-revenue information to be provided in the EITI Report<sup>3</sup></b>	<b>Data collection, quality assurances and analysis to be undertaken by the MSG/others</b>	<b>Data collection, quality assurances and analysis to be undertaken by the Independent Administrator</b>
Legal framework and fiscal regime in accordance with EITI Requirement 2.1.	...	...
Information about procedures and practice of allocating licenses in accordance with EITI Requirement 2.2. <sup>4</sup> , and license holders in accordance with EITI Requirement 2.3. <sup>5</sup>		
Any information requested by the MSG on contracts in accordance with EITI Requirement 2.4 <sup>6</sup>		...
Any information requested by the MSG on beneficial ownership in accordance with EITI Requirement 2.5 <sup>7</sup>		...
Information regarding state participation in the		...

<sup>3</sup> In preparing this information, the MSG may wish to use Part 2 of the EITI Summary data template, which contains a disclosure checklist for publicly accessible non-revenue information in line with the EITI Standard.

<sup>4</sup> Guidance Note 4: Licence Allocations, <https://eiti.org/guide/license-allocations>

<sup>5</sup> Guidance Note 3: Licence Registers, <https://eiti.org/guide/license-registers>

<sup>6</sup> Guidance Note 7: Contract Transparency, <https://eiti.org/guide/contracts>

<sup>7</sup> Template beneficial ownership declaration, <https://eiti.org/document/tools-to-include-beneficial-ownership-information-in-eiti-reporting>

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extractive industries, state-owned enterprises and any quasi-fiscal expenditures in accordance with EITI Requirement 2.6 and 6.2. <sup>8</sup>		
An overview of the extractive industries, including any significant exploration activities in accordance with EITI Requirement 3.1.		...
Production and export data in accordance with EITI Requirement 3.2 and 3.3.		...
Information about the distribution of revenues from the extractive industries in accordance with EITI Requirement 5.1.		...
Any further information requested by the MSG on revenue management and expenditures in accordance with EITI Requirement 5.3.		...
Information about the contribution of the extractive industries to the economy in accordance with EITI Requirement 6.3.		...
Any further information requested by the MSG on environmental impact of extractive activities in accordance with EITI Requirement 6.4.		
Any information on Gender Requirement 1.4 and gender impacts on women from extractive industries; level of women's		...

<sup>8</sup> Guidance Note 18: SOE participation in EITI Reporting, <https://eiti.org/GN18>

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participation in policy formulation, decision making and the level of benefits/benefit-sharing accruing to women from extractive industries		
[Add any other contextual information that the MSG has agreed to include in the EITI Report]		

Provide advice to the GYEITI MSG on agreeing appropriate provisions relating to safeguarding confidential information. Inception Report should document the options considered and the rationale for the assurances to be provided.

**Phase 2- Data Collection**

**Objective:**

The Independent Administrator is expected to undertake the following tasks during the data collection phase:

- 2.1 Distribute the reporting templates and collect the completed forms and associated supporting documentation directly from the participating reporting entities, as well as any contextual or other information that the MSG has tasked the Independent Administrator to collect in accordance with 1.3.4 above. Where an alternative approach – e.g. where the GYEITI National Secretariat assists with data collection, or where the data is collected through an existing reporting mechanism, there should be consultations with the Independent Administrator to ensure the integrity of the information transmitted to the Independent Administrator.
- 2.2 At the direction of the MSG, the Independent Administrator will provide advice on ensuring that the request for data includes appropriate guidance to the reporting entities, and on where to seek additional information and support.
- 2.3 Contact the reporting entities directly to clarify any information gaps or discrepancies.

### **Phase 3 – Initial Reconciliation and initial reconciliation report**

#### **Objective:**

The Independent Administrator shall undertake the following tasks:

- 3.1 Compile a database with the data provided by the reporting entities.
- 3.2 Comprehensively reconcile the information disclosed by the reporting entities, identifying any discrepancies (including offsetting discrepancies) in accordance with the agreed scope.
- 3.3 Prepare an initial reconciliation report based on the reported (unadjusted) data for consideration by the GYEITI MSG in accordance with the agreed scope.
- 3.4 Identify any discrepancies above the agreed margin of error established in agreement with the MSG

### **Phase 4 – Investigation of discrepancies and draft EITI Report**

#### **Objective:**

The Independent Administrator shall undertake the following tasks:

- 4.1 Contact the reporting entities to clarify the causes of any significant discrepancies or other gaps in the reported data.
- 4.2 Prepare a draft EITI Report to the MSG for comment that comprehensively reconciles the information disclosed by the reporting entities, identifying any discrepancies, and reports on contextual and other information requested by the MSG.

The draft EITI Report shall:

- Describe the methodology adopted for the reconciliation of company payments and government revenues, and demonstrate the application of international professional standards.
- Include a description of all revenue streams, related materiality definitions and thresholds (Requirement 4.1).
- Include an assessment from the Independent Administrator on the comprehensiveness and reliability of the (financial) data presented, including an informative summary of the work performed by the Independent Administrator and the limitations of the assessment provided.
- Indicate the coverage of the reconciliation exercise, based on the government's disclosure of total revenues as per Requirement 4.1(d).
- Include an assessment of whether all companies and government entities within the agreed scope of the EITI reporting process provided the requested information. Any gaps or weaknesses in reporting to the



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Independent Administrator must be disclosed in the EITI Report, including naming any entities that failed to comply with the agreed procedures, and an assessment of whether this is likely to have had material impact on the comprehensiveness of the report.

- Document whether the participating companies and government entities had their financial statements audited in the financial year(s) covered by the EITI Report. Any gaps or weaknesses must be disclosed. Where audited financial statements are publicly available, it is recommended that the EITI Report advises readers on how to access this information.
- Include non-revenue information as per Requirement 2,3,5 and 6 and other information requested by the MSG. The contextual information should be clearly sourced in accordance with the procedures agreed by the Independent Administrator and the MSG.

4.3 Comment on the progress in implementing the corrective actions and reforms recommended in the 1<sup>st</sup> EITI Report. The Administrator should make recommendations for strengthening the reporting process in the future.

### **Phase 5 – Final EITI Report**

#### **Objective:**

The Administrator shall undertake the following tasks:

- 5.1 Produce electronic data files that can be published together with the final EITI Report.
- 5.2 Produce electronic data files<sup>9</sup> that can/or code or tage EITI Reports and data files preferably in an Open Data format (xlsx or csv) online and publicize its availability in accordance with requirement 7.1(c).
- 5.3 Submit summary data from the EITI Report electronically to the International Secretariat according to the standardized reporting format following approval by the GYEITI MSG of the EITI Report.
- 5.4 The Independent Administrator shall take appropriate measures to ensure that the report is comprehensible and available in an open data format (xlsx or csv) as per requirement 7.1 (c). This includes ensuring that the report has high levels of readability, legibility and usability. The MSG may wish to request that the report be edited by a professional copy-editor and/or be designed by a professional graphical designer.

The Administrator will publish the final EITI Report only upon the instruction of the GYEITI MSG. The GYEITI MSG will endorse the EITI Report prior to its publication.

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<sup>9</sup> The files can be in CSV or Excel format and should contain the tables and figures from the print report. In accordance with requirement 7.1.c, the multi-stakeholder group is required to make the EITI Report available in an open data format (xlsx or csv) online.

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Where stakeholders other than the Administrator wish to include additional comments, authorship should be clearly indicated.

**Deliverables and Outputs**

**The deliverables of this assignment shall include the following:**

a) A Gap Analysis report that includes the present reality, recommendations and challenges.

b) The development of Reporting Templates and the preparation of reporting guidelines for data on payments made by the Companies and data on revenues received by government.

c) The collection and reconciliation of payments and revenue data from the Companies and Government respectively for the fiscal year 2019 in accordance with international professional accounting standards. Companies and Government reporting entities will be required to have their Reporting Templates certified by their auditors before submission to the Administrator. In cases where data have not been certified or audited to international standards to the satisfaction of the Administrator, the Administrator shall request supporting documentation ( audited financial statements etc.) to verify the accuracy of the data from the companies and the government.

d) Reporting on the total mining and oil and gas for which payments were made and revenue collected for each fiscal period;

e) Reporting on the Environmental Impacts of the extractive entities and land restoration;

f) Reporting on the socio-economic impacts on Gender Equality - including the equitable benefits from and participation of women in the extractive industries;

g) Preparation of a list of all licensed or registered companies involved in the extractive industries, noting which companies participated in the EITI reporting process and those that did not (with an indication of the relative size, whether by production or revenue/payments) and the reasons for their non-participation;

f) Reporting on companies and government agencies that failed to participate in the reporting process, if any with an assessment of whether that had a material impact on the stated figures and conclusions reported;

h) Investigation of and explanation for any discrepancies shown in the Report between the payments and revenue data received;

i) Opinions on the quality of data received and the process of collection with recommendations for improving the process;

j) Final report, presenting aggregated data of payments made by the companies and revenue received by government in accordance with international professional standards;

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k) Printed copies and electronic versions of the Report (both draft and final) for the MSG's approval;

l) Direct discussions with the respective stakeholders to develop consensus on the format of reporting templates;

m) Clear guidelines and documented procedures for the companies and government for the completion of the reporting templates;

n) Workshops, organized by and in consultation with the MSG to train companies and government personnel in the completion of the reporting templates.

**Qualification Requirements for Independent Administrators**

The reconciliation of company payments and government revenues must be undertaken by an Independent Administrator applying international professional standards (requirement 4.9). It is a requirement that the Independent Administrator is perceived by the MSG to be credible, trustworthy and technically competent. Bidders must follow (and show how they will apply) the appropriate professional standards for the reconciliation / agreed-upon-procedures work in preparing their report.

**The Independent Administrator shall demonstrate:**

- Expertise and experience in the oil, gas, mining, forestry and fisheries sectors in Guyana.
- Expertise in accounting, auditing and financial analysis.
- A track record in similar work. Previous experience in EITI reporting is not required, but would be advantageous.
- Availability of staff with appropriate skills to complete the required task on schedule.

In order to ensure the quality and independence of the exercise, Independent Administrators are required, in their proposal, to disclose any actual or potential conflicts of interest, together with commentary on how any such conflict can be avoided.

**Reporting Requirements and Time Schedule for Deliveries.**

The assignment is expected to commence upon signing of contract and end three (3) months after the publication of the EITI Report and all deliverables.

The proposed schedule is set out below:

Signing of contract	Commencement
Gap Analysis Report	2 weeks after commencement
Phase 1: Preliminary analysis	4 weeks after commencement

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Initial data and information gathering.	6 weeks after commencement
Phase 2: Inception report and reporting templates	Approximately 10 weeks after commencement
Phase 3: Data collection. Initial reconciliation report	14 Weeks after commencement
Phase 4: Investigation of discrepancies	16 Weeks after commencement
Draft report	18 Weeks after commencement
Phase 5: Draft Final report	20 Weeks after commencement
Final report	22 Weeks after commencement

The schedule of payments shall be as follows:

- 10% following submission and acceptance of Consultant's Implementation Report and Work Program
- 30% following delivery and acceptance of the Gap Analysis Report and Inception report.
- 30% following delivery and acceptance of the draft EITI report.
- 30% following MSG approval and publication of the final EITI report.

**Type of Consultancy**

International/National Consultancy Firm or Partnership

**Duration**

The contract shall be executed over a maximum period of six (6) months for the 3<sup>rd</sup> EITI report.

**Language**

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The language of the consultancy and all related workshops and written correspondence must be English.

**Client's input and counterpart personnel**

This Ministry of Natural Resources is the legal authority to which the Independent Administrator shall be legally obligated. The Independent Administrator will report to the GYEITI MSG through the GYEITI National Coordinator. The Independent Administrator will be assisted by the GYEITI Secretariat in facilitating any logistical and administrative arrangements with all other entities as required for the timely completion of the assignments.