Inception Note (draft)

Preparation of a Policy for Systematic Disclosure of Extractive Sector Data and Legal Foundation for Data Collection in EITI Reporting in Iraq

January 2025

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1. Objectives of the Inception Report

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1. Objectives of the Inception Report

This report provides the foundation for establishing a Policy for the **Systematic Disclosure of Extractive Sector Data** and the **Legal Framework for Data Collection** in Iraq's EITI Reporting. The key objectives are:

Scope

Discuss the scope of work and expected deliverables

Approach

Outline the methodology and approach for the mission

Planning

Validate the timeline and milestones for project execution.

Next Steps

Detail immediate actions and request key preliminary documents.

2. Context

2. Context

Transparency as a Pillar of Governance: Transparency is key to effective governance in the extractive sector. EITI countries are increasingly adopting **systematic disclosure** to provide **real-time, accessible, and reliable data** through centralized portals and registries, reducing reporting burdens and enhancing accountability.

Benefits of Systematic Disclosure:
- **For Governments**: Simplifies reporting, reduces costs, and prioritizes **data analysis and informed policymaking**.
- **For Companies**: Builds trust with communities and ensures a **level playing field**.

Iraq's Specific Context: Systematic disclosure of EITI data will establish a **legal framework** to support timely and consistent data collection, improving **transparency** and access to information in the extractive industries.

3. Mission Objectives

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4. Mission Objectives

Prepare a Policy Note that establishes a framework for the systematic collection and disclosure of EITI data in Iraq, ensuring it aligns with the 2023 EITI Standard and supports the country's extractive industries governance.

1 **Principles & Guide** » Define the principles to guide the development and update of Iraq's legal framework for data collection and systematic disclosure..

2 **Requirements** » Establish the legal, technical, and operational requirements for systematic data disclosure by government entities, SOEs, and IOCs.

3 **Systématique Disclosure Framework** » Design a framework that integrates EITI disclosure standards into existing systems to ensure transparency and accessibility.

4 **Anti-Corruption & governance** » Identify key aspects to be considered in the policy design to ensure that systematic disclosure facilitates transparency and accountability, thereby contributing to efforts to combat corruption and improve governance.

4. Key Components & Scope

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3. Key Components & Scope

Key Components

Develop a comprehensive framework for the systematic collection and disclosure of extractive sector data

Alignment with the EITI Standard and contextual relevance

Assess the anti-corruption framework for SOEs

Scope of our project

- ➢ **Legal Framework Review**:
  - •Analyze Iraq's existing legal frameworks for data collection and disclosure.
  - •Identify gaps and recommend updates to establish a robust legal foundation.
- ➢ **Data Collection/disclosure Practices**:
  - •Assess current procedures for data collection/disclosure across ministries, SOEs, and IOCs.
  - •Propose standardized and efficient practices aligned with EITI requirements.
- ➢ **SOE Anti-Corruption review and benchmark**
- ➢ **Disclosure Policy Development**:
  - •Draft a policy covering systematic data disclosure and procedures.
  - •Ensure the policy addresses key requirements for legal, technical, and operational feasibility

5. Reference Framework
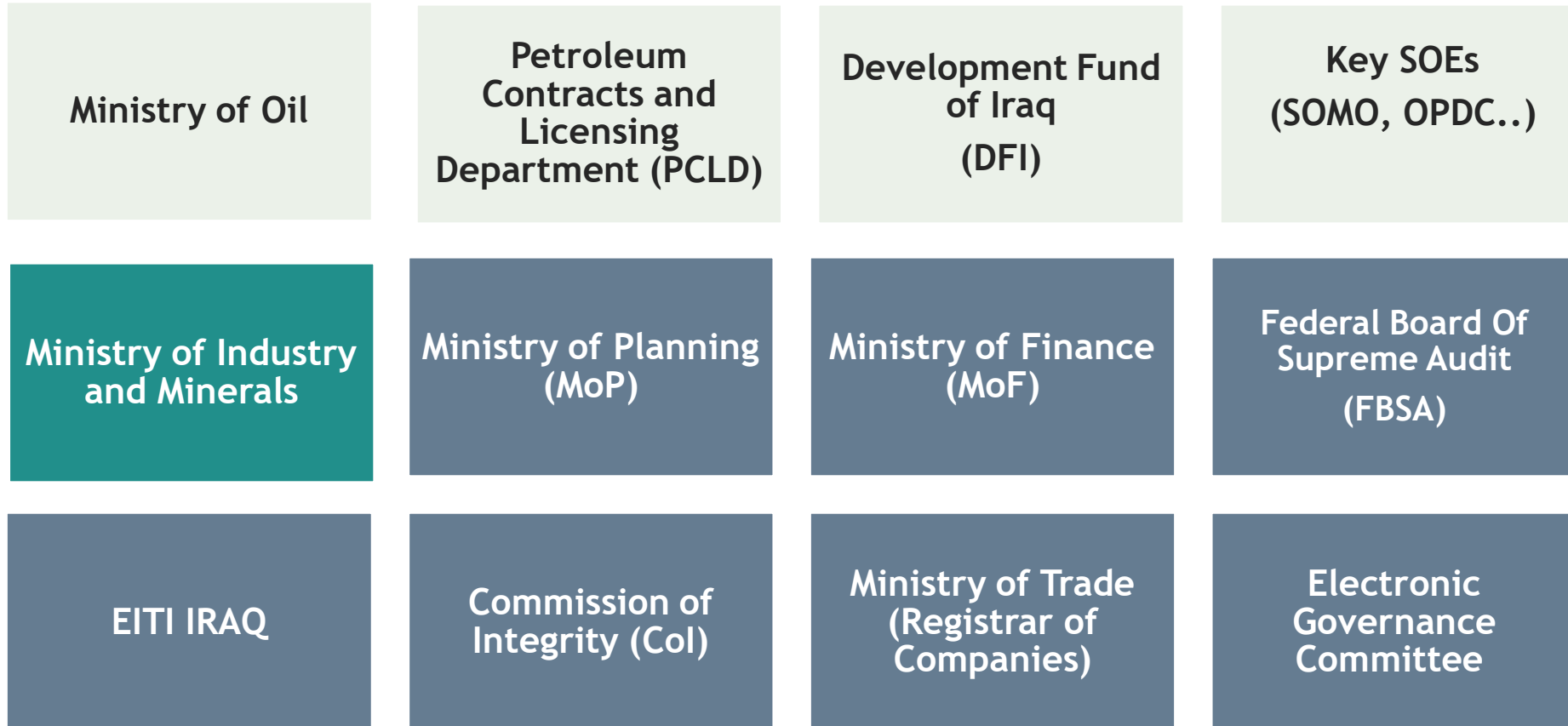
5. Reference Framework

Relevant Texts

Legislation		Description
Constitution of 2005	2005	Establishes governance principles, equitable resource management, and transparency obligations.
Draft Right to Information Act		Aims to enhance public access to institutional data but requires alignment with international standards.
Public Companies Law No. 22 of 1997	1997	Regulates SOEs, emphasizing transparency and operational accountability.
Draft Data Classification Policy		Ensures data security and structured disclosure in both public and private sectors.
Financial Management Law No. 6 de 2019	2019	Requires spending units to publish financial and administrative data, including oil revenues, budgets, and audits, on official websites to ensure transparency.

(*) Non exhaustive list

5. Reference Framework

Institutional Framework

Ministry of Oil	Petroleum Contracts and Licensing Department (PCLD)	Development Fund of Iraq (DFI)	Key SOEs (SOMO, OPDC..)
Ministry of Industry and Minerals	Ministry of Planning (MoP)	Ministry of Finance (MoF)	Federal Board Of Supreme Audit (FBSA)
EITI IRAQ	Commission of Integrity (CoI)	Ministry of Trade (Registrar of Companies)	Electronic Governance Committee

Oil and Gas Sector Mining Sector Other stakeholders

6. Methodology & Approach

6. Methodology & Approach

Phases	Phase 1 Planning and Inception	Phase 2 Baseline assessment	Phase 4 Stakeholder consultations	Phase 5 Gap analyses and Benchmarking	Phase 6 Policy design	Phase 8 Validation and feedeback
Main tasks to be performed	•Discuss the scope of work and expected deliverables •Present the projects approach •Validate the project planning and governance	•Review existing **legal frameworks**, **data collection practices**, and **disclosure mechanisms** in Iraq. •Map current gaps and overlaps in data availability, quality, and accessibility.	•**Questionnaires**: Collect inputs from government entities, SOEs, IOCs, and civil society. •**Interviews**: Focused discussions based on questionnaire findings to address key issues.	•Compare Iraq's practices with **international standards**. •Identify improvements in legal, technical, and operational frameworks.	•Draft a policy tailored to Iraq's context, integrating stakeholder feedback. •Ensure alignment with **EITI standards** and systematic disclosure principles.	•Organize a **workshop** to present and validate the draft policy framework. •Incorporate feedback into the final deliverable.
Deliverables	➢ **Inception note**	➢ **Stakeholder Consultation Insights**			➢ **Draft policy note**	➢ **Final policy note**

7. Project Governance

7. Project Governance

Roles
❖Ensure stakeholders mobilization
❖Approve project progress
❖Approve the project deliverables

Frequency : At the closing of each phase requiring a deliverable

Steering committee

Consultant	Project Stakeholders
❖Karim Lourimi	❖World Bank ❖EITI IRAQ ❖EITI International ❖To be defined

Roles
❖Regular follow-up of the project progress
❖Organize interviews and workshops
❖Ensure project follow-up
❖Contribution on deliverables
❖Contribute to resolve issues

Frequency : After milestones & at request

Project Team

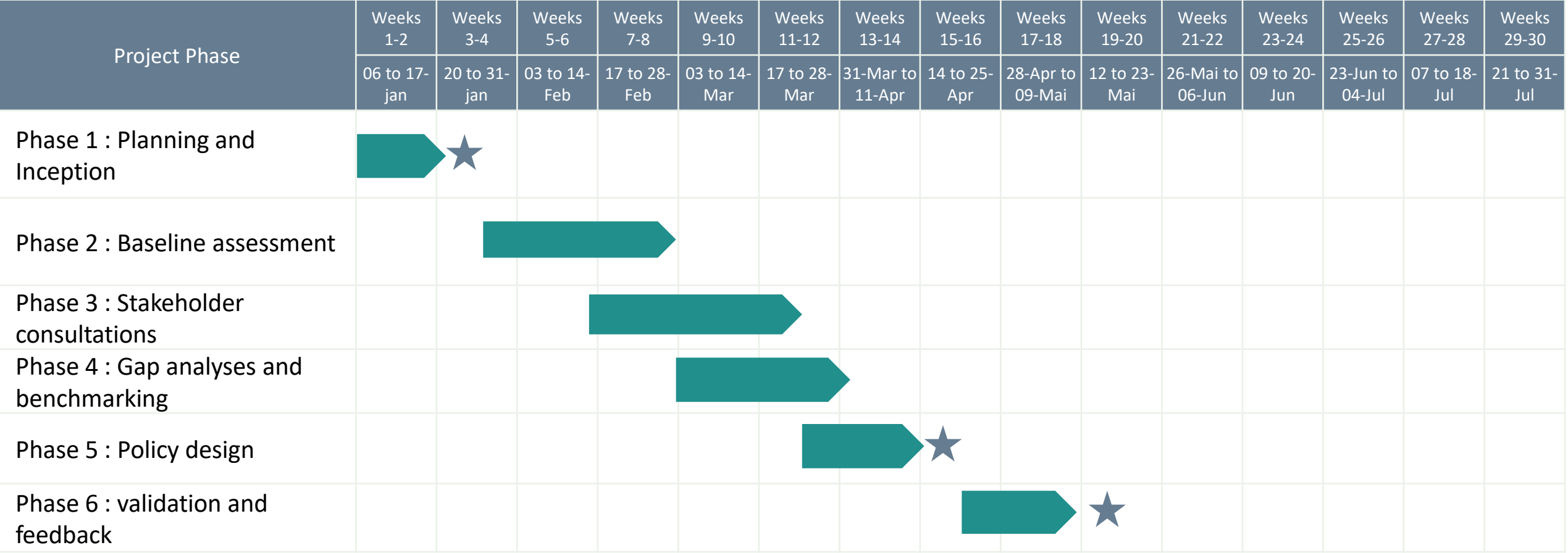| Consultant	Project Stakeholders
❖Karim Lourimi	❖World Bank ❖EITI IRAQ ❖EITI International ❖To be defined

8. Proposed Calendar

8. Proposed Calendar (Without validation period)

Project Phase	Weeks 1-2 06 to 17-jan	Weeks 3-4 20 to 31-jan	Weeks 5-6 03 to 14-Feb	Weeks 7-8 17 to 28-Feb	Weeks 9-10 03 to 14-Mar	Weeks 11-12 17 to 28-Mar	Weeks 13-14 31-Mar to 11-Apr	Weeks 15-16 14 to 25-Apr	Weeks 17-18 28-Apr to 09-Mai	Weeks 19-20 12 to 23-Mai	Weeks 21-22 26-Mai to 06-Jun	Weeks 23-24 09 to 20-Jun	Weeks 25-26 23-Jun to 04-Jul	Weeks 27-28 07 to 18-Jul	Weeks 29-30 21 to 31-Jul
Phase 1 : Planning and Inception	▰ ★														
Phase 2 : Baseline assessment		▰													
Phase 3 : Stakeholder consultations			▰												
Phase 4 : Gap analyses and benchmarking				▰											
Phase 5 : Policy design						▰ ★									
Phase 6 : validation and feedback							▰ ★								

9. Next steps & preliminary documents requested & key support for mission success

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9. Next Steps

1   Kick Off Meeting

2   Questionnaire Validation & Distribution

3   Initiate Baseline Analysis

10. Preliminary Documents requested

Requested Information/Document	Purpose
1. Contact Information - Focal points for each member of the Iraq EITI Committee and State-Owned Enterprises (SOEs) involved in the extractive sector.	To facilitate the distribution of questionnaires aimed at gathering insights to draft the policy note
2. EITI Data Summary Template - The completed EITI Summary Data Template for the most recent fiscal year available.	To review and analyze the latest data submissions in line with EITI standards.
3. Relevant Laws and Regulations - Draft Right to Information Act (draft RTI Act) - Open Data Policies for relevant ministries, including Ministries of Finance, Oil, Environment. - Open Data Policies for key SOES including SOMO, BOC ,and BGC - Data Classification Policy (final version)	To assess the current legal framework supporting transparency and data dissemination in Iraq's extractive industries.
4. MSG Meeting Minutes on Systematic Data Disclosure - Minutes of Multi-Stakeholder Group (MSG) meetings discussing systematic data disclosure.	To understand the deliberations and decisions made regarding data transparency initiatives.
5. Organizational Structures Organizational chart of the **Ministry of Oil , Ministry of Finances and Key SOE (SOMO, BOC and BGC)**	To identify key individuals and departments responsible for data collection, reporting, and communication.

1. EITI Iraq's Support

•Provide updated and accurate contact details for all relevant stakeholders (EITI Committee members, Ministries, SOEs, Civil Society).

•Facilitate communication to stakeholders about the mission through official channels.

•Prepare and disseminate an official introduction letter outlining the mission objectives, expected outcomes, and the importance of stakeholder participation.

•Ensure EITI Iraq's endorsement of questionnaires and meeting requests to encourage active responses.

2. Key Success Factors

•Active advocacy and coordination by EITI Iraq to ensure stakeholder responsiveness.

•Timely and transparent communication with stakeholders.

•Commitment from stakeholders to participate actively in the process.

Annexes

Questionnaires

1   **Draft Questionnaire for Data Providers**

Purpose: To gather detailed information from organizations responsible for generating and disclosing data in the extractive sector, including government entities, SOEs, and private companies.

Key focus areas:

- *Current practices:* Assessment of existing data disclosure processes and compliance with EITI standards.

- *Data Management Systems:* Exploration of tools, IT infrastructure, and procedures for managing and publishing data.

- *Regulatory and Legal frameworks:* Identification of legal and operational constraints to systematic disclosure.

- *Governance and Anti-Corruption:* Understanding existing policies and measures to enhance transparency and prevent corruption.

Objective: To identify gaps and challenges in current practices, which will shape the systematic disclosure policy tailored to Iraq's extractive sector.

Questionnaires

2 **Draft Questionnaire for Data Users**

Purpose: To understand the perspectives and needs of stakeholders relying on EITI data, including civil society, policymakers, researchers, and development partners.

Key focus areas:

- *Data relevance and accessibility:* Evaluation of the most critical data categories and the ease of accessing them.

- **Formats and channels:** Preferences for data formats and publication platforms.

- **Data quality and timeliness:** Feedback on the reliability, accuracy, and timeliness of disclosed information.

- **Impact assessment:** Insights on how disclosed data supports transparency, accountability, and informed decision-making.

Objective: To ensure the policy effectively meets user needs, fosters broader engagement, and enhances the utility of disclosed information.

Thank you for your attention

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Engaged for Better Governance