

Monitoring and Evaluation System  
for the Extractive Industries  
Transparency Initiative of Ukraine  
(UAEITI)

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An effective monitoring and evaluation system is important for implementing a reform of any kind. Since 2019, the EITI International Secretariat has actively supported the idea of monitoring and evaluating the EITI process, because it is important for each implementing country to measure progress and impact of the EITI on other macroeconomic and political processes in the country.

With the support of the Deutsche Gesellschaft für International Zusammenarbeit (GIZ) GmbH, as part of the Good Financial Governance in Public Finance Project, the MSG members completed the monitoring and evaluation training course and developed basic principles of the relevant document. The first monitoring and evaluation project was developed by the EITI National Secretariat and the DiXi Group Think Tank with the support of USAID and was further improved with the support of the International Renaissance Foundation. In 2019, the MSG carried out monitoring and evaluation of the EITI implementation in Ukraine for 2018 and 2019 with the support from the following donors - the Deutsche Gesellschaft für International Zusammenarbeit (GIZ) GmbH through the Good Financial Governance in Public Finance Project, the International Renaissance Foundation and the USAID Energy Sector Transparency Project. The system involves a two-level evaluation of progress in implementing the EITI Standard and an assessment of the EITI's impact on national reforms in the following four categories: governance and administration of the EITI Secretariat, development of a dialogue platform for strategic ideas and proposals, expansion of the EITI and development of new activities, and strengthening partnerships between local governments, private companies and civil society institutions. Implementation of the EITI and assessment of the Initiative's impact on other macroeconomic indicators in the country should be reviewed against the above categories (governance and administration of the EITI Secretariat; development of a dialogue platform for strategic ideas and proposals; expansion of the EITI and development of new activities, and strengthening partnerships between local governments, private companies and civil society institutions), starting with output indicators, then moving on to outcome indicators, and proceeding to the third tab in the Excel file – impact indicators to understand the overall impact of the Initiative in a particular category.

**Monitoring (output and outcome indicators)** helps to understand whether the Initiative is making progress as planned and increase the efficiency and effectiveness of the EITI where this is possible. Monitoring is a continuous process of collecting and recording key data for

possible review, analysis and reporting at regular intervals (annually). It is focused on the objectives and activities scheduled in the planning phase.

The monitoring of the EITI process is focused on the following tasks:

- Identify and track the EITI progress and completion of the EITI objectives and activities;
- Collect, register and keep record of information on the key performance indicators (quantity and quality);
- Clarify and revise the EITI activities, available resources and implementation mechanisms, if necessary;
- Present reports to the multi-stakeholder group and the International Secretariat (if applicable).

Monitoring is a largely descriptive activity. It provides data and evidence, which can be used by leadership and stakeholders to improve the ongoing activities or adjust action plans. This information also gives reasons for value judgments.

**Evaluation (focuses on impact indicators)** aims to determine the relevance and fulfilment of objectives, efficiency or effectiveness, impact or sustainability. Evaluation should provide reliable and useful information, which can be incorporated into the decision-making process. It is recommended to evaluate the EITI **every 3 years**. The questions for evaluation may include as follows:

- What or whom should the EITI impacted in the view of the objectives planned? What impact should it have and what or whom should it impact?
- Based on the EITI performance, have resources been used efficiently? What is the impact or effect of the EITI on various stakeholders and the extractive industry in general? Has the EITI been implemented as intended?
- Is the EITI implementation sustainable? What lessons can be learned? What changes are recommended for further development of the extractive industry and to the EITI itself?

## UAEITI Monitoring and Evaluation Indicators System

Category	Indicators		
	Level		
	Outputs (monitoring)	Outcomes (monitoring)	Impact (evaluation)
<p>A. EITI governance and administration</p>	<p>1.1 Implementation of the annual work plan 1.2 Institutionalization of the EITI process in Ukraine</p>	<p>2.1 Donor contribution / state contribution to the EITI implementation (monetary and non-monetary) 2.2 Time allocation of the EITI Secretariat staff</p>	<p>3.1 The overall country performance according to the EITI standard</p>
<p>B. <u>National strategic priorities:</u>  B.1. Development of a dialogue platform for strategic ideas and proposals</p>	<p>1.3 Transformation of the Multi-Stakeholder Group into a platform for making strategic changes 1.4 Coherence of activities/positions among stakeholders to support new strategic changes (level of consensus)</p>	<p>2.3 Timely publication of the EITI Report 2.4 Number of corrective actions based on the validation results 2.5 More available datasets on the extractive industry 2.6 The level of stakeholders' satisfaction with information on the extractive industry 2.7 Traffic of the EITI electronic platform (online platform for disclosing data on the extractive industries) 2.8 Adoption of regulations in pursuance of the Law of Ukraine "On Ensuring Transparency in Extractive Industries"</p>	<p>3.2 Extractive sector in national (Transparency Index) and international transparency ratings (RGI)</p>

<p>B.2. Expansion of the EITI and development of new activities</p>	<p>1.5 Development of a shared position among all stakeholders concerning new strategic changes 1.6 Harmonized activities among all stakeholders to support new strategic changes</p>	<p>2.9 Number of recommendations of the Independent Administrator to public authorities on the EITI implementation 2.10 Number of initiatives, studies or policies developed and/or implemented in the EITI-related areas</p>	<p>3.3 More comprehensive and rapid strategic changes in the energy sector 3.4 Implemented mechanism for verification of beneficiary owners</p>
<p>B.3. Strengthening partnerships between local governments, private companies and civil society institutions</p>	<p>1.7 Level of engagement of all stakeholders in the discussion of budgeting issues and strategic development plans 1.8 Number of people in local communities who are informed about extractive activities in their communities through participation in public events 1.9 People in the regions successfully use the information obtained to carry out activities in local communities</p>	<p>2.11 Number of events in the regions for the EITI stakeholders 2.12 Number of EITI references in Ukrainian media 2.13 UAEITI web-site quality</p>	<p>3.5 Improved management in the extractive sector at the regional level, focus on sustainable regional development 3.6 Decentralization of rent payments (oil and gas) 3.7 Project-by-project (by license) reporting through the EITI online platform</p>