

UK EITI Multi-Stakeholder Group (MSG)

Terms of Reference

We look forward to working together cooperatively and collaboratively to set a very positive example of how to implement the EITI, especially in light of its new higher standards, and to demonstrate what it can achieve to promote accountable management of the UK's natural resources. Our joint aim is to achieve excellence in terms of the EITI process, the product - the UK's EITI reports - and in communicating the results to the public at large. We also express our support for the ambition that UK implementation of EITI creates a level playing field for business, helps the British people to hold decision makers to account, and encourages other countries around the world to take similar steps.

Purpose of Terms of Reference:

1.1 To define the scope and function of the Multi-Stakeholder Group (MSG) formed to direct implementation of the Extractive Industries Transparency Initiative (EITI) in the UK.

Role of the MSG

2.1 The MSG is established in order to ensure that the UK implements the EITI and gains EITI-compliance in a timely and effective manner. The MSG is responsible for ensuring that the views of key stakeholders are taken into account in the direction and conduct of implementing EITI. MSG members are representatives of their wider constituencies and must consult them regularly to ensure they continue to reflect the views of their constituency.

2.2 The MSG will ensure the UK EITI meets its objective of gaining candidacy followed by compliance with EITI. It will be responsible for developing and endorsing an EITI work programme, scope of EITI, actions, sequencing, timetable, responsible parties, costs, communications and funding sources. Specifically, the MSG will:

- Develop and apply a fully costed work plan containing measurable targets and a timetable for implementation which incorporates an assessment of capacity restraints;
- Develop and apply a communications plan;
- Establish and support any sub-groups to examine specific issues, which may include preparation of reporting templates and preparation of contextual information for the annual EITI reconciliation;
- Agree on appropriate definition of “extractive industry” and “materiality” for the purpose of the UK EITI;
- Define and assess the scope of the UK EITI;
- Agree contextual information to be included within the annual report;
- Develop the Terms of Reference for and endorse an independent Administrator to undertake the annual reconciliation;
- Develop and agree on the format of the UK's EITI Report;

- Agree and publish an Annual Activity Report.

Attendance at MSGs

3.1 The MSG will be chaired by the Department for Business, Innovation and Skills, who will report to the Employment Relations and Consumers Affairs Minister. Membership will consist of 12 primary members, comprising a 4/4/4 split from industry, government and civil society.

3.2 In addition, up to 6 observers will be welcomed at each meeting; they will be able to engage in the discussion at the MSG but will not have a right to vote. Observers for each meeting will be nominated by MSG members in advance of the relevant meeting. An additional standing observer slot will be allocated to the EITI International Secretariat.

3.3 In advance of each MSG meeting; civil society, industry and government representatives may nominate observers to attend. MSG members can nominate additional experts to attend a particular MSG meeting on a non-voting observer basis.

3.4 Up to 12 alternate members may also be appointed to the MSG, comprising up to 4 named alternates each for industry, government and civil society. Alternates shall have suitable experience and/or expertise. An alternate member may attend an MSG meeting only as a designated replacement for a primary member who cannot attend, and will have similar speaking and voting rights to that primary member. Replacement of a primary member by a named alternate should be notified in advance of the relevant meeting. Alternates will be listed on the UK EITI MSG webpage and will receive all MSG emails as a matter of course in the same way as primary members.

3.5 An additional 4 seats will be provided for nominated people who will be allowed to observe the meeting and engage in the discussion when the Chair invites them to speak on a specific issue. They will not be allowed to vote. These seats will be allocated to appropriate individuals by the Chair/Secretariat.

3.6 The Chair will select observers, experts and nominated people from those put forward with the aim of ensuring that those with the most relevant expertise to the meeting's agenda are selected to attend each MSG meeting.

Terms of Membership

4.1 Members shall be appointed for an initial period of 4 years. While the tripartite nature of the group must be maintained (e.g. government, extractive industry companies and civil society, must always be represented), the group may agree by broad consensus at any time to change the number of members.

4.2 The MSG may through general agreement, or if general agreement cannot be reached, a formal vote, remove a full member of the MSG if there are grounds for believing that member's participation would be detrimental to the ongoing work or reputation of the UK EITI, in line with the EITI Association Code of Conduct.

Meetings

5.1 The MSG will meet every two months or as otherwise agreed until the UK becomes fully compliant with EITI.

5.2 The Chair will set the agenda for meetings. The meeting announcement, agenda and any background information shall be circulated to MSG members a minimum of one week before the meeting date.

5.3 The Chair and MSG shall be supported by the Department for Business, Innovation and Skills. The Secretariat shall conduct all coordination and administrative functions necessary to support the MSG and ensure the fulfilment of its outlined responsibilities. If there are any necessary or urgent issues which need to be discussed and decided, the Chair will call an extraordinary meeting.

5.4 Minutes of meetings will be circulated to the MSG and will be made publicly available after agreement among the Members. Names of attendees will be listed in the minutes but views that have been expressed within the meeting will not be allocated to individuals. Attendees shall not allocate views to individuals when discussing the MSG outside the meetings and shall respect that differences of opinion may arise during the development of the final work plan and should refrain from engaging in public discourse that would be disruptive to the development of the draft work plan prior to release for public review and commentary.

5.5 Any attendees, whether full members, proxies, alternates, observers, experts or nominated people should declare any conflict of interest to the Chair a week before attending an MSG meeting.

5.6 Any attendees, whether full members, proxies, alternates, observers, experts or nominated people shall respect and not discuss outside of the MSG meetings any confidential information that may become available at any point during the period of the UK EITI. In the spirit of openness, the MSG has chosen to rely on the International EITI's Code of Conduct which says:

Confidentiality: EITI Office Holders shall not use any information that is provided in his or her role as EITI Office Holder and which is not already in the public domain in any manner other than in furtherance of his or her duties. EITI Office Holders continue to be bound by this obligation for two years after termination of their mandate.

5.7 This will be in addition to the Openness Policy which is included in the EITI Standard. All instances of failure to adhere with these principles would be reviewed by the MSG and may result in exclusion from any further participation in MSG meetings.

Sub-groups

6.1 The MSG may decide that particular issues should be developed by a sub-group. Each such sub-group must be led by an MSG member who will be supported

by one or more other MSG members. . The sub-group leader may also invite outside experts to participate in the sub-group, but only with the agreement of all MSG sub-group members.

6.2 The sub-group shall provide its recommendation to the MSG, who will consider those recommendations and will seek to make a decision on the basis of consensus.

Independent Administrator and Intellectual Property Rights in the UK EITI report

7.1 For practical reasons, the contract to appoint the Independent Administrator will be between the Department for Business, Innovation and Skills (BIS) and the Independent Administrator. The Secretariat to the MSG will manage the contract on behalf of the MSG. BIS shall act on behalf of the MSG as owner of Intellectual Property Rights in the UK EITI report.

Communications

8.1 The MSG shall agree and implement a robust, proactive communication strategy incorporating stakeholder outreach. The communications strategy will ensure stakeholders are aware of the UK Government's commitment to implement EITI and will explain the central role of civil society and industry. The strategy will consider how to disseminate the public information that results from the EITI process including the EITI Report.

8.2 Public engagements and contact with the media to promote EITI must be authorised in advance by the Chair. The Secretariat will keep a central record of events and publicity on EITI.

Decision-Making/Voting

9.1 The MSG will make decisions on the basis of consensus wherever possible. Where consensus is not possible the decision-making principles and voting rules will be applied.

9.2 The Decision-Making Protocol for the UK EITI Multi-Stakeholder Group is set out in Schedule 1. This Protocol identifies:

- How decisions will be made, including consensus requirements and a 3-tiered decision-making hierarchy that applies if consensus cannot be reached;
- How members can be represented in decision-making if they are not able to be present at a meeting; and
- How abstentions will be managed.

Decision Making Protocol for the EITI Multi-Stakeholder Group (MSG)

Principles

1. Decision-Making Principles

1.1 The MSG is committed to operating in the spirit of collaboration and cooperation with the aim of reaching general agreement amongst all members on all decisions.

1.2 In cases where general agreement cannot be reached, a formal vote will be taken at the discretion of the Chair and voting rules will be applied. While consensus is not always possible, decision-making principles are designed to build the greatest possible consensus.

1.3 A quorum of 9 MSG members (or proxies or alternates) with a minimum of 2 representatives from each constituency will be represented in decision-making.

1.4 The Chair aims for decisions to be made through consensus making votes unnecessary.

2. Decision-Making Rules

2.1 Decision-making will occur by a two tiered hierarchical system as follows:

a) Consensus. The Chair will seek to achieve consensus for all decisions. If this is not achieved then modified consensus will be sought.

b) Modified Consensus. Consists of a two thirds or greater majority of exercised votes (i.e. minus abstentions) and includes a minimum of 2 representatives from each constituency. If this is not achieved, a working group will be formed comprising equal representation from each constituency, to discuss and negotiate a recommendation to proceed to the MSG. This may occur at the meeting; post meeting (with the intention to provide a recommendation by the next MSG meeting) to be considered out-of-session. Once the sub-group has provided its recommendation, the MSG will seek to make a decision on the basis on consensus or modified consensus.

2.2 If a modified consensus is not possible, then a consensus is not possible.

2.2 One vote will be recorded per member, and abstentions will be recorded.

2.3 A quorum of 9 MSG members, with a minimum of 2 representatives from each constituency will be represented for each vote. The number of votes required to pass a motion will adjust according to any abstentions to maintain two-thirds

3. Proxy Arrangements

- 3.1 A quorum of 9 MSG members, with a minimum of 2 representatives from each constituency will be counted for each motion. Where a member is unable to be present at a meeting, that member may appoint either a named alternate member or another person to act as proxy at that meeting, and advise the EITI MSG Secretariat of the appointment in advance of the meeting.
- 3.2 All alternates and proxy appointees will respect the confidentiality provisions in the EITI Code of conduct.3.2
- 3.3 An MSG member may appoint any other person as their proxy for a specific meeting.
- 3.4 No person may hold more than two proxy votes for MSG members at a time with the exception of the Chair.
- 3.5 In exceptional circumstances and at the Chair's discretion, when no advice on an alternate or proxy has been given and a member is absent from a meeting, the proxy will default to the Chair. The Chair may allocate the vote, abstain or use the vote as she sees fit.
- 3.6 Should the Chair hold a significant number of unallocated proxies they have the discretion to decide if votes are to be ratified out-of-session.

4. Abstention

- 4.1 Where a member intentionally abstains from a decision-making process, their vote will not be counted for or against a decision. Their vote will be discounted from the number of eligible votes.
- 4.2 To ensure abstention by a member is intentional, a member will notify the Secretariat of this intention, where possible in advance, and ensure that the abstention is recorded in the minutes of the meeting, or the record of decision for out-of session purpose.
- 4.3 Should the Chair determine that a significant number of abstentions are being exercised they have the discretion to decide if votes need to be ratified out-of-session.