

# Minutes

**EITI International Secretariat**

Oslo, 22 June 2017

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# MINUTES OF THE 37<sup>TH</sup> EITI BOARD MEETING

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## 37-1 Welcome by the Chair and adoption of the agenda

EITI Chair Fredrik Reinfeldt opened the meeting by greeting Board members and welcoming them to Oslo. Apologies were noted from Olga Belkova, Montty Girianna, Victor Hart and Jim Miller. The Chair welcomed: Ruslan Baimishev from Kazakhstan, as Olga’s new alternate; Carlos Cante from Colombia, as Victor’s new alternate; and Teresa Habitan from the Philippines, as Montty’s new alternate. He also welcomed the many observers and expressed hope that they would be able to participate actively in the strategy discussion. He particularly acknowledged Minister Zeru from Ethiopia and his delegation; Minister Agapito Rodriguez from Honduras and Minister Regilio Dodson from Suriname.

The Board agreed the agenda.

## 37-2 Is the EITI achieving its mission?

The Chair explained that the objective of this session was for the Board to gain a better understanding of implementation and of some of the challenges that the EITI is facing. He noted that a number of Board members had stated the need for the EITI to reflect on whether it is achieving its mission and on where it is heading. Other Board members had referred to the need to collate and interpret the findings from the first set of Validations and reflect on the meaning of the results for the EITI as an organisation.

In advance of the discussion, and at the Chair’s request, the Secretariat prepared a paper highlighting some of the challenges and opportunities. The Chair welcomed other inputs, written and verbal, to the conversation. The Chair noted that a re-write of the EITI Standard was not being suggested, as it had barely been implemented for a year and because implementing countries had made it clear that there is a need for consolidation and for time to focus on implementation. The Chair explained that, given the number of items on the agenda, the discussion would likely result in issues being noted down to be followed up on at a later stage or to be explored further as part of related and ongoing committee work. The Chair finished by saying that we must together ensure that we make the most out of the existing Standard and maximise its

potential impact.

Jonas Moberg introduced the paper 37-2-A, highlighting key topics such as mainstreaming, safeguards and Validation, and commenting on other areas such as requirements for other stakeholders such as companies and supporting countries, and emerging policy issues.

The Chair asked the Board if they wanted to add anything and Board members raised the following points. Cielo Magno recommended that national secretariats' opinions be sought on whether the EITI is achieving its mission, so that evidence and data can be collected to monitor the impact of the EITI more rigorously. Mack Dumba suggested broadening the input for the discussion beyond the Board. Wendy Tyrrell recommended that the focus of the discussion should be big picture rather than detail. The Chair agreed that a vision for the EITI is important and that it currently exists along the lines of greater transparency, better governance and less corruption. Ana Carolina added that it was important to ask questions about how the EITI intends to fulfil its mission, explaining that she did not see a need to reinvent the general vision but to go beyond the short-term questions raised in the Secretariat paper. Daniel noted that whilst the Secretariat's paper was appreciated, there should have been a greater degree of board consultation on the paper and strategy day, to allow for additional perspectives. He noted that in this vein the Civil Society Constituency had prepared an input for the discussion, board paper 37-2-B.

Dyveke Rogan introduced the strategy discussion board paper 37-2 C and outlined the recommended steps for the sessions. The Board then split up into breakout sessions to discuss the themes in the paper.

#### *Group 1 EITI as a multi-stakeholder initiative: key issues ahead*

Group 1 discussed mainstreaming, associate countries and civil society safeguards. The group proposed the establishment of a sub-group of the Implementation Committee to monitor the implementation of the mainstreaming action plan. On associate countries, the group recognised that the Implementation Committee was already putting together an options paper to further explore mechanisms like the associate country policy, but also using existing tools such as adapted implementation. On civil society safeguards, the group suggested keeping the safeguards but enabling more nuance in their application.

#### *Group 2 Implementation of frontier EITI requirements*

Group 2 discussed contracts, beneficial ownership, commodity trading and state-owned enterprises (SOE)s. On contracts, Group 2 proposed identifying two or three good examples of contract transparency best practices to encourage peer learning and updating the data on the EITI website to capture the policy on contract transparency in each country. It also proposed updating the current guidance note on contract disclosure. On beneficial ownership (BO), Group 2 suggested identifying where hidden ownership of suppliers is a major corruption risk in a country and recommended urging the MSG in such a country to include subcontractors in the scope of the BO disclosures, and encouraging companies to publish their anti-bribery corruption policies. On SOEs, Group 2 supported more engagement with SOEs, including recommending more SOE representatives to join MSGs.

#### *Group 3 Reporting, disaggregated and open data*

Group 3 discussed project level reporting and open data. They suggested that the guidance note on open data should be finalised so that peer-learning event(s) can take place. They also proposed that the EITI

should link with other open-data initiatives and that a survey of implementing countries should be carried out to ascertain the direction of travel on open data. They noted that, over time, the Standard needs to be updated with the new language on project level reporting, underlining the importance for MSGs to consider transitioning to project level reporting in a timely manner.

#### *Group 4 Financing implementation / Group 6 Governance at the international level*

Groups 4 and 6 were combined and proposed the following: (1) to reconsider whether the country constituency should continue to be split in two; (2) to better define the criteria for being a supporting country, including that there should include a funding commitment; and (3) to consider whether there should be further transparency of MSGs' per-diem practices, and whether global guidance on the topic should be updated, (4) to encourage countries to self-fund their implementation in order to ensure greater national ownership. Following the discussion within this group a recommendation was put forward to the Board to request supporting countries to provide a recommendation to the Finance Committee in advance of the next Board meeting.

#### *Group 5 Responding to new and emerging country priorities*

Group 5 proposed that on artisanal and small-scale mining, there should be more reporting, providing more guidance and collating best practice/lessons learnt; on environmental reporting, encourage, but not demand, that countries take on more environmental reporting; on anti-corruption, (1) build on and collaborate with existing initiatives like PACI and OECD, (2) and ensure that the integrity of the Validation process be preserved, and (3) that the Implementation Committee might wish to consider how implementation of existing mechanisms in the Standard can be improved to address corruption vulnerabilities.

#### *Group 7 Monitoring and impacts of EITI implementation*

Group 7 discussed EITI impact and noted that, it is difficult to pin down because each country's impact differs, it is therefore important that each country identifies its own impact and potential reforms. For example, it was noted that establishing an MSG that works together is already an achievement in some countries. The group suggested that the Board could help document impact by encouraging countries to undertake baseline assessments; allowing countries to select the focus areas of their implementation; help define impact; develop generic impact indicators to help countries; and shift the validation conversation from compliance to impact.

#### *Group 8 Validation*

The group noted that the Validation has improved with the new model and discussed the need to encourage flexibility with consideration of country dynamics and national objectives, realistic timelines and innovation for countries undergoing Validation. The group also proposed that the Validation guide be updated, and that the lessons learned from the first set of Validations should be considered, including SDSG's final synthesis report. The need of finding ways to incentivise innovation within countries to go beyond the EITI Standard was highlighted throughout the discussion.

The Chair briefly summarised the various groups' feedback: some issues would be deferred to working groups and committees, other suggestions were already part of on-going committee or International

Secretariat work. The Chair noted that the day had reflected the challenges and complexity of the organisation.

**Actions:**

- The Governance and Oversight Committee, Implementation Committee, and Validation Committee to consider the suggestions related to their Committees and the Board to establish working groups for anything else (the International Secretariat to advice on how to allocate the follow-up points).

*Board Paper 37-3-A Board Induction*

The Chair briefly introduced the paper and handed over to Mary Warlick. She briefly outlined the work being done in the Governance and Oversight Committee. She informed the Board that committee members led by Cielo were developing a questionnaire to assess whether current grievance mechanisms were adequate. She noted that the Committee had recommended induction sessions for the Board twice every Board term and that, at these induction sessions, the EITI's legal counsel is invited to provide an introduction to the EITI's governance arrangements.

Christian Fredrik Michelet, the EITI's legal counsel, gave a presentation on Board governance with a particular focus on grievance mechanisms. The presentation, which also covered the main responsibilities of the Board, is annexed. Christian Fredrik highlighted that Board members serve in their capacities as individuals, that the scope of the Articles of Association did not extend to the internal structure of the constituencies, and that the Board should always strive for consensus in its decision-making. He encouraged Board members to refer to the Articles of Association, the Code of Conduct and the Board Manual as reference sources.

Christian Fredrik explained the EITI's grievance mechanisms, noting that if the Board were to decide that there was a need for additional mechanisms, it would be important to ensure these were not in conflict with the existing mechanisms. As general EITI principle, grievances may be brought to the superior body to the subject of the grievance. The superior body to the EITI International Board is the Members' Meeting. He emphasised the importance for any grievance mechanism to be objective and transparent.

Board members followed up with a series of questions to Christian Fredrik covering issues such as induction, negligence, representation, confidentiality, nominations and legal status.

## 37-3 Report from the Governance Committee

### *Board Paper 37-3-B Board self-assessment follow-up*

Mary informed the Board that, after doing an extensive survey of constituency consultations and recommendations, there remained a strong consensus that constituencies should continue to agree internally their own constituency guidelines. She thanked the Governance and Oversight Committee, and Carine Smith Ihenacho in particular, for their hard work. Mary informed the Board that the general impression was that the self-assessment had been positive, even if participation had not been as good as desired. Board members agreed that institutionalising self-assessments could help the Board identify and address potential challenges. There was agreement that the Board should conduct similar exercises every second year and consider other mechanisms for gathering Board members' views.

#### **Actions:**

- The Board agreed to the proposals in Paper 37-3-B, including that the Board conducts a self-assessment every two years and that the Governance and Oversight Committee works with the Chair and Board Members to ensure a high rate of participation by Board Members.

### *Board Paper 37-3-C EITI constituency consultation recommendations*

Carine reported to the Board that the consultation that the Board undertook with its stakeholders on constituency governance had concluded. She said that paper 37-3-C attempted to identify issues where there seemed to be consensus and identify areas where more work was required. She informed the Board that the paper proposed that constituencies update their guidelines. She explained that the paper also included a list of recommendations, some of which required changes to the Articles of Association that could only be agreed upon at the Members' Meetings. Carine informed the Board that in other areas there were some outstanding issues requiring further consultations. For example, some submissions suggested that coordinators should have significant roles, whereas others strongly opposed this. On term limits, there were diverging views and this remained at the discretion of each constituency.

The Chair noted the diverging views and that many of these decisions could only be taken at the Members' Meeting. He went on to advise the Board that it should consider (a) how Board members get nominated and (b) what happens when someone objected to the nomination.

Wendy noted that constituency guidelines were a particular challenge for the civil society constituency. She proposed amendments to recommendations 5, 7, 14 and 21, on behalf of her constituency.

- On nomination of Board members (requirement 5) she asked to add that Board nominations must be proposed by a constituency coordinator and she proposed that the Articles of Association be amended to make this the accepted protocol.
- On constituency coordinators (recommendation 7), she suggested this be changed so that each constituency should set the criteria for the constituency coordinator to be included in the Board Manual.

- On the Secretariat providing structured support to the implementing country sub-constituency for consultation (recommendation 14), she proposed that this be amended to include all constituencies that require support.
- On nominees from implementing countries being recommended to obtain a confirmation in writing that the necessary resources will be made available (recommendation 21), she informed the Board that civil society had concerns that this recommendation could be perceived to mean that some countries were denied access to participate

Dirk-Jan Kock commented that term limits was an important issue for his sub-constituency and noted that this was an issue at the national MSG level too. He suggested that each constituency set a renewal percentage at the international level so that renewal was built into the system.

Carine clarified that Victor Hart had proposed the recommendation on implementing countries seeking funding assurance, since he had had trouble getting assistance from his government to attend Board meetings. Such a recommendation could support Board Members representing implementing countries in getting assistance.

The Chair responded that, given the diverging views of the constituencies, the Governance and Oversight Committee needed to deliberate further. Mary suggested breaking up the paper so that decisions could be taken one by one in the future.

#### Actions:

- The Governance and Oversight Committee to continue working on the recommendations in the paper before it is resubmitted to the Board.

#### *Board Paper 37-3-D Common governance challenges in EITI implementing countries*

Eddie Rich introduced paper 37-3-D adding that the first groups of Validations of implementing countries under the EITI 2016 Standard showed that they often struggled to comply with the EITI's requirements on MSG oversight, and particularly with Requirement 1.4 on MSG governance. Whilst there were many good practices out there, there were five linked issues that the Secretariat considered important that the Board considered: 1. a lack of constituency engagement; 2. MSG members who did not inform, consult or engage their constituents; 3. the challenge of a small group of persons serving on the MSG for a long time; 4. how to ensure the appropriate accountability of the national secretariat; and 5. the practice of providing per diems or other forms of payment to MSG members.

There was discussion on the findings of the paper and particularly on per diem practice. The Board discussed ways to incentivise better governance practices at the MSG level and Cesar Gamboa encouraged the Board to think of ways in which to create peer-pressure among implementing countries to improve MSG governance. Jonas concluded by noting that whilst the requirements and guidance could be improved, balance was needed to avoid undermining national ownership.

#### Actions:

- In accordance with paper 37-3-D, implementing region groups to review and consider the paper aimed at consolidating good practices and report to the Board on the outcome of those reviews and potential recommendations for the Board.
- The Board and Secretariat, in particular in drafting and reviewing the Implementation Progress Report, to give more focus to in-country governance challenges.

### 37-4 Report from the Secretariat

#### *Board Paper 37-4-A Implementation Progress Report, including Annex A Project level reporting*

Jonas introduced the IPR, highlighting progress since the last Board meeting on issues such as beneficial ownership, Validation, mainstreaming, and commodity trading. He noted that the working group on commodity trading had finalised the guidance note on crude oil sales, which would now be distributed to implementing countries. Further to the decision in Bogota, the Secretariat had also updated its project-level reporting research to cover all EITI countries that had published an EITI Report. Jonas informed the Board that sections 4 and 5 included a country-by-country assessment of progress with implementation and EITI reporting. Eight countries had published EITI Reports since the last Board meeting, including Albania, Burkina Faso, Cote d'Ivoire, Guinea, Indonesia, Malawi, United Kingdom and Ukraine. He further noted that the number of "red" countries, i.e. countries that face significant delays with implementation, are suspended or at risk of suspension, had been reduced from ten to seven countries (Central African Republic, Guatemala, Mozambique, Solomon Islands, Tanzania, United States and Yemen).

In terms of particular country developments, Jonas informed the Board that for the Central African Republic, there were renewed prospects for lifting the suspension. In Tanzania there was an ongoing fraud case that had complicated issues, and the Democratic Republic of Congo was struggling with complicated governance issues. He highlighted indications that the United States of America may withdraw from implementing the EITI. In Myanmar implementation was making good progress after a long transition period, and there was significant progress in Papua New Guinea, where the cabinet had recently issued instructions to all ministries to implement recommendations in the EITI reports.

The Chair drew the Board's attention to the section on Honduras on page 25 and handed over to Minister Agapito Rodrigues. Minister Rodrigues informed the Board that the sector was growing in his country and reaffirmed the Honduran government's commitment to the EITI and transparency.

The Chair opened the floor for questions on the IPR. Daniel Kaufmann commented on the project-by-project reporting and noted that 28 of 45 countries included at least some degree of project-by-project reporting, which provided a good basis to continue work on the road to making it a requirement. On the United States, Daniel stated that the MSG had ceased to function, the Department of the Interior had frozen funding and companies were no longer providing information. He asked Mary for clarification on the US government's position on their EITI status and he asked Stuart Brooks if Chevron would commit to full transparency on tax and project-by-project reporting, given recent Congressional lobby reports which showed Chevron was one of the companies which lobbied specifically on the disapproval of Dodd Frank 1504.

Catarina Hedlund asked about the beneficial ownership roadmaps and noted the encouraging progress. She welcomed the progress on commodity trading and the thematic focus on project-by-project reporting. She



was concerned about the reports on Tanzania and Mozambique and asked for more clarification.

Ana Carolina Gonzalez Espinosa was encouraged that suspended countries were working on their corrective actions, asking the Secretariat to report about the reaction in suspended countries to the Board's decision. She asked about next steps for project-by-project reporting and enquired whether a similar approach to the beneficial ownership roadmaps could be pursued to support implementing countries move towards greater disaggregation of EITI Data. She expressed concerns about the many red and yellow countries in Latin America, asking what civil society could do to help.

#### *Board Paper 37-4-B Outreach Progress Report*

(See about Suriname below.)

Jonas mentioned that the Secretariat expected candidature applications in the coming months from Guyana and Mexico.

### 37-5 Report from the World Bank

Sheila Khama reported from the World Bank on the EGPS fund, which supported 28 out of the 51 EITI countries. Sheila informed the Board that the EGPS portfolio would grow to about USD 40 million and that about half of the EGPS funds were dedicated to the EITI. Sheila went on to recommend IDA eligible governments draw from the IDA fund rather than EGPS. The World Bank had taken the view that if funds were not drawn for two years they would be frozen and countries would need to reapply. The World Bank was willing to support countries undergoing corrective actions as a result of Validation. Some EGPS funds had been earmarked for CSOs. Reflecting on the suggestion of associate countries, Sheila noted that the World Bank would follow that discussion with interest, as this would inform funding decisions. On open data, the World Bank was investing significantly in open data platforms such as a database on environmental and fiscal laws for all 54 African countries.

Carlos Cante asked if the World Bank would be willing to support government funding for EITI during the early stages of implementation.

### 37-6 Report from the Implementation Committee

#### *Board Paper 37-6-A Beneficial ownership requirements*

Daniel introduced paper 37-6-A, which contained a recommendation from the Implementation Committee to the EITI Board for clarifying the interpretation of requirement 2.5.c and the scope of application, notably that it concerned corporate entity(ies) that apply for or hold a participating interest in an oil, gas and mining license or contract.

#### Actions:

- The Board decided to accept the recommendation.

#### *Board Paper 37-6-B Yemen delisting*

Daniel explained that the Implementation Committee recommended to the Board that Yemen be delisted.

Yemen was suspended in February 2015 for political instability. The conflict had intensified since then, creating a humanitarian crisis. The prospects for lifting of suspension looked remote. Board Members agreed with that assessment but several suggested that the costs of delisting outweigh any benefit to the global initiative at this point. Daniel concluded that one possibility was to offer the government an opportunity to voluntarily withdraw. If there was no answer for example by the next Board meeting, the Board could then decide to delist Yemen.

**Actions:**

- The Board agreed that the Secretariat would write a letter to the Yemeni government, asking it to discontinue their membership until the political situation stabilises.

## 37-7 Report from the Outreach and Candidature Committee

### *Board paper 37-5-A Candidature Assessment: Suriname*

Minister Regilio Dodson from Suriname was asked to leave the room while the Board discussed Suriname's EITI candidature assessment.

Francisco Paris indicated that, following the candidature assessment by the International Secretariat that found that Suriname met all sign-up requirements (i.e. Requirements 1.1. to 1.5), the Outreach and Candidature Committee recommended to the Board that Suriname be designated an EITI Candidate country.

The board admitted Suriname as an EITI candidate country, currently the initiative's 52nd.

Minister Regilio Dodson was invited back into the room. He thanked the EITI Secretariat and the World Bank for their support. He noted the tough investment environment and Suriname's desire to get EITI Implementation started as quickly as possible. He also informed the Board about Suriname's intention to include environmental information in its future EITI reports.

**Actions:**

The Board admitted Suriname as an EITI candidate country on 24 May 2017. In accordance with the EITI Standard, Suriname is required to publish its first EITI Report within 18 months of becoming a candidate (i.e., by 24 October 2018). Suriname is required to publish an annual activity report for 2017 by 1 July 2018. Validation will commence within two and a half years of becoming a candidate (i.e., by 24 October 2019). In accordance with the work plan submitted by the MSG, the EITI Board expects Suriname to publish a beneficial ownership roadmap by 30 September 2017.

## 37-8 Report from the Finance Committee

Moses Kulaba confirmed to the Board that the finances remain healthy and that a surplus of USD 0.6m was recorded in Q1. He described the outlook for Q2 as positive and reported that the forecasted revenue during calendar year 2017 of USD5.5m was on track. He updated the Board on the ongoing recruitment of staff at the International Secretariat, (two new positions and three replacements) which had seen over 500 applicants. Moses noted that the Secretariat was actively seeking new office space in anticipation of the need to move its office in October. He confirmed that the Finance Committee remains fully engaged in the

cost implications of both the staff recruitments and the office relocation and looks forward to continuing to work with the Secretariat directly on both.

## 37-9 Report from the Validation Committee

### *Board Paper 37-9-A Liberia*

Mark Pearson presented the Validation Committee recommendation that Liberia had made meaningful progress in implementing the 2016 EITI Standard, achieving meaningful progress on nine of the requirements. In accordance with requirement 8.3c, Liberia will be considered an EITI candidate and is requested to undertake corrective actions before the second Validation commencing on November 24, 2018.

The Board agreed to the proposal in paper 37-9-A that Liberia had made meaningful progress overall in implementing the 2016 Standard, will be considered an EITI candidate, and is requested to undertake corrective actions before the second validation commencing on November 24, 2018.

#### **Actions:**

- The Chair to write to the Government announcing the Board's decision about Liberia's Validation.

### *Board Paper 37-9-B Mali*

Mark presented the Validation Committee recommendation that Mali had made meaningful progress in implementing the 2016 EITI Standard. In accordance with requirement 8.3.c.iv, Mali will be considered an EITI candidate and is requested to undertake corrective actions before the second Validation commencing on November 24, 2018.

Mack highlighted the difficult political and social circumstances in Mali. He said that Mali had gone beyond what would normally be expected of a country at war.

The Board agreed to the proposal in paper 37-9-B that Mali had made meaningful progress overall in implementing the 2016 Standard, will be considered an EITI candidate, and is requested to undertake corrective actions before the second validation commencing on November 24, 2018.

#### **Actions:**

- The Chair to write to the Government announcing the Board's decision about Mali's Validation.

Mark noted that there were a number of Validation decisions in the pipeline and that the Board had previously expressed a desire to avoid taking Validation decisions by Board circulars. Sam Bartlett explained how Validation decisions could be made by the Board outside of Board meetings. He clarified that Validation briefings for the Board would be held after the Validation Committee had made a recommendation on a case.

Jonas encouraged the Board devote more attention to the wealth of information on impact and recommendations for further improvement in Validation reports.

## 37-10 Next meeting

### *Board Paper 37-10 Next meeting*

Gay Ordenes presented the Secretariat's recommendation that the next Board meeting take place in Manila on October 25-26, 2017. She drew attention to the proposal to hold a conference in Jakarta on beneficial ownership before the Board meeting, likely on October 23-24. The conference would be an opportunity for peer learning. Indonesia could also showcase their implementation. Gay informed the Board that GIZ Germany's Federal Ministry for Economic Cooperation and Development had made a funding commitment to the conference and that there were ongoing discussions with other funders.

## Any other business

The Chair thanked Carine, Laurel and Catarina for their time serving as Board members. Carine announced her resignation and informed the Board that Erik Nurnberg had been nominated by the constituency of companies to succeed her. Catarina announced her resignation and informed the Board that her alternate Bent Graff had been nominated by the constituency of countries to succeed her. Laurel announced that she would soon resign.

Dirk-Jan Koch informed the Board that Mr Soren Dengg from Germany was resigning as his alternate and that the constituency of countries nominated Rosmarie Schlup representing Switzerland to succeed him. The Board approved the nominations.

## 37<sup>th</sup> Board meeting ended

## Annex A – Board decisions on country status and extension requests

### Board decision on Liberia

*The Board agreed that Liberia has made meaningful progress overall in implementing the 2016 EITI Standard.*

*The EITI Board agreed that Liberia has made meaningful progress in meeting requirements 1.4, 1.5, 2.2, 2.3, 4.1, 4.7, 6.1, 6.3 and 7.4. The Board also agreed that Liberia has made inadequate progress in meeting requirements 2.6, 4.9, 5.1 and 6.2, and no progress in meeting requirement 4.3. The major areas of concern relate to multi-stakeholder group governance (#1.4), work plan (#1.5), License allocations (#2.2), license registers (#2.3), state participation (#2.6), comprehensiveness (#4.1), barter agreements (#4.3), disaggregation (#4.7), data quality (#4.9), distribution of revenues (#5.1), mandatory social expenditures (#6.1), economic contribution (#6.3), outcomes and impact of implementation (7.4).*

*Accordingly, the EITI Board agreed that Liberia will need to take corrective actions outlined below. Progress with the corrective actions will be assessed in a second validation commencing on 24 November 2018. Failure to achieve meaningful progress with considerable improvements across several individual requirements in the second Validation will result in suspension in accordance with the EITI Standard. In accordance with the EITI Standard, Liberia's EITI multi-stakeholder group (MSG) may request an extension of this timeframe, or request that Validation commences earlier than scheduled.*

*The Board's decision followed a Validation that commenced on 1 July 2016. In accordance with the 2016 EITI Standard, an initial assessment was undertaken by the International Secretariat. The findings were reviewed by an Independent Validator, who submitted a Validation Report to the EITI Board. The NSC was invited to comment on the findings throughout the process. The national secretariat's comments on the report were taken into consideration. The final decision was taken by the EITI Board.*

### Board decision on Mali

*The Board agreed that Mali has made meaningful progress overall in implementing the 2016 EITI Standard. In taking this decision the EITI Board recognised the challenges facing Mali, including terrorism and underlying socio-economic problems. The Board commended the stakeholders' resilience to continue implementing the EITI during the 2012-2013 political and security crisis. The EITI Board also noted that EITI information is more comprehensive, credible and trusted, as well as the efforts to go beyond the EITI's requirements on the inclusion of sub-contractors in EITI reporting. The EITI Board highlighted that the EITI has provided a positive platform for reforms of the cadastre system and widespread dissemination of information on the mining sector as well as public finance management. The EITI Board was encouraged by stakeholders' efforts to improve contract transparency and monitor sub-national payments.*

*The EITI Board agreed that Mali had not made satisfactory progress on requirements 1.4., 1.5., 2.2., 2.3, 4.1., 4.9, 5.2. and 7. The major areas of concern, where Mali made inadequate progress relate to multi-stakeholder group internal governance (1.4), license allocations (2.2), data quality (4.9) and subnational transfers (5.2).*

*Accordingly, the EITI Board agreed that Mali will need to take corrective actions outlined below. Progress with the corrective actions will be assessed in a second validation commencing on 24 November 2018. Failure to achieve meaningful progress with considerable improvements across several individual requirements in the second Validation will result in suspension in accordance with the EITI Standard. In accordance with the EITI Standard, the MSG may request an extension of this timeframe, or request that Validation commences earlier than scheduled.*

*The Board's decision followed a Validation that commenced on 1 July 2016. In accordance with the 2016 EITI Standard, an initial assessment was undertaken by the International Secretariat. The findings were reviewed by an Independent Validator, who submitted a Validation Report to the EITI Board. Mali's MSG was invited to comment throughout the process. The MSG's comments on the report were taken into consideration. The final decision was taken by the EITI Board.*

## Annex B – Participant list

### Chair

**Mr Fredrik REINFELDT**

### Countries

#### Implementing Countries

**Ms Olga BIELKOVA**, Member of Parliament, Ukraine

Alt: **Mr Ruslan BAIMISHEV**, Director of Subsoil Use Department, Ministry for Investments and Development, Republic of Kazakhstan

**Mr Montty GIRIANNNA**, President, EITI National Committee, Indonesia

Alt: **Ms Maria Teresa S. HABITAN**, Assistant Secretary, Department of Finance, Philippines

**Ms Zainab AHMED**, Federal Minister of State Ministry of Budget and National Planning, Nigeria

Alt: **Mr José Fernandes ROSA CARDOSO**, National Coordinator, São Tomé e Príncipe

**Mr Didier Vincent Kokou AGBEMADON**, National Coordinator, Togo

Alt: **Mr Ismaila Madior FALL**, Minister, Legal Adviser to the President and Chair of the EITI National Committee, Senegal

**Mr Jeremy Mack DUMBA**, National Coordinator, Democratic Republic of Congo

Alt: **Ms Agnès Solange ONDIGUI OWONA**, National Coordinator, Cameroon

**Mr Victor HART**, Chair of TTEITI, Trinidad and Tobago

Alt: **Mr Carlos Andres CANTE**, Vice Minister of Mines, Colombia

#### Supporting Countries

**Ms Mary WARLICK**, Principal Deputy Assistant Secretary of State, Bureau of Energy Resources, State Department, USA

Alt: **Mr Mark PEARSON**, Director General, Planning, Delivery and Results Branch, Strategic Policy and Results Sector, Natural Resources Canada, Canada

**Ms Catarina HEDLUND**, Deputy Director at the Department for International Trade Policy, Ministry for Foreign Affairs, Sweden

Alt: **Mr Bent GRAFF**, Senior Policy Advisor, Development Policy and Financing, Ministry of Foreign Affairs, Denmark

**Mr Dirk-Jan KOCH**, Special Envoy for Natural Resources, Ministry of Foreign Affairs, Netherlands

Alt: **Mr Sören DENGGE**, Head of Division “Energy, Infrastructure, Raw Materials”, Federal Ministry for Economic Cooperation and Development (BMZ), Germany

#### Civil Society Organisations

**Mr Daniel KAUFMANN**, President, Natural Resource Governance Institute (NRGI)

Alt: **Ms Wendy TYRRELL**, Transparency International, Australia

**Mr Gubad IBADOGLU**, Senior Researcher, Economic Research Center, Azerbaijan

Alt: **Mr Oleksiy ORLOVSKY**, International Renaissance Foundation, Ukraine

**Ms Faith NWADISHI**, Executive Director, Koyenum Immalah Foundation/National Coordinator Publish What You Pay, Nigeria

Alt: **Mr Brice MACKOSSO**, Commission Justice et Paix, Republic of Congo

**Ms Ana Carolina GONZÁLEZ ESPINOSA**, Universidad Externado de Colombia, Colombia

Alt: **Mr César GAMBOA**, Derecho, Ambiente y Recursos naturales, Perú

**Ms Cielo MAGNO**, Bantay Kita, Philippines

Alt: **Mr Moses KULABA**, Governance and Economic Policy Forum, Tanzania

### Companies including Investors

**Mr Stuart BROOKS**, Manager, International Relations, Chevron

**Mr Dominic EMERY**, Vice-President, Long-Term Planning, BP

Alt: **Mr Alan McLEAN**, Executive Vice President, Tax and Corporate Structure, Royal Dutch Shell

**Ms Laurel GREEN**, Group Executive, Legal & External Affairs, Rio Tinto

Alt: **Mr Carlos ARANDA**, Manager Technical Services, Southern Peru Copper Corporation

**Ms Carine Smith IHENACHO**, Vice President Legal, Statoil

Alt: **Mr Jean-François LASSALLE, Senior Adviser to the President E&P, Total**

**Mr Jim MILLER**, Vice President, Environmental Affairs, Freeport-McMoRan, Copper&Gold Inc.

Alt: **Mr James ENSOR**, Executive Director, BHP Billiton Foundation

**Mr Sasja BESLIK**, Head of Responsible Investments at Nordea Asset Management

### Board Secretary

**Mr Jonas MOBERG**, Head, EITI International Secretariat, Oslo

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**Ms Tsigereda Zewdu DEMELEWU**, Vice Chair, National Youth Federation, Ethiopia

**Mr Frederik DEVELTER**, Belgian Embassy in Oslo

**Mr Regilio DODSON**, Minister of Natural Resources, Suriname

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**Mr Tadlo Chekol WUBNEH**, Finance and Administration Director, Office of Audit General, Ethiopia

**Mr Motuma Mekassa ZERU**, Minister of Mines, Petroleum and Natural Gas, Ethiopia

## **EITI Secretariat**

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**Ms Christina BERGER**, Communications Officer

**Mr Christoffer CLAUSSEN**, Data Officer

**Mr Sam BARTLETT**, Technical Director

**Mr Alex GORDY**, Validations Manager

**Ms Anna Herbert DE LA PORTBARRE**, French Coordinator

**Ms. Josefina HERRERA**, Administrative Assistant

**Ms Gisela GRANADO**, Country Manager

**Ms Shemshat KASIMOVA**, Asia Programme Officer

**Mr Alexander KROSBY**, Francophone Intern

**Ms Ines Schjolberg MARQUES**, Country Manager

**Ms Gay ORDENES**, Regional Director

**Mr Francisco PARIS**, Regional Director

**Mr Victor PONSFORD**, Information Officer

**Mr Eddie RICH**, Deputy Head

**Ms Dyveke ROGAN**, Policy Director

**Ms. Olesia TOLOCHKO**, Communications and data intern

**Ms Oliana VALIGURA**, Country Manager

**Mr Pablo VALVERDE**, Regional Director

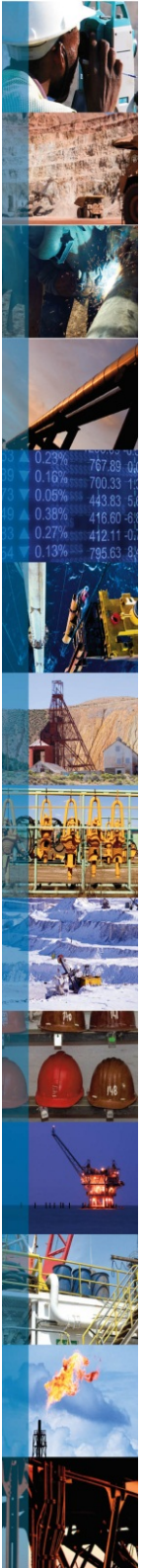
**Mr Edwin Wuadom WARDEN**, Anglophone Africa Intern

**Mr Brynjar WIERSHOLM**, Finance & HR Manager



# OVERVIEW

- Brief recap:
  - The role and responsibilities of the EITI Board Members (Lima 25 February 2016)
- Board governance
- Grievance mechanisms





# BOARD MEMBER RESPONSIBILITIES

- A *personal* responsibility
  - Obligation to attend to and make best personal evaluation and decisions in all Board matters
  - An obligation to act and take positions individually
  - Irrespective of mandates etc. of stakeholder(s)
- Should engage personally in all matters of the Board
  - Cannot leave certain matters to Alternate
  - Should seek to participate in all Board meetings
- Obligation of loyalty to the EITI Association and the Board
  - Should respect resolutions of the Board
- Possible liability of Board members: If they act with negligence
  - Norms
- Liability insurance is subscribed for Board Members

# GENERAL DUTIES OF BOARD MEMBERS

- Be attentive and diligent
  - Read documents and to represent those views in person rather than via proxies
- Be attendant
  - Be present at all Board and committee meetings
- Be deliberative
  - Make decisions based on good information, discussion, and without conflict of interest
- Hold confidences
  - Confidential matters may not be revealed externally





# THE ARTICLES OF ASSOCIATION

- The «constitution» of the EITI Association
- 22 Articles
- Regulates
  - the EITI Board (Art. 10)
  - the EITI Observers (Art. 11)
  - The EITI Chair (Art. 12)
  - Functions of the EITI Board (Art. 13)
  - Committees of the Board (Art. 14)
  - EITI Board operations and proceedings
- Board Members and Alternates should have full knowledge of and work in accordance with the Articles of Association at all times

## MEMBERS

- Personal representatives of a country, company, organisation or legal entity that are appointed by a Constituency
- The stakeholders – 3 Constituencies:
  - Constituency of Countries
    - Implementing Countries
    - Supporting Countries
  - Constituency of Companies
    - Companies in the extractive sector
    - Institutional investors
  - Constituency of Civil Society Organisations
- The Articles of Association do not regulate the Constituencies
  - The Constituencies determine their own internal processes
  - However, EITI Constituency Guidelines offer guidelines on process for Constituency Selection of Members and for nomination of Board Member





## SOME MAIN FUNCTIONS OF THE BOARD

- Policy issues
- Work plans and budget
- Reviewing activities
- Annual reports and audit reports
- Oversee and direct the work of the Secretariat
- Establish procedures regarding the validation process (now the EITI Standard)
- Adopt more detailed procedures for the management and operation of the EITI Association including country work plans and company work plans
- Oversee the adherence to the Code of Conduct

## COMMITTEES OF THE BOARD

- The Board may create committees to further specific issues
- Should include two or more Board Members
  - Should include one Board Member from Implementing Countries
- Should reflect the multi-stakeholder nature of the EITI Association
- Are subordinate to the Board
  - Give recommendations, do not make Board decisions
- The Board also establishes ad-hoc working groups
  - For recommendations

# CONFLICTS OF INTEREST

- A Board Member shall not vote in respect of any matter or arrangement in which he or she is directly and personally interested;
- or if there are any other special circumstance which could impair confidence in his or her impartiality representing constituency interests
- A Board Member shall declare to the Board as soon as possible after he or she becomes aware of such a situation
- A Board Member with conflict of interest shall not be counted for the purpose of quorum
- This shall not prevent a Board Member's alternate from voting on the matter

# Grievance mechanisms

- No specific grievance mechanisms in the Articles of Association
- But a Member's concerns may be raised to the Members' Meeting
- AoA Art. 8 (1):
  - The Members' Meeting shall consider any matter pursuant to request from a Member
  - In practice matters of principle, such as EITI policy or implementation, reconsideration of decisions of Members' Meeting, etc.
- Generally: Grievances may be brought to the superior body of the subject of the grievance



# Grievance over decisions by the Board

- The Board: The executive body of the EITI
- The Chair: Member of and leading the collective body of the Board
- Anyone wishing the Board to reconsider its decisions or otherwise consider EITI policy or implementation, should communicate this to the Board (through the Chair or the Board Secretary)
- Anyone wishing the Chair to reconsider her/his execution of the Chair's functions, can communicate this to the Chair or to the Board (Board member or the Board Secretary)
- The Board should treat grievances received with the necessary attention and seriousness
  - If a grievance is directed towards the Chair or a Board Member, that person may not vote in respect of the matter. The Board should also consider whether the person should be present or not
- If Members are dissatisfied with the Chair or Board Members:
  - They may be replaced by the Members Meeting



