

24TH EITI BOARD MEETING, SYDNEY, 24 MAY 2013

Minutes

EITI International Secretariat

Oslo, 27 June 2013

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MINUTES OF THE 24TH EITI BOARD MEETING

Sydney, 24 May 2013

24-1 Welcome from the Chair and adoption of the agenda

The chair welcomed Board members. Referring to recent events, sympathy was extended to Board members from Niger.

The agenda was adopted. It was noted that the Board now had an additional working language, Spanish.

24-2 Introductions

Board members introduced themselves.

Jonas Moberg drew Board members' attention to documents distributed; the EITI Standard including the Articles of Association, the draft Board Manual, Secretariat Workplan 2013, Progress Report 2013, and the Outreach Progress Report and the Implementation Progress Report. It was commented that the latter were the only documents marked confidential.

24-3 Board working practices – roles and responsibilities

Christian Fredrik Michelet, the Secretariat's legal counsel from Arntzen de Besche, provided an induction to the Board regarding the structure, procedures, functions and rules of the EITI Board and its members.¹

Responding to questions from several Board members, Christian Fredrik, Clare and Jonas provided the following clarifications:

- The mandate of the EITI Board is defined in the Articles of Association, which can be found in part II of the EITI Standard.
- Although Board members are nominated by their respective constituencies, the position is personal. A Board member has a duty to read all Board papers and attend all Board meetings to the extent possible.
- Board members can become personally liable, but only if acting negligently. Board members are insured against liability.
- The Head of the International Secretariat reports to EITI Board through the Chair.²
- For a Board meeting to be quorate, at least two-thirds of the Board members with at least two members from the country constituency (one from an implementing country and one from a supporting country), one member from the company constituency and one member from the civil society constituency need to be present³. The requirements for voting do not distinguish between implementing countries and supporting countries. It was agreed that the Governance Committee would review the voting arrangements prior to the next Member's Meeting.

¹ The presentation by Mr. Michelet can be found on <http://eiti.org/internal#board-papers>

² See EITI Articles of Association <http://eiti.org/articles>

³ Article 15(4).

- There is no maximum tenure for EITI Board members, except for the Chair, whose term may be renewed only once.⁴ It was agreed that the Governance Committee would review the tenure for Board members.
- Only the Chair can express opinions, sign documents or make commitments on behalf of the Board. Board members are encouraged to be ambassadors of the EITI and may communicate decisions that have been taken by the Board. It was agreed that the Governance Committee would provide further clarification on the mandate and responsibilities of Board members when it comes to external communication.
- The draft Board manual will be updated. It is not legally binding, but intended to be a guide for Board members.
- The English version of any EITI document or publication will be confirmed as original, to avoid a lack of clarity between translated versions of EITI documents.
- The Articles of Association only regulates actions of the Members of the Association and the Secretariat. However, the draft Code of Conduct which is under discussion by the Governance Committee is expected to apply to "EITI Board Members and other stakeholders", which would include national MSGs.
- If a country is suspended, a Board member representing that country is expected to refrain from taking part in Board activities. The Board may, but is not obliged to, decide to terminate the Board membership.
- At present, countries that are both supporting and implementing EITI have been allowed to decide whether to be represented on the Board as a supporting or implementing country. Norway was the only country in this category. It was agreed that the Governance Committee would consider the representation on the Board of supporting countries that are also implementing the EITI, and consider whether the composition of the Board would need to change with the growing number of implementing countries.
- If Board members have a personal economic interest in an agenda item, this could be considered as a conflict of interest and the provision set out in Article 15(6) would apply.
- The Board does not work under the Chatham house rule. Board minutes do not always provide attribution.

Actions

The Governance Committee is to address questions on voting procedures, tenure for Board members, external communication by Board members, representation of supporting and implementing countries on the Board and the composition of the Board.

24-4 Reflections on the EITI Sixth Global Conference

The Board concluded that the conference had been a success and congratulated the Secretariat for its arrangements. The national exhibition was widely recognised as an excellent opportunity for promoting the work of the EITI at the country level, and for stimulating peer learning. It was agreed that the Secretariat would draft a short report to capture the most important debates and lessons learned.

Actions

The Secretariat to write a short report from the Conference.

24-5 Board Committees

Jonas introduced Board paper 24-5 on Board committees drawing attention to the need to promptly appoint all committees and committee chairs. Clare noted that committee participation thus far in some cases had been below par and called on the Board to improve attendance. She invited Board members to express interest to join the various committees, noting that she may also make suggestions to ensure wide participation.

The Board agreed in principle to establish an Implementation Committee. It tasked the Secretariat to submit revised draft terms of reference for the Committee via Board circular, including clarifying the mandate of the

⁴ Idem

Committee vis-à-vis the Outreach and Candidacy Committee and the Validation Committee. The Secretariat was also asked to provide an estimate of time commitment per committee.

The Board encouraged committees to produce workplans that can be shared with the Board. It was noted that committees had found it difficult to accommodate multiple languages in the past, and with the Board now working in four languages, care had to be taken to avoid language barriers hampering committee work. Clare asked Constituencies to coordinate better, so that committee members can clearly represent the voice of the broader constituency.

Actions

The Secretariat to update the document on committees for consideration via Board circular.

Board members to express their interest to join the committees.

Committees to consider drafting workplans to be presented to the Board.

24-6 EITI Standard, briefing and transition arrangements

Sam Bartlett from the Secretariat introduced the paper on transition arrangements. The 39 implementing countries were at very different stages of the implementation process. The majority had reached compliance, but a significant number are working to clear a backlog of EITI Reports and to address technical deficiencies in EITI reporting. It was noted that implementing countries would need time to complete EITI Reports, Validations and corrective actions that were already underway. Accordingly, the Secretariat had developed a proposal for transitioning to the EITI Standard that set out revised reporting and Validation deadlines. It was confirmed that the EITI Standard came into force effective 22 May 2013, replacing the 2011 EITI Rules. Implementing countries were encouraged to transition to the EITI Standard as soon as possible, including by: (1) updating their EITI work plans to address the necessary actions and in order to meet the deadlines set out below, and (2) publishing annual activity reports that document progress in meeting the EITI Standard.

The proposal had been considered by the Validation Committee who had raised concerns about the large number of Validations scheduled for 2016 and the need to ensure that the frequency of Validation was maintained. The Board noted that implementing countries should also be given an opportunity to comment on the proposal. It was agreed that the Secretariat would revise the proposal in consultation with implementing countries, and that the Validation Committee would make a recommendation to the Board via circular.

Michel Okoko expressed concerns regarding the new requirements related to state-owned enterprises and the risk that this would place them at competitive disadvantage compared to private companies. Since all data and information to be provided are directly related to the execution of contracts, signed with private companies, EITI implementing countries and state-owned enterprises have to provide information at the same level as private operating companies. The status of a state-owned enterprise as member of the operating group of a contract has to be reviewed. The product has the same quality for all producers, so the corresponding market is the same for all parties. EITI implementation should not involve a risk of competitive disadvantage for state-owned enterprises, compared to private companies.

He also noted inconsistencies between the English and French version of the Standard. It was agreed that the Secretariat would develop guidance on implementation of the requirements related to state-owned enterprises in consultation with implementing countries.

Actions

The Secretariat to update the proposal for transitional arrangements in consultation with National Coordinators, and present a revised proposal to the Validation Committee for consideration.

The Secretariat to develop guidance on implementation of the requirements related to state-owned companies.

24-7 Any Other Business

- The Board agreed to look into ways on how to further share examples of progress and innovation in National EITI processes during Board meetings.
- It was agreed that the next meeting of the Board would take place on 15-17 October, location to be determined. The Board tasked the International Secretariat with proposing dates and locations for Board meetings in February 2014 and May/June 2014. It was mentioned that a Francophone implementing country might be a suitable host for one of the upcoming meetings.

Actions

The Secretariat to propose dates and locations for Board meetings in October 2013, and February and May 2014

Participant List

Chair

The Rt. Hon. Clare SHORT

Countries

Implementing Countries

Mr Abdoul Aziz ASKIA, Permanent Secretary, Niger

Alt: **Mr Didier Vincent Kokou AGBEMADON**, Togo

Mr Florent Michel OKOKO, Chairman of the Executive Committee, Republic of Congo

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

Mr Gbehzohngar M FINDLEY, MSG Member, President Pro Tempore of the Liberian Senate, Liberia

Mr Fernando Torres CASTILLO, National Coordinator, Peru

Alt: **Mr Alfredo PIRES**, Secretary of State for Natural Resources, Timor-Leste

Mr Shahmar MOVSUMOV, Executive Director, State Oil Fund, Azerbaijan

Alt: **Mr Bazarbaj NURABAEV**, Chairman, Committee of Geology and Subsoil Use, Ministry of Industry and New Technologies, Kazakhstan

Supporting Countries

Mr Mark PEARSON, Director General, External Relations, Science and Policy Integration, Natural Resources Canada, Canada

Alt: **Mr Robert CEKUTA**, Principal Deputy Assistant Secretary, State Dept., USA

Mr Pekka HUKKA, Ambassador, Ministry of Foreign Affairs, Finland

Alt for: **Mr Kåre STORMARK**, Deputy Director General, Ministry of Foreign Affairs, Norway

Mr Olivier BOVET, Senior Programme Manager Trade Promotion, State Secretariat for Economic Affairs (SECO), Switzerland

Civil Society Organisations

Mr Gubad BAYRAMOV, Senior Researcher, Economic Research Center, Azerbaijan

Alt: **Ms Natalia YANTSEN**, Director, PA "Tax Standards Formation", member of the NSG Kazakhstan from dialogue platform of NGOs and NGO Coalition "Oil revenues - under the control of society", Kazakhstan

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

Alt: **Ms Corinna GILFILLAN**, Head, Global Witness, USA

Mr Ali IDRISSE, Coordinateur National du ROTAB PCQVP, Niger

Mr Eelco DE GROOT, Senior Policy Officer, Cordaid, the Netherlands

Alt: **Mr Fabby TUMIWA**, Executive Director, Institute for Essential Services Reform (IESR), Indonesia

Ms Marinke van RIET, International Director, Publish What You Pay (PWYP)

Alt: **Mr Daniel KAUFMANN**, President, Revenue Watch Institute (RWI)

Companies including Investors

Mr Jean-François LASSALLE, Directeur Affaires publiques, Total, France

Mr Stuart BROOKS, Manager, International Relations, Chevron

Alt: **Mr Guillermo GARCIA**, Head of Revenue Transparency, ExxonMobil

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

Alt: **Mr Ian WOOD**, VP Sustainable Development, BHP Billiton

Ms Debra VALENTINE, Group Executive, Legal & External Affairs, Rio Tinto

Alt: **Mr Suresh RAJAPASKSE**, VP Health and Safety, Environment, Security, and Sustainable Development, ArcelorMittal

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

Alt: **Ms Elodie GRANT GOODEY**, Head of Societal Issues and Relationships, BP

Mr David DIAMOND, Director Global Co-Head of ESG, Allianz GI Europe

Board Secretary

Mr Jonas MOBERG, Head of EITI Secretariat, Oslo

Observers

Mr Javier AGUILAR, Deputy Program Manager, World Bank

Ms Zainab AHMED, EITI Nigeria (NEITI) National Coordinator, Nigeria

Ms Gro ANUNDSKAAS, Assistant Director General, Ministry of Petroleum and Energy, Norway

Mr Michael BARRON, Government & Public Affairs Manager, BG Group

Mr Edward BICKHAM, Advisor, International Council on Mining and Metals (ICMM)

Mr Benjamin BIOULE BIOULE Communication Consultant, EITI Cameroon

Ms RACHEL BOFANTE, Director, EU Affairs, International Association of Oil & Gas producers (OGP)

Mr Ravdan BOLD, Ambassador, Embassy of Mongolia, Australia

Mr David BROWN, Advisor, Extractive Industries Transparency Initiative (EITI), World Bank, Indonesia

Mr Donal BROWN, Head of Africa Regional Policy and Programmes Department for International Development

(DfID), UK

Mr Alfred BROWNELL, MSG Member, Representative Publish What You Pay Coalition, Liberia

Ms Francesca CIARDIELLO, International Sustainability Stakeholders Manager, Eni SpA

Mr Jeffrey S. COLLINS, Senior Counsel, Compliance and Policy, Chevron Upstream & Gas Law

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Ms Dorte CHORTSEN, Advisor, Ministry of Foreign Affairs, Denmark

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Mr Ibrahim DANKWANBO, Governor of Gombe State, Nigeria

Mr Andrew DAWE, Team Leader, Natural Resource Management, Strategic Policy and Performance Branch, Canadian International Development Agency (CIDA)

Mr Daniel DARGENT, Director, B3- Belgian Economic Issues, Ministry of Foreign Affairs, Belgium

Ms Justine DE DAVILA, Governance Adviser – Extractives Growth Team, Department for International Development (DFID), UK

Mr Antonio DOMINGUEZ, Comptroller General, PEMEX

Mr Séraphin NDION, Secrétaire technique permanent du comité exécutif, Congo

Mr Andrew ENEVER, UK Tax Lead, Shell International Ltd.

Mr Paulo De SA, Manager, Oil, Gas and Mining Policy Division, World Bank

Mr Farid FARZALIYEV, State Oil Fund, Azerbaijan

Mr Richard FINEBERG, Principal Investigator, Research Associates, US EITI Advisory Committee

Mr Davaajav GANKHUYAG, Minister of Mining, Deputy Chairman, EITI National Council, Mongolia

Ms Alexandra GILLIES, Head of Governance, Revenue Watch Institute (RWI)

Ms Kaja GLOMM, Embassy of Norway, Australia

Ms Laurel GREEN, Chief Adviser Policy, External Affairs, Rio Tinto

Ms Shelly HAN, Policy Advisor, Commission on Security and Cooperation in Europe

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Mr Vijay IYER, Director, World Bank

Mr Roosevelt Gasolin JAYJAY, former Minister of Lands, Mines & Energy, Liberia

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Mr AI MARCHETTI, Vice President, International and Federal Relations, Hess Corporation

Ms Marie-Anne MACKENZIE, Department for Business, Innovation & Skills, UK

Mr Carlo MERLA, Africa Programme Manager, Publish What You Pay (PWYP)

Mr Christian MOUNZEO, 1er vice-président du comité exécutif, Congo

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- Mr Anthony RICHTER**, Chairman, Revenue Watch Institute (RWI), USA
- Mr Brendan O'DONNELL**, Head of Oil Campaign, Global Witness
- Mr Diarmid O'SULLIVAN**, Adviser, Global Witness
- Mr Paulo OTTO**, General Ombudsman, Petrobras
- Ms Hannah OWUSU-KORANTENG**, Associate Executive Director, Wacam, Ghana
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