

# ANNEX 16

**MULTI-STAKEHOLDER GROUP FOR THE EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE- UGANDA  
APPROVED 13<sup>TH</sup> SEPTEMBER 2019; REVISED 20<sup>TH</sup> FEBRUARY 2020**

## **TERMS OF REFERENCE FOR THE MULTI-STAKEHOLDER GROUP OF THE EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (EITI)**

### **1. Introduction**

- a) The Extractive Industries Transparency Initiative (EITI) is a global tool which was established in 2003 to promote transparency and accountability in the extractive industries, primarily oil, gas and mining. On 28<sup>th</sup> January, 2019, Cabinet considered Cabinet Memorandum CT (2018) No. 179 and made a decision, through Cabinet Minute 27 (CT 2019) that Uganda should join the EITI.
- b) One of the requirements for joining the EITI is the establishment of the Multi-Stakeholder Group (MSG) to oversee the implementation of EITI. It is against this background that the MSG has been established in Uganda and hence these Terms of Reference developed.

### **2. Purpose of Terms of Reference**

The purpose of the Terms of Reference is to define the scope, functions and responsibilities of the MSG.

### **3. Role of the MSG**

The role of the MSG is to drive improvements in the governance of the extractive sectors through timely and effective implementation of the EITI. In the performance of its role, the MSG shall (a) ensure that Uganda meets its objective of gaining EITI candidature, (b) ensure Uganda maintains her membership to the EITI and (c) ensure that the views of key stakeholders are taken into account in the improvement of the governance of the sector.

### **4. Responsibilities of the MSG**

The responsibilities of the MSG are as follows;

- a) Defining and assessing the scope of EITI implementation in Uganda.
- b) Supporting the implementation and oversight of extractive sectors disclosure practices in line with EITI standards.
- c) Contributing to the drafting of policies and recommendations for the extractive sectors that advance the EITI objectives.

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- d) Consulting, liaising, and soliciting input from constituency groups in relation to the governance of the extractive sectors and the EITI processes.
- e) Approving the annual work plan including communications, outreach plans and the budget of the UGEITI National Secretariat.
- f) Appointing an Independent Administrator and approving the Terms of Reference of the Independent Administrator.
- g) Overseeing the EITI candidature application process.
- h) Overseeing the EITI reporting process, endorse the EITI Reports and engage in subsequent Validations.
- i) Undertaking effective outreach activities with civil society groups and companies through communication such as media, website and letters, informing stakeholders of the government's commitment to implement the EITI, and the central role of companies and civil society.
- j) Widely disseminating to the public information that results from the EITI process, notably primary disclosures at source and the EITI Report.
- k) Ensuring the appropriate involvement of relevant institutions on all matters related to the planning and implementation of the UGEITI.
- l) Considering any other matters pursuant to requests from any MSG member. Such requests shall be submitted in writing to the UGEITI National Secretariat in time to be included in the agenda for the MSG meeting.
- m) Adopting a Code of Conduct for the MSG.

### **5. Governance of the MSG**

#### 5.1 Composition, attendance and accountability

- a) The MSG will be headed by the Chairperson who shall report to the Minister of Finance, Planning and Economic Development.
- b) In the event that the Chairperson is not able to chair an MSG Meeting, MSG Members at the meeting shall choose from amongst themselves an alternative Chairperson for that MSG Meeting.
- c) Membership of the MSG shall consist of members, comprising of representatives from the Government, the Private Sector and the Civil Society.
- d) Each constituency has the right to nominate its own members through the procedures that they choose, taking into consideration the need to ensure that procedures are transparent, open and representative.

#### 5.2 Terms of Membership

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Members shall be appointed for an initial term of three-years, renewable once.

#### 5.3 Code of Conduct

Members must adhere to the Code of Conduct as stipulated under Schedule One.

#### 5.4 Responsibilities of the Chairperson of the MSG

The Chairperson of the MSG shall have the following responsibilities;

- a) Champion the UGEITI.
- b) Head the MSG and ensure effective and open dialogue among the members of the MSG.
- c) Chair meetings of the MSG.
- d) Mobilise resources and ensure sustainability of the process, which may be required to duly implement EITI.
- e) Represent the MSG in external matters.

#### 5.5 Responsibilities of the MSG members

The MSG Members shall be required to;

- a) regularly consult their wider constituencies to ensure they continue to reflect the views of their respective constituency as well as ensure the systematic disclosure of EITI data within their home consistency systems and processes.
- b) carry out the tasks assigned to them in accordance to the approved work-plan and Terms of Reference of the committees to which they belong with due diligence and efficiency.
- c) ensure the implementation of decisions taken by the MSG.
- d) supervise the preparation of the EITI reports and ensure timely submission of the reports to the EITI International Secretariat.
- e) organize and build the capacities of their constituencies to engage in issues related to extractives governance and the EITI Process.
- f) develop frameworks for monitoring and evaluating impact of EITI.
- g) attend all meetings of the MSG.
- h) be conversant with the EITI standard, laws, regulations and policies governing the extractive industry.

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### 5.6 Observers

5.6.1 The MSG may invite participants as Observers to attend MSG meetings. The Observers shall be in the following categories;

- a) Permanent Observers who may be nominated and approved by the MSG,
- b) Standing Observers who may be invited by the MSG from time to time as the MSG deems fit.

5.6.2 The MSG shall notify the UGEITI Secretariat of the invited Observers.

5.6.3 Observers shall have no voting rights but may express their views on specific matters.

5.6.4 The MSG may decide that certain items should be discussed in the absence of Observers.

### **6. Operations and proceedings of the MSG**

- a) MSG Meetings will occur on a quarterly basis or may be called by the Chairperson where need arises and shall be organized by the UGEITI National Secretariat.
- b) The MSG shall hold an Annual General Meeting within the first quarter of each financial year. The agenda of the meeting shall include-
  - (i) The progress of EITI implementation.
  - (ii) Approval of annual work plan and budget for the year.
- c) Any member of the MSG has the right to table an issue to the UGEITI Secretariat for discussion in the MSG meeting.
- d) MSG Members are expected to participate in all meetings. An MSG Member may nominate a proxy if they cannot make it to the MSG Meeting.
- e) Notice of an upcoming MSG Meeting, and agenda and accompanying reading materials will be circulated by the UGEITI National Secretariat at least five days in advance.
- f) Meeting minutes will be circulated within 14 days from the date of the last held MSG meeting.

### **7. Decision-making**

- a) The MSG Meeting shall make every effort to adopt resolutions by consensus.

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- b) If a vote is required, resolutions are adopted by a majority requiring the support of at least two thirds of the total votes cast. For the avoidance of doubt, each constituency shall have one vote.
- c) The quorum of an MSG Meeting shall be a minimum of half of the MSG Members, and must include at least one third of the MSG Members from each Constituency.
- d) No decision may be made in an MSG meeting unless there is quorum at the time of taking the decision.
- e) MSG members shall not take part in deliberations or 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 circumstances which could impair confidence in his or her impartiality. The MSG member shall declare such interests to the MSG as soon as possible after he or she becomes aware of the same and this will be recorded in the MSG meeting minutes. Any MSG member shall not be counted in the quorum present when any decision is made about a matter which that MSG Member is not entitled to vote upon.
- f) An MSG Member may be represented in the MSG Meeting by written proxy. The proxy may also include specific voting instructions. A duly signed proxy must be received by the UGEITI Secretariat by the date stated in the notice for the meeting.
- g) In the case of a vacancy on the MSG between two MSG meetings, this vacancy shall be filled by the concerned constituency nominating a new member.
- h) The MSG can be committed externally by the signature of the Chair, with prior consent of the MSG.

### 8. Committees

- a) The MSG may establish committees to handle particular issues. A committee may consist of both MSG members and non MSG members and should as far as possible reflect the multi-stakeholder nature of the MSG. The chairperson of the Committee shall be chosen from among its members who sit on the MSG.
- b) The committee shall provide its findings and recommendations to the MSG, who will consider those recommendations and make a decision.
- c) Where need arises, the Committee shall draft its Terms of Reference to handle its mandate.

### 9. National Secretariat

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### Composition and accountability

- a) A UGEITI National Secretariat shall be established to support the work of the MSG and is responsible for the day-to-day Uganda EITI activities.
- b) The UGEITI National Secretariat will be headed by the Coordinator and supported by staff qualified to perform the specified functions.
- c) The UGEITI National Secretariat staff will be appointed by the Chairperson of the MSG.
- d) The UGEITI National Secretariat is accountable to the MSG, through the Coordinator. The Coordinator will provide the MSG with the UGEITI National Secretariat annual activity report for approval by the MSG.
- e) The activities of the UGEITI National Secretariat will be funded from the budget of the responsible institution, in this case the Ministry of Finance, Planning and Economic Development or any other source to be determined by the Ministry.

### **10. Functions of the UGEITI National Secretariat**

The functions of the UGEITI National Secretariat include the following;

- a) Providing support to the MSG on technical matters.
- b) Providing recommendations and advice to enable the MSG to make informed decisions.
- c) Preparing progress reports on EITI.
- d) Monitoring and evaluating the process and advising on compliance with the requirements.
- e) Following up on EITI commitments.
- f) Support the MSG by providing administrative support in convening MSG meetings and follow-up recommendation.
- g) Record keeping will be the sole responsibility of the UGEITI National Secretariat. It is expected that with time, all Uganda EITI documents will be published, including online.
- h) Communication and public relation activities to promote the work of the MSG; and keeping a central record on events and publicity on EITI in Uganda.
- i) Administering and reporting on the EITI budget and work plan.

### **11. Cessation of membership**

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- a) A member may withdraw from the MSG upon written notification to the Chairperson of the MSG.
- b) A member of the MSG may be removed if-
  - (i) the nominating agency withdraws the nomination of that member; and
  - (ii) the appointing authority, on the recommendation of the MSG, terminates their membership on the grounds of breach of the code of conduct or failure to attend at least three consecutive meetings of the MSG without notifying the chair.

#### **12. Amendment**

These Terms of Reference may be amended by the MSG and a proposal for an amendment shall be communicated in writing to all MSG members two weeks in advance.

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## SCHEDULE ONE

### MSG CODE OF CONDUCT

#### 1. Scope

All members of the multi-stakeholder group (below referred to as “MSG Members”) shall abide by this Code of Conduct.

#### 2. Personal behaviour, integrity and values

- a) MSG Members shall observe the highest standards of integrity and ethical conduct and shall act with honesty and propriety. Their personal and professional conduct should, at all times, command respect and confidence in their status as MSG Members of an association that promotes transparency, accountability and good governance.
- b) MSG Members should dedicate themselves to be leading by example and should represent the interests and mission of the EITI in good faith and with honesty and integrity in a manner that preserves and enhances public confidence in the EITI. Ensuring that his or her association with the EITI remains in good standing at all times.

#### 3. Compliance

MSG Members shall discharge their duties to the EITI in compliance with applicable national laws and regulations and with the EITI Rules, interests and objectives.

#### 4. Respect for others

MSG Members will respect the dignity, EITI-related needs and private lives of others and exercise proper authority and good judgment in their dealings with colleagues, members of the other EITI bodies, staff members, the general public and anyone whom they come in contact with during the discharge of their duties to the EITI.

#### 5. Professionalism

- a) MSG Members should perform his or her assigned duties in a professional and timely manner and should use his or her best efforts to regularly participate in professional development activities.



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- b) Acting in the best interests of the Republic of Uganda and in the spirit of the UGEITI values at all times.

### **6. Discrimination**

MSG Members shall not engage in or facilitate any discriminatory or harassing behaviour directed toward anyone whom they come in contact with during the discharge of their duties to the EITI.

### **7. Confidentiality**

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

### **8. Expenditure of EITI resources and use of EITI property**

- a) MSG Members shall respect the principle of value-for-money and be responsible in the use of funds dedicated to the Uganda EITI. No MSG Member shall misuse EITI property or resources and will at all times keep EITI property secure and not allow any person not appropriately authorized to have or use such property.
- b) MSG Members may receive an allowance in the course of fulfillment of their duties.
- c) MSG members shall provide goods or services to the EITI as a paid vendor to the EITI only after full disclosure to, and advance approval by the Uganda EITI multi-stakeholder group.

### **9. Conflict of interest and abuse of position**

- a) MSG Members shall at all-time act in the best interest of the Uganda EITI and not for interests such as personal and private benefits or financial enrichment.
- b) MSG Members shall avoid conflicts of private interest. For the purposes of this Code of Conduct, a conflict of interest is a situation or circumstance in which interests of an MSG Member influence or may influence the objective and impartial performance of their official Uganda EITI duties. In

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this regard, private interests include any advantage for themselves, their families or personal acquaintances.

- c) MSG Members finding themselves in such a situation must excuse themselves and inform the multi-stakeholder group of such excusal. Specifically, Office Holders shall follow these guidelines:
- d) Avoid placing (and avoid the appearance of placing) one's own self-interest or any third-party interest above that of the EITI; while the receipt of incidental personal or third-party benefit may necessarily flow from certain EITI-related activities, such benefit must be merely incidental to the primary benefit to the EITI and its purposes. Any allowances set, paid or obtained should be based on reasonable actual costs and good practice.
- e) Refrain from overstepping the conferred powers. MSG Members shall not abuse EITI office by improperly using EITI's staff, services, equipment, resources, or property for personal or third-party gain or pleasure; MSG Members shall not represent to third parties that their authority as an MSG Member extends any further than that which it actually extends.
- f) Do not engage in any outside personal activities that could, directly or indirectly, adversely affect the EITI.

### **10. Gifts, trips and entertainment**

MSG members shall not solicit or accept gifts, gratuities, honoraria, free trips, personal property, or any other item of value from any person or entity that are intended to be, or that can reasonably be perceived to be, a direct or indirect inducement to provide special treatment to such donor with respect to matters pertaining to the EITI.

### **11. Implementation**

The national secretariat is responsible for making MSG members familiar with this code of conduct and for providing advice and, if required, training on the interpretation and implementation thereof.

### **12. Contravention of the code**

MSG members with a concern related to the potential violation of this code of conduct shall bring such issues to the attention of the MSG for consideration in accordance with the EITI Principles and the EITI Standard.

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## **SCHEDULE TWO**

### **DEFINITIONS**

Constituency-	Group of the MSG Members, which represents the Government, Companies or Civil society as spelt out in Schedule Three.
Committee-	A group of selected MSG Members tasked by the MSG to handle a specific assignment.
EITI report-	Report that is submitted by the EITI implementing country, which shall meet the requirements, set in the EITI Standard.
EITI Standard-	The current Extractive Industries Transparency Initiative standard in force.
Expert-	Specialist with expertise on the matters discussed by the MSG, who can be involved in the EITI implementation process on a paid or voluntary basis.
Independent Administrator-	Organization, which, according to the Terms of Reference approved by the MSG, generates the EITI report of the Republic of Uganda.
Observer-	A person, not being a member of the MSG, who is invited to participate in the MSG Meeting.
UGEITI-	Uganda Extractive Industries Transparency Initiative.
UGEITI National Secretariat-	The national secretariat of the Uganda Extractive Industries Transparency Initiative.
Validation-	The process of assessing performance and promoting dialogue and learning at the country level. It also safeguards the integrity of the EITI by holding implementing countries to the same global standard.

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## **SCHEDULE THREE**

### **MEMBERSHIP OF THE MSG BY INSTITUTION**

1. ADVOCATES COALITION FOR DEVELOPMENT AND ENVIRONMENT
2. AMOUR ENERGY
3. BANK OF UGANDA
4. CHINA NATIONAL OFFSHORE OIL CORPORATION (CNOOC) UGANDA
5. CIVIL SOCIETY BUDGET ADVOCACY GROUP
6. GLOBAL RIGHTS ALERT
7. KARAMOJA WOMEN UMBRELLA ORGANIZATION
8. MINISTRY OF ENERGY AND MINERAL DEVELOPMENT
9. MINISTRY OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT
10. MINISTRY OF FOREIGN AFFAIRS
11. MINISTRY OF JUSTICE AND CONSTITUTIONAL AFFAIRS
12. MINISTRY OF WATER AND ENVIRONMENT
13. MINISTRY OF WORKS AND TRANSPORT
14. NATIONAL ENVIRONMENT MANAGEMENT AUTHORITY
15. NATIONAL PLANNING AUTHORITY
16. ORANTO PETROLEUM
17. PETROLEUM AUTHORITY OF UGANDA
18. TOTAL UGANDA E&P
19. UGANDA CHAMBER OF MINES AND PETROLEUM
20. UGANDA NATIONAL OIL COMPANY
21. UGANDA REVENUE AUTHORITY
22. WORLD VOICES UGANDA