

## **TERMS OF REFERENCE FOR THE EITI BOARD**

The IAG recommends that a Board be established to oversee the future operation of EITI, including the work of the EITI Secretariat. It will include representatives from EITI implementing countries, supporting companies, supporting countries NGOs, and International Organisations. The Board will have responsibility for oversight of the overall development, strategic direction, and credibility, of EITI, and will make recommendations on these issues for agreement by the EITI Conference, through a written report to the Conference. The Board will also oversee and direct the work of the EITI Secretariat.

These Terms of Reference for the Board will be finalised at the first meeting of the Board after the 2006 EITI Conference.

### **1. Key Functions of the Board -**

#### **i) Consideration of general and specific policy issues as they arise;**

The Board will play a key role in consideration of policy issues affecting EITI, making recommendations to the EITI conference for agreement. Examples of such policy issues might include the question of incentives for stakeholders to join EITI and/or the question of assessment of EITI status. The Board will also need to consider any issues that are raised by EITI Conference. For example, after the 2006 EITI Conference the Board will need to conclude discussion on areas left open by the International Advisory Group such as arrangements for future EITI Conferences.

**ii) Directing the Operations of the Secretariat**

An EITI Secretariat has been established which will be responsible for day-to-day running of the EITI and communicating with stakeholders. It will work with the Chair and members of the Board to promote the concept of revenue transparency and the global adoption and implementation of EITI through building critical relationships and through a programme of outreach and publicity.

The Board will direct the work of the Secretariat. Members of the Board – working through the Chair of the Board, may individually or collectively seek the advice of the Secretariat on specific policy issues – including commissioning research as appropriate.

**iii) Assessment of EITI status of implementing countries and supporting companies.**

This will include approval of a list of assessors – or “validators” (prepared by the Secretariat); agreeing validation reports; and taking an oversight and final arbiter role in assessing non-implementing EITI countries.

With regard to the latter, the Board should normally rely on the independent judgement of the validators. It would, however, reserve the right - in highly exceptional circumstances - to override the validators' recommendations. In such circumstances, the Board would allow individual members with conflicts of interest, to recuse themselves (and possibly nominate an alternate) from the discussion on a particular country. ,

**iv) Preparing a report to the Annual EITI Conference.**

The Board, with the support of the Secretariat, will provide a report(s) for agreement by the EITI conference. This will include consideration and recommendations of key policy issues affecting EITI development as well as a report on progress with EITI Candidate and EITI Compliant countries.

**2. Use of Sub-Committees and Groups**

The Board may consider creating sub-working Groups to further specific issues as appropriate. The aim should be that any sub-group formed should reflect, as far as is reasonable, the multi-stakeholder make-up of the EITI Board.

In addition, the work of the Board (and the Secretariat) might be assisted by appropriate panels of technical experts. There might, for example be separate expert panels for the Mining and Oil and Gas Sectors. The panels would be convened by the Secretariat but would consist of technical experts in the areas covered by EITI (such as auditors or process consultants). The IFIs might also be represented on these panels as appropriate.

**3. Relationship of EITI Board with the Management Committee of the Multi-Donor Trust Fund**

The Multi-Donor Trust Fund was established to provide financial support to countries seeking to implement EITI. It is administered by the World Bank. The work plan of the MDTF is set by a Management Committee consisting of the World Bank and governments who have contributed in excess of \$500,000 to the MDTF<sup>1</sup>. The Trust Fund is not a sub-committee of the Board. It should however, take account of policy recommendations made by the Board and by the EITI conference. To this end it is proposed that the EITI Secretariat takes a role as

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<sup>1</sup> Currently the United Kingdom, Norway, Netherlands and Germany.

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full member of the MDTF to reflect the views of the Board in Management Committee discussions.

### **4. Role of the Chair of the EITI Board**

The Chair of the Board will lead the deliberations of the Board and of the Conference, seeking to maintain collaborative relationships between members and key participants, including governments, companies, civil society and international institutions. The Chair will be a voting member of the Board; with the casting vote in the case of a tie.

The Chair will:

- Present the Board report to the EITI Conference;
- Ensure that the multi-stakeholder nature of the initiative is maintained and fully reflected in EITI at all levels;
- Represent EITI to the political and industrial world at the highest levels with a view to further building global commitment to revenue transparency and to attract the necessary funding from governments, companies and other institutions.
- Provide strategic direction to the Secretariat, principally through the appointment and supervision of its Head, including operational guidance and performance review against an agreed workplan.

The Chair could be mandated to deal with any element of the EITI process that required Board approval / consideration between Board meetings to ensure continuity, momentum and timely action.

### **5. Arrangements for the Board:**

The Secretariat will organise meetings of the Board and the Conference in collaboration with host country governments and others as appropriate. The

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Board will have an annual budget of \$120,000. This would allow for four Board meetings a year – although the Board may decide to have only 2 -3 meeting sin person and convene through video or tele-conference in between times. The Board will decide on a location convenient to the majority of members.

EITI Secretariat

July 2006