GOVERNANCE AND OVERSIGHT COMMITTEE

EITI INTERNATIONAL SECRETARIAT  Oslo, 27 May 2016

GOVERNANCE AND OVERSIGHT COMMITTEE

TERMS OF REFERENCE
1 Terms of reference for the Governance and Oversight Committee

It is proposed that the terms of reference of the Governance Committee be expanded to include an oversight role. Other changes to the terms of reference are also proposed following the 2015 Governance Review, the Board meeting in Kiev and the 2016 EITI Members’ Meeting.

On behalf of the EITI Board, the Governance and Oversight Committee shall consider and seek to develop recommendations to improve the governance and oversight of the EITI, including on:

- **Decision-making procedures**, both formal and informal (voting and consensus), at Board meetings and through Board Circulars.
- **Accountability lines**, Board oversight, and procedural guidelines for the Chair and the Head of Secretariat, including the development of terms of reference with roles and responsibilities, recruitment and remuneration policy, and annual performance appraisals.
- **Governance of the International Secretariat**, roles and systems, overall scope and conduct.
- **The review of EITI Secretariat Workplans and budgets in cooperation with the Finance Committee**, prior to submission to the Board.
- **Chair nominations process**, rules and procedures
- **The adherence to and amendments of the Articles of Association**, including rules and procedures.
- **Governance issues concerning Members’ Meetings, Board meetings and Board committees.** This includes ensuring that procedures are understood and followed, as well as following up specific stakeholder concerns.
- **Risk management**, including the development of appropriate dispute settlement mechanisms and grievance review procedures.
- **General coherence and consistency of EITI’s governance structures**, including annual review of Board committee terms of reference to ensure roles and responsibilities of constituencies and members remain appropriate and fit for purpose.
- **Constituency guidelines**, including their regular update and follow-up in a manner that is consistent with the EITI’s multi-stakeholder spirit. This includes encouraging that constituency rules concerning Board member status and vacancies are followed.
- **Code of Conduct**, including annual review of whether sign-off procedures are being adhered to and any recommendations for improvement.
- **Board Manual** annual review.
- **The EITI’s per diem** policy, including any recommendations for improvement.
- **Performance**, including the annual conduct and review of Board member performance self-assessments and new Board member inductions and follow up.
- **Liability** of Board members.
In order to broaden Board engagement and to accelerate the review process of key Governance and Oversight matters, the Governance and Oversight Committee may recommend to the Board to establish Working Groups dedicated to reviewing specific sets of issues highlighted above. The mandate, including time-frame and deliverables, of these Working Groups would be developed by the Governance and Oversight Committee and approved by the Board. Their recommendation would be reported to the Governance and Oversight Committee for processing and further reporting to the Board of observations and recommendations.

Committee policy on observers and quorum
The Committee follows the Board’s procedure on observers and quorum as established at its meeting in Jakarta in 2011 and reaffirmed in 2014.

Non-members may observe and actively contribute to the Committee on a permanent basis, provided that an observer is accepted by all members of the committee and that the number of observers is reasonable. When making recommendations to the Board, the Committee may decide to only take into account the views of full members of the committee. Requests to observe committee meetings should be communicated to the Chair of the Committee.

For a meeting to be considered quorate, each constituency should have at least one member present and there should be at least one member from implementing countries. If a meeting is not quorate, decisions may be taken by correspondence on a no-objection basis following the circulation of meeting minutes.

2 Background

On the recommendation of the Governance Committee, the outgoing EITI Board decided at its 32nd meeting in Lima to recommend to the incoming Board that the scope of the Governance Committee be expanded to include an oversight role, becoming the Governance and Oversight Committee. The incoming Board deferred making a final decision in Lima, noting the need for more time to consider.

The outgoing Board’s recommendation aimed at addressing a key recommendation of the 2015 Governance Review, which among other things noted “the need for a greater focus on oversight and coordination of the organisation as a whole”.

The Governance Committee considered the creation of a Management and Oversight Committee at its meeting of 14 January 2016 and ultimately recommended to the outgoing Board that it instead expand the scope of the Governance Committee to include an oversight role.

2.1 The outgoing Board’s Governance Committee’s terms of reference

On behalf of the EITI Board, and in accordance with the EITI Rules, the Governance Committee shall consider and seek to develop recommendations relating to the governance of the EITI, including:

- Voting procedures, for Board decision-making, for Chair election and for constituency elections
- Policy issues affecting the EITI Association
- Proposed amendments of the Articles of Association
- Rules and Procedures on management and operations of the EITI Association
- Board member status, vacancies and liability
- Governance issues concerning Members meetings
- Governance issues concerning Board Committees
- Board meeting governance (procedures, observers)
- Deal with cases where a country may change status because it is suspended or delisted, or because it has a government whose recognition is disputed.

The Governance Committee’s previous mandate was agreed at the Board meeting in October 2013. This replaced the previous mandate, agreed by Board Circular 67 of March 2010: “On behalf of the EITI Board, address issues relating to the Governance of the initiative, including voting procedures.”

Initially set up as the Decision-Making Committee at the 1st EITI Board Meeting in New York 7 December 2006, the original mandate of this sub-group was to “do further work on voting procedures”. The Committee’s name was changed to Governance Committee at the 3rd EITI Board Meeting in Oslo, 27 September 2007, and its mandate was widened.

Throughout its history the Governance Committee has among other things developed the EITI Articles of Association and overseen a number of Governance Reviews. The Committee has traditionally not dealt with implementation aspects of the EITI, neither under the Rules nor the Standard.