

This guidance note has been issued by the EITI International Secretariat to assist implementing countries in the establishing of their EITI multi-stakeholder group (MSG). It includes model Terms of Reference (ToR) for the MSG, which MSGs may wish to draw on as they establish their own ToR. Questions about this note can be directed to the EITI International Secretariat.

Establishment and governance of multi-stakeholder groups

Guidance note 14 - requirement 1.4

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1. Summary

The multi-stakeholder approach is central to the operation and philosophy of the EITI, and it is reflected in how the EITI is governed and implemented. A multi-stakeholder group (MSG) comprised of representatives from government, companies and civil society is established to oversee EITI implementation. Although the mandate of the MSG varies across countries, the MSG is the main decision-making body responsible for setting objectives for EITI implementation, ensuring and monitoring disclosure of EITI data, and ensuring that any findings contribute to public debate. The MSG philosophy is essential for a country to be accepted as an EITI Candidate country and for successful EITI implementation thereafter. While the MSG has a mandate to determine the rules and procedures regarding its own work and decision-making, the *EITI Standard* contains some minimum requirements related to the role, rights and responsibilities of the MSG that can help ensure efficient MSG oversight of the EITI implementation process.

In some cases, multi-stakeholder consultation and oversight may be integrated using existing representative bodies where this has the potential to increase stakeholder engagement and make constituencies' participation more effective. Where proposals for mainstreamed implementation do not retain conventional MSG oversight, care should be taken to ensure that the alternative processes that are in place for multi-stakeholder consultation and dialogue encompass: (i) possibilities for shaping the scope and nature of extractives transparency; (ii) making recommendations for governance reform, and; (iii) that all stakeholders have an opportunity to shape decisions, be heard and contribute. This could also include capacity building in extractives governance when stakeholders do not have the technical capacity to engage fully in the process. Where these conditions do not exist, requests to mainstream multi-stakeholder oversight will not be approved.

This note provides guidance on how to establish and manage an effective multi-stakeholder group. A model Terms of Reference for an MSG is attached.

Requirement 1.4 set out the requirements for establishing a fully-functioning multi-stakeholder group:

1.4 Multi-stakeholder group

- a) **The government is required to commit to work with civil society and companies, and establish a multi-stakeholder group to oversee the implementation of the EITI.** In establishing the multi-stakeholder group, the government must:
- i. Ensure that the invitation to participate in the group is open and transparent.
 - ii. Ensure that stakeholders are adequately represented. This does not mean that they need to be equally represented numerically. The multi-stakeholder group must comprise appropriate stakeholders, including but not necessarily limited to: the private sector; civil society, including independent civil society groups and other civil society such as the media and unions; and relevant government entities which can also include parliamentarians. Each stakeholder group must have the right to appoint its own representatives, bearing in mind the desirability of pluralistic and diverse representation. The nomination process must be independent and free from any suggestion of coercion. Civil society groups involve in the EITI as members of the multi-stakeholder group must be operationally, and in policy terms, independent of government and/or companies.
 - iii. Consider establishing the legal basis of the group.
- b) The multi-stakeholder group is required to agree clear public Terms of Reference (ToRs) for its work. The ToRs should at a minimum include provisions on:

The role, responsibilities and rights of the multi-stakeholder group:

- i. Members of the multi-stakeholder group should have the capacity to carry out their duties.

- ii. The multi-stakeholder group should undertake effective outreach activities with civil society groups and companies, including 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. The multi-stakeholder group should also widely disseminate the public information that results from the EITI process such as the EITI Report.
- iii. Members of the multi-stakeholder group should liaise with their constituency groups.

Approval of workplans, EITI Reports and annual activity reports:

- i. The multi-stakeholder group is required to approve annual workplans, the appointment of the Independent Administrator, the Terms of Reference for the Independent Administrator, EITI Reports and annual progress reports.
- ii. The multi-stakeholder group should oversee the EITI reporting process and engage in Validation.

Internal governance rules and procedures:

- i. The EITI requires an inclusive decision-making process throughout implementation, with each constituency being treated as a partner. Any member of the multi-stakeholder group has the right to table an issue for discussion. The multi-stakeholder group should agree and publish its procedures for nominating and changing multi-stakeholder group representatives, decision-making, the duration of the mandate and the frequency of meetings. This should include ensuring that there is a process for changing group members that respects the principles set out in Requirement 1.4 (a). Where the multi-stakeholder group has a practice of per diems for attending EITI meetings or other payments to multi-stakeholder group members, this practice should be transparent and should not create conflicts of interest.
- ii. There should be sufficient advance notice of meetings and timely circulation of documents prior to their debate and proposed adoption.
- iii. The multi-stakeholder group must keep written records of its discussions and decisions.

Source: EITI Standard, p. 17

2. Guidance

Experience with implementation shows that many countries have faced challenges with ensuring efficient multi-stakeholder governance. Common challenges include:

1. *Sporadic MSG meetings and low attendance.* MSG members often face challenges of meeting regularly due to multiple commitments. It is important that MSG representatives are committed to participate in and contribute effectively to MSG meetings. It is recommended that MSG

meetings are held on a regular basis with sufficient prior notice and that the Secretariat prepares papers well in advance to maximise the effectiveness of discussion.

2. *Frequent reshuffling*, most commonly among government representatives on the MSG but also within other constituencies. It is recommended that MSGs agree clear selection procedures, including procedures for changing MSG members within the term of the MSG.
3. *Difficulties in reaching consensus*. In some cases, EITI implementation has stalled because decisions have been taken without agreement by all stakeholder groups, leading to a loss of trust and confidence in the EITI process. Whilst consensus requires time, effort and willingness to compromise by all stakeholders it is essential for a sustainable and inclusive EITI process.
4. *Poor record keeping* has often been a challenge during Validation. The MSG must keep written records of its discussions and decisions, and is advised to make MSG minutes publicly available.
5. *Lack of capacity* to engage in technical discussions and carry out activities foreseen in the workplan has sometimes caused delays with implementation. The MSG is advised to carry out an assessment of capacity constraints and include actions for addressing capacity gaps in the MSG workplan and when technically challenging issues are likely to be discussed consider seeking briefings for MSG members from subject specialists.
6. *Absence of diversity in member selection* may result when there are no formal requirements for stakeholders to consider diversity and pluralism in their selection and nomination processes. This may contribute to a lack of gender, ethnic and geographic diversity.

Gender representation in EITI MSGs

The extractive industries can have significant social, economic and environmental impacts on host communities: from the natural environment to access to jobs, changes in the cost of living and traditional social dynamics. Men and women often experience these changes differently. In recognition of the principle of accountability to all citizens for the stewardship of revenue streams and public expenditure, it is important to consider barriers that impede women, girls and other marginalized groups from equally contributing to and benefitting from sustainable natural resource management as well as potential gender impacts of extractive activities.

In January 2018, at least 20 out of the 51 National Coordinators/Head of Secretariats were female¹. There were female MSG Chairs in a wide spread of regions including countries such as Afghanistan, Burkina Faso, Guatemala, Philippines, Tajikistan and Tanzania. In Guatemala, the entire MSG was made up of women. There were organizations dedicated exclusively to gender equality serving on MSGs in at least nine of 51 EITI implementing countries². In some instances, the participation of women has been enhanced by the involvement of the federation of small-scale miners on the MSG, which had work focused on gender equality, such as in Tanzania.

Even though these numbers point to good practice in several countries, there is still a lack of gender diversity in MSGs. In February 2015, the Institute for Multi-Stakeholder Initiative Integrity (MSI Integrity) conducted an assessment of the governance of EITI MSGs in 23 EITI implementing countries that had published MSG membership lists with sufficient detail to conduct a gender analysis³. The report found that some MSGs, such as in Côte d'Ivoire, Yemen, had no female representatives in their MSGs at all. Only four countries (Madagascar, Mozambique, Norway, and Trinidad and Tobago) had 40% or more females. Further, their research showed that the majority of MSGs were composed of less than 25% female representatives. The study concluded that there was a clear indication that the overall level of gender diversity throughout MSGs in EITI implementing countries is worryingly low.⁴

The EITI International Secretariat recommends the following step-by-step approach for countries that are establishing a MSG:

Step 1 – Outreach to stakeholders

In establishing the MSG, the government must ensure that the invitation to participate in the group is open and transparent (requirement 1.4.a.i). In practice, the invitation to participate in the EITI

¹ Albania, Armenia, Burkina Faso, Cameroon, Chad, Colombia, Dominican Republic, Germany, Guatemala, Kazakhstan, Kyrgyz Republic, Madagascar, Mali, Norway, the Philippines, Senegal, Seychelles, Sierra Leone, Timor-Leste and Ukraine

² Burkina Faso, Democratic Republic of Congo, Guinea, Indonesia, Mali, Trinidad and Tobago, Tanzania, Timor-Leste and Zambia.

³ MSI Integrity, Protecting the Cornerstone: Assessing the Governance of Extractive Industries Transparency Initiative Multi-Stakeholder Groups, February 2015 <http://www.msi-integrity.org/assessing-eiti-msg-governance/>.

⁴ MSI Integrity, Protecting the Cornerstone: Assessing the Governance of Extractive Industries Transparency Initiative Multi-Stakeholder Groups, February 2015, p. 59

process is often made in the early stages of preparing for implementation beginning with an announcement by the government about its intention to implement the EITI, and inviting industry and those elements within civil society that have an interest in the extractive sector to participate in the process. In some cases an informal working group or interim MSG is formed to oversee the preparations for candidature. This typically involves outreach to stakeholders and constituency building, elaborating procedures for nominating MSG members, and developing draft MSG terms of references and a draft workplan that are subsequently finalised and approved by the MSG. Outreach could include targeted engagement with women's rights organizations with a direct link to the extractive sector. Some countries have found it useful to commission stakeholder assessments, political economy studies, feasibility studies and legal reviews as part of the preparations for EITI candidature.

Example:

In establishing the EITI MSG in the United States, the U.S. government with the help of a neutral facilitator conducted extensive public outreach with stakeholders to understand the composition of the EITI stakeholders in the U.S, what types of people and organizations could represent them, and how to best form a MSG. This included public listening sessions in places where resources extraction occurs and/or where extractives companies are headquartered, a webinar to reach stakeholders throughout the country who could not attend in-person sessions, workshops, and inviting public comments. Further information is available from <http://www.doi.gov/eiti/index.cfm>.

Step 2 - Nominating MSG members

The MSG must comprise appropriate stakeholders, including but not necessarily limited to the private sector; civil society, including independent civil society groups and other civil society such as the media and unions; and relevant government entities which can also include parliamentarians (requirement 1.4.a.ii). All stakeholders should be adequately represented. The concept of adequacy may, for example, be relevant where the commodities produced are diverse or where geographical diversity is a major consideration. This does not mean that they must be equally represented numerically. In countries where there are a very large number and diversity of extractive companies, where there are numerous government agencies involved in the revenue collection process, or a diverse civil society working on extractive industry related issues, it has sometimes been necessary for greater weighting of company, government or civil society representatives. Examples include Cameroon and Indonesia, which both have unequal numerical representation on their MSGs.

Each stakeholder group must have the right to appoint its own representatives, bearing in mind the desirability of pluralistic and diverse representation (requirement 1.4.a.ii). Governments, industry

and civil society are encouraged to work towards adequate gender representation on the MSG. The EITI, at the global and national level, can ensure that women play a leading role in the consultation and decision-making processes involved in overseeing EITI implementation. For example, the Nigerian civil society steering committee considered gender-equality as part of the criteria for member nominations in 2012 and included this in their memorandum of understanding. MSGs may wish to track gender composition on an annual or other basis to indicate progress towards gender diversity. Alternatively, on male dominated MSGs, it might be useful to set a clear target in the EITI work plan to improve gender equality.

In addition, the government is required to ensure that senior government officials are represented on the multi-stakeholder group (1.1.d). In many countries, civil society coalitions select their own representatives by caucus to join the MSG, and companies are also doing the same, for example through an industry association. Sometimes public notices are issued requesting nominees.

Example:

The government of the Philippines committed to implement the EITI in July 2012 and formed their multi-stakeholder group during the following six months. This process is documented in detail in the candidature application: <http://eiti.org/files/philippines/2013-04-ANNEXES-PH.pdf>

Step 3 – Agreeing a Terms of Reference for the MSG, including decision making procedures

The MSG is required to agree clear public Terms of Reference (ToR) for its work (requirement 1.4.b). The ToRs should at a minimum include provisions on the role, responsibilities and rights of the MSG (requirement 1.4.b.i-iii); approval of workplans, EITI Reports and annual progress reports (requirement 1.4.b.iv-v); and internal governance rules and procedures (requirement 1.4.b.vi-viii). A model ToR, including guidance, is attached.

Examples:

Terms of Reference of the United Kingdom EITI MSG, available from:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/264506/Terms_of_Reference.pdf

Terms of Reference of the Nigerian EITI MSG, available from:

<http://neiti.org.ng/sites/default/files/documents/uploads/neitiboardcharter-010211.pdf>

Terms of Reference of the Philippines EITI MSG, available from:

<http://ph-eiti.org/document/TOR.pdf>

With regards to decision-making, the EITI Standard requires an inclusive decision-making process throughout implementation with each constituency being treated as a partner (requirement 1.4.b.vi). The multi-stakeholder group should agree and specify procedures for decision-making in the ToRs (requirement 1.4.b.vi). Collaboration and cooperation with a view to reach general agreement among all MSG members on all decisions is a fundamental part of the EITI process. Experience with implementation shows that where decisions are taken without consensus, stakeholders have lost trust in the EITI process and implementation has been jeopardized. Consensual decision-making is a core element in multi-stakeholder processes and the International Secretariat recommends that the MSG makes every effort to take decisions by consensus. At the international level, the Articles of Association state that “Board Members (of the International Board) shall make every effort to adopt resolutions by consensus.” In agreeing procedures for decision-making, the MSG may wish to specify voting rules. Where the MSG decides that voting rules are needed, it is recommended that resolutions are adopted by a qualified majority and include support from all the constituencies. This is essential to ensure inclusive decision-making including in cases where stakeholders have unequal numerical representation on the MSG. The MSG is also advised to agree quorum rules.

Step 4 – Consider establishing a legal basis for the MSG

In establishing the MSG, the government must consider establishing a legal basis for the group (requirement 1.4.a.iii). In some countries, the EITI operates without a statutory basis, with for example all stakeholders agreeing to a Memorandum of Understanding. In other cases, presidential decrees or amendments to existing regulations and/or legislation have been necessary. There is no one right approach, and each country will have to consider whether a formal legal basis is needed. Undertaking a legal review might help identify potential legal obstacles to implementation and what kind of legal instruments, if any, would be necessary to support EITI implementation.

Examples:

Liberia has enacted an EITI law to support implementation, available here:

<http://www.leiti.org.lr/uploads/2/1/5/6/21569928/act.pdf>.

Mauritania established the MSG through Ministerial Decree, available here: <http://itie-mr.org/images/Decret2009.pdf>.

Step 5 – Consider establishing a national secretariat to support the MSG

In the majority of implementing countries, the government decides to establish a national EITI secretariat to support the MSG by carrying out the day-to-day activities related to EITI implementation. The national secretariat is often housed within the line ministry responsible for EITI implementation. The financial and human resources allocated to the activities of the national secretariat vary considerably from country to country. In some countries, two-three staff is sufficient to support implementation, while in other countries national secretariats include up to 50 staff. For further information visit the EITI country pages: <http://www.eiti.org/countries>.

The EITI has no requirements related to the establishment and operation of national secretariats, but in many countries the MSG has found it useful to specify the role and responsibilities of the national secretariat in the Terms of Reference for the MSG. Please see this guidance note for information on the establishment and functions of national secretariats.

3. Mainstreamed multi-stakeholder consultation and oversight

As noted above, implementing countries may consider opportunities for multi-stakeholder consultation and oversight to be integrated using existing representative bodies. For countries considering mainstreamed implementation, the role of the MSG is likely to vary from country to country and evolve through time. Mainstreaming can allow the MSG to transition from overseeing EITI Reporting to wider discussions about governance reforms, embedding transparency and accountability mechanisms in government systems, and opportunities to inform public debates.

Integrated consultation and oversight of the EITI process may be possible under certain conditions: **The approach should have the potential to increase stakeholder engagement and make participation of the various constituencies more effective**, and such bodies must still maintain the same level of commitments, roles and responsibilities as set out in the EITI Standard.

If proposals for mainstreamed implementation do not retain conventional MSG oversight as above, this would also require a request for adapted implementation. In accordance with requirement 8.1, the request must be endorsed by the multi-stakeholder group and explain the rationale for adapted

implementation⁵. To assess whether there are more suitable representative bodies for multi-stakeholder consultation and oversight, countries are encouraged to consider the following:

- i. The extent to which the EITI's disclosure requirements are systematically disclosed;**
- ii. opportunities for stakeholders to shape the scope and nature of extractives transparency;**
- iii. opportunities for stakeholders to make recommendations for governance reform, and;**
- iv. that all stakeholders have an opportunity to shape decisions, be heard and contribute.**

The MSG's assessment of these issues should be included in the adapted implementation request, noting any concerns or objections from MSG members. The Board has agreed that, where these criteria are not fulfilled, adapted implementation requests to mainstream multi-stakeholder oversight will not be approved⁶. In addition to the above, proposals may also wish to consider stakeholders' capacity to engage in extractives governance in addition to the above criteria.

⁵ See adapted implementation under EITI Requirement 8.1, <https://eiti.org/document/standard#r8-1>, or the Guide to implementing the EITI Standard, <https://eiti.org/guide#validation-and-reporting-deadlines>.

⁶ See "Encouraging systematic disclosure". p11. <https://eiti.org/document/encouraging-systematic-disclosure>

Examples:

These examples highlight how MSGs in some EITI implementing countries have explored opportunities for improving and enhancing stakeholder consultation and oversight. All of these countries continue to retain MSG oversight of the EITI process while exploring other options. The exception is Norway, where all stakeholders agreed that a designated MSG was not needed.

In **Kazakhstan**, there have been discussions about delegating the responsibilities of the MSG in terms of dissemination and use of data to public councils, comprised of government and civil society representatives, established by law at the regional and local levels. Although these councils are not multi-stakeholder, local stakeholders appear to consider them appropriate for the purpose of discussion and debate about EITI data.

In **Mexico**, the state-owned enterprise (PEMEX) has an advisory body which builds on the multi-stakeholder model. Some civil society organisations, mainly Transparency International, are represented in the group.

In **Myanmar**, a multi-stakeholder body is providing inputs to government in developing a gemstone policy. The long-term strategy is to institutionalise this body to provide oversight in the implementation of gemstone regulations.

In **Norway**, stakeholders agreed that various industry and civil society fora, conferences, parliamentary hearings and debates are better avenues for stakeholder input on natural resource governance than a designated EITI MSG. Norway's request for adapted implementation, that does not include a designated EITI MSG, was approved by the EITI Board⁷.

In the **Philippines**, there are multi-stakeholder bodies at the provincial level that act as a monitoring board tasked to oversee the governance of the mining sector. However, in order to ensure these monitoring boards gain more influence on a national level, multi-stakeholder platforms could be developed, working both on oversight of the sub-national bodies *and* on transparency of the sector such as EITI Reporting.

In **Timor-Leste**, there is a multi-stakeholder consultative council that advises parliament regarding the management of the Petroleum Fund. It is comprised of representatives from government, industry, civil society, and parliament. It already has a statutory role in overseeing and advising on the policies and practices regarding the management of the revenue from oil and gas, and could constitute an alternative platform for future EITI-related conversations.

⁷ <https://eiti.org/BD/2017-49>

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1 Open statement on the purpose of the EITI

[The MSG may wish to open the ToR with agreed principles setting out the purpose and objectives of the EITI in the country.]

2 Roles, rights and responsibilities of the MSG

[It is important to clarify the roles, rights and responsibilities of the MSG to ensure that the MSG has a clear mandate and to avoid confusion and overlaps. Requirement 1.4(b)(i-iii) set out the responsibilities of the MSG that should be reflected in the ToR.]

2.1 Responsibilities and functions of the MSG

[The MSG should specify the functions and responsibilities of the MSG. In accordance with requirement 1.4(b), this should include but not necessarily be limited to (i) approval of work plans; (ii) oversight of the EITI reporting process, including the appointment and approval of the Terms of Reference of the Independent Administrator, and endorsement of the EITI Reports; (iii) development of annual activity reports; (iv) the role of the MSG in the Validation process; (v) outreach and liaison with constituency groups; and (vi) communication activities.]

Example:

Stakeholder-specific working groups can be established to liaise with constituencies.

The MoU of the Papua New Guinea MSG states that “the Government of Papua New Guinea maintains the State Working Group (SWG) that is chaired by the Ministry of Treasury representative. In turn, the PNG Chamber of Mines and Petroleum Executive Director is the chair for the industry working group (IWG) with Transparency International PNG chairing the civil society working group (CSWG).”

2.2 Responsibilities of MSG members

[The MSG may wish to define the specific role of MSG members, e.g. the Chair. If constituencies have different responsibilities, these can also be defined here. If necessary, the MSG may wish to address capacity issues related to meeting responsibilities.]

2.3 MSG subgroups

[Many implementing countries have established MSG subgroups to handle specific tasks that the MSG needs to carry out, for example related to EITI reporting or communications. This can be an efficient way for ensuring that progress is made in between MSG meetings. The MSG may wish to specify whether permanent subgroups should be established, including their roles and responsibilities, or whether the ToR should provide for establishment of subgroups on an ad hoc basis.]

Examples:

The [ToR of the UK EITI MSG](#) states that the MSG may decide that particular issues should be developed by a sub-group. Each such sub-group must be led by an MSG member who will be supported by one or more other MSG members. The sub-group leader may also invite outside experts to participate in the sub-group, but only with the agreement of all MSG sub-group members. The subgroup makes recommendations to the MSG.

According to the [NEITI Board Charter](#), the MSG in Nigeria has six Standing Committees: Audit and Risk Committee, Human Resource Committee, Finance and General Purpose Committee, Communications Committee, Board Tender Committee and Ethics Committee. Ad hoc Committees can be established as the need arises.

2.4 National secretariat

[Most implementing countries decide to establish a national EITI secretariat to support the work of the MSG and be responsible for the day-to-day EITI activities. The MSG may wish to define the MSG's relationship with the national secretariat, including the roles and responsibilities.]

Example:

The [ToR of the Philippines EITI MSG](#) states that the MSG supervises the National Secretariat. In Nigeria, the Executive Secretary is appointed by the President on recommendation from the MSG and is also a full member of the MSG.

2.5 Code of conduct

[The MSG may wish to include guidelines on the conduct of MSG members. This typically includes disclosure of conflicts of interest, treatment of confidential information, etc and could include provisions for safeguarding against discrimination, sexual harassment and gender-based violence.]

2.6 Payments to MSG members

[Where the MSG has a practice of per diem for attending EITI meetings or other payments to MSG members, this practice should be transparent and should not create conflict of interest. (requirement 1.4.b.vi.)]

Examples:

According to the ToR of the Solomon Islands EITI MSG, a sitting allowance of SBD 300 should be paid to members of the MSG attending each meeting.

- e) The SIEINSG may invite observers to attend meetings at its own expense. Observers shall not be eligible to vote or make decisions on issues under consideration by SIEINSG representatives.
- f) The minutes of SIENSG meetings shall be tabled and adopted once endorsed by the SIENSG at the following SIENSG meeting. Minutes and appropriate meeting documents may be published publicly on the SIEITI website.
- g) The SIEINSG shall decide the frequency of its meetings at such times and places as it may determine but not less than four times a year.
- h) The SIEINSG may conduct its business electronically out-of-session for circumstances rendered necessary.
- i) Sitting allowance (SBD 300) shall be paid to the SIEITI National Stakeholders Group members.

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3 MSG membership

[The multi-stakeholder group should agree procedures for nominating and changing multi-stakeholder group representatives and the duration of the mandate (requirement 1.4.b.vi). In accordance with requirement 1.4.a, each stakeholder group must have the right to appoint its own representatives bearing in mind the desirability of pluralistic and diverse representation. This may include geographic and gender diversity. All stakeholders must also be adequately represented. This does not mean that there must be an equal number of members from each constituency.]

3.1 Nominations and terms of membership

[The MSG is advised to specify the total number of MSG members and the number of members from each constituency. It is required that the ToR clarifies (i) the mechanism for selecting and replacing MSG members; and (ii) determine the length of the term of the MSG and whether members can be re-appointed after the term ends; and (iii) specify whether MSG member have alternates and how they are selected.]

Examples:

According to the [ToR of the Philippines EITI MSG](#), each constituency group can change their members according to their own governance rules.

Term lengths vary from country to country. A typical MSG term is two to three years (e.g. Indonesia, the Philippines, and Timor-Leste).

MSGs typically have 12 to 24 members. Several countries have equal numerical representation (e.g. Mongolia or Kazakhstan) while others have unequal numerical representation (e.g. Cameroon or Nigeria).

In accordance with best practices, gender representation should be addressed in the member selection process. This may be codified in national law, EITI-specific laws or customary practice. For example, in Norway, a 50/50 gender balance is required by Norwegian law for any committee convened to advise the government, and in 2015, their membership reflected this with exactly 6 male and 6 female members. In Tanzania, section 5 of their founding law, required that the composition of the MSG (TEITI Committee) was gender balanced.

3.2 Observers

[The MSG may wish to specify a policy on observers.]

Examples:

According to the ToR of the Mongolia EITI MSG, “Citizens, representatives of national and foreign agencies and organizations are entitled to participate in the MSG meeting, make speech, make proposal, ask questions and get responses.”

The [UK EITI MSG ToR](#) states that up to 6 observers will be welcomed at each meeting; they will be able to engage in the discussion at the MSG but will not have a right to vote. Observers for each meeting will be nominated by MSG members in advance of the relevant meeting. An additional standing observer slot will be allocated to the EITI International Secretariat

4 MSG operations and proceedings

[The MSG ToR should set out the internal governance rules and procedures of the MSG (requirement 1.4.b.(vi-viii).]

4.1 Frequency and notice of meetings

[Requirement 1.4(b)(vii) states that there should be sufficient advance notice of meetings and timely circulation of documents prior to their debate and proposed adoption. This enables MSG members to prepare for meetings and discussions. Any member of the MSG has the right to table an issue for

discussion (requirement 1.4.(b)(vi)). The MSG is advised to ensure that the ToR specify the minimum notice of meetings, the frequency of meetings and the process for calling meetings.]

Examples:

The [ToR of the Philippine MSG](#) states that the MSG should meet quarterly or as often as required, with the Chair calling meetings, with a minimum of one week's notice.

In Mongolia, the Chair and the Deputy Chair in the first instance have powers to call meetings, with the Secretary of the National Council given the responsibility to prepare for the meetings. The agenda and associated materials must be sent to all members at least 3 days before each National Council meeting.

4.2 Decision-making

[The EITI Standard requires an inclusive decision-making process throughout implementation, with each constituency being treated as a partner (requirement 1.4(b)(vi)). The ToR should specify the agreed procedures for decision making. This could include guidelines on quorum, voting rules, and procedures for decision-making in between MSG meetings.]

Examples:

Articles of Association of the EITI: "The Members' Meeting shall make every effort to adopt resolutions by consensus. If a vote is required, resolutions are adopted by qualified majority requiring the support of at least two thirds of the total votes cast and must include the support of at least one third of the votes cast by the Members. representing each Constituency."

4.3 Record keeping

[According to requirement 1.4(b)(viii), the multi-stakeholder group must keep written records of its discussions and decisions. It is recommended that the MSG ToR clarify the procedures for circulating and agreeing MSG meeting minutes, and whether the minutes should be made public.]

Example:

The meeting minutes of the Ukraine EITI MSG are made public after review by the MSG members.