

Amendments to the MSG ToRs were approved by the MSG on September 5, 2019

TERMS OF REFERENCE

OF THE OF THE MULTI-STAKEHOLDER GROUP OF THE EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE OF THE REPUBLIC OF ARMENIA

I. GENERAL PROVISIONS

1. This Terms of Reference (ToR) regulates the relations connected with the activities of the Multi-Stakeholder Group (MSG) of the Extractive Industries Transparency Initiative (EITI) of the Republic of Armenia.

2. The MSG operates on the legal basis of Constitution of the Republic of Armenia, international treaties, acts of legislation of the Republic of Armenia, the EITI standard and this ToR.

3. The principles of the MSG's activities are independence, legitimacy, openness, equality of members, self-governance and collegiality.

4. The MSG members participate in EITI activities on a voluntary basis.

5. Members of the MSG should have the capacity to carry out their duties.

6. The MSG members are accountable to the public and are responsible for provision of full, accurate, timely information.

7. The MSG is responsible for:

1) the governance of the EITI process through proper and timely implementation of the functions defined by the EITI standard and this ToR, with the initial aim of full implementation of the EITI work plan

2) the guidance, implementation, monitoring, evaluation and development of the EITI process and that the EITI of Armenia contributes to development of informed public dialogue in extractive sector

3) equally representing the views and interests of different social groups during the EITI implementation and management process

4) assisting in improvement of the legal framework for the extractive industries, in order to assure transparency.

8. The MSG aims to:

1) ensure that the EITI Standard is fully implemented in the Republic of Armenia in an innovative and efficient manner in accordance with the EITI Principles and priorities of Armenia defined in the EITI work plan, thereby strengthening transparency of the extractive sector and promoting dialogue between the government, private sector and public

2) create and implement mechanisms of transparency of information on fees paid to the state and municipal budgets and revenues (taxes, royalties and environmental fees) paid for extraction of metallic minerals and product sales resulting from its processing

3) succeed in the joint governance of the EITI of Armenia through constructive cooperation based on trust and equality within the MSG.

II. THE MAIN CONCEPTS OF THE TOR

9. The following concepts/definitions are used in this ToR:

1) **EITI Candidature Application** – application submitted by the country to the EITI board in order to implement the EITI Standard

2) **Independent Administrator** - organization, which, according to the terms of reference approved by the MSG, generates the EITI report of the Republic of Armenia

3) **EITI Board** - the executive body of the EITI Association

4) **EITI report** – report that is submitted by the EITI implementing country, which shall meet the requirements set in the EITI Standard

5) **EITI Secretariat of Armenia** – group of experts under the Office of the Prime Minister of Armenia, who organizes and implements the administration of the implementation process of the EITI in the Republic of Armenia

6) **Expert** - specialist with expertise on the matters discussed by the EITI MSG of Armenia, who can be involved in the EITI implementation process of Armenia on a paid or voluntary basis

7) **Observer** - representative of state agencies, extractive industry companies, civil society, academia, partner international organizations, who participate in the EITI MSG meetings without right to vote

8) **Mediator** - trusted person nominated by the constituencies of the MSG and elected by MSG members by consensus

9) **Constituency** – Group of the MSG members, which represents the Government, business sector or civil society

10) **Spokes-person** – MSG member, who in defined cases acts on behalf of his/her MSG constituency members, collects the opinions of MSG members of his constituency and ensures the communication of the constituency

11) **alternate member** – person elected by the procedure set by the constituencies of the MSG, who can replace a member of the corresponding constituency in the manner prescribed by this ToR

12) **Annual progress report** - annual report on the MSG activities, which shall be drawn up and approved by the MSG by January 20 of the following year providing information on the activities of implementation of the EITI Standard held by the MSG during the reporting year

III. FUNCTIONS OF THE MSG

10. The MSG:

1) develops and approves the Terms of Reference for MSG

- 2) develops and approves the EITI work plan which shall contain measurable targets and timetable for implementation, as well as assessment of the financial, technical and legal restrictions
- 3) reviews the results of the monitoring and evaluation the EITI work plan and, if necessary, makes changes in the EITI work plan
- 4) prepares the EITI Candidature Application of the Republic of Armenia
- 5) supports the development of the Terms of Reference for an Independent Administrator and approves it
- 6) defines the format and scope of the EITI report of the Republic of Armenia
- 7) oversees the EITI reporting and report submission processes and supports the validation works
- 8) approves the EITI reports of the Republic of Armenia
- 9) develops the annual progress reports on the MSG activities
- 10) develops and supports the process of implementation of the public awareness, communication and promotion of public consultation strategy, including publicizing of user friendly versions of the reports and materials prepared during EITI activities
- 11) within the EITI framework and including through systematic meetings cooperates with representatives of the international and regional organizations, state agencies of the Republic of Armenia, civil society, including representatives of local communities, extractive sector's companies.

IV. MSG STRUCTURE, AUTHORITY OF THE MEMBERS AND WORKING GROUPS

11. The EITI MSG of the Republic of Armenia consists of fifteen members from the constituencies of the Government of the Republic of Armenia, mining sector companies and civil society:

- 1) six representatives of the Government of the Republic of Armenia
- 2) four representatives of the business sector of the mining industry
- 3) five civil society representatives, including one representative from academy.

12. The Government of the Republic of Armenia, business sector of the mining industry and civil society elect and nominate the MSG members and alternate members of their constituencies via procedure set by their constituencies.

13. Each MSG constituency shall have at least one alternate member, but no more than the actual number of MSG members of the constituency.

14. The MSG members and alternate members shall be appointed for a period of 3 years. The membership period of the MSG member shall be calculated starting the date of their nomination by the relevant MSG constituency as a MSG member or an alternate member. 3 years shall be calculated as the sum of without a break periods of being MSG member and alternate member regardless of the sequence. After nominating member(s) or an alternate member(s) by the relevant constituencies, the composition of the EITI MSG of the Republic of Armenia shall also be approved by the decree of Prime Minister.

15. The corresponding constituency shall nominate the candidacy of the subsequent member and alternate member or the same members at least one month before the end of the term of the member's membership.

16. The Chair of the MSG is the Deputy Prime Minister the Republic of Armenia.

17. The MSG may elect the MSG Vice-Chair. In the absence of the Chair the Vice-Chair shall replace the Chair, or if the MSG has not elected a Vice Chair, one of the members of the Government constituency, nominated by the MSG Chair.

18. 3 constituencies of the MSG may nominate their Spokes-persons.

19. The Chair shall

1) organize the MSG activities

2) present to Prime Minister of the Republic of Armenia the process of implementation of the EITI standard, including the information on the steps taken and the results obtained in order to ensure EITI candidacy then after EITI compliance of the Republic of Armenia

3) convene and chair the MSG meetings or authorize the Vice-Chair or one of the members to conduct the MSG meeting

4) set the MSG meeting agenda

5) within the framework of the EITI represent the Republic of Armenia at international platforms or authorize another person to this function.

20. The MSG member shall:

1) participate in MSG meetings

2) make recommendations on the MSG meeting's agenda, as well as on the other matters considered by the MSG

3) perform other functions arising from the MSG decisions and defined by this ToR.

21. The MSG alternate member shall:

1) participate in MSG meetings without right to vote

2) in the manner defined by this ToR replace the corresponding MSG member in case of her/his absence.

22. The membership of the MSG member shall be terminated:

1) upon the resignation letter of the MSG member

2) if the term of membership is over

3) if new facts are presented on non-compliance of the member with the requirements set by the constituencies

4) in case of withdrawal of the member by the corresponding constituency and nomination of new member

5) in other cases, defined by this ToR.

23. In case of resignation before the completion of her/his term, the MSG member if possible shall notify the Chair at least 10 working days in advance.

24. In case of early termination of the authority of the MSG member, an alternate member of the corresponding constituency shall be appointed as a temporary member, after which within two months the corresponding constituency nominates a new MSG member.

25. For addressing and discussion of specific issues the MSG may establish working groups. At least one member from each constituency shall be represented in the working group. Experts may also be included in the working groups.

26. The MSG defines the procedure for the election of experts, as well as the criteria.

27. In accordance with the procedures and standards established by the MSG competition for election of experts shall be held by the Office of Prime Minister's if the expert is paid from the funds of the state budget of the Republic of Armenia. In case of donor funding election of expert shall be held in the manner agreed with the donors.

V. ORGANIZATION OF THE MSG WORKS ԲՇԽ-Ի ԱՇԽԱՏԱՆՔՆԵՐԻ ԿԱԶՄԱԿԵՐՊՈՒՄԸ

28. The administration of the MSG shall be carried out by the EITI Secretariat of Armenia under the Office of the Prime Minister if the Republic of Armenia.

29. The notifications and exchange of information related to the MSG's works shall be done electronically, through e-mail addresses provided by the MSG members.

30. Performing their responsibilities, the Armenian EITI Secretariat experts shall:

1) consult with the Chair, Vice-Chair, spokes-persons of the constituencies and other MSG members

2) be equally available for all constituencies

3) participate in the MSG meetings without right to vote

4) carry out organizational activities of the MSG, particularly preparation of the MSG meetings, documentation of the MSG meetings, communication with the International Secretariat and other MSG related activities

5) ensure contact of the MSG members and experts with the responsible officials from sectorial state authorities

6) organize and conduct activities necessary for the implementation of the objectives and work plan of the MSG.

VI. THE EITI MSG MEETINGS

31. The MSG meetings must be held at least once a quarter until Armenia becomes EITI compliant country. If necessary, in the manner defined by this ToR, extraordinary MSG meetings may be convened. The MSG will decide on the frequency of its meetings after Armenia's EITI compliance.

32. The Chair shall set the date and place of the MSG meetings and, in consultation with the MSG members, the agenda the MSG meetings. The agenda and the relevant documents shall be circulated between the MSG members at least 7 working days before the meeting. In some cases, in particular, for the approval of the EITI work plan, revision of the work plan, approval of the EITI report, approval of the annual report the documents shall be circulated at least 15 working days before the MSG meeting. The MSG constituencies shall submit their objections and recommendations on presented documents at least 2 working days before the MSG meeting.

33. The MSG meetings shall be chaired by the Chair. The Chair may nominate other member to chair the MSG meeting.

34. The MSG meeting shall be valid if attended by the 2/3 of the MSG members or alternate members, and more than 1/2 of the MSG members from each constituency. In case of participation of less MSG members the agenda items shall be discussed, but no decision/resolution shall be adopted. In the absence of a quorum, the MSG may gather a meeting with the same MSG agenda within one month, if necessary.

35. The MSG members shall attend the MSG meetings in person. If technically possible and in agreement with the Chair, the MSG members can participate in meetings through video link or conference call.

36. In individual cases, with the consent of the MSG members, the decisions may be adopted by electronic procedure out-of-session. In this case the draft decision shall be circulated at least 7 working days before the date of the decision. If no recommendations are made on the draft decision by the MSG members during this period, it is considered to be positive. On decisions made by electronic procedure an excerpt shall be compiled which shall be published within 5 working days.

37. At the request of the 2/3 of the MSG members of any constituency, the Chair shall convene an extraordinary MSG meeting. An extraordinary meeting shall be gathered within one month of its request.

38. In case of the extraordinary MSG meeting convened at the request of the 2/3 of the MSG members of any constituency the corresponding constituency shall submit the agenda of the extraordinary MSG meeting and relevant documents in the manner prescribed by this ToR.

39. The MSG constituencies may request for 10-minute recess during the meeting for group consultation on the discussed issue.

40. If the MSG member has been unable to participate in the MSG activities or has unexcused absences from more than half of the MSG meetings in one year, the Chair shall rise an issue of her/his replacement for MSG discussion.

41. If necessary observers and experts may be invited to the MSG meetings by the Chair and MSG constituencies. Nomination for experts and observers to attend the MSG meetings shall be submitted to the Chair at least 4 working days before the meeting. After submitting the nomination for attendance the Chair shall confirm or deny their participation in the MSG meeting within 2 working days.

42. The MSG decisions are published through the minutes.

43. Within 5 working days after the MSG meeting the draft minutes shall be sent to the MSG members for approval. The MSG members shall present their objections and recommendations within 5 working days. In case of the absence of objections within 2 working days minutes of shall be published on the EITI website of Armenia. If the MSG members present objections and recommendations on the draft minutes, they shall be discussed and the amended minute shall be published on the relevant website within 5 working days.

44. The MSG meeting minute shall include:

- 1) the venue, date, starting and finishing times of the MSG meeting
- 2) the agenda of the MSG meeting

- 3) the list of present and absent participants, including the justifications of absence, if any
- 4) main provisions of the speeches and questions
- 5) recommendations, objections of the participants, and the official comments on them
- 6) the list of documents submitted to the MSG meeting
- 7) the adopted decisions/resolutions, including the results of the vote on the decision
- 8) other relevant information.

45. Views (proposals, comments, speeches) expressed during the MSG meeting shall be recorded by according constituencies in the MSG meeting minute. Exceptions may be made at the request of the participants.

46. The MSG meetings shall be recorded and corresponding note about it shall be made in the MSG meeting minute. The MSG meeting minutes are considered official documents.

VII. DECISION MAKING AND VOTING

47. The decisions/resolutions shall be adopted on the basis of consensus by all MSG constituencies.

48. In cases where a consensus cannot be reached, the issue shall be discussed by the MSG members through a mediator.

49. The MSG constituencies shall nominate the candidature of the mediators and chose a mediator by consensus at the MSG meeting or within 5 working days after the MSG meeting.

50. The mediator within 1 month shall organize discussions with the MSG constituencies to reach consensus on the disputed issue.

51. The mediator shall be equally available to all MSG constituencies and shall ensure that at the discussions opinions of all MSG constituencies are taken into account.

52. At least 30 working days after appointment of the mediator in the manner prescribed by this ToR meeting shall be convened to discuss the issue for the second time to reach the consensus.

53. If the second time the MSG does not reach consensus, a formal vote will be taken for making the decision at the MSG meeting.

54. Each MSG member shall have one vote.

55. Open vote shall be held on a show of hands of the MSG members.

56. The decision shall be considered adopted if 2/3 of the members of each MSG constituency vote for its adoption.

57. The voting results shall be recorded. If any MSG member has a special opinion on the decision made, it shall be attached to the decision and the MSG meeting minute in written form.

VIII. CONFLICT OF INTERESTS AND CODE OF CONDUCT OF THE MSG MEMBERS

58. The provisions of the EITI Association Code of Conduct shall apply to the EITI of Armenia, unless otherwise stated in this ToR.

59. In addition to the EITI Association Code of Conduct, every participant of the MSG meetings, in particular, the MSG members, alternate members, EITI experts of Armenia, invited experts and observers should declare any conflict of interest, as defined in the Code of Conduct, in writing before attending an MSG meeting.

60. The MSG members are obliged to respect the views of the participants on the discussed issues.

61. All participants of the MSG meetings, in particular, the MSG members, alternate members, experts, observers EITI experts of Armenia shall not discuss and spread outside of the MSG meetings any confidential or sensitive information. Scope of confidential and sensitive information shall be defined at the MSG meetings.

IX. TRANSITIONAL PROVISIONS

62. This ToR shall be published within 3 working days after adoption and entry into force after publication.