



MINISTRY OF NATURAL RESOURCES

TERMS OF REFERENCE MULTISTAKEHOLDER GROUP

SURINAME EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE SEITI

Final October 2016

CONTENTS

- 1. DEFINITIONS AND CONSISTENCY 3**
- 2. INTRODUCTION 4**
- 3. ROLES, RIGHTS AND RESPONSIBILITIES OF THE MSG 4**
 - 3.1. Responsibilities and function of the MSG 4**
 - 3.2. Subcommittees 6**
- 4. MSG MEMBERSHIP 6**
 - 4.1. Stakeholder group representation 6**
 - 4.2. Alternate Members 6**
 - 4.3. Nomination and Qualifications 7**
 - 4.4. Terms and termination 7**
- 5. THE MSG CHAIR 7**
 - 5.1. Profile and Responsibilities 7**
 - 5.2. Terms and termination 8**
- 6. SEITI SECRETARIAT 8**
- 7. MSG OPERATIONS AND PROCEEDINGS 9**
 - 7.1. Meetings 9**
 - 7.1.1 Meetings 9**
 - 7.1.2 Frequency and Notice 9**
 - 7.1.3 Observers 10**
 - 7.2. Decision-Making 10**
 - 7.2.1. General principles 10**
 - 7.2.2 Consensus 10**
 - 7.2.3 Voting 10**
 - 7.3. Record Keeping 11**
- 8. BYLAWS AND AMENDMENT 11**
- 9. CODE OF CONDUCT 11**

1. DEFINITIONS AND CONSISTENCY

- a) Everything included in this Terms of Reference (“TOR”) is intended to be consistent with the EITI Standard 2016 which outlines the requirements applicable to countries implementing the EITI as well as the Articles of Association governing the EITI and all other applicable laws and regulations of Suriname. In the event of any inconsistency or conflict the EITI standard, the Articles of Association governing the EITI Standard and all will prevail.
- b) Definitions:
- i. **Alternate Member.** The substitute for the Principal Member, who does not hold the right to vote unless determined otherwise by this TOR.
 - ii. **Bylaws.** Rules to be adopted by the MSG for the government of the MSG and the regulation of its affairs.
 - iii. **Civil Society.** Non-governmental organizations such as trade unions, issue-based coalitions, faith-based organizations, indigenous people’s movements, the media, think tanks and foundations.
 - iv. **Companies.** Extractive Industry Companies and their constituencies.
 - v. **EITI.** Extractive Industry Transparency Initiative.
 - vi. **EITI candidate.** A country that has fully, and to the satisfaction of the EITI Board, completed the four sign-up steps set out in the EITI Standard.
 - vii. **Extractive Industry.** Usually refers to the oil, gas and mining industries.
 - viii. **Government.** The Government of Suriname including all state agencies.
 - ix. **Independent Administrator.** An organization, typically an auditing firm, appointed by the MSG to produce the EITI Report. The Independent Administrator is charged with comparing different sets of data, and investigating and explaining any discrepancies identified. The Independent Administrator does not usually carry out an actual audit of such transactions.
 - x. **Minister.** The Minister of Natural Resources or the Minister responsible for EITI implementation.
 - xi. **Ministry.** The Ministry of Natural Resources or the Ministry responsible for EITI implementation.
 - xii. **MSG member.** The individual member, Principal or Alternate, representing one of the 3 (three) Stakeholder groups.
 - xiii. **Multi Stakeholder Group (“MSG”).** A group comprising the 3 (three) Stakeholder groups made up of Government, Companies and Civil Society which acts as a forum for consultation among the stakeholder groups to oversee the EITI implementation in Suriname.
 - xiv. **Principal Member.** The SEITI MSG member who represents a Stakeholder group and holds the right to vote.
 - xv. **SEITI.** The Suriname Extractive Industry Transparency Initiative.
 - xvi. **SEITI Report.** The Suriname annual EITI Reports, which allow citizens to follow the value of the country's natural resources from production all the way into government accounts. The report is compiled by an Independent Administrator.
 - xvii. **Stakeholder group.** One of the 3 (three) collective Stakeholder groups of Government, Companies or Civil Society.

- xviii. **Validation.** An external, independent evaluation mechanism, undertaken by a Validator procured by the International Secretariat. It is intended to provide all stakeholders with an impartial assessment of whether EITI implementation in a country is consistent with the EITI Standard.
- xix. **Workplan.** An action plan agreed and maintained by the MSG that includes the objectives and priorities for EITI implementation, associated activities, budget and timetable.

2. INTRODUCTION

The Extractive Industry Transparency Initiative (“EITI”) is a global standard to promote the open and accountable management of a country’s natural resources so that these can benefit all its citizens.

On April 29, 2016, the Minister of Natural Resources, Mr. Regilio Dodson, declared the intention of Suriname to become an EITI implementing country. This means that comprehensive information on tax payments, licenses, contracts, production and other key elements regarding resource extraction must be disclosed in order to enable public awareness, to understand what the figures mean and to improve public debate about how resource revenues can be used effectively and to improve accountability of both Government and Companies.

The MSG is being established by State Resolution on 17th November 2016 (760/RvM) and has in this capacity the authorization to set forth protocols, conduct business and reach decisions with regards to the EITI implementation in Suriname.

In conformity with the EITI Standard, this TOR is hereby promulgated for the demarcation of the roles and responsibilities and internal governance rules and procedures of the SEITI-MSG. The MSG hereby accepts that all stakeholders have important and relevant contributions to make and that the MSG will fully and actively en the EITI implementation process for Suriname based on this TOR.

3. ROLES, RIGHTS AND RESPONSIBILITIES OF THE MSG

3.1. Responsibilities and function of the MSG

- a) The MSG is established to ensure that Suriname is accepted as an EITI candidate country in a timely and effective manner and to oversee the EITI implementation in Suriname thereafter.
- b) The MSG members are representatives of their wider constituencies and must consult them on a regular basis to ensure they continue to reflect the views of their constituencies.
- c) The MSG is responsible for ensuring that the views of the Stakeholder groups are taken into account in the direction and conduct of EITI implementation.
- d) The MSG is responsible for amongst others:

- i. to define and assess the scope of SEITI;
- ii. to approve the annual Work plan for SEITI implementation;
- iii. to approve the annual activity reports of the MSG;
- iv. to seek funding, allocate resources and ensure adequate and proper administration for SEITI activities as elaborated in the Work plan;
- v. to maintain a current Work plan fully costed and aligned with the reporting and Validation deadlines established by the EITI International Board;
- vi. to develop and agree on the format and content of the SEITI Report;
- vii. to approve the terms of reference of the Independent Administrator;
- viii. to approve the appointment of the Independent Administrator. For practical reasons, the contract to appoint the Independent Administrator will be between the Ministry and the Independent Administrator.
- ix. to manage the contract with the Independent Administrator;
- x. to approve the SEITI Reports, prepared by the Independent Administrator;
- xi. to ensure that the SEITI Report is comprehensible, actively promoted, publicly accessible and contributes to public debate by key audiences including Government, parliamentarians, communities directly affected by extractive/mining activities, other Civil Society organizations, mining and petroleum Companies and the media;
- xii. to ensure that the public information that results from the EITI process such as SEITI Reports and Work plan for SEITI implementation is widely disseminated;
- xiii. to oversee the EITI reporting process in Suriname and engage in the Validation.

e) The Work plan for SEITI implementation must:

- i. Set clear objectives for SEITI implementation that are linked to the EITI Principals and reflect national priorities for the Extractive Industries.
- ii. Set the strategy, including action plan and process for how to disseminate the public information that results from the EITI process including the SEITI Report.
- iii. Reflect the results of consultations with key stakeholders, and be endorsed by the MSG.
- iv. Include measurable and time bound activities to achieve agreed objectives and as such:
 - assess and outline plans to address any potential capacity constraints by Government, Companies and Civil Society that may be an obstacle to effective EITI implementation;
 - address the scope of EITI reporting, including plans for addressing technical aspects of reporting, such as comprehensiveness and data reliability;
 - identify and outline plans to address any potential legal or regulatory obstacles to EITI implementation.
 - outline the MSG plans for implementing the recommendations from Validation and EITI reporting.
- v. Include a timetable for implementation, aligned with the reporting and Validation deadlines and taking into account administrative requirements such as procurement processes and funding.

- vi. Seek and secure domestic and external sources of funding and technical assistance where appropriate.

3.2. Subcommittees

- a) The MSG may decide that particular issues should be developed by a subcommittee. The subcommittee is not a decision making but advisory group. The MSG may create such subcommittees under the conditions that:
 - i. Each subcommittee is led by an MSG member.
 - ii. Principal and Alternate Members may participate in any subcommittees.
 - iii. Outside subject matter experts may be invited to participate in subcommittees by agreement of the subcommittee members.
- b) Subcommittees are not subject to the meeting notice or record requirement of the MSG. However, to encourage transparency, when the subcommittee reports to the MSG, it should summarize its findings for incorporation into the minutes of the SEITI Secretariat.
- c) The subcommittees shall provide its recommendation to the MSG, who will consider those recommendations and will seek to make a decision on the basis of consensus.

4. MSG MEMBERSHIP

4.1. Stakeholder group representation

- a) The MSG will consist of 9 (nine) Principal Members, comprising a 3/3/3 split from Government, Civil Society and Companies who have a voting right in the decision making. The MSG members from the Government shall be senior government or state agency officials.
- b) While the tripartite nature of the MSG must be maintained, the MSG may agree by consensus at any time to change the number of MSG members. Nominations will be sent to the Minister for the appointments of the MSG members by the Minister.

4.2. Alternate Members

- a) Up to 9 (nine) Alternate Members may also be appointed to the MSG, comprising a 3/3/3 split from Government, Civil Society and Companies and shall meet the same qualification requirements as Principal Members.
- b) Alternate Members may attend and participate in all MSG meetings, engage in discussions and will be included in all MSG documentation and correspondence in the same way as Principal Members. In case of absence of the Principal Member, his or her Alternate Member will stand in for the Principal Member and will automatically have a voting right in the decision making.

4.3. Nomination and Qualifications

- a) Each stakeholder group has the right to appoint its own representatives bearing in mind the desirability of pluralistic and diverse representation. The nomination process must be transparent, independent and free from any suggestion and coercion.
- b) All MSG members should have:
 - i. Proven integrity and the ability to demonstrate a wide, and unfettered, perspective on issues facing MSG and to make sensible and informed decisions and recommendations.
 - ii. The ability to contribute to an independent view to matters under consideration, to consider divergent views with an open mind, and generally add value to MSG deliberations.
 - iii. An unequivocal commitment to furthering the interests of SEITI in achieving its goals and, where appropriate, to bring the benefit of professional experience to the MSG.

4.4. Terms and termination

- a) Principal and Alternate MSG members shall be appointed for a period of 3 (three) years and both shall be eligible for reappointment for a period not exceeding 3 (three) years.
- b) A Principal Member who is absent from 4 (four) consecutive meetings, without a notification of replacement by the Alternate Member and without informing the MSG in writing stating the reasons, shall cease to be a member of the MSG.
- c) The MSG may remove a MSG member, Principal Member as well as Alternate Member, if there are grounds for believing that the member's participation would be detrimental to the ongoing work or reputation of the SEITI, in line with the EITI Association Code of Conduct.
- d) In case of a vacancy during the MSG term, the vacancy shall be filled by a new representative from the same Stakeholder group according to the procedures as agreed upon within the respective Stakeholder group. The Chair of the MSG shall endorse any replacement.

5. THE MSG CHAIR

5.1. Profile and Responsibilities

- a) The chairperson of the MSG ("Chair") shall be a senior individual, not representing one of the Stakeholder groups with an agreed profile by the MSG. This profile will include:
 - i. Providing leadership to the MSG.
 - ii. Having the highest levels of integrity.
 - iii. The ability to communicate thoughts, policies and positions clearly and be able to succinctly and clearly capture discussions.
 - iv. Result- and solution oriented.
 - v. Master negotiating skills and conflict resolution techniques and apply them diligently.

- vi. The ability to attract funds internationally as well as within Suriname operating extractive industries.
 - vii. The capability and strength to improve trust between stakeholders and help build bridges, fostering partnership.
- b) The Responsibilities of the Chair of the MSG are as follows:
- i. To preside over MSG meetings.
 - ii. To endorse MSG meeting invitations, agendas, minutes and decisions.
 - iii. To facilitate MSG consensus and decision-making.
 - iv. To communicate with the International EITI Board, International EITI Secretariat and other International Organizations related to EITI.
 - v. To follow up with the SEITI Secretariat regarding the implementation of MSG decisions.
 - vi. To seek funding for SEITI projects and activities.
 - vii. To manage and coordinate resources and work plan.
 - viii. To further build the relationships between the stakeholders and fostering good partnership.

5.2. Terms and termination

- a) The Chair shall be appointed for a period of 2 (two) years and be eligible for reappointment for a period not exceeding one additional term. The Chair will be appointed by the Minister upon approval by the MSG.
- b) In case of a vacancy during the term of the Chair, a new Chair shall be appointed by the Minister based on the conditions set forth in this section.
- c) In case of structural absence of the Chair, the Principal Member representing the Ministry of Natural Resources will temporarily act as the interim Chair until the new Chair is appointed. The vacancy of the Chair will be filled in as soon as possible in accordance with the Bylaws. In case of voting, only the Alternate Member of the Ministry of Natural resources will have the right to vote.
- d) The Chair, Principal and Alternate Members of the MSG and the sub-committees shall receive such remuneration and allowances as the Council of Ministers may approve.

6. SEITI SECRETARIAT

- a) The SEITI Secretariat is set up by the Minister to support the MSG by carrying out the day-to-day activities related to EITI implementation.
- b) The SEITI Secretariat will consist of a Manager (“Manager”) and supporting staff as required and qualified to perform the specified functions of the SEITI Secretariat.

- c) The Manager of the SEITI Secretariat is appointed by the Minister on approval of the MSG, for a term of 5 years. The SEITI supporting staff will be appointed by the Minister upon recommendation of the Manager.
- d) The SEITI Secretariat is accountable to the MSG, through the Manager. The Manager will provide the MSG with a SEITI Secretariat annual activity report including financial statements for approval by the MSG.
- e) The SEITI Secretariat shall initially be located within and supported by the Bauxite Institute of Suriname (“BIS”) or any other Institute to be determined by the Ministry. The overheads including the salaries of the Manager and the supporting staff of the SEITI Secretariat shall be financed from the budget of the BIS or any other institute or source to be determined by the Ministry.
- f) The SEITI Secretariat will have the following functions but not limited to:
 - i. Support the MSG by providing administrative support in convening MSG meetings and follow-ups;
 - ii. Coordinate communication and public relation activities to promote the work of the MSG, including hosting the SEITI website, manage relations with media;
 - iii. Keep a central record on events and publicity on EITI in Suriname;
 - iv. Administer and report on the SEITI budget and procurement activities.

7. MSG OPERATIONS AND PROCEEDINGS

7.1. Meetings

7.1.1 Quorum

In order for the MSG to hold a meeting, there shall be at least a two-third majority of the 9 (nine) MSG members, Principal or Alternate, present, of which 2 (two) from each Stakeholder group.

7.1.2 Frequency and Notice

- a) The MSG shall regularly meet at least every two months, or as otherwise agreed upon until Suriname is fully EITI compliant.
- b) The MSG Chair will set the agenda for meetings. The meeting announcement, agenda and any background information shall be circulated to MSG members a minimum of 1 (one) week before the meeting date.
- c) The SEITI Secretariat shall conduct all coordination and administrative functions necessary to support the MSG and ensure the fulfillment of its outlined responsibilities.

d) Any MSG Member has the right to table an issue for discussion. If there are any necessary or urgent issues which need to be discussed and decided, the Chair will call an extraordinary meeting with at least 3 (three) days prior notice.

7.1.3 Observers

a) In addition, up to 6 (six) observers may be welcomed at each MSG meeting. Observers will be allowed to observe the meeting and engage in the discussion when the Chair invites them to speak on a specific issue. Observers for each meeting will be nominated by MSG members in advance of the relevant meeting. MSG members may nominate additional experts to attend a particular MSG meeting. Observers and experts will not have voting rights.

b) The Chair will select observers and nominated experts (also those participating in subcommittees) from those put forward with the aim of ensuring that those with the most relevant expertise to the meeting's agenda are selected to attend the MSG meeting. The nominations must be put forward to the SEITI Secretariat, at least one week in advance, before extending the invitation.

7.2. Decision-Making

7.2.1. General principles

a) The MSG is committed to operating in the spirit of collaboration and cooperation with the aim of reaching consensus amongst all members on all decisions. While consensus is not always possible, decision-making principals are designed to build the greatest possible consensus.

b) In cases where consensus cannot be reached, a formal vote will be taken at the discretion of the Chair and voting rules will be applied.

c) The Chair shall preside at meetings of the MSG, and in absence of the Chair, the MSG members present may elect one of their members to preside at the meeting, provided that quorum still exists. The Chair has no voting rights in the decision making.

7.2.2 Consensus

a) The MSG will strive to operate by consensus and the Chair aims for decisions to be made through consensus, making voting unnecessary.

b) Consensus is defined as unanimous consent. Granting consent means a member accepts, even if reluctantly, the agreement that emerges.

7.2.3 Voting

a) In case of voting, decisions of the MSG shall be made by two-third of the 9 (nine) MSG members, Principal or Alternate, of which 2 (two) from each Stakeholder group.

b) Each Principal Member has 1 (one) vote. In case of absence of both the Principal Member and his or her Alternate Member, the Principal Member may issue a proxy to another MSG member from the same Stakeholder group to stand in and exercise the voting right in the decision making. Such a proxy should be notified in writing to the Chair and the SEITI Secretariat. No MSG member may hold more than one proxy vote for a Principal Member at a time.

7.3. Record Keeping

a) Written records of discussion and decisions in MSG meetings shall be kept by the SEITI Secretariat and shall be arrested by the MSG at the next meeting. The validity of the proceedings of the MSG shall not be affected by the absence of any member, vacancy among its membership or by any defect in the appointment of any of the members.

b) Minutes will be made publicly available after agreement among the MSG members. Names of attendees will be listed in the minutes but views that have been expressed within the meeting will not be allocated to individuals.

8. BYLAWS AND AMENDMENT

All further provisions for the regulation of the MSG shall be governed by the procedures as set forth in the Bylaws when not inconsistent with the EITI standard, all other applicable laws and regulations of Suriname and the TOR. The TOR may be amended or modified in whole or in part at any time by a consensus and written instrument signed by all 9 (nine) Principal MSG members or substitutes.

9. CODE OF CONDUCT

a) All MSG members shall at all time act in the best interest of the EITI and not for interests such as personal and private benefits or financial enrichment.

b) All attendees to MSG meetings shall respect and not discuss outside of the MSG meetings any information, which is not already in the public domain, except for consultation with their constituency. Members will request that their constituents treat these communications with appropriate levels of discretion and confidentiality.

c) Any attendees should declare any potential or actual conflict of interest to the Chair a week before attending a MSG meeting.

d) Members of the MSG should excuse and abstain themselves from discussion or decisions on matters in which they have a conflicting interest, unless resolved otherwise by the remaining members of the MSG. This fact shall be appropriately recorded.

- e) MSG members recognize that they are collectively responsible for the performance of MSG.
- f) Members shall uphold the core values of transparency, integrity and enterprise in all dealings on behalf of the MSG and ensure that they have sufficient time available to devote to their duties as MSG members.
- g) When the position or duties of a MSG member are incompatible with the independence and objectivity of their membership and function on the MSG, they shall immediately notify the Chair.
- h) MSG members and SEITI Secretariat shall not use any information that is provided in his or her role and which is not already in the public domain in any manner other than in furtherance of his or her duties. They continue to be bound by this obligation for two years after termination of their mandate.
- i) Failure to adhere to this Code of Conduct shall be reviewed by the MSG and may result in exclusion from any further participation in MSG meetings.