

RULES OF PROCEDURE

FOR THE

GHANA EXTRACTIVE INDUSTRIES

TRANSPARENCY INITIATIVE

(GHEITI) MULTI-STAKEHOLDER

GROUP (MSG)

1. Background

The Extractive Industries Transparency Initiative (EITI) is a global standard that promotes revenue transparency and accountability in the oil and gas and mining sectors. It is an international initiative between governments, companies and civil society groups to promote transparency in the flow of revenues from extractive companies to host country governments based on a set of criteria for transparent reporting on the revenue streams and other benefits. It has a robust yet flexible methodology for disclosing and reconciling company payments and government revenues in EITI implementing countries.

The purpose of the initiative is to encourage greater transparency in the extractive sector. This would enable citizens to make informed demands for the fair and sustainable use of revenues generated through the exploitation of natural resources. It is expected that accountable governments and informed public will contribute to greater political stability, increased security in mining communities and improved investment climate.

EITI implementation has two core components:

- **Transparency:** oil, gas and mining companies disclose the payments they have made to the government, and the government discloses its receipts from the companies. The figures are reconciled by an Independent Administrator, and published in annual EITI Reports alongside contextual information about the extractive sector.
- **Accountability:** a multi-stakeholder group with representatives from government, companies and civil society is established to oversee the process and communicate the findings of the EITI Report; creates the platform for citizens' engagement with government and companies on the report, and facilitates responses to critical issues raised by the reports and arising out of the engagements.

Ghana signed on to the Extractive Industries Transparency Initiative in 2003 and has since been implementing the Standard. The implementation of the EITI started with the mining sector and extended to the oil and gas sector in September, 2010.

The Ghana version of the initiative is called the Ghana Extractive Industries Transparency Initiative (GHEITI). A twenty-one (21) member National Steering Committee (NSC) made up of representatives from government, mining and oil and gas companies, Civil Society organizations have oversight responsibility over the activities of the initiative.

The specific objectives of the Ghana EITI are to:

- enhance the demand-side of social accountability by providing public insight into revenues derived from the exploitation of the country's mineral resources;
- Create the platform for public debate on the spending efficiency of extractive sector revenues; Identify gaps and weaknesses in resource revenue management and make recommendations to prevent revenue leakage;
- Enhance the communication efficiency of GHEITI and ensure that mineral revenue / expenditure information are provided in a timely manner, and in an accessible and comprehensible format;
- Guarantee the sustainability of Ghana's EITI by backing it with legislation .This will commit successive governments to the initiative and ensure that public resources are made available for its implementation.

2. The Rules of Procedure

The Rules of Procedure is established towards improving the governance and functioning of the Ghana EITI by providing guidance on key governance issues that may arise in the work of the Ghana EITI MSG and the Secretariat.

The rules are particularly intended to addresses issues bothering on the roles and mandate of the various stakeholder representatives on the MSG, the MSG as a collective, and of the secretariat. It also spells out the established modalities for decision-making by the MSG including due processes for receiving approvals for proposed administrative actions by the secretariat.

The rules of procedure shall constitute, and form an integral part of the documents that currently guide the operations of the Ghana EITI. By adopting these rules of procedure GHEITI intends to entrench sound administrative and corporate governance practices in its affairs and to provide a resilient framework for the transmission of the institutional culture from one generation of GHEITI leaders to another.

3. Functions of the Ghana Extractive Industry Transparency Initiative

The GHEITI shall perform the following functions:

- (a) Develop policies and guidelines to ensure transparency and accountability in the operations, payments and receipts of extractive industry entities ;
- (b) Obtain from all extractive industry entities and recipients, the data of all payments made to Government and revenues received by Government in respect of the extraction of any natural resource;

- (c) Obtain, as may be deemed necessary, from any extractive industry entity an accurate record of the cost of production and volume of oil, gas, mineral or any other natural resource extracted by that entity at any period;
- (d) Monitor and ensure that all payments due to the Government from all extractive industry entities are duly made;
- (e) Conduct, through independent persons or firms, a reconciliation of all payment data disclosed by extractive entities and all revenues data disclosed by all Ministries, Departments, Authorities or agencies of government;
- (f) Examine as may be necessary and through independent persons or firms, the audit and assurance procedures of extractive companies and relevant government entities;
- (g) Conduct appropriate audits and or investigations of the process by which each material concession, contract, license, permit and other right is awarded by the Government in respect of natural resources in order to determine that each concession, contract, license, permit or similar right was awarded in compliance with the Standards of the Extractive Industry Transparency Initiative;
- (h) Publish the reports of all audits, investigations and/or reconciliations conducted pursuant to this Act and to disseminate such reports through widely accessible media, including but not limited to, the national newspapers and the electronic media;
- (i) Submit annual reports to the President and Parliament through the Minister on its operational activities, including utilization of funds received in connection with the performance of its mandate;
- (j) Establish linkages with other governance and anti- corruption initiatives such Ghana Natural Resources and Environmental Governance (NREG) Programme, Public Interest and Accountability Committee (PIAC), open Governance Partnership (OGP), Ghana Integrity Initiative (GII) etc.
- (k) Nominate a member to represent GHEITI on the Public Interest and Accountability Committee established under the Petroleum Revenue Management Act, 2011 (Act 815); and any other Committees;
- (l) Promote or undertake any other activity related to its functions and which in its opinion are necessary for the achievement of its objects.

4. GHEITI Secretariat

The Ministry of Finance (MoF) shall host the Ghana EITI Secretariat and will coordinate all its activities in the area of mining, oil/gas and other natural resource sub-sectors that shall be subjected to EITI reconciliation mandate. The Secretariat will in consultation with the MSG be responsible for implementing the agreed work plans, monitor and evaluate the programmes, and communicate the programmes among others.

- (1) The Secretariat shall be headed by a Coordinator who shall be appointed by the Minister on such terms as recommended by the Multi-Stakeholder Group and in consultation with the Public Services Commission when the Multi-Stakeholder Group considers consultation as necessary.
- (2) The Coordinator shall be assisted by a Deputy Coordinator of the GHEITI Secretariat who shall be appointed by the Minister on such terms as recommended by the Multi-Stakeholder Group and in consultation with the Public Services Commission.
- (3) The Secretariat shall:
 - (a) be responsible for carrying out and managing the day-to-day operations of the GHEITI and subject to the overall control and direction of the Multi-Stakeholder Group;
 - (b) prepare the work plan of the GHEITI for approval by the Multi-Stakeholder Group;
 - (c) be authorised to solicit external financial and other assistance on behalf of the GHEITI;
 - (d) subject to the approval of the Multi-Stakeholder Group, procure the services of an Independent Administrator for the purpose of undertaking reconciliation, audit and investigations;
 - (e) under the direction of the Multi Stakeholder Committee, develop and maintain policies and procedures required for the effective and transparent implementation of the Extractive Industries Transparency Initiative;
 - (f) take any other actions necessary for achieving the objectives of the GHEITI; and
 - (g) be responsible to the Multi-Stakeholder Group for the discharge of its functions.
- (4) The Secretariat shall be assisted in the discharge of its functions by such persons as may be assigned to it by the Ministry on the recommendation by the Multi-Stakeholder Group;
- (5) Staff assigned to the Secretariat may be removed from the Secretariat upon the recommendation of the Multi-Stakeholder Group in accordance with the rules

governing staff and officials of the Civil Service;

- (6) The Coordinator and the Deputy Coordinator shall not be removed from office except for just cause and in accordance with the terms and conditions of their appointment.

5. Functions of the Co-ordinator

The Co-ordinator shall be Head of the GHEITI Secretariat. In addition to exercising the responsibilities provided under the Secretariat section, the Coordinator shall:

- Within limits of the rules and procedures established by the MSG, be empowered to undertake such management actions as shall be necessary for the implementation of GHEITI's strategic thrust and obligations.
- Manage the day- to- day operations of the Secretariat and to implement the policies and strategies adopted by the MSG
- Ensure that rules, procedures, work plans and programmes of Ghana EITI are properly executed.
- monitor activities of the Secretariat to ensure that work plan targets are met.
- provide the MSG with timely, relevant and accurate information.
- Ensure that effective channels of communication with key stakeholders exist and are used.
- Be accountable to the MSG for the achievement of the GHEITI's goals
- Act within all specific authorities delegated to him by the chairperson or the MSG
- perform other duties as may be assigned him by the MSG from time to time.

The other duties of the coordinator include;

- raising matters that may warrant the attention of the MSG,
- organising Committee meetings and
- recording minutes of all meetings and ensuring that minutes are kept for reference purposes.

6. GHEIT Multi-Stakeholder Group (MSG)

The GHEITI MSG is a multi-stakeholder body consisting of Government Agencies, Civil Society Groups and Extractive Industry Companies. It is the governing body for the EITI process in Ghana. The composition of Ghana EITI National Steering Committee is as follows;

- The Ministry of Finance
- The Ministry of Lands and Natural Resources

- Ministry of Energy
- Petroleum Commission
- GNPC
- Office of the President
- The Minerals Commission
- Office of the Administrator of Stool Lands
- Ghana Revenue Authority
- Civil Society Organisations (mining)
- CSO relevant to the Oil/Gas
- The Ghana Chamber of Mines
- Mining Companies on rotational basis
- Oil/Gas Companies to participate on a rotational basis
- Representative of District/Municipal Assemblies in mining areas to be rotated among affected districts.
- Representative of the District Assemblies in the areas of the oil find to be rotated among affected districts.

7. Appointment to the GHEITI Multi-Stakeholder Group

Appointments to the MSG shall be made by the Minister of Finance upon the receipt of independent nominations from the various stakeholders represented on the Committee

A person nominated or elected as a member of the MSG shall hold office for six (6) years and may be re-elected.

A member of the MSG may resign his or her office at any time upon serving notice to the Chair.

8. Removal from Office

A member of the MSG may be removed from office on the recommendation of the MSG for reasons of conflict of interest or proven misconduct.

Where the MSG recommends the removal of a member on the grounds stated above, the appointing authority shall accordingly withdraw the nomination, appointment and/or election of the said member and the nominating constituency shall within four (4) weeks replace the said member.

9. Independence of the Multi-Stakeholder Group

The MSG shall be independent and free from any political interference in the execution of its mandate. Each represented stakeholder shall wield equal power and shall not be coerced into making a decision.

10. Mandate of the GHEITI Multi-Stakeholder Group

- (1) The MSG shall be responsible for the formulation of policies, programmes and strategies for the effective implementation of the objectives and the discharge of the functions of the GHEITI.
- (2) The MSG shall :
 - (a) approve the annual budget and work-plan of the GHEITI and ensure the periodic review of programmes and performance of the GHEITI.
 - (b) approve the procurement of all services necessary for the effective implementation of the policies and programmes of the GHEITI;
 - (c) approve and authorise publications of GHEITI reports taking into account any dissenting views of any member of the MSG;
 - (d) apply the appropriate sanctions against any entity or agency failing to submit a report or information or otherwise comply with the requirements of the GHEITI;
 - (e) adopt rules necessary for the internal governance of the GHEITI; and
 - (f) adopt measures and take actions necessary for achieving the mandate and objectives of the GHEITI.

11. Political Leadership

The Minister of Finance shall provide political leadership for the Ghana EITI. He will be assisted by the Deputy Ministers of Lands and Natural Resources and the Deputy Minister of Energy (Petroleum).

12. Co-Chairpersons

The MSG shall elect from among its members Co-Chairpersons who shall hold office for a period to be determined by the MSG but no more than the tenure of office of such members.

The first Co-Chair shall be the representative of the Ministry.

There shall be a second Co-Chairperson elected in turns from among Civil Society and Extractive Industry representatives.

13. Meetings and Decisions of the MSG

- (1) The MSG shall meet at least once in every three months for the dispatch of business at such times and places as it may determine.
- (2) At every meeting of the MSG, the Chair or in his or her absence, the Co-chair shall chair.

- (3) The Secretariat shall convene meetings upon the advice of the Chair, or in his or her absence, the Co-Chair of the MSG.
- (4) In the absence of the Chairperson and the Co-chairperson a member appointed by the members from among themselves shall preside over the meeting. The meeting in such instance shall be convened by the Secretariat in consultation with each constituency represented on the Committee.
- (5) The MSG shall endeavour to take its decisions by consensus.
- (6) Where the MSG fails for any reason to reach a consensus on any matter, such matter shall be determined by a simple majority of the votes of members present and in the event of an equality of votes, the person presiding shall have a casting vote.
- (7) Where decisions of the MSG are to be made by vote, each constituency, to wit; Government, Industry and Civil Society shall have one vote.
- (8) The MSG may at any time co-opt any person to act as an advisor at any of its meetings but no person so co-opted shall be entitled to vote at any meeting.
- (9) 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.
- (10) The quorum of the MSG at any meeting shall be two-thirds of its members. The quorum should include representation from all three stakeholders represented on the MSG.
- (11) Members of the MSG shall be paid such allowances as the Minister shall determine in accordance with the rules governing the Public Services.

14. Mode of meetings

Meetings may be held as follows:

Physically present at the location e.g. conference room; or technology mediated e.g. telephone, Skype or video conferencing.

15. Invitation to Meetings

Invitation to meetings can either be by a written letter or an e-mail.

16. Ordinary meetings

- I. The chairperson shall convene meetings of the Committee.
- II. All meetings shall be called using a notice and agenda.
- III. Any three members may request the chairperson to convene an emergency meeting of the committee to discuss a specific issue or issues of urgent nature.
- IV. When the chairperson receives the request, he shall convene the meeting accordingly, to be held on a date agreed on by most members.

17. Emergency Meetings

An emergency meeting may be called by the chair as and when necessary. The emergency meeting shall discuss only issues giving rise to the calling of the meeting.

18. Meeting Agenda

The MSG has sole authority over its agenda and exercises this through the Chairperson. Any member may at a meeting, request the addition of an item to the agenda.

The agenda shall list the items to be discussed at that particular meeting.

19. Meeting Attendance

Members shall endeavour to attend all meetings and to prepare adequately for each meeting. Members shall participate fully, frankly and constructively in Committee discussions and other activities and to bring the benefit of their particular knowledge, skill and abilities to the meeting.

Members are also expected to attend:

- i. Sensitisation and dissemination workshops
- ii. Sub-Committee Meetings and
- iii. All other meetings that may be duly convened

A member who is unable to attend a meeting shall inform the Coordinator of his or her inability to attend, and this shall be recorded in the minutes of the meeting.

20 Distribution of Meeting Documents

Minutes, reports and other documents for discussion at meetings shall be received at least one week before the date of the meeting.

Distribution of documents shall be by courier, e-mail or both.

21. Co-opted Members

The committee may co-opt a person to attend any of its meetings to offer expert opinion or advice

A co-opted person shall not have a right to vote on any matter for decision at the meeting.

22. Discussions

Discussions shall be open and constructive recognising that genuinely held differences of opinion can, in many circumstances bring greater clarity and lead to better decisions.

All discussions and their record shall remain confidential unless there is a specific direction from the Committee to the contrary, or the law requires disclosure.

23. Minutes

- I. The minutes shall be signed by the chairman/co-chair/coordinator and the recorder.
- II. The minutes shall be prima facie evidence of the proceedings of the committee.
- III. The minutes shall be confirmed and approved by members who were present at the particular meeting whose minutes are up for adoption.

24. Adjournment of the Meeting

This may happen when either the meeting itself or part of the business of that meeting is postponed until another time or indefinitely.

No new business shall be introduced at the re-convening of an adjourned meeting unless notice of such new business is properly given.

At the beginning of any re-convened meeting, the Chairman shall recap deliberations of previous meeting to avoid any confusion or unnecessary duplication of discussion.

25. Disclosure of Interest

A member of the MSG who has personal / private interest in any matter to be discussed by the MSG shall disclose the nature of the interest to the MSG and may be disqualified from deliberations of the Committee in respect of that matter.

26. Sub-Committees

The MSG may constitute such special committees as it considers fit for the performance of its functions.

Sub-Committees shall be formed on either standing (permanent) or ad hoc basis to facilitate efficient decision-making of the Ghana EITI. Sub-Committees shall, be subject to necessary modifications, and shall observe the same rules of procedures of the committee. The sub-committees only speak or act for the committee when so authorised.

Ad hoc sub-committees may be formed for specific purposes and disbanded after completion of the assignment.

The Ghana EITI shall establish the following standing sub-committees:

- I. Communication /Sensitization Sub-Committee
- II. Technical sub-committee on mining
- III. Technical sub-committee on Oil/Gas
- IV. Procurement

27. Composition of GHEITI Standing sub-Committees

To achieve specialisation and efficient division of labor the GHEITI standing sub-committees may be used to implement various aspects of the programme as shown below:

I. Communication /Sensitisation Sub-Committee

- Ministry of Finance
- Office of Administrator of Stool Lands
- Civil Society Organizations
- Ministry of Energy/Ghana National Petroleum Corporation(GNPC)
- Ministry of Lands and Natural Resources
- Ghana Revenue Authority (GRA)

II. GHEITI Technical sub-committee in charge of mining

- Minerals Commission
- Ministry of Lands and Natural Resources
- Chamber of Mines
- Ghana Revenue Authority (GRA)
- Ministry of Finance
- CSO Rep

III. GHEITI Technical sub-committee in charge of Oil/Gas

- Ministry of Energy
- Petroleum Commission
- GNPC
- Rep of the Oil/Gas Companies
- CSO Rep
- GRA (oil & gas)
- Ministry of Finance

IV Procurement

- Ministry of Finance
- Office of Administrator of Stool Lands
- Rep. CSOs
- Ministry of Energy/Petroleum Commission
- Ghana National Petroleum Corporation (GNPC)/Rep. of OIC
- Minerals Commission

✓ Communication /Sensitization Sub-Committee

The primary duties and responsibilities of this sub-committee are to:

- Advise the MSG on communication matters
- facilitate inter-actions between the committee and stake-holders
- supervise the implementation of all GHEITI communication activities
- Ensure and facilitate the dissemination of the Ghana EITI Reports
- formulate policies to project, maintain and protect the image and influence of the committee
- determine appropriate tools to communicate effectively
- handle media relations

✓ Technical sub-committee on Mining

The sub-committee on mining shall:

- advise on all technical matters specific to mining.

- Facilitate interface between the mining sector and the MSG
- assist the Secretariat in following up on recommendations pertaining to mining in the Ghana EITI report.
- ✓ **Technical sub-committee on oil and gas**
 - advise on all technical issues specific to oil and gas.
 - Facilitate interface between the mining sector and the MSG
 - Support the implementation of GHEITI's activities on the oil and gas
 - assist the Secretariat in following up on recommendations pertaining to oil and gas in the Ghana EITI report
- ✓ **Procurement Sub-Committee**

The sub-committee on Procurement shall:

- Handle all procurement matters especially the recruitment of the Independent Administrator (IA) in consultation with the Secretariat as determined by the Committee from time to time

28. Reports

The GHEITI shall publish, in addition to reconciliation reports and reports on sensitisation and dissemination workshops, an annual activity report no later than 1st July of every year.

29. Budgets and work plans

The MSG shall prepare budget and work plans for each financial year at least one month before the commencement of the following year.

30. Financial Management

The GHEITI shall adopt a system of sound financial management policies in conformity with financial regulations of the Government of Ghana and generally accepted international accounting principles to ensure prudent and efficient management of funds.

The GHEITI shall cause to be kept proper books and records of accounts for funds and resources received and expenditure incurred or made. The GHEITI shall be subject to audit by the Auditor General.

31. Engagement of Consultants/Experts

- i. The committee may, for the efficient and effective execution of its mandate, engage consultants with proven knowledge and expertise in the matter

- before the Committee to submit proposals for consideration by the Committee.
- ii. The consultant shall be paid such fees as negotiated between him and the Procurement sub-committee and approved by the Committee at its meeting.
 - iii. A member of the committee who has the expertise in any matter to be performed by the committee may offer himself or herself for the assignment after discussion and approval of the proposal by the Committee.
 - iv. The member may be paid such fees and remuneration as may be negotiated between him and the Procurement sub-committee and approved by the committee at its meeting.

32. Capacity Development of the MSG

It shall be beneficial to the MSG when members have basic knowledge of areas other than their field of expertise, as it would contribute to the arrival of good decisions.

For this reason, and as part of continuing capacity development, all members shall be required to attend seminars and conferences as are appropriate to enhance their value adding functions.

The annual work plan of the Committee shall make specific provisions for the training of members.

33. AMENDMENTS OF THE RULES

- I. These Rules and Procedures may be amended by the Committee at a meeting called for that specific purpose only.
- II. Due notice will be given to members for such meeting.
- III. Members shall be given advance notice of proposed changes with reference to specific Rules that need to be amended.
- IV. The motion for the approval of the amendments shall be by a two-thirds majority of members.

ADOPTED BY THE GHANA EITI MULTI-STAKEHOLDER GROUP ON SEPTEMBER 2010