

**Extractive Industries Transparency Initiative Albania (EITI Albania)
Multi-Stakeholder Group (EITI Albania MSG)
Terms of Reference**

Background

Initiative for Transparency in Extractive Industries - EITI (hereinafter EITI¹) is an international initiative. Its object is to develop and implement a mechanism in order to declare the income from the use of Natural Resources that come through the Extractive Industries and to publish these data in a comprehensive format to the public and to supervise them in order to enable the public to access information regarding income and public expenses, contributing in this way to a public debate and creating mechanisms for a good management of these incomes to the benefit of communities.

The EITI process can be further dimensioned and adapted to the current context of each implementing country, to meet the information needs of the stakeholders and the need to affect the sector with important reforms based on these data.

As defined in the EITI Standard Requirements, the EITI Standard Implementation requires effective oversight of the EITI process by all stakeholders. This is achieved through the establishment and operation of a Multi- Stakeholder Group (hereinafter MSG²), which includes representatives of government, of the companies operating in this sector and the full, independent, active and effective role of the civil society participation, which commit to work together to develop and promote transparency and good governance of this sector.

On the new terms and the changing of the EITI Standard is necessary the review of the previous ToRs.

Objectives and Mission of EITI in Albania

The Decision of Council of Ministers No. 993 "For the organization and functioning of the National Secretariat of the Extractive Industries Transparency Initiative (EITI Albania), within the framework of the membership in the International Organization EITI International" and the efforts to institutionalize and implement reforms in the extractive industry sector in Albania, shows the seriousness of the Albanian government to ensure that extractive industries in Albania serves to the benefit of the Albanian people.

Greater transparency in the payment of taxes and fees to government by extractive industries, and the proper acknowledgement of such payments by government at all levels, is an essential condition for good governance of such industries to the benefit of the country and its citizens.

Article 1

¹ EITI is for "Extractive Industries Transparency Initiative"

² MSG is for "Multi Stakeholder Group" or in Albanian, "Grupi me Shumë Aktorë"

The scope of the ToRs

To define the scope and operation of the Multi-Stakeholder Group (MSG), which is created to guide and support the implementation of the Extractive Industries Transparency Initiative (EITI) in Albania.

Requirements for implementing countries are set out in the EITI Standard 2016. Additional information can be found in

www.eiti.org (<http://eiti.org/document/standard>)

Article 2

Object

This regulation establishes the rules and procedures relating to:

- a) The organization and functioning of the meetings of the Interagency Working Group or Multi Stakeholder Group (MSG) within the membership in the international organization EITI International Albania "Extractive Initiative Industries Initiative (EITI), hereinafter MSG".
- b) The preparation, submission, review and decisions taken by MSG.

Article 3

Definitions

For the purposes of this Regulation, the following terms have the following meanings:

- a) "MSG" is a high level committee with the task of building policies / decisions or make comments on the policies and decisions that are expected to affect all the stakeholders.
- b) "EITI Albania" is the National Secretariat for the Extractive Industries Transparency (EITI referenced below as EITI).

Article 4

The role, responsibilities and rights of the MSG (EITI Standard 2016 1.4/b)

1. MSG should function as a high-level committee with the task to build policies / decisions or make comments about the policies and decisions that are expected to affect all the stakeholders. Consequently MSG should include members with reputation and which are widely recognized as representatives/ members of the relevant stakeholders (including the representatives of the Government or State Agencies, of the Operators of the sector and of the CSOs) should have the capacity to

act on their behalf.

2. The multi-stakeholder group should undertake effective outreach activities and spread its activities with civil society groups and operating companies, through different ways: Direct or written communications, Media, Websites, informing stakeholders of the government's commitment and the central role of companies and civil society in this process, and to gather and bring the voice of the stakeholders in MSG. The multi-stakeholder group should also widely disseminate the public information which is produced by the EITI processes and also the EITI Report.
3. MSG's members must constantly relate this process with the representing groups.

Article 5

Objectives and activities of MSG

In order to fulfill legal obligations, the objectives of the activity are MSG:

- a) To define the objectives of the EITI process in Albania;
- b) To work for the policymaking and strategic direction necessary for an effective implementation of this initiative in Albania;
- c) To identify / evaluate the obstacles encountered in this process and work to eliminate them;
- d) To work in order to maintain a sustainable political commitment for the initiative and the resource mobilization to support its activities and goals;
- e) To ensure that the initiative is effectively integrated in the reform process outlined from the government and any other related government reform agenda;
- f) To get involved and become part of the consultation from the structures for the legal framework (legal acts, legislation) regarding EITI;

Article 6

General Principles of Engagement

Engagement between government, business and civil society stakeholders in the Group will be based on the following principles:

- **National Interest** – uphold the EITI processes above the interests of organizations or individuals and the full transparency of public and private institutions;
- **Integrity** – Each member of MSG or interest group should be based on moral and professional standards in fulfilling the commitments;
- **Inclusivity** – Each stakeholder can freely appoint their own representatives, bearing in mind the desirability of pluralistic and diversity. The invitation to participate in the MSG should be open and transparent;

Full commitment and all inclusive dialogue – provide an environment where all participants can get engaged freely and openly;

Transparency – provide all parties involved in the process, as well as the public, access to relevant and verified information/data, subject to the limits set by law;

Accountability – abide by the policies, standards and guidelines of engagement in MSG, and fulfil its commitments;

Partnership – cooperate, share responsibilities and uphold mutual respect to ensure that the objectives of the engagement are achieved;

Consultation, Capacity-Building and Empowerment – to work for the continued growth of knowledge about the sector, of the global best practices and enhance knowledge-sharing through continuing dialogue;

Respect for Internal Processes – understand and abide by the limitations of stakeholders with respect to the nature of information to be disclosed and the extent of involvement based on institutional/legally imposed limitations;

Sustainability – ensure continuing engagement by instituting progressive policies and operational mechanisms that will promote an environment of mutual trust;

Article 7

Composition of MSG

Albanian MSG is composed of representatives from:

- a) Government Institutions part of the EITI process;
- b) Companies operating in the Extractive Industries Sector;
- c) Albanian Civil Society which itself can be represented in the MSG through independent Groups of broad based civil society, media representatives, academics or unions;

MSG will have the following format:

- a) Is chaired by Deputy Minister of Energy and Industry and will have the following members:
- b) 7 (seven) Representatives of the Institutions and State Agencies involved in EITI processes; The level of representation in this group for the governmental institutions will be not lower than the Director of Directorate level.
 - 1. A representative from the Ministry of Energy and Industry;
 - 2. A representative from the Ministry of Finance;
 - 3. A representatives from Ministry of Justice;
 - 4. A representatives of of the General Directorate of Taxation;
 - 5. A representatives of of the National Agency of Natural Resources;
 - 6. A representatives of of the Albanian Geological Service;

- c) Five (5) business representatives selected from the largest companies operating in the country in the Extractive Sector and Hydropower, as well as the Association of Investors in this sector or Chambers of Commerce with a focus on natural resources;
- d) Five (5) Representatives of civil society, selected by National Groups of Civil Society, journalists, prominent academic figures, independent groups of sector experts (thinktanks) and groups of unions, with large geographic scale. The selection process for CSO representatives on the MSG is determined based on the election process outlined in the 'Code of Conduct of CSOs Involved in EITI the Process' (the full code is appended as an Annex to this Terms of Reference for information);

Article 8

MSG functional tasks

Functional tasks of MSG are:

- a) To ensure the commitment of the various stakeholders in the implementation of EITI;
- b) To prepare, approve and publish a comprehensive work plan with estimated costs (EITI standard 1.5), by making consultation with EITI stakeholders;
- c) To oversee the implementation of EITI and its Work Plan in order to achieve national objectives;
- d) To participate in drafting and approve the Terms of Reference for the Independent Administrator in accordance with the national strategy, to participate and approve EITI Reports and Annual Activities Reports (EITI standard 1.4);
- e) To carry out the spread of EITI, through its members, in different sectors in support of the Work Plan;
- f) To communicate and build awareness about EITI, its objectives, experience and the benefits of other countries from its implementation, and the progress of its implementation in Albania;
- g) The MSG evaluate and follow the EITI work plan.

Article 9

The role of MSG members

The MSG members, should act with loyalty, honesty and integrity, during all kinds of relationships, on behalf of and always on the best interest of EITI Albania.

1. Role of Government Representatives:

- a) To provide political leadership and technical for the Secretariat and Albanian EITI;
- b) To ensure the full participation of national government agencies and local government units in the implementation of EITI, and create an enabling policy environment for the same;
- c) To ensure the full participation of extractive companies;

- d) To encourage the full participation of civil society;
- e) To propose a legal basis for implementation of EITI, as well as identify and address legal barriers and regulations that block the proper implementation of EITI;
- f) To disclose government revenues and relevant data in an accurate and timely manner and at a level of detail to be agreed upon by the MSG;

2. Role of Business representatives:

- a) To help ensure the full participation of extractive companies in the EITI implementation in Albania;
- b) To disclose payments and relevant data to government and other stakeholders in an accurate and timely manner at a level of detail to be agreed upon by the MSG;
- c) To communicate with industry stakeholders developments on EITI;

3. Role of CSO Representatives:

- a) To communicate and consult widely with a diverse set of stakeholders including those outside the steering group and build capacities on EITI in accordance with the duties outlined in Article 8 of the Code of Conduct of CSOs involved in the EITI Process;
- b) To ensure full participation of relevant CSO-s and other represented parties;
- c) To monitor the disclosures done by the government and extractive companies;
- d) To consult with the broad groups and propose directions where to extend the EITI in Albania, except for the mandate governed by EITI standard;

Albanian MSG has no policy for allocation of diests of royalties and per diem during the commitment in EITI. MSG commitment is entirely on voluntary basis.

Article 10

The selection of the representatives in MSG

In order to maintain the diversified opinion and broader representation, every interest group has the right to determine its representatives in MSG for EITI in Albania. The nomination process is independent within each sub-group.

1. MSG chairman requests in writing, to each institution, to present its representative on MSG. The representatives of government institutions, mentioned in paragraph VII / b of these ToR will be appointed by the heads of their institutions within 15 (fifteen) days of receiving the request. Representation at MSG for this sub-group is not nominal, but it is related to the task that holds a person appointed at the Institution that represents;
2. Participation in MSG for civil society and business representatives in order to enable broad-based representation, is made with an open public invitation made by the Chairman of this Working Group and is managed independently and transparently by each group. Each of the groups should make transparency on the procedure for the

- selection of members of the MSG, and fully document to the Chairman of MSG, the process and the procedure of selection and the validity of the mandate of each member;
3. EITI Albania Secretariat will provide technical support during the selection process, if this is required by each of the groups to fulfill the transparency of every process;
 4. EITI Albania Secretariat as a representative of the State which has an official commitment to the EITI process, has in any case the right to observe the process of election of members of MSG, by the need to meet the National Interest and the benefit of the country as a "EITI Implementing Country and maintaining of this status", prior to the interests of particular groups or individuals and in the framework of full transparency of the Initiative;

Article 11

Mandate and replacement of MSG Members

1. The members of the first group, whose appointment is subject to the job position in the government, do not maintain a nominal position in MSG, but it is associated with their job position.
2. Each member of MSG that represents in MSG the Albanian state, should make sure to have a minimum of 50% of attendance at MSG, and 100% active participation in the EITI process, so the institution can hold its member at MSG.
3. The members of two other groups of MSG, will serve for a period of 3 years, so the full mandate of them will be 3 years, their replacement will be in a gradual order to ensure that among them will have institutional memory. If the representatives have had a good performance during their three-year mandate they can be re-appointed by their group representatives.
4. The performance of all members will be measured through an annual assessment to be made by the Chairman of MSG with the technical support of the National Secretariat EITI Albania (providing the presence of meetings, minutes of meetings, presentations, platforms or different materials that can be necessary to measure the real contribution of each member of the MSG, etc.) at the beginning of each year. Performance will consider the quality of participation through the implementation of the annual work plan. It will be measured based on the participation of the members at the meeting and the contribution provided in the implementation of EITI in Albania.
 - a) **30%** Attendance at meetings and support events organized.
 - b) **30%** The engagement in consultative processes and building policies (significant comments in ToRs, in the annual planning activities, proposing policy interventions, their formulation of these documented through minutes of meetings, e-mails and correspondence as appropriate).
 - c) **40%** The commitment to real EITI processes (personal contribution documented in communication activities on the ground and the dissemination of the information referred to the EITI standard (EITI standard, paragraph 1.4)), serving the implementation of EIT-t, as well as the design of new initiatives.

5. If at the end of the evaluation proces, the representatives have had a performance lower than 60%, they will be required to be replaced by representatives of their group, following its governance mechanisms.

Article 12

The Conflict of Interest

The MSG members should act with loyalty, honesty, integrity in all dealings on behalf of EITI Albania and will always act in its best interest. MSG members are prohibited from using their privileged position as a member of MSG or any confidential information collected in that capacity for their personal benefit or of any other person close to them.

Because MSG shall decide on the Work Plan EITI, decide for projects to be implemented, the strategy to follow and evaluate its implementation, members of MSG will not be eligible to compete for activities within the annual calendar of the EITI, nor be part of the procurement groups, in order to avoid conflicts of interest.

Also, MSG Members can not accept gifts in cash or in any other form, from persons related directly or indirectly with the EITI processes.

Article 13

The MSG Meetings

The Multi-Stakeholder Group will meet once a quarter or as often as necessary.

The Chairman will call and preside the MSG meetings, while notices shall be sent out by the EITI Albania Secretariat at a minimum of one week before the date of the meeting (exceptions can be made for various reasons when sending materials can not grab this limit, however MSG's members will be left the time required to consult them before approval of the materials). The Secretariat shall also handle the documentation and preparations of the minutes of the meetings.

The Minutes of the Meetings will be sent to the MSG members by mail as soon as they will be ready. Members will have a week to send their comments and any comments will not be considered approved without the consent of the majority. Minutes of meetings and decisions taken by MSG will be published in the Secretariat website www.albeiti.gov.al and will be discussed in the next meeting of MSG.

On issues when is necessary a decision but is not required a call for a meeting, the necessary information will be distributed via e-mail so that the decision can be taken electronically and by consensus.

In case a member of MSG presents no comments/ recommendations through this form of consultation it will be considered that he approves the proposal submitted.

Article 14

The MSG decision making

Decision-making in MSG will aim to achieve consensus in any case, in good faith.

In cases where no consensus is reached, it will proceed with the vote.

Fifty percent (50%) of the members, with at least one representative from the government, civil society and the business sector, will represent a quorum of the MSG, in good faith, take decisions by consensus.

The Ministry of Energy and Industry as the responsible Ministry of policy making for the sector, has the right to appoint alternate permanent representative in MSG for the Departments of Petroleum, Mining, Hydropower or Legal, where the right of representation (and vote if needed) belongs to only one of four alternates, referring issues to be discussed and determined by the Chiarman of MSG.

The Complaints that anyone may have will be treated openly and jointly during MSG's meetings.

Article 15

Decision Bleaching and Enetring into force

MSG bleaching decisions is made by the Secretariat, within 5 (five) working days after the end of the meeting. In the cases when the Project is not approved, MSG does not take a decision.

MSG decisions are bleached in two copies, one of which is signed by the Chairman. Another copy is signed by all members that attend the meeting.

Decisions signed by the President of MSG are deposited and recorded in a special book in the office of MEI's protocol.

Article 16

Last provisions

This regulation takes effect and becomes enforceable, after its approval by the Minister of Energy and Industry.

Annex: Code of Conduct of Civil Society Organizations Involved in the EITI Process

Table of contents

Statement.....	1
Chapter I: Election and mandate	1
Chapter II: Definitions of the terms, and basic principles	2
Chapter III: Rights, duties and obligations	3
Section 1: Election.....	3
Section 2: Reprehensible facts or acts	4
Section 3: Loss of status, decline and substitutions.....	4
Chapter IV: Communication.....	5
Chapter V: Final provisions.....	5

Since Albania was granted compliant status of in May 2013, the representatives of CSO-s in MSG Group were advocating for the implementation of EITI standards, for transparency to be translated into accountability and ensuring that the revenues generated by natural resources are used to benefit all citizens.

The CSO-S in MSG Group supported and elected from the Coalition of Civil Society Organisations involved in EITI process, sees transparency as a mean to demand accountability from both companies and governments. The CSO-s to MSG will be always very active to monitor and to ensure that natural resource revenues reach the state, get involved in how these should be spent and ensure that this was successfully carried out. As the part worldwide networks of Civil Society organisations working in extractive industry transparency initiative worldwide, Coalition of the Albanian CSO organisations will also refer to PWYP Strategy and Vision 20/20.

This code of ethics aims to improve the efficiency of the entire civil society's participation in the process, establishing parameters for CSO MSG representatives to work cohesively together and with their wider constituency in order that the people most affected by extractive industry activity have a voice in the process.

Chapter I Election and mandate

Section 1 Election

Article 1

Each person, member of a civil society organization adheres to this code, can be nominated as representative of the civil society at the Multi-stakeholder Group without prejudice to the provisions in article 2 of the code hereby.

The entire election process should be fair, participatory and transparent:

- a. A call for candidates and nomination process should be publicized with the qualifying criteria through network on line website, organizations member in the network and other informing means when is possible; in order to insure a wide relevant participation.
- b. The Board of AlbNet –Eiti Coalition does the selecting process, screening out candidates that do not meet the eligibility criteria.
- c. Civil society should ensure not allowing any government interference or involvement in proposal, nomination, and selection or election process.

Article 2

The mandate period of the civil society's representative at the Multi-stakeholder Group is for 3 years renewable only once in conformity with the article 6, point 2 of the Code hereby.

Article 3

The election is organized according to a direct universal suffrage process and to a secret ballot mode. It is approved by an official report signed by all the members of the Ad hoc committee (Support group members and 2 MSG members, elected in advance) and supported by the list of those who participated in the said elections.

In case of only one candidate should be elected the two candidates who received the majority of votes should go under a second round.

The candidate who receives the overall majority of votes (50% +1) is elected.

Article 4

In the event of a tie, the candidates will be asked to find a consensus; otherwise, the second round is organized to decide between the candidates in conformity with the article 8 of this code.

In the event of another tie, the candidate who has more seniority and is more experienced is elected. It is up to the candidate to produce the documents proving their seniority and experience.

Chapter II

Definition of the terms, and basic principles

Article 5

Definition of the terms

Under this code, we mean by:

1. Representatives of the civil society in the Multi-stakeholder Group: any private individual member of a civil society organization who want to be involved in the natural resources sector who was nominated by their peers to represent and defend the opinions of the civil society within the Multi-stakeholder Group;

Article 6

Basic principles

1. Any representative from the civil society at the Multi-stakeholder Group is nominated through consensus and a transparent and democratic process from organisations signatory to this Code.
2. The mandate of the civil society's representative runs for three years renewable only once;
3. Any candidate for the position of the civil society representative in the Multi-stakeholder Group must first fulfill the criteria hereafter:

- Be a member representing of an independent civil society organization that is active in the natural resources domain
- Have at least three years of experience in the domain of advocacy for the extractive industries transparency, including with state-level institutions and representatives of the private sector;
- Have an advanced knowledge in EITI in particular;
- Demonstrate the independence from the government and extractive companies.
- Show evidence of a high degree of morality, integrity, respect of their colleagues.
- It is NOT politically affiliated as individual or organization.
- Doesn't have high/leading position in the state administration or public office, private companies connected with extractive industry covered by EITI.
- Should never allow any government interference or involvement in CSO issues.
- Doesn't have any conflict of interest either with government or business in extractive industry.

4. Have full commitment to the gender questions and take the necessary measures to guarantee a woman's representation within the Multi-stakeholder Group;
5. Insures representation of the stakeholders from areas affected by extractive activities and takes the necessary measures to guarantee their presentation in the Multi-stakeholder Group;

Chapter II **Rights, duties and obligations**

Article 7 **Rights**

Any member, duly mandated by a civil society organization adhered to this code, who fulfills the requirements mentioned above has the right to be nominated as representative of the civil society in the Multi-stakeholder Group

Any representative has the right to speak its mind, take part in discussions of the MSG and cast a vote.

Article 8 **Duties**

1. All representatives of the civil society in the Multi-stakeholder Group should consult with their constituency (so local communities, networks or other NGOs, etc) and to regularly report back.
2. All representatives of the civil society in the Multi-stakeholder Group have the duty to provide sufficient information to the networks to allow opportunities to meaningful input regarding decisions made in conformity with the rules and procedures governing the Multi-stakeholder Group's functioning.

3. Preparatory meetings must always be held to notably coordinate and decide on the civil society's position on the items on the agenda of the Multi-stakeholder where any representative commits to stand up for the position adopted by the civil society organizations during preparatory meetings or other meetings and for the shared interests.

Article 9 Obligations

1. All representatives have the obligation to actively take part in the Multi-stakeholder Group's meetings,
2. To stand up for the civil society's interests like transparency, anticorruption, governance and public control during the Multi-stakeholder Group's sessions.
3. All representatives have the obligation to take part in the preparatory meetings which are called by civil society's Spokesperson or by each representative where points on the agenda and of civil society position or recommendation will be presented.
4. If one the members voted against decision taken by the group, he should anyway have to support the group decision during the Multi-stakeholder Group's sessions or in public.
5. It should be a strong encouragement to have a united position as a group.
6. Individual or personal inconveniences should be not reflected in MSG meetings.

Section 2 Reprehensible facts and acts Article 10

At the end of this code, the acts hereby are considered reprehensible facts likely to entail the loss of a representative status:

1. Any fact or act taken including words, positions by vote, emails, expressions, statements and whose final goal is to break up the position taken by the civil society organizations following a debate among peers;
2. Any act of corruption, such as underground personal relation/agreement, related to government EITI authorities who hinder the CSO- group interests and principles, is considered as an open violation to this code.
3. Acceptance by a representative of a gift exceeding a value of 300 lek, or any other advantage undue by a member of another stakeholder or any other person working for an EITI structure. In the last case, any gift exceeding the value mentioned above must be declared and can be notified by email or by a letter duly signed by the person concerned.
4. Except only the payments as reimbursement (according to the Albanian Law) for trip, accommodation and reasonable per diem by EITI Secretariat to the CSO members living outside the capital to be present in MSG meetings.

5. In case of a doubt that may lead to be perceived or actual conflicts of interest based on their role and responsibilities, an explanation or disclosure of personal information for CSO representatives in the MSG may be required.

6. The group members of CSO-s in MSG will be in charge of implementing those sanctions.

Article 11

Without prejudice to the provisions in article 6, point 3, any representative who is found guilty or complicit with the acts listed above shall lose their representative status.

Section 3

Loss of status, decline and substitutions

Article 12

The status of a delegate/representative can be lost by

1. Written resignation letter notifying the Spokesperson, desertion, revocation, unjustified unavailability not attending 3 consecutive Multi-stakeholder Group's meetings, incompatibility according to article 2 point 5, of this code, negligence or violation of the provisions of this code, death.

Except in cases of justified reasons, the representative who does not attend 3 consecutive Multi-stakeholder Group's meetings, can nominate another member of his organization to represent him/her as long as he/she will be absent.

2. When changes his status; is nominated in high/leading position in the state administration or public office or private company, connected with extractive industry and covered by EITI process.

Article 13

Loss of the representative status is certified by the members of CSO-s in MSG.

Chapter IV: Communication

Article 14

A function for the civil society delegates' Spokesperson is set up within the Multi-stakeholder Group nationally.

The spokesperson is nominated by the civil society representatives in a consensual manner overall majority vote (50% +1).

Article 15

The Spokesperson has the obligation to pass on the information to the civil society organizations, including sharing work documents by email or any other method deemed efficient.

Chapter V Final provisions

Article 16

The first nomination takes place 3 years after the effective date of this code and in conformity with the provisions in articles 6, 7, 8, and 9.

The delegates who have completed more than 3 years shall be replaced according to the arrival order (first elected is replaced first).

Article 17

Former representatives of the civil society at the Multi-stakeholder Group can be considered as support group which can assist in overall issues including the process of election, etc.

A person who has had their mandate rejected cannot be part of the support Group at all ;).

Article 18

The provisions of this code can only be subject to a revision provided there in a written consent by two thirds of the signatory organizations (of this code).

Tirana April 2015

Anila Hajnaj

Ilir Aliaj

Sami Nezaj

Madlina Puka

Baki Bajraktari