

TERMS OF REFERENCE FOR THE ZEITI –MSG TECHNICAL WORKING GROUPS

MAINSTREAMING TECHNICAL WORKING GROUP

1. Background

The Extractive Industries Transparency Initiative (EITI) is a global initiative promoting public awareness about how countries manage their oil, gas and mineral resources. The EITI seeks to strengthen government and company systems, inform public debate and promote understanding. In each of the implementing countries, the EITI is supported by a coalition of government, companies, and civil society. The Standard is upheld by the international EITI Board.

Zambia has been implementing the Extractive Industries Transparency Initiative since 2009. To date, nine EITI reports have been issued covering the years 2008-2016. Zambia underwent the Validation process in January 2017, the Country was found to have made meaningful progress in ensuring transparent management in the extractive sector. The next Validation process to assess progress on the four (4) corrective actions will take place in April 2019.

The 18-member Zambia EITI Council is the multi-stakeholder group overseeing and coordinating EITI implementation in Zambia. It is chaired by the Secretary to the Treasury and is serviced by a Secretariat headed by the National Coordinator supported by three (3) full time staff and two support staff seconded from the government as well as three university graduates currently doing internship. The ZEITI Secretariat located in the Ministry of Mines and Minerals Development at the Geological Survey Department. Zambia's civil society has promoted the EITI, its influence continues to grow with much participation in information dissemination programs and engagement with the government through a face to face quarterly meeting with the Minister of Mines and Minerals Development. The ZEITI has also contributed to the inclusion of the beneficial ownership disclosure in the current amended companies legislation.

The implementation of the EITI globally has evolved over the years. Notably, the EITI reporting has commenced a process of mainstreaming the reporting of EITI data in government and company systems.

The key benefit of such EITI mainstreaming is sustainability since mainstreamed EITI could have a strong role for the EITI MSG to retain the effective working and trust that has been built over time. Expected benefits are greater cost-efficiency of the EITI process for government and companies (albeit after an initial investment), deeper and strengthened transparency and civic participation and, lastly, the potential to link EITI to other ongoing national initiatives in Zambia. For EITI MSG and wider NGO bodies in particular, mainstreamed EITI could enable them to operate on a higher plane by focusing on analysis and advocating for ongoing sector reforms. Mainstreaming effort would involve up-front cash investment in system scoping and development, to be offset in future years by lower recurrent costs for operating EITI and greater system-wide efficiencies among all participants in EITI reporting and disclosure.

The expected outcome is to raise EITI implementation in Zambia to a new level where ZEITI positions itself as a sounding board for multi-stakeholder supported policies for improved mining sector governance in Zambia by initiating and actively participation in the policy dialogue on mining sector governance. The impact of EITI would be its contribution to better informed multi-stakeholder policy proposals and to multi-stakeholder dialogue and inclusion within the mining industry.

2. Rationale for the Mainstreaming technical working group

The mainstreaming technical working group will take the role of outreach to various reporting entities on the opportunities for systematic disclosure of EITI information. As part of its TORs, the working group will develop a framework that focuses on medium and long-term strategies for systematically disclosing EITI information. This could be through the ZEITI website in the short term and reporting agencies' platforms in the long term. The working group could also be tasked to identify and document any legislation that needs to be reviewed to enable systematic disclosure of EITI information. The working group will work closely with the Consultant who will undertake the mainstreaming feasibility study with current funding from the World Bank.

Members:

1. Zambia Revenue Authority
2. Chamber of Mines
3. Southern African Resource Watch
4. Ministry of Justice
5. Chibuluma Copper Mines Plc
6. BarrickLumwana Copper Mines Plc

3. Functions of the mainstreaming technical working group

- To provide an overview understanding; describing the key existing GoZ and company systems that are already publicly available via web sites or other means and potential host platform;
- To obtain and document stakeholders' inputs on forming a working group to move ahead on EITI mainstreaming;
- To identify constraints and enabling mechanisms: outline legal, technical/operating or any other barriers or gaps can limit mainstreaming goals above;
- To set out a proposed IT systems architecture, frequency of data flows, EDI data exchange protocols etc. for a mainstreamed EITI Portal in line with EITI Standard. In particular, the technical solution should set out options on ways to build existing GoZ systems with new interfaces and sub-systems as needed;
- To set out feasibility findings and technical solution, together with recommended implementation action steps, estimated costs, sequence, responsible parties, timelines, and resource needs;
- To perform a cost-based comparison of standalone EITI vis-à-vis a component-wise costing of the various options provided for mainstreamed EITI;
- To Propose a roadmap and a funding strategy for securing support for "EITI mainstreaming" implementation.

DATA AND QUALITY ASSURANCE TECHNICAL WORKING GROUP

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stakeholder policy proposals and to multi-stakeholder dialogue and inclusion within the mining industry.

2. Rationale for the data and quality assurance technical working group

This working group working alongside the Office of the Auditor General could develop a quality assurance framework that enables the MSG to check the quality of disclosed data on various platforms. All matters related to data reconciliation and verification could be handled by this working group. One of the issues the working group could tackle is the development of a framework for undertaking data assurance such as data sampling mechanisms and risk-based reconciliation. For example, the working group could decide what materiality threshold could be applied on a revenue stream or reporting entity that would merit a reconciliation of the data.

Members:

1. Ministry of Local Government
2. AZMEC
3. Ministry of Finance
4. Publish What You Pay
5. Actionaid Zambia

3. Functions of the data and quality technical working group

- Collaborate with the Office of the Auditor General to develop a framework for assuring data from the EITI reporting process;
- Develop data validation approaches and tools such as risk based methods for data assurance;
- Support the hiring of a consultant to revise the existing draft ZEITI Bill and also to draft the ZEITI Policy
- Support Consultant in conducting consultative meetings with stakeholders
- Contribute towards raising awareness on the ZEITI legislation and policy
- Engage Parliament to lobby for the enactment of the ZEITI legislation

POLICY AND DATA ANALYSIS TECHNICAL WORKING GROUP

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2. Rationale for the policy and data analysis technical working group

This working group could be responsible for developing the annual ZEITI work plan and the overall implementation strategy of the ZEITI. The working group could also be responsible for data analysis from the EITI reporting and the production of policy briefs for dissemination to various stakeholders. In addition, the working group could be tasked to work closely with the ZEITI Champion and other key stakeholders in raising the profile of activities being implemented by the ZEITI. This working group could also lead the dissemination activities of the ZEITI in addition to the production of activity reports for the ZEITI.

Members:

1. Bank of Zambia
2. Council of Churches in Zambia

3. National Empowerment Forum
4. Extractive Industries Transparency Alliance
5. Konkola Copper Mines Plc
6. Federation of Small Scale Miners Association of Zambia

3. Functions of the policy and data analysis technical working group

- Support the hiring of a consultant to produce the 2017 and 2018 EITI reports (partially mainstreamed)
- Contribute towards the Production of summary reports based on the analysis of data in the EITI reports
- Contribute towards the design infographs from the reported data
- Support the redesigning the ZEITI website to include aspects for mainstreaming the EITI data (interim mainstreaming strategy)
- Support MSG training needs in relation to media engagement
- Contribute towards the production of policy briefs that explain EITI data in a context
- Support the formation of a website management working group to ensure constant update of the ZEITI website
- Contribute towards the capacity building to CSOs to analyse EITI data