



REPUBLIC OF ZAMBIA

TERMS OF REFERENCE OF THE ZAMBIA EITI COUNCIL (ZEC)

MARCH 2011

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I GENERAL PROVISIONS

- 1.0 The Zambia ZEITI Council (hereinafter referred to as the Council) charged with the duty to arrange and monitor the implementation of the Extractive Industries Transparency Initiative (hereinafter referred to as the Initiative) is the consultation entity with equal representation of government, extractive companies and civil society organizations.
- 1.1 The Zambia EITI Council (ZEC) was established by the government through the Ministry of Mines and Minerals Development at a launch workshop which was held between 15th and 16th July 2008. The workshop was attended by the stakeholders, who were the Government, the extractive companies and civil society organisations. At this workshop the multi-stakeholder group (ZEC) was established, a senior government official appointed and a costed work plan was prepared and unequivocal statement by the government to commit itself to the implementation of EITI was made. Terms of Reference for ZEC were also prepared at the workshop.
- 2.0 In addition to their collective role on the Council, Government shall;
 - 2.1 Provide administrative support to the EITI implementation through the Ministry of Mines and Minerals Development.
 - 2.2 Coordinate and mobilize counterpart funding for EITI implementation through the Ministry of Finance and National Planning
 - 2.3 Amendments to legislation as may be required for the implementation of ZEITI.
 - 2.4 Ensure sustainability of the Initiative
- 3.0 In addition to their collective role on the Council, extractive companies shall;
 - 3.1 Encourage full and complete disclosure of information required for the implementation of ZEITI in their industry
 - 3.2 Assist in mobilizing resources for the implementation of ZEITI
 - 3.3 Assist in disseminating information on the objectives of ZEITI
- 4.0 In addition to their collective role on the Council, civil society organizations; shall
 - 4.1 Engage civil society groups on ZEITI
 - 4.2 Assist in engaging sub national groups in ZEITI
 - 4.3 Assist in encouraging debate and discussion on ZEITI reports country wide
- 5.0 The Council shall ensure that ZEITI meets its objective to attain regular disclosure, reconciliation (and audit if necessary under ZEITI rules) and publication of (1) payments made by the extractive companies to the government ("payments"); and (2) corresponding revenues received by the government from the extractive companies ("revenues").

In pursuing its objectives the Council shall ensure that;

- 5.1 All ZEITI activities, processes and requirements are equally applied or extended to all extractive companies operating in Zambia, including government owned extractive companies; and;
- 5.2 That the design, implementation, evaluation and modification of ZEITI activities and processes are carried out with the participation of civil society, extractive companies and the government working together as stakeholders.
- 5.3 The stakeholders engaged with ZEITI shall pursue or take such legislative and administrative actions as may be needed or required to ensure (1) that the objectives of ZEITI are fully achieved and outcomes broadly disseminated; (2) that ZEITI is supported and funded in a sustainable manner.

II ORGANIZATION OF ZEC

- 6.0 The Council shall consist of an equal tri-partied representation of members from government, extractive companies, and civil society. The Council shall decide the total number of members.
- 6.1 Government shall appoint a senior individual when required as the Council Chairperson.
- 6.2 The Vice Chairperson shall be elected by the Council members from among themselves. The Vice Chairperson shall chair meetings of the Council in the absence of the Chair and coordinate Council's work during the recession of the meeting. In the absence of the Chairperson and Vice Chairperson, members shall elect a member to chair meetings and coordinate the Council's work.
- 6.3 Each stakeholder group shall have the right to independently select and replace its members on the Council.
- 6.4 The period of tenure for members shall be 3 years or as decided by ZEC.
- 6.5 Each multi stakeholder group shall replace members whose tenure expires or who are unable to continue as members of the Council for whatever reason.
- 6.6 Members may be reappointed by their stake holder group upon expiry of their term.
- 6.7 The Council shall have the right to request a stakeholder to replace a member who fails to attend 3 consecutive Council meetings without notice.
- 6.8 The Chairperson shall re-publish a revised list of Council members on the ZEITI website whenever there is a change in membership.
- 6.9 An agenda of a Council meeting shall be presented to the Chairperson and to members at least 5 working days prior to the meeting.
- 6.10 The Council may conduct its business electronically.
- 6.11 Members may give approval, rejection or comment electronically to matters circulated to them by the Secretariat.

- 6.12 Matters requiring consent by members which are circulated electronically shall be deemed approved if two thirds of the members have not raised objection within the set deadlines.
- 6.13 The Council meeting shall commence when at least 50% of the members from each three multi stakeholder groups are present.
- 6.14 The minutes of Council meetings shall be validated when the Chairperson of the meeting signs them.
- 6.15 The Council shall decide the frequency of its meetings
- 6.16 Matters related to the implementation of the Initiative shall be developed by the Secretariat and presented to the Council.
- 6.17 The Council shall liaise with the EITI Secretariat in Oslo and other countries implementing the EITI on matters relating to the EITI implementation in Zambia.
- 6.18 The ZEITI Secretariat shall coordinate and implement the actions of the Council
- 6.19 The ZEITI Secretariat may on behalf of Council call for urgent meetings of ZEC at less notice than required in Section 6.9

III FUNCTIONS OF THE ZEC

The Council shall;

- 7.0 Formulate guidelines and pass resolutions on the implementation of the ZEITI;
- 7.1 Make decisions on any matters relating to the implementation of the ZEITI either by consensus or through voting by simple majority.
- 7.2 Prepare updates on and consider proposals regarding the implementation of the ZEITI;
- 7.3 Consider reports and updates prepared by the Secretariat and any other body approved by the Council;
- 7.4 Ensure that all reports generated are made available through public media;
- 7.5 Update stakeholder institutions on its decisions and execution of its task;
- 7.6 Authorize and or approve resource mobilization;
- 7.7 Approve the costed work plans and budgets of the ZEITI
- 7.8 Hire and approve the engagement of a Validator;
- 7.9 Approve the commissioning of all consultancies and studies;
- 7.10 Approve the validation reports and any other reports from consultants;
- 7.11 Develop and or approve necessary ZEITI financial and procurement policy, and all other policies and procedures required for effective and transparent administration of ZEITI;

- 7.12 Establish committees as needed, and delegate any of its powers to such committees;
- 7.13 Maintain close working relationships with EITI International Secretariat, other implementing countries, and interested Development Partners;
- 7.14 Recruit and or approve the appointment of the Head and other senior staff of the Secretariat, monitor and evaluate their performance.
- 7.15 Approve minutes of ZEC meetings;
- 7.16 Adopt rules as may be necessary for the governance and operations of the Secretariat
- 7.17 Adopt rules as may be necessary for its internal governance
- 7.18 ZEC shall supervise the Secretariat

IV OVERSIGHT BY THE COUNCIL

- 8.0 The Council shall monitor the execution of its decisions and actions of institutions and officials implementing the ZEITI.

V SECRETARIAT

The Secretariat shall;

- 9.0 Make preparations for Council meetings;
- 9.1 Prepare and keep Minutes of Council meetings;
- 9.2 Organize EITI workshops;
- 9.3 Disseminate EITI information;
- 9.4 Prepare costed work plans and budgets for ZEITI
- 9.5 Prepare reports on the implementation of EITI
- 9.6 Keep and maintain records;
- 9.7 Assist the Independent Reconciler obtain required information;
- 9.8 Assist the Validator obtain required information;
- 9.9 Prepare financial reports for ZEITI;
- 9.10 Advise ZEC on ZEITI issues;
- 9.11 Recommend to ZEC on action to be taken on EITI issue;
- 9.12 Attend workshops and meetings as approved by ZEC;
- 9.13 Draft speeches, statements and presentations on ZEITI

VI THE ZEITI RECONCILIATION REPORT

- 10.0 The Council shall publish, as may be decided in Section 10.1 a reconciliation report on a disaggregated or other agreed basis, ("the ZEITI Reconciliation Report") consisting of (1) payments made by the extractive companies to the Government, and (2) corresponding revenues received by the government agencies from the extractive companies.
- 10.1 The Council shall decide the frequency of the ZEITI Reconciliation Report
- 10.2 The Council shall develop or cause to be developed necessary reporting templates that shall be forwarded to both the government and the extractive companies (the reporting parties) with instructions of how the templates should be completed, and when and where the completed templates should be submitted.
- 10.3 The Council shall approve the scope of the ZEITI Reconciliation Report.
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- 10.4 The Council shall appoint or recruit an Independent Reconciler who shall analyze, audit, collate and or reconcile the government and the extractive companies' submissions in order to produce the ZEITI Reconciliation Report.
- 10.5 The Council shall ensure that the Reconciler shall present the ZEITI Reconciliation Report to the Council in accordance with the Terms of Reference and general rules of confidentiality.
- 10.6 The Council shall approve the ZEITI Reconciliation Report.
- 10.7 The Council shall cause to be published or authorize the publication of the ZEITI Reconciliation Report, including the Reconciler's opinion.

VIII AMENDMENT

- 11.0 The Terms of Reference on condition that members of the Council voting for amendment include at least 50% of members of each stakeholder group.