

EITI FUNDING AGREEMENT

This Funding Agreement is entered into between

The Government of Belgium through its Federal Public Service of Foreign Affairs ("Funder")

and

The Association of the Extractive Industries Transparency Initiative (EITI) ("EITI")

WHEREAS:

- A. EITI is a non-profit association representing the global standard to promote the open and accountable management of oil, gas, and mineral resources. Its funds consist of contributions from EITI Members and grants from bilateral and multilateral donors, international financial institutions and other agencies, organisations, and entities.
- B. EITI's Articles of Association regulate the funding of EITI, EITI's use of its funds, reporting and audit. The funds can be used for any activity falling within the objectives of the EITI Association and the work plans approved by the EITI Board. The funds may be applied to administration and governance costs, country-specific activities, and multi-country activities. Relevant provisions of the Articles of Association are enclosed in Annex 1.
- C. As EITI's activities are based on funding by many contributors in accordance with this general funding regulation, the terms and conditions in this agreement are in line with previous practice and the standard Funding Agreement applicable to all EITI supporting countries.
- D. The Funder is willing to contribute to the funding of EITI in order to finance its activities in accordance with the objectives as set out in the EITI Work Plan and Budget and approved by the EITI International Board.

THE PARTIES HAVE AGREED AS FOLLOWS:

1. THE PURPOSE OF THE FUNDING

The purpose of the funding is to contribute to the financing of EITI International Secretariat's (EITI /IS) core activities as mandated by the EITI International Board and agreed in the EITI's annual work plans for the objectives of EITI by promoting the open and accountable management of oil, gas and mineral resources, with the objective to improve the EITI's standing as the global standard for transparency and accountability in the extractive industries.

2. THE FUNDING CONTRIBUTION

The Funder hereby agrees to provide the following total funding contribution to EITI International Secretariat for the time period set out below:

EUR 880,000 (Eight hundred and eighty thousand EURO only) September 2021 – September 2025

The payment should be made according to the following schedule:

- A first instalment of EUR 220,000 after signing the present contract by both parties;
- A second instalment of EUR 220,000 after receipt by the Funder of the documents listed under section 5 on Reporting for the respective period as well as the audit report for 2021;
- A third instalment of EUR 220,000 after receipts by the Funder of the documents listed under section 5 on Reporting for the respective period as well as the audit report for 2022
- A fourth and final instalment of EUR 220,000 after receipts by the Funder of the documents listed under section 5 on Reporting for the respective period as well as the audit report for 2023.

3. PAYMENT

The funding contribution shall be paid to EITI's following bank account:

Account holder: The Association of the Extractive Industries Transparency Initiative (EITI)
Name of the account: EITI Secretariat
Account no.: 1251.05.30770
IBAN no.: NO5612510530770
Swift code: DNBANOKKXXX
Bank name and address: DnB Bank ASA, 0021 Oslo

4. USE OF FUNDING CONTRIBUTION

- i. The contribution shall only be used for any budget activities under the budget and annual work plan of the EITI/IS as agreed by the EITI International Board.
- ii. Administration of the procurement of goods and services shall be governed by EITI/IS Financial Rules and Regulations.
- iii. Any modifications of the present agreement shall be officially requested to the Director General of the DGD and must receive its written approval.
- iv. EITI/IS commits to inform the DGD in case of (suspected) active or passive fraud or corruption. EITI/IS will also inform DGD on the measures taken by the organisation to mitigate and resolve the identified problem(s).
- v. While this contribution is normally spent within the four-year period in which it is allocated, any unspent portion of the grant will remain in EITI/IS's general fund until fully used in accordance with EITI/IS's regulations, rules, directives, and procedures.

EITI shall in the use of the funding contribution exercise the necessary diligence, efficiency, and transparency in line with sound financial management and best practice principles.

5. REPORTING

- i. EITI/IS shall justify the use of the funds within the framework of its global financial reporting to the EITI International Board.
- ii. Within the framework of its overall reporting responsibility to supporting countries, EITI/IS shall submit at least one annual narrative progress report on the implementation of its activities, EITI/IS's annual progress report can be considered as the requested annual narrative report.
- iii. The contribution shall be subject to the internal and external auditing procedures provided for in EITI/IS's Financial Regulations and Rules, and other applicable directives of EITI/IS.
- iv. The staff of the EITI/IS are responsible for and in charge of the implementation of the programme and projects of the organisation, shall provide the representatives of DGD, on request, with every information concerning the use of the funds as well as the progress of implementation of the programmes and projects.

6. VISIBILITY

When appropriate, EITI/IS undertakes to guarantee the visibility of the contribution of the Belgian government, which shall be given proper publicity, at the level of the targeted population, the local authorities, other donors, as well as at the level of the media. In its reports, and whenever possible towards the beneficiaries, EITI/IS shall indicate that a four-year contribution of EUR 880,000 has been made by the 'Belgian government'.

7. TRANSPARENCY OF FUNDING CONTRIBUTIONS

The financial contributions of all funding contributors are published on the EITI website.

8. RISK MANAGEMENT

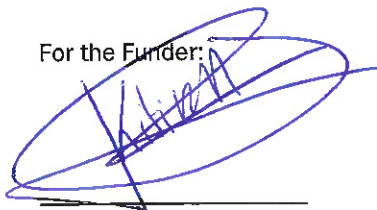
EITI will continuously identify, assess, and mitigate any relevant risks associated with the implementation of its activities and the use of fund. The risk of potential negative effects of the activities will be included in the risk management, including anti-corruption, gender equality and human rights.

Brussels,

19 SEP. 2021

Place, date

For the Funder:



Name:
Position:

Oslo, 14 July 2021

Place, date

For EITI:



Mark Robinson
Executive Director

Annex 1

EITI'S ARTICLES OF ASSOCIATION – RELEVANT PROVISIONS

(Generally available on <https://eiti.org/document/eiti-articles-of-association-2016-2019>)

ARTICLE 2 BACKGROUND AND OBJECTIVE

- 1) The EITI Association is an international multi-stakeholder initiative with participation of representatives from governments and their agencies; oil, gas and mining companies; asset management companies and pension funds (hereinafter referred to as “Institutional Investors”) and local civil society groups and international non-governmental organisations.
- 2) The objective of the EITI Association is to make the EITI Principles and the EITI Requirements the internationally accepted standard for transparency in the oil, gas and mining sectors, recognising that strengthened transparency of natural resource revenues can reduce corruption, and the revenue from extractive industries can transform economies, reduce poverty, and raise the living standards of entire populations in resource-rich countries.

ARTICLE 17 FUNDING

- 1) The EITI Association is a non-profit association. Its funds consist of contributions from EITI Members and grants from bilateral and multilateral donors, international financial institutions and other agencies, organisations, and entities.
- 2) The EITI Association may also operate through voluntary contributions in kind.

ARTICLE 18 EITI ACCOUNTS, FUND MANAGEMENT AND PAYMENTS

- 1) The EITI Association holds a separate bank account in its own name, the “EITI International Management Account”. The EITI International Management Account can be used for any activity falling within the objectives of the EITI Association and the work plans approved by the EITI Board. The funds may be applied to administration and governance costs, country-specific activities, and multi-country activities.
- 2) The EITI Board shall appoint an external, independent auditor to annually audit the EITI International Management Account, and to present a written audit report to the EITI Board.

The EITI Board shall develop reporting and auditing arrangements with respect to the EITI International Management Account which shall be set forth in the supplementary operating rules and procedures of the EITI Association.