**UK Extractive Industries Transparency Initiative Multi-Stakeholder Group (MSG)**

**Minutes of the 37th Meeting – 10th January 2020 – BEIS Conference Centre,**

**SW1H 0ET (10-1.00pm)**

**Attendance**

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| **Chair**  Matt Ray - Department for Business, Energy and Industrial Strategy  **Secretariat**  Nicola Wallace – Department for Business, Energy and Industrial Strategy  Mike Nash - Department for Business, Energy and Industrial Strategy  **Industry**  John Bowater – Aggregate Industries  Dr Patrick Foster - Mining Association of the UK & Camborne School of Mines, University of Exeter  Dan Espie – Total (by phone)  Jacqui Akinlosotu – ENI (by phone)  Aurelie Delannoy – Mineral Products Association (by phone)  Tom Evans - OGUK | **Interim Civil Society**  Miles Litvinoff – Publish What You Pay UK (by phone)  Martyn Gordon – Robert Gordon University Aberdeen (by phone)  **Government**  Mike Earp - Oil & Gas Authority  Jeff Asser – Department for Business, Energy and Industrial Strategy  Matt Edwards – DFID  Raj Baisya – Home Office (Joint Anti-Corruption Unit)  **Others**  Tim Woodward – BDO  **Apologies**  Joe Williams - NRGI  Lorraine Allanson  Nicola Garrod - HMRC  Simon Clydesdale – Global Witness |

**1 – Welcome:**

1. The Chair welcomed all to the 37th meeting of the UK EITI MSG.

**2 – UK EITI Updates:**

**UK EITI Reconciliation and State of Industry report**

1. The 5th UK EITI Reconciliation and State of Industry report was published on 20th December 2019. The report was delayed as it needed clearance by Comms at No.10. Unfortunately this meant that “embargoed” copies were not circulated to participating companies before publication. All MSG members were thanked for their contribution to the production of the report.

**Validation**

1. On 14th November 2019 the EITI Board agreed an overall assessment of “meaningful progress” for the UK in implementing the 2016 EITI Standard. The validation identified a number of corrective actions that the MSG need to consider before re-validation. These will be discussed later under the UK compliance agenda item.

**Civil Society representation**

1. Potential candidates for the role of CSN coordinator were interviewed. A candidate has accepted the post and will start as soon as possible. Once the person is in post a proper selection procedure will take place for civil society representation on the MSG. CSN will inform the Secretariat of the candidate’s name and start date in the next couple of weeks. A meeting with the Secretariat will be set up shortly afterwards.

**3 – Agreement of minutes of 6th November 2019 meeting**

1. The minutes of the 6th November meeting were agreed.

**4 – Action points update from 6th November 2019 UK EITI MSG meeting**

1. The MSG were updated on action points from the 6th November meeting.

**MSG**

* Secretariat to arrange catch-up meeting with Dan Espie. **Secretariat met Dan on 20th December. Dan has kindly agreed to join the Comms subgroup.**
* Secretariat to amend the minutes of 2nd September MSG by the removal of “(by phone)” in the attendance list against Miles Litvinoff’s name. **Minutes amended and uploaded onto UK EITI website.**
* Secretariat to ensure that a future meeting agenda should include a discussion of areas of the extractive industries that are of interest to the public. **This will be discussed at the Comms subgroup meeting on 29th January and added to the agenda of the March MSG meeting.**
* Secretariat to ensure there is an agenda item covering re-validation and updates on corrective actions at the 9th January 2020 meeting and a fuller agenda item at the 18th March MSG. **Included as an item on agenda and will be included again for meetings throughout the year.**

**Contract and licence disclosure**

* Mike Earp to review text in Annex 1 of the “UK EITI Contract and Licence Disclosure” paper for the OGA. **Mike Earp has reviewed and provided updates, which have been incorporated into the paper circulated for discussion.**
* MPA to provide paper on the exact sequence of how TCE tender and award licences. **Secretariat wrote to MPA on 8th November.**
* Secretariat to work with government constituency to look at the government policy on contract transparency and how it is applied in bodies such as TCE. Particularly involve HMT and get their view. **Secretariat have had ongoing discussions and have spoken to officials from the Cabinet Office and HMT. Nicola Wallace will provide an update during the discussions on compliance with the EITI Standard.**
* Secretariat to contact devolved administrations to ask them to update on contract disclosure procedures for Wales and Scotland. **Contract disclosure details from both Wales and Scotland received and the contract disclosure paper updated.**
* Secretariat to discuss contract disclosure further with colleagues from other implementing countries and UK industry colleagues. **Discussions are ongoing. In Germany active licences were made available online after the start of validation process, which included putting 13,000 licences online.**

**Coal Authority**

* EITI International Secretariat to clarify the requirement of whether licences need to be available online or can they be available on request? **UK** **Secretariat wrote to the International Secretariat in November 2019. We are still awaiting a response. (The Secretariat have also contacted the International Secretariat to confirm that the UK would not be penalised in future validations if Coal Authority licences are not available online, as they are not material).**
* Secretariat to discuss the current availability of licence data for the Coal Authority (CA) (is it free of charge?) and the possibility of CA publishing licences online in the future. **Secretariat have written to the Coal Authority, and sent a follow-up email on 18 December, but are still awaiting a response.**

**Reconciliation and UK EITI report**

* BDO to contact Secretariat to follow-up CES if they haven’t responded to the reconciliation queries by 11th November. **Information from CES received by BDO in early December.**
* Secretariat to follow up with OGUK on current status of the non-responsive company. **OGUK provided BDO with the contact details of the company concerned. This allowed the payments to be confirmed in late November.**
* Secretariat to revise deadline for comments on Sectoral chapter to midday 13th November. **Secretariat advised the MSG of the revised deadline for comments.**
* Secretariat to check who needs to clear report in BEIS before it is published. **Post-election the report had to be cleared by No.10 comms, although no clearance was required from BEIS ministers.**
* Secretariat to inform the International Secretariat of the publication date of the UK report, once it has been approved by the MSG. **UK** **Secretariat informed the International Secretariat on 20th December.**

**Civil Society**

* CSN to share copies of their letters to the major political parties urging them to continue the UK’s commitment to anti-corruption policies. **CSN decided that there was a small risk of falling foul of the Lobbying Act or Charity Commission guidelines during the Election campaign period so it was decided not to send.**

**Comms**

* MSG members to provide Secretariat with comments on the Annexes A and B of the Comms strategy. **All comments received were included in the updated strategy.**
* Secretariat to upload Comms strategy onto UK EITI website. **Secretariat have sent the Comms strategy to BEIS digital, but are still waiting for it to be uploaded onto the website.**
* Secretariat to add discussion on possible quarterly newsletter or case studies to the next Comms subgroup meeting agenda. **To be discussed at the Comms subgroup meeting on 29th January.**
* Secretariat to add Comms as an agenda item on all future MSG meetings. **Secretariat have included as an item for today’s meeting and will ensure that it is an item at future meetings.**
* Secretariat to contact Jo Jones, the new EITI International Secretariat Comms Director. **Secretariat met Jo Jones on 10th December and have agreed to meet on a regular basis and invite Jo to a future MSG meeting.**

**5 – UK EITI Validation update**

1. There is no formal decision yet on the UK’s final assessment and corrective actions, but an announcement is expected by the EITI Board during the week beginning 11th November.
2. The validation committee welcomed the update on civil society engagement and the progress on production data highlighted by the MSG. Although there were a number of challenges and unique issues, the UK still achieved one of the best first-time validation reports among all of the countries that had undergone validation.
3. Re-validation can take place in early 2020, if required. However, the MSG were advised not to rush into an early re-validation until there was agreement that sufficient progress had been made on each of the corrective actions. This can be done via a pre-validation exercise, where evidence is gathered, discussed and agreed by the MSG. A request can then be sent to the Board for a re-validation. The International Secretariat will then carry out a review of the corrective actions only and provide a draft report for the MSG for comment. The report will then be sent to the validation committee for final assessment. The whole re-validation process should take 4-6 weeks.
4. It was agreed that re-validation and the follow-up on corrective actions should remain an agenda item for the 9th January 2020 meeting, with a fuller discussion pencilled-in for the 18th March 2020 MSG.
5. It was agreed that in future the MSG should look wider than just complying with the EITI Standard and should start to look at areas of interest in the extractive industries from the public and media point of view. The MSG agreed to include an agenda item in the new year to look at areas of public interest in the extractive industries that the MSG can consider addressing within the framework of the Standard.

**6 – 2019 EITI Standard - Contracts**

1. The 2019 EITI Standard now requires countries to disclose details of any contracts and licences that are granted, entered into or amended that relate to the exploitation of oil, gas and minerals, from 1st January 2021. Any licences awarded or amended before this date are out of scope.
2. The MSG were encouraged to think about the best approach to take on the disclosure of contracts, ensuring that any actions are appropriate and relevant and also consider and decide if there are any areas where the flexibility of adapted implementation may need to be applied.
3. Interim Civil Society had shared the paper on contract and licence disclosure with colleagues and agreed to share any feedback or comments.
4. The MSG were invited to comment on the table listing the different bodies that issue licences, the purposes of the licences and the current level of disclosure.

**Oil and Gas Authority (OGA)**

1. Only current OGA licences are available online. Licences are awarded for both exploration and production. It was agreed that the current text needs to be reviewed.

**The Crown Estate (TCE)**

1. The Marine Management Organisation issues the licences before TCE go out to tender. TCE tender every two years. TCE do not disclose contract information relating to minerals where they include commercially confidential information. This is to prevent competing companies calculating royalty rates which could provide them with an unfair commercial advantage.
2. It was agreed that a note on the TCE contract and licence process, from tendering to the award of the licence would be useful to provide an understanding of their concerns and to formulate an approach for taking forward this issue.
3. It was agreed that the Secretariat should work with the government constituency (plus HMT) to map an approach on contract transparency. What is the government policy on contract disclosure and transparency and how does this apply to organisations such as TCE?

**Coal Authority (CA)**

1. The CA grant licences for coal and underground coal gasification. The public register of licences is offline and only available on request. The International Secretariat agreed to check whether the licence data needs to be online or can be requested.
2. The Secretariat agreed to contact the CA to ask about the availability of licence information and whether there are any plans to publish the information online in the future.

**Department for the Economy Northern Ireland (DFENI)**

1. Current licence applications are awarded on a “first come first served” basis. Current licences are published online.

**Scotland and Wales**

1. Secretariat to contact devolved administrations to ascertain their approach to issuing licences and the current level of disclosure.
2. The International Secretariat advised that the MSG should look at current practice, map where the gaps are and look at ways to address these gaps. Are there any legal or practical barriers? Other MSGs are having similar issues with this requirement. It was re-iterated that the requirement only applies to contracts entered into or amended from 1st January 2021.
3. The Secretariat agreed to contact implementing country colleagues within their network to find out their approaches to this requirement and share any best practice and obstacles. Also discuss further with MSG industry colleagues.

**7 – 2018 Reconciliation process and launch of the 5th UK EITI report**

1. 46 out of 55 companies have now been fully reconciled. The reconciliation is almost complete, although one company are not responding and BDO are still awaiting a response from Crown Estate Scotland (CES). The Secretariat and industry agreed to help in chasing up.
2. The background chapters for the 5th UK EITI report have been circulated for comment. It was agreed that the deadline for comments should be extended to midday on Wednesday 13th November.
3. Originally the Secretariat looked at linking the launch with Prospex 2019, but it was decided that this was not the right event or audience. Plans were in place to launch during JACU’s Anti-Corruption Day (9th December), but due to the General Election and the restrictions brought about by Purdah this has now been postponed. The MSG agreed that the launch should take place in the week beginning 16th December, after the election. This will be a soft launch, with an awareness raising event following in early 2020. The Secretariat agreed to check who the report needs to be cleared by within BEIS.
4. Civil Society will be writing to the leaders of all the major political parties urging them to continue the UK’s commitment to anti-corruption policies. They agreed to share their correspondence with the MSG.
5. The International Secretariat reminded the meeting that the MSG need to advise them when the report has been approved and the publication date has been agreed.

**8 – Comms updates**

1. Six companies were identified as possible candidates to carry out the development of the independent UK EITI website. One company responded and have provided a strong proposal. The proposal is currently being evaluated and scored by the Comms subgroup and the BEIS Digital team. An invitation for further volunteers to take part in the development process was put to the MSG.
2. The Comms strategy has been updated to include conversations from the last MSG. The Comms subgroup has now agreed the strategy. Two new annexes have been added, covering the future engagement of the target audience and a forward look at possible awareness-raising events over the next year. The strategy will be published online without the annexes.
3. The idea of a quarterly newsletter was put forward. It was agreed that the Comms subgroup would consider this at their next meeting.
4. The Chair stressed the need for all constituencies to buy into the strategy. It was agreed that each future MSG should include a Comms update as an agenda item.
5. The International Secretariat have appointed a new Comms Director, Jo Jones, who will be mainly based in London, and could be usefully involved in Comms matters and the development of the independent website.

**Action points**

* Secretariat to arrange catch-up meeting with Dan Espie.
* Secretariat to amend the minutes of 2nd September MSG by the removal of “(by phone)” in the attendance list against Miles Litvinoff’s name.
* Secretariat to ensure that a future meeting agenda should include a discussion of areas of the extractive industries that are of interest to the public.
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* Secretariat to check who needs to clear report in BEIS before it is published.
* CSN to share copies of their letters to the major political parties urging them to continue the UK’s commitment to anti-corruption policies.
* Secretariat to inform the International Secretariat of the publication date of the UK report, once it has been approved by the MSG.
* Any MSG members wishing to be involved in the work developing the independent UK EITI website should contact the Secretariat.
* MSG members to provide Secretariat with comments on the Annexes A and B of the Comms strategy.
* Secretariat to upload Comms strategy onto UK EITI website.
* Secretariat to add discussion on possible quarterly newsletter or case studies to the next Comms subgroup meeting agenda.
* Secretariat to add Comms as an agenda item on all future MSG meetings.
* Secretariat to contact Jo Jones, the new EITI International Secretariat Comms Director.