

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

Minutes of the 27th Meeting – 14th March 2018 – BEIS Conference Centre

Attendance

<p>Chair</p> <p>Matthew Ray - Department for Business, Energy and Industrial Strategy</p> <p>Secretariat</p> <p>David Leitch - Department for Business, Energy and Industrial Strategy</p> <p>Mike Nash – Department for Business, Energy and Industrial Strategy</p> <p>Industry</p> <p>Matthew Landy - Statoil</p> <p>Jacqui Akinlosotu – ENI</p> <p>John Bowater – Aggregate Industries</p> <p>Dr Patrick Foster - Mining Association of the UK & Camborne School of Mines, University of Exeter (by phone)</p> <p>Romina Mele-Cornish – Oil & Gas UK (by phone)</p> <p>Martin Kirkham – Chevron (by phone)</p> <p>Civil Society</p> <p>Lorraine Allanson</p> <p>Norbert Mbu Mputu</p> <p>Eddie Holmes – Extractive Industries Civil Society (by phone)</p> <p>Martin Brown – Extractive Industries Civil Society (by phone)</p>	<p>Government</p> <p>Mike Earp - Oil & Gas Authority</p> <p>James Marshall – HMRC</p> <p>Jeff Asser – Department for Business, Energy and Industrial Strategy</p> <p>Joe Perman – Scottish Government (by phone)</p> <p>Experts</p> <p>Tim Woodward – Moore Stephens</p> <p>Hedi Zaghouani – Moore Stephens</p> <p>Others</p> <p>David Hoy - Oil & Gas UK</p> <p>Eddie Rich – EITI International</p> <p>Apologies</p> <p>Jerry McLaughlin – Mineral Products Association</p> <p>Howard Forti – ExxonMobil</p> <p>Martin Quinn – Department for the Economy Northern Ireland</p>
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1 - Welcome and introductions:

1. The Chair welcomed everyone to the 27th meeting of the UK EITI MSG.
2. The Chair welcomed the news that Andrew Griffiths MP, the Minister for Small Business, Consumers and Corporate Responsibility has taken over the role of UK EITI Champion. This re-emphasises the Government's continued commitment to the EITI agenda.
3. The Chair also provided an update on long-term Civil Society membership. A meeting with the Civil Society Network (CSN) had ended with them being keen to make progress and agree a way forward. The secretariat proposed setting up a new process for deciding and appointing new civil society members using a respected independent third party. It is hoped that there will be more concrete progress to report at the next MSG in May.

2 - Agreement of minutes of 10 January 2018 meeting

4. The minutes of the previous meeting were agreed.
5. The MSG were updated on actions from the January meeting. The updates were:
 - The secretariat are continuing to pursue the 4 mining and quarrying companies that have not provided templates to Moore Stephens. It was hoped that at least two of the companies may respond before cut-off.
 - Members were thanked for their valuable comments on the background chapter.
 - Civil society members had been actively involved in both the contextual and comms subgroup meetings in January and February.
 - The secretariat agreed that the May meeting should be primarily to consider the validation process in more detail and a validation subgroup would be set up to meet before the May MSG.

3 - Comms and launch of the 3rd UK EITI Report

6. The secretariat had secured the Minister for the proposed launch event. Unfortunately, due to circumstances beyond their control the earliest date the Minister was available meant that launch date would now be the middle of May.
7. Industry representatives stressed that the data was now getting old and companies were asking when the report was going to be published. Industry saw no reason to delay the launch of the report and agreed it should be published as soon as possible, even if it meant without a Minister.

8. The secretariat agreed to contact the Minister's office about the possibility of providing a "Foreword" for the report.
9. It was agreed that the 2017 process should start in April. The subgroup had already looked at and updated the guidance and templates, but a realistic timetable for action needed to be drawn up and agreed.
10. There had been commitment from the MSG at the January meeting to look at Mainstreaming. The UK secretariat would continue to pursue the possibility of a scoping study looking at mainstreaming.
11. It was suggested that a tick box and line should be added to the templates to allow companies to indicate that the material requested has already been published elsewhere and where it can be found.
12. MSG members were invited to give consideration on how to use the Minister for an EITI event in mid-May, possibly some sort of "launch celebration".

4 - 3rd UK EITI Report – Background Chapter and Introduction

13. The Chair thanked all those who had been involved in the subgroups that had helped put the contextual chapter together.
14. The International secretariat warned against using the word contextual for both the name of the subgroup and the wording in the report. The UK secretariat agreed to re-name the subgroup and ensure any reference within the report was amended.
15. It was agreed to empower the secretariat to make any subgroup recommended tweaks to the contextual chapter without going through the MSG each time. The secretariat agreed to circulate a final version of the report with any last minute tracked changes, including the Foreword, introduction, reconciliation, methodology etc. for the MSG to sign-off.
16. Both Oil and Gas UK and the Oil and Gas Authority had contributed to the Executive Summary. OGUK want to include more about how 2016 panned out for the industry, including the downturn, they also want include mention of validation. It was agreed that any mention of validation would sit better within the Minister's foreword and that an introduction, like the one that Moore Stephens had drafted may be more appropriate than an Executive Summary.
17. It was agreed that the negative reconciled figure at the end of 2016 needed to be explained in layman's terms within the introduction.

5 - Oral report back by Moore Stephens

Reconciliation

18. Moore Stephens reported that of the 61 companies in-scope for the reconciliation 57 had responded. The 4 companies that had yet to respond were all from the mining and quarrying sector.
19. It was hoped that at least 2 of these companies would respond in the next few days. Members from the Industry agreed to help chase up.

Independent Administrator Recommendations

20. There were a number of issues highlighted during the reconciliation exercise including incorrect reporting of payments. It was agreed that it would be useful to have a summary guidance note in a drop-down box for each relevant cell explaining the different types of payments. It was also agreed that a teach-in webinar could be held for companies
21. A recommendation covering mainstreaming. It was agreed that existing systems should be built upon rather than starting from scratch. The group were encouraged to look at the EU Accounting Directive and look at its challenges.
22. It was agreed that Moore Stephens should provide more guidance and information on their revenue classification system recommendation.
23. There is still an issue with the submission of late templates. It was agreed that there was a need to improve the timeliness of returns.
24. It was agreed that industry should draw up a timetable for the process and encourage companies to respond at an early stage. If necessary, in mid-May start chasing companies that have not yet responded.
25. The secretariat will also ensure that the Coal Authority and The Crown Estates in England and Scotland are made aware of the new timetable and in a position to provide figures.
26. The MSG will continue to retain unactioned or rejected recommendations from the first and second reports under review within the Annual Progress Report.

6 - UK EITI Work-plan and Road to Validation

27. The secretariat will be pulling together a fully-costed work-plan ahead of validation. The UK secretariat will be in dialogue with the International secretariat about what is required in the work-plan.
28. At the last International Board meeting there was a change in mindset where the focus was on disclosure rather than producing a report. The website becomes a portal for all the available information.

29. All countries will be expected to move to full systematic disclosure in the next 3-5 years.
30. The UK EITI 2018 work-plan will consider how the first steps to systematic disclosure might be taken forward.
31. It was agreed that a subgroup to look at the validation process should be set up, with members across the three constituencies. The secretariat agreed to write out to members seeking volunteers.
32. The International Secretariat recommended that the MSG look at [the Norwegian petroleum website](#), which is a good example of a “mainstreamed” EITI process.

7 - Any Other Business

33. The secretariat agreed to look at sourcing a more impactful and striking cover for the 3rd Report.

Actions:

- Secretariat to maintain a list of actions from previous meetings that have yet to be completed.
- Secretariat to draft a Foreword for the report on behalf of the Minister and contact BEIS Comms regarding a possible press notice to cover the publication of the report.
- Industry (OGUK) agreed to draft a realistic timetable for the 2017 process, which concludes with a publication date of December 2018.
- Secretariat to look at the possibility of a scoping study into mainstreaming.
- Moore Stephens to add a tick-box in the reporting templates to indicate if the figures have already been published.
- MSG members to give consideration to how to use the Minister for an EITI event in Mid-May.
- The secretariat agreed to seek volunteers for a subgroup to look at what is required as part of the validation process and set up first meeting.
- The secretariat to draft on a fully-costed work-plan in time for validation.