

**UK Extractive Industries Transparency Initiative Multi-Stakeholder Group
(MSG)
Minutes of the 21st Meeting – 11th January 2017 – BIS Conference Centre,
SW1H 0ET (10-2pm)**

Attendance

<p>Chair</p> <p>Chris Carr - Department for Business, Energy and Industrial Strategy</p> <p>Secretariat</p> <p>Margaret Sutherland - Department for Business, Energy and Industrial Strategy</p> <p>Mike Nash - Department for Business, Energy and Industrial Strategy</p> <p>Joe Turtle - Department for Business, Energy and Industrial Strategy</p> <p>Industry</p> <p>Stephen Blythe - Independent Consultant</p> <p>Pat Foster - Mining Association of the UK & Camborne School of Mines, University of Exeter (by phone)</p> <p>Matt Landy - Statoil</p> <p>Jerry McLaughlin - Mineral Products Association</p> <p>Roger Salomone - Exxonmobil</p> <p>David Hoy - Oil & Gas UK</p> <p>Civil Society</p> <p>Miles Litvinoff - Publish What You Pay UK</p> <p>Eric Joyce - Extractive Industries Civil Society</p> <p>Martin Brown – Extractive Industries Civil Society (by phone)</p> <p>Joe Williams – Natural Resource Governance Institute, alternate for Brendan O'Donnell</p> <p>Alice Shone - Transparency International</p> <p>Simon Taylor – Global Witness</p> <p>Eddie Holmes – Extractive Industries Civil Society (by phone)</p>	<p>Government</p> <p>Joe Perman – Scottish Government (by phone)</p> <p>Jeff Asser – Department for Business, Energy and Industrial Strategy</p> <p>Mike Earp - Oil & Gas Authority</p> <p>James Marshall – HMRC</p> <p>Experts</p> <p>Tim Woodward – Moore Stephens</p> <p>Dora Chambers – Moore Stephens</p> <p>Hedi Zaghouani – Moore Stephens (by phone)</p> <p>Apologies</p> <p>John Bowater – Aggregate Industries</p> <p>Danielle Foe - Extractives Industries Civil Society</p> <p>Brendan O'Donnell – Global Witness</p> <p>Martyn Rounding - HMRC</p> <p>Chris Daboiko – Her Majesty's Treasury</p> <p>Paul Russell – Department for Education</p> <p>Eddie Rich – International Secretariat</p>
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1 – Welcome and introductions:

1. The Chair welcomed everyone to the 21st meeting of the UK MSG.

2 – Update from Moore Stephens:

2. The typeset contextual chapter, which is 80% completed, will be available the week beginning 16 January. It will be circulated to the wider group for comment. The contextual group were thanked for their work on updating the chapter.
3. An updated reconciliation summary was circulated with the papers. The total number of reconciliations for oil and gas and mining and quarrying has increased from 38 to 43 since the paper was circulated.
4. For oil and gas 42 out of the 44 companies have returned templates. Of the two companies who have not responded, one is in administration, and the administrator has been contacted. The Chair will write again to the other company who have yet to respond.
5. Under mining and quarrying 17 of the 23 companies in scope have responded. 10 of these have now been reconciled. Of the 6 outstanding responses from the mining and quarrying companies we can realistically expect to pursue 5 of them.
6. The materiality deviation paper was circulated before the meeting. The paper set out the deviation criteria to be used for the new report, whereby differences below £10k or 1% are not investigated. All members were comfortable with this criteria.

3 - Agreement of minutes for September 2016 and November 2016

7. The minutes for the September meeting were agreed when one member was absent (a clash meant he was late for the November meeting). This resulted in additional requests for amendments. As there was no consensus on the re-draft it was agreed that the secretariat would provide a new version.
8. The minutes for the November meeting were agreed subject to a number of minor changes to paragraph 13 (change “secretariat explained” to “secretariat stated”), paragraph 16 “materiality should be 1% or £35k” to “materiality should be 1% or £10k”.
9. It was agreed that the minutes of the 20th meeting would be published alongside the minutes of the 19th, once agreed by the MSG.

4 - Launch of 2nd UK EITI Report

10. The Minister has agreed to attend the launch, but the secretariat are still waiting for a confirmed date from her office. The Minister's office are looking at Thursdays or Fridays in late March.
11. To tie in with the publication and launch of the report there will be an MSG meeting on 14 March. This will provide the opportunity to sign-off the report and finalise plans for the launch.
12. Some thought need to be given to the format of the launch event. Who should be on the panel and who should be the audience? A visit to one of the aggregate companies contributed to the process was confirmed to be easy to sort out by an industry representative. Civil Society will organise an event around the launch.
13. The Chair agreed to liaise with colleagues in Scotland regarding plans for the launch and any etiquette involved with working with Scottish Ministers.
14. The draft report will be circulated to members for comment and update in late February/early March and then re-circulated for discussion at the 14th March MSG.
15. Civil society and industry members volunteered to join the reconciliation subgroup to look at the draft report.

5 – Open Data Policy

16. The Secretariat presented a paper on behalf of the open data sub-group setting out a draft UK Open Data policy for the MSGs consideration.
17. The policy links to the MSG objectives to (i) enhance accountability on the revenues from the UK's extractive industries and (ii) increase public understanding of the impacts of the industry, enriching public debate. These objectives are underpinned by a third: to ensure information is readily accessible and presented to the public in a clear manner. The policy highlights the role of open data in promoting accountability, good governance and public debate. While linking to the G8 Open Data Charter, Open Government Partnership National Action Plan and the 2016 London Anti-Corruption Summit.
18. The data will be published on data.gov.uk in a standardised, open format (CSV), which is machine readable and can be accessed by all. Links will be provided when data is sourced from a third party.
19. The sub-group will review the robustness of the MSG's data sharing and make recommendations of any subsequent changes to the MSG.
20. A small drafting amendment was suggested and once completed, the MSG deemed the data policy to be agreed. It will be published to the UK EITI website.

21. Contributors from the MSG were thanked for their input.

6 – Civil Society Representation on UK EITI MSG

22. The Chair confirmed that industry and government have systems in place for replacing existing members once their 4 year term expires (October 2017) and for agreeing replacements when representatives stand down within the term. Civil Society are still to agree a system that meets the requirements set out in the EITI Standard.

23. A civil society member presented a paper highlighting the need to increase diversity within civil society representation. The Chair suggested that current full members and alternates should be allowed to replace their own members when they stand down. This would be a temporary measure until an official process for replacing members could be agreed by civil society members.

24. The Chair confirmed that although the 4 year membership lapses in October 2017, there was nothing to stop members from seeking an extension of their membership if they wished.

25. There was no agreement on the proposal or to the status quo so discussions will need to continue. An industry representative suggested that an independent expert be secured to provide advice.

7 – Process for dealing with a complaint under section 4.2 of the MSG Terms of Reference

26. The Chair presented a draft complaint process to support section 4.2 of the MSG's Terms of Reference that allows for a vote to remove a member in certain circumstances.

27. The MSG discussed whether a vote and the discussions leading up to the vote should be minuted and published. There was a consensus that the minutes would simply record the outcome of the vote and not include the detail.

28. The Chair agreed to check with the BEIS legal team about (i) whether there should be a minimum number of members required to constitute a vote, (ii) give consideration to the libel risk of issuing a complaint (iii) draft a provision that allows the complaint to be deferred if there are parallel proceedings underway and (iv) consider whether an appeals process should be required.

29. The MSG agreed to amend the drafting of section 4.2 of the MSG's Terms of Reference so that the text was in line with the draft complaint process.

AOB: none

Actions:

- The Chair should write again the one outstanding oil and gas company to encourage them to take part in the process.
- Industry representatives should try and contact the six mining and quarrying companies that have yet to submit returns to encourage them to participate.
- The secretariat to redraft the September MSG minutes to incorporate parts of the original draft with the updates received.
- The secretariat to update the November minutes with the minor changes agreed in paragraph 8 by the MSG.
- Secretariat to liaise with Scottish colleagues on any points of etiquette around the launch event in Scotland.
- The secretariat to update the Open Data Policy paper with the small drafting amendment agreed in paragraph 18 of the minutes and arrange for the document to be published on the UK EITI website.
- The secretariat to work with the BEIS legal team to provide clarity on how abstentions are treated, the minimum number of voters required to constitute a vote, any libel risks and the deferral and appeals process.