

**UK Extractive Industries Transparency Initiative Multi-Stakeholder Group
(MSG)
Minutes of the 50th Meeting – 13th January 2022 – Via Microsoft Teams
(10.00am-12.00pm)**

Attendance

<p><u>Chair</u></p> <p>Matt Ray - Department for Business, Energy and Industrial Strategy (BEIS)</p> <p><u>Secretariat</u></p> <p>Monica Draycott – Department for Business, Energy and Industrial Strategy</p> <p>Mike Nash - Department for Business, Energy and Industrial Strategy</p> <p><u>Industry</u></p> <p>Jacqui Akinlosotu - ENI</p> <p>Aurelie Delannoy – Mineral Products Association</p> <p>Dan Espie – TotalEnergies</p> <p>David Evans – OGUK</p> <p>Dr Patrick Foster – University of Exeter</p> <p><u>Civil Society</u></p> <p>Martyn Gordon – Robert Gordon University</p>	<p><u>Government</u></p> <p>Jeff Asser - Department for Business, Energy and Industrial Strategy (BEIS)</p> <p>Mike Earp - Oil & Gas Authority (OGA)</p> <p>Nicola Garrod – HMRC</p> <p><u>Guests/observers</u></p> <p>Sian Bradley – Chatham House</p> <p>Mark Burnett – EITI International</p> <p>Helen Day – Coal Authority</p> <p>Susannah Fitzgerald - Transparency International</p> <p>Mark Henderson – BDO</p> <p>Simon Taylor – Global Witness</p> <p>Tim Vickery – Independent Advisor</p> <p>Hedi Zaghouani - BDO</p> <p><u>Apologies</u></p> <p>Nick Everington – The Crown Estate</p> <p>Johann MacDougall – Scottish Government</p>
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1 – Welcome and Introductions:

1. The Chair welcomed all to the 50th meeting of the UK EITI MSG.
2. The Chair welcomed:
 - **Sian Bradley**, Senior Research Fellow, Environment and Society Programme, **Chatham House** who will be providing an overview of the Chatham House study "Transparency in Transition: Climate Change, Energy Transition and the EITI" which focuses on the strategic direction of EITI and its implementing countries.
 - **Simon Taylor**, Director of **Global Witness** and **Susannah Fitzgerald**, Network Co-Ordinator at **Transparency International** who are attending as observers.

2 – Agreement of minutes and action points of 25th November 2021 meeting:

3. The minutes of the meeting on 25th November 2021 were agreed.
4. The MSG were updated on the main action points from the meeting on 25th November.
 - Arrange meeting of The Crown Estate, Crown Estate Scotland, Coal Authority and Devolved Administrations in early part of 2022 to discuss taking forward the one corrective action from the validation relating to requirement 2.4 of the 2019 EITI Standard. ***Meeting arranged for 17th February 2022 to discuss corrective action from validation.***
 - Draft Annual Review to be loaded onto UK EITI website for stakeholder consultation after approval by MSG. ***Consultation version of Annual Report 2021 uploaded onto website on 23rd December 2021.***
 - UK EITI Workplan to be updated to reflect comments from meeting and published on the website. ***Approved version of the 2022 Workplan loaded onto the UK EITI website on 26th November 2021.***

3 - UK EITI Comms and Engagement update

5. The Comms and Engagement subgroup have brainstormed a number of ideas and priorities and have updated their objectives and list of priority stakeholders as well as agreed an approach to the benchmarking survey.
6. The Comms strategy is designed to help improve public engagement, which was highlighted in the recent validation as “elusive”. It is proposed that the strategy will help address the issue of lack of public engagement.
7. The survey is designed to take stock and re-engage with stakeholders and to benchmark their priority issues and preferred methods of communication. The two key approaches will be a short questionnaire and key informant interviews.
8. It is intended that the questionnaire will be circulated to the main industry groups and consultancies and in-scope EITI companies. The questions will be tailored for each constituency – industry, civil society and government.
9. It was agreed that a number of the organisations were currently under the wrong constituency heading – for example MPs should be under civil society rather than government. It was agreed that careful targeting of MPs was vital and it was important that individual interests were considered. Worth looking at relevant Parliamentary groups.
10. It was also agreed that supply chains could also be included and further consideration needs to be given to identify more civil society organisations, including universities and trade unions.
11. The subgroup had started to identify a number of relevant events across the sector where there may be opportunities for collaboration over the coming months. It was agreed that other MSG representatives should also consider possible opportunities and provide the UK Secretariat with details.

4 – UK EITI Annual Review 2021 - update

12. The consultation period for the Annual Review 2021 has started. The Review is now available on the UK EITI website and stakeholders have been invited to send comments to the UK Secretariat by 28th January 2022. The Review will be published in early February 2022.

5 – Civil Society Engagement

13. It has been agreed that initial contact will be made with academic colleagues and the Civil Society Network over the coming weeks to discuss potential candidates for the civil society constituency. A colleague from the industry constituency has also provided some possible names for candidates which will also be followed-up.

6 – Energy Transition – Climate change, energy transition and UK EITI

14. Chatham House held a series of workshops and discussions to look at how climate change and energy transition might affect interpretation of EITI principles and how the Standard can be reformed to reflect this.
15. The workshops looked at the wider climate-related risk agenda, including the Task Force for Climate-related Financial Disclosures (TCFD) report, Network for Greening the Financial System and country level assessments, for example the publication “Climate Change and the Norwegian Economy”.
16. Energy transition will affect linkages between fossil fuels and the wider economy. In particular investment, with the risk of locking in fossil fuel demand and infrastructure, as well as the short timeframe for diversification and the phasing out of fossil fuels.
17. The transition will have significant implications for linkages between minerals and the wider economy, these implications include growing transparency and corruption risks, unrealistic expectations and pressure for decarbonised sustainable value chains.
18. Transparency has a crucial role to play in supporting an orderly transition to net zero. The need for good data to help inform decision-making will be important. EITI data could have an important role to play in this.
19. The EITI Standard and its requirements already provide several entry points. There are eight headline areas: revenue resilience, project viability, distribution of risk, public finance risk, carbon pricing, emissions reporting, fossil fuel subsidies and a just transition.
20. Integrating transition within EITI’s requirements will require forward-looking analysis as well as historical data and clear public debate.
21. New forms of analysis and dialogue will help improve governance at both national and international level. At national level by supporting policy alignment including Nationally Determined Contributions (NDCs) and long-term emissions reductions strategies to 2050. Internationally by managing the economic impacts of the transition and international climate ambition.
22. Recommendations for EITI are as follows: commit to mainstreaming transparency on climate risk and energy transition through the next EITI Standard; identify practical next steps towards the use of EITI data and disclosures and enhance dialogue and coordination at national and international level.
23. The EITI Secretariat have created an Energy Transition page on their website. This includes briefing on key questions around areas including revenues and public finance, future projects and climate impacts.

Energy Transition paper

24. A paper to inform discussions on energy transition was circulated with the meeting papers. The paper provided questions and potential action that the MSG may wish to consider before publication of the revised EITI Standard in 2023.
25. On data there is already a lot available. Potential options to consider include a link to TCFD on the UK EITI website, links to the Carbon Tracker and links to the Carbon Capture Storage (CCS) licence agreements which are already published by the OGA.
26. On dialogue there is also a lot of activity with academia and civil society initiating and leading on climate change and energy transition discussions. The North Sea Transition Deal is underpinned by established governance between industry, trade unions, government and regulators.
27. A Critical Minerals Team has been established at BEIS, which is currently working on a strategy to be published later in 2022. There may be linkages with the MSG can explore for working with this new team.
28. The MSG were asked to consider the questions from both the Energy Transition and Chatham House papers. These were:

Energy Transition paper questions:

- The MSG could provide an overview of risks to extractive companies in scope of TCFD reporting by providing a portal to TCFD disclosures as they start to be made. Does the MSG wish to do this?
- Johnny West from Carbon Tracker presented an update to the MSG in November. Is there anything for the MSG here? Could it get involved or assist on some way? Does it wish to do so?
- EITI have asked if CCS disclosure if something to consider as a building block for future UK EITI work/communication on energy transition. Does the MSG have a view on this? Is this something it wishes to highlight/communicate more widely?
- The North Sea Transition Deal is underpinned by established governance ([NST Forum and Task Forces](#)) between industry, government, trade unions and regulators, and is hosted and chaired by the OGA. What mechanisms are there here for civil society scrutiny and would the MSG like to play a role in this? Are there other forums the MSG would like to play a role in?
- Are there active forums involving civil society discussing the transition on the mining and quarrying side? The debate here might be quite different to that for oil and gas, as the demand for critical minerals is increasing. Is there a role for the MSG here?
- On 14 December EITI hosted a regional workshop for Eurasia and Southeast Asia to discuss the EITI Board's four actions on energy transition, specifically: the current status including a new policy briefing on 'preparing for the energy transition: key questions for countries dependent on oil, gas and mining'. EITI have offered to arrange something similar or tailored to Europe if there is demand. Does the MSG have a view on this?

Chatham House recommendations and questions:

- Commit to mainstreaming transparency on climate risk and energy transition through the next EITI Standard: UK EITI engagement can help support this
- Identify practical next steps towards the use of EITI data and disclosures:
 - Which areas of analysis are most relevant for the UK?
 - How can transition be integrated within UK EITI reporting?
 - Providing clear guidance and requirements for countries
- Enhance dialogue and coordination at national and international level:
 - Is transition reflected within the mandate and membership of UK EITI?

- How can UK EITI help share international best practice with producer countries?
 - Where can UK EITI link to international governance mechanisms i.e. TCFD and NGFS?
 - Act fast: 2022 as a critical year for climate change, and for the UK COP26 Presidency.
29. It was agreed that due to time constraints discussion on the Energy Transition paper should continue at the March MSG meeting, but members should send comments on the paper to the UK Secretariat in the meantime.

7 – AOB

30. The Mining and Quarrying subgroup met in December to discuss the possibility of including the Aggregates Levy (AGL) as an in-scope payment for 2021.
31. The main concern centred around adding AGL to the list of in-scope reporting revenue streams leading to the UK being penalised if the data is disclosed only at company level rather than site level. The International Secretariat advised that it is for the subgroup and MSG to decide to add as a revenue stream. The subgroup could review the guidance for project level reporting and evaluate and decide the business case on whether to disclose data or not.
32. A further meeting is planned for early February to discuss next steps. In the meantime the subgroup have also agreed to strengthen the data and information for the AGL on the EITI website.
33. The next UK EITI MSG meeting will take place on Wednesday 16th March 2022.

Action points:

- Update the stakeholders list for each constituency based on discussions. **(Action: Tim Vickery).**
- Civil society to consider additional organisations to approach for the questionnaire and key informant interviews. **(Action: MSG civil society constituency).**
- Industry constituency members to consider possible events and contacts for collaboration and send to UK Secretariat. **(Action: MSG industry constituency).**
- Industry representatives from Trade Associations to provide best practical steps for engaging with their communities. **(Action: MSG industry constituency).**
- UK Secretariat to engage with JACU colleagues to identify OPG contact. **(Action: UK Secretariat).**
- UK Secretariat to circulate Comms and Engagement slides. **(Action: UK Secretariat).**
- UK Secretariat to circulate Energy Transition paper and Chatham House slides with recommendations and questions for consideration and comment by MSG representatives. **(Action: UK EITI Secretariat and MSG representatives).**
- Add Energy Transition as agenda item for March MSG. **(Action: UK Secretariat).**