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

**Minutes of the 52nd Meeting – 19th July 2022 – Via Microsoft Teams**

**(10.45am-12.30pm)**

**Attendance**

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| **Chair**  Matt Ray - Department for Business, Energy and Industrial Strategy (BEIS)  **Secretariat**  Monica Draycott – Department for Business, Energy and Industrial Strategy (BEIS)  Mike Nash - Department for Business, Energy and Industrial Strategy (BEIS)  **Industry**  Jacqui Akinlosotu – ENI  John Bowater – Aggregate Industries  David Evans – OEUK  Dr Patrick Foster – University of Exeter | **Government**  Jeff Asser - Department for Business, Energy and Industrial Strategy (BEIS)  Mike Earp – North Sea Transition Authority (NSTA)  Nicola Garrod - HMRC  Johann MacDougall – Scottish Government  **Guests/observers**  Mark Burnett – EITI International  Mark Henderson – BDO  Tim Vickery – Independent Advisor  Hedi Zaghouani – BDO  Matt Hatfield - Department for Business, Energy and Industrial Strategy (BEIS)  **Apologies**  Aurelie Delannoy – Mineral Products Association  Dan Espie – TotalEnergies  Nick Everington – The Crown Estate (TCE) |

**1 – Welcome and Introductions:**

1. The Chair welcomed all to the 52nd meeting of the UK EITI MSG.
2. The Chair announced that there would be no Civil Society representation at the meeting due to leave absence, but it had been decided to go ahead with the meeting as there were no substantive decisions to be made and any comments or input required will be requested after the meeting.
3. Efforts were continuing to identify new representatives from within civil society and the Chair and UK Secretariat are planning to hold a meeting with the civil society representative in early August to discuss next steps.
4. The Chair welcomed:

* **Matt Hatfield,** from **BEIS,** who is part of the team working on the Critical Minerals Strategy.

**2 – Agreement of minutes and action points of 18th May 2022 meeting:**

1. It was agreed to delay approval of the minutes of the 18th May 2022 meeting until civil society colleagues have had the opportunity to look at and agree them. The Secretariat agreed to re-circulate the minutes after the meeting.
2. The MSG were updated on the main action points from the meeting on 18th May.

* Circulate survey questionnaire for civil society to MSG for final comments. **Survey questionnaire circulated to the MSG on 7th June 2022.**
* Circulate link to EITI open evaluation survey to the MSG. **Link to the EITI open evaluation was circulated to the MSG on 19th May 2022. The survey deadline was extended until 13th June 2022.**

**3 - UK EITI Comms and Engagement update**

1. The Comms and Engagement subgroup met on 14th July and agreed to proceed with the CSO survey. The information will be used to inform the update of the Comms strategy. A covering note will be drafted to accompany the survey.
2. UK EITI had a stand at Mineral Products 2022 in June. The event was attended by over 150 delegates. The comms and engagement and mining and quarrying subgroups helped in the production of a leaflet and a rolling slideshow that covered EITI and its relevance to mining and quarrying companies.
3. A copy of the leaflet was included in each delegate pack and the stand had a number of visitors during the morning. The MPA were thanked for providing the opportunity for UK EITI to take part in the event.
4. OEUK are currently looking at opportunities for promoting UK EITI to the oil and gas sector. This could include a presentation to the OEUK government relations group. A similar leaflet to that produced for the MPA event will be drafted with the emphasis on the oil and gas sector.
5. The Chair asked the Comms subgroup to draft an action plan with timescales that can be circulated to the MSG prior to meetings.
6. MSG representatives were asked to consider if they had any images/photographs of the sector in the UK that can be used in future UK EITI publications.

**4 – UK EITI Payments Data – lessons learned and recommendations from the 2021 process**

1. The Chair thanked BDO for ensuring that the 2021 data was published in record time – nearly three weeks ahead of last year.
2. The 2021 UK EITI Payments Data report was published on 8th July. Following publication BDO drafted a report that highlighted lessons learned from the 2021 process and made recommendations to improve future reporting and also recommendations from previous years.
3. The first recommendation is around the materiality of revenue streams and the update of the current guidance notes by excluding petroleum revenue tax (PRT), petroleum licence fees (PLF), the OGA levy, payments to The Crown Estate (TCE) and payments to Crown Estate Scotland (CES) in respect of pipelines from the reconciliation scope for oil and gas companies. This would mean in practice these revenue streams would be included in the Payments Report though unilateral disclosure from HMRC, NSTA, TCE and CES.
4. The second recommendation centred around payment type recommending that the MSG considers updating the guidance notes and reporting templates to request the payment type. This would ease the reconciliation exercise and reduce the reporting burden on companies as this breakdown was subsequently requested following the submission of their completed reporting templates.
5. BDO thanked the government agencies and companies that participated in the process and helped ensure the timely publication of the 2021 payments data.
6. As anticipated, no companies had reported any Diverted Profits Tax (DPT). It was agreed that the Reconciliation subgroup need to consider whether to retain this request on the template for 2022 and future years.
7. It was agreed that the Reconciliation subgroup would review the first recommendation around revenue streams in more detail and bring their findings back to the MSG. The second recommendation to update the template and guidance notes was agreed and would be taken forward by the subgroup.
8. The Reconciliation subgroup would also consider whether to include the new Energy Profits Levy as an in-scope revenue stream for the 2022 process.

**5 – Terms of Reference (ToRs) – Annual Review**

1. The ToRs need to be reviewed each year to ensure that they still adequately reflect the requirements of the current MSG and the EITI Standard.
2. There are a number of considerations for the MSG, particularly around civil society membership, which is currently low, with only one full and one alternate member. Conversations will continue to look at ways of increasing representation. Although the UK is not breaching the Standard we need to continue to be mindful of the current position.
3. It is hoped that once the specifics of the updated Standard are available the MSG will be in a stronger position to go out to NGOs. It was agreed that a dynamic MSG benefits from the input and views of civil society organisations.

**6 – Critical Minerals Strategy – update and Q&A**

1. The new Critical Minerals Strategy, to be published on 22nd July 2022, will bolster the resilience of supply chains and seize on the economic opportunities of growing industries, such as electric vehicle manufacturing and offshore wind.
2. Through the strategy the UK will:
   1. accelerate growth of the UK’s domestic capabilities
   2. collaborate with international partners
   3. enhance international markets to make them more responsive, transparent and responsible
3. The overlap with EITI is important and a number of discussions with the International Secretariat in Oslo have taken place and BEIS officials attended the launch of the EITI Critical Minerals policy brief in South Africa in May.
4. A number of meetings have been held with civil society, government and financial institutions. Meetings and workshops have taken place with civil society around environmental and social governance issues. These have been well attended by NGOs and civil society groups, who have stressed the key role that EITI can play alongside the strategy in addressing issues around environmental and social governance issues.

**7 – EITI International - update**

1. A working group is looking at refinements of the EITI Standard. The plan is to hold a second round of consultations with stakeholders, including EITI implementing countries, in September/October this year.
2. A new critical minerals global study is to look at ways of strengthening value chains. There has been good stakeholder engagement and the study is expected to be published in September 2022.
3. Ahead of the June EITI Board meeting a session was held on approaches to reporting by a number of implementing countries, including the German model. This worked well and will be followed up at the National Coordinators meeting in October, where there will be a session on the timeliness of reporting data. The UK have a good story to tell in this area and hope to take part.
4. The validation review has resulted in a number of minor changes to the guidance and templates that countries need to complete at the beginning of the process.

**8 – UK EITI Workplan half year review**

1. The current UK EITI workplan needs to be reviewed. The MSG need to consider if there are any workstreams that need updating or are missing and also consider if the timescales and RAG ratings are correct. The workplan will be re-circulated to the MSG after the meeting for further comments.

**9 – IA Contract update**

1. The specification for the three-year Independent Administrator contract was published in May, with bidding closing at the end of June.
2. The evaluation stage is now taking place, with interviews likely to take place in early August, with the contract awarded in late August/early September. The new contract will start on 1st October 2022 and fits in better with the accelerated timetable where the report is now published in June/July each year. The current BDO contract was extended by two months to accommodate the final part of the reconciliation process for 2021.

**10 – AOB**

1. The next meeting will take place on 6th October 2022.

**Action points:**

* Minutes from the 18th May MSG meeting to be re-circulated for any further comments from civil society representatives. **(Action: UK EITI Secretariat).**
* Draft oil and gas leaflet for possible event at OEUK. **(Action: Comms and Engagement subgroup/UK EITI Secretariat).**
* Action plan, with timescales for the Comms and Engagement subgroup to be drafted. **(Action: Comms and Engagement subgroup/UK EITI Secretariat).**
* Secretariat to circulate a request for UK EITI images from MSG members for use in future publications. **(Action: MSG representatives).**
* Reconciliation subgroup meeting to be organised to consider first recommendation by BDO in the lessons learned and recommendations report. **(Action: UK EITI Secretariat and Reconciliation subgroup).**
* It was agreed that the names of the various Trade Associations in the Terms of Reference should be spelled out fully. **(Action: UK EITI Secretariat).**
* The full UK EITI MSG Terms of Reference to be re-circulated for further comment by the MSG. **(Action: UK EITI Secretariat and MSG).**
* The UK EITI Workplan to be re-circulated after update by UK Secretariat following initial comments from the MSG. **(Action: UK EITI Secretariat and MSG).**
* BEIS Critical Minerals team to provide details of civil society organisations who have taken part in discussions to UK Secretariat. **(Action: UK EITI Secretariat).**