

**UK Extractive Industries Transparency Initiative Multi-Stakeholder Group  
(MSG)**  
**Minutes of the 54<sup>th</sup> Meeting – 6<sup>th</sup> December 2022 – Via Microsoft Teams and in  
room C20, Conference Centre, 1 Victoria Street, London SW1H 0ET  
(10.00am-11.45pm)**

**Attendance**

<p><b><u>Chair</u></b></p> <p>Matt Ray - Department for Business, Energy and Industrial Strategy (BEIS)</p> <p><b><u>Secretariat</u></b></p> <p>Monica Draycott – Department for Business, Energy and Industrial Strategy (BEIS)</p> <p>Mike Nash - Department for Business, Energy and Industrial Strategy (BEIS)</p> <p><b><u>Industry</u></b></p> <p>Jacqui Akinlosotu – ENI (via Teams)</p> <p>John Bowater - Aggregate Industries</p> <p>David Evans – Offshore Energies UK (via Teams)</p> <p>Dr Patrick Foster – University of Exeter (via Teams)</p> <p><b><u>Government</u></b></p> <p>Jeff Asser - Department for Business, Energy and Industrial Strategy (BEIS)</p> <p>Mike Earp – North Sea Transition Authority (via Teams)</p> <p>Nicola Garrod - HMRC</p> <p>Johann MacDougall – Scottish Government (via Teams)</p> <p>Mark Wilson – Department for the Economy Northern Ireland (via Teams)</p>	<p><b><u>Civil Society</u></b></p> <p>Professor Hafez Abdo – University of Nottingham Energy Institute (via Teams)</p> <p>Chara de Lacey – Transparency International</p> <p>Martyn Gordon – Robert Gordon University (via Teams)</p> <p>Professor Muhammad Azizul Islam – University of Aberdeen Business School (via Teams)</p> <p><b><u>Guests/observers</u></b></p> <p>Helmi Ben Rhouma – BDO (via Teams)</p> <p>Mark Burnett – EITI International (via Teams)</p> <p>Sefton Darby – Voconiq (via Teams)</p> <p>Helen Day – Coal Authority (via Teams)</p> <p>Mark Henderson – BDO</p> <p>Leo Kellaway - HMRC</p> <p>Tilly Prior – Transparency International UK</p> <p>Tim Vickery – Independent Advisor</p> <p><b><u>Apologies</u></b></p> <p>Aurelie Delannoy – Mineral Products Association</p> <p>Dan Espie – TotalEnergies</p> <p>Nick Everington – The Crown Estate (TCE)</p>
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**1 – Welcome and Introductions:**

1. All were welcomed to the 54<sup>th</sup> meeting of the UK EITI MSG.
2. The following new civil society members were welcomed:

- **Professor Hafez Abdo**, University of Nottingham Energy Institute
- **Chara de Lacey**, Transparency International UK
- **Professor Muhammad Azizul Islam**, University of Aberdeen Business School

The following new government constituency member was welcomed:

- **Mark Wilson**, Department for the Economy Northern Ireland

The following guests and observers were welcomed:

- **Tilly Prior** from Transparency International UK
- **Leo Kellaway** from HMRC
- **Sefton Darby** from Voconiq

3. The Chair announced that discussions had taken place to decide where the UK EITI Secretariat function should sit within BEIS. The likely change in focus in the EITI Standard from data reporting to energy transition and critical minerals has led to dialogue about a more relevant home for UK EITI. Discussions are ongoing with the International Energy Unit, which is a joint BEIS/FCDO function. It is hoped that a final decision on where the Secretariat sits will be made in the New Year. Any change will be managed to ensure that the MSG and UK Secretariat continues to function in the usual way. The MSG will be kept up to date with any progress and decisions.

## **2 – Agreement of minutes and action points of 6<sup>th</sup> October 2022 meeting:**

4. The minutes of the MSG meeting on 6<sup>th</sup> October were agreed.
5. The MSG were updated on the main action points from the meeting on 6<sup>th</sup> October.
  - UK EITI payments data report for 2021 to be updated with late figures and footnote added to indicate the update. ***Updated version of report uploaded onto UK EITI website 11 November 2022.***
  - Volunteers sought to provide constituency perspectives for Annual Review 2022. ***Volunteers identified and all perspectives are included in the current draft Annual Review 2022 which was circulated with the MSG papers.***

## **3 - EITI independent evaluation final recommendations**

6. The MSG were thanked for their contribution in both time and expertise during the evaluation process. [The evaluation looked at the effectiveness, relevance, impact and sustainability of EITI.](#)
7. During the process a number of country case studies were carried out, covering a diverse range of countries that have either performed well and not so well in their recent validations against the EITI Standard.
8. The key findings of the evaluation were:
  - i) The existence of EITI is of significant value.
  - ii) The relevance of EITI at country level is key to effectiveness, impact and sustainability.
  - iii) MSG governance and maintaining the space for country-led approaches are key across the board.

- iv) Effectiveness and impacts are clear at the national level, but less evident at the sub-national or local levels.
- v) Stakeholder expectations of the EITI are generally aligned with the EITI's purpose and mandate.
- vi) People's expectations of EITI vary significantly by where (and who) they are.

9. The evaluation recommendations are:

- i) A more modular approach to the EITI Standard, which would combine a "core" EITI Module that all countries would be required to implement plus different "additional" modules.
- ii) Make EITI "real" at the subnational and local levels, by having a stronger focus on local and subnational implementation, strengthening overall relevance and bring EITI closer to those most impacted by the industry.
- iii) Reinvesting in the multi-stakeholder model. This is a key driver of country relevance and therefore effectiveness, impact and sustainability.
- iv) Measuring what matters. EITI needs to change the way it measures its effectiveness and impacts, both globally and at the country level.

#### **4 – UK EITI Comms and engagement update**

- 10. The survey of civil society organisations had a modest response. The main outcomes highlighted that the energy transition is the most important issue and that the core EITI data is still seen as valuable by civil society stakeholders.
- 11. Work has started on updating the UK EITI Comms strategy, which will focus on adding value, addressing the encouragements from the validation and improving what we are currently doing well, making it more relevant to stakeholders.

#### **5 – UK EITI Annual Review update**

- 12. The current draft of the UK EITI Annual Review 2022 was circulated with the MSG papers. There are a number of updates still required. It was agreed at the recent Sectoral subgroup meeting that the sector parts of the oil and gas, coal and industrial and metal minerals sections of the sector overview should be made more relevant to activities in 2022.
- 13. The UK Secretariat have drafted the Ministerial Foreword that needs to be approved by Lord Callanan and this will be sent to the Minister before the Christmas break.
- 14. The final version of the Annual Review will be uploaded onto the UK EITI website for stakeholder consultation. As with last year the consultation period will last from late December 2022 until the end of January 2023. Any comments received will be considered for inclusion and a new version highlighting changes will be circulated for final approval.
- 15. The final report is expected to be published in early February 2023.

#### **6 – EITI International update**

- 16. The EITI International Secretariat are now actively looking at the four recommendations of the independent evaluation of EITI.
- 17. A working group are continuing to work on refinements to the EITI Standard. The MSG were thanked for their latest comments. A recent regional consultation with European Secretariat

colleagues, including the UK, had just taken place. Comments will be fed into the working group and the refinements will be re-circulated in January 2023.

18. The next Global Conference will take place in Dakar, Senegal from 13-15 June 2023. It will include a peer-learning day and some interactive elements.
19. The EITI International Secretariat have been in dialogue with Romania to explore EITI membership, which could be a good opportunity for bi-lateral discussions where the UK can talk about their experience of EITI.
20. The International Secretariat and Open Ownership are monitoring developments on the European Court of Justice decision that data on beneficial ownership registers infringes the right to the protection of personal data.

## **7 – UK EITI Mainstreaming and Reconciliation subgroup meeting updates**

### **Mainstreaming**

21. The Mainstreaming subgroup met in August to consider the few remaining outstanding items in their action plan and confirmed all had been actioned, apart from one item around unilateral disclosure which was referred to the Reconciliation subgroup.
22. After three years the subgroup is happy to recommend that their work on mainstreaming is now complete and the subgroup be disbanded. However, it will remain alive to identifying future opportunities such as input into the EITI Data Strategy Development concept note. This was agreed by the MSG.

### **Reconciliation**

23. The subgroup met in October and discussed the BDO recommendations from 2021 reconciliation exercise that were presented at the MSG meeting in July.
24. The subgroup recommended accepting BDO's recommendation to exclude payments of the OGA levy and petroleum licence fees from the reconciliation exercise. There is sufficient confidence that disclosure of the data by OGA is accurate and can therefore be disclosed unilaterally in future.
25. On Petroleum Revenue Tax and payments to The Crown Estate and Crown Estate Scotland, the subgroup felt a further year or two of reconciliation was still required before they had confidence in a move to unilateral disclosure.
26. The subgroup reaffirmed the agreement at last MSG to update the guidance notes and reporting template to provide further breakdown of payments to TCE and CES.
27. At the last MSG it was agreed to report back on inclusion of Diverted Profits Tax in the reconciliation exercise. It was confirmed that neither industry nor HMRC reported any payments or repayments of DPT in 2021. The subgroup recommended retention of the request in the reporting template to keep a watching brief to see if any future payments are made by reporting companies.
28. The inclusion of the new Energy Profits Levy on oil and gas companies into the scope of the 2022 reconciliation exercise was agreed. The levy came into effect in May 2022 at a rate of

25% and was increased in autumn statement to 35%. It is estimated that the levy will bring in around £40bn over the next six years.

## **8 – AOB**

29. The next meeting will take place on 2<sup>nd</sup> February 2023.

### **Action points:**

- Circulate the slides from the EITI independent evaluation (**Action: UK EITI Secretariat**).
- Industry representatives to consider possible events for EITI awareness raising in 2023 and to source any relevant industry images for use in publications etc. (**Action: MSG industry representatives**).
- Request final updates for Annual Review and then re-circulate to the MSG for final approval. (**Action: UK EITI Secretariat**).
- Upload final approved version of the Annual Review onto UK EITI website for stakeholder consultation period of a month. (**Action: UK EITI Secretariat**).
- Ministerial Foreword to be sent to Lord Callanan for approval and then added to final published report. (**Action: UK EITI Secretariat**).
- MSG to consider holding a meeting to discuss the refined EITI Standard before the Global Conference in June 2023. (**Action: UK Secretariat and MSG**).