

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

**Minutes of the 57th Meeting – 5th July 2023 – Via Microsoft Teams
(10.00 – 11.30am)**

Attendance

<p><u>Chair</u></p> <p>Tim Stern – Foreign and Commonwealth Development Office (FCDO)</p> <p><u>Secretariat</u></p> <p>Joel Watson – Foreign and Commonwealth Development Office (FCDO)</p> <p>Mike Nash - Department for Energy Security & Net Zero (DESNZ)</p> <p><u>Industry</u></p> <p>Kirsty Benham – Critical Minerals Association</p> <p>John Bowater – Aggregate Industries</p> <p>Aurelie Delannoy – Mineral Products Association</p> <p>Dan Espie – TotalEnergies</p> <p>David Evans - OEUK</p> <p>Dr Patrick Foster – University of Exeter</p> <p><u>Government</u></p> <p>Jeff Asser - Department for Energy Security & Net Zero (DESNZ)</p> <p>Mike Earp – North Sea Transition Authority</p> <p>Leo Kellaway - HMRC</p>	<p><u>Civil Society</u></p> <p>Chara de Lacey – Transparency International UK</p> <p>Prof. Aziz Islam – University of Aberdeen</p> <p>Madeline Young – University of Northampton</p> <p><u>Guests/observers</u></p> <p>Helen Day – The Coal Authority</p> <p>Matt Donnelly – Cabinet Office</p> <p>Ben Gittins – Cabinet Office</p> <p>Mark Henderson – BDO</p> <p>Helmi Ben Rhouma - BDO</p> <p>Andy Riley – Crown Estate Scotland</p> <p>Tim Vickery – Independent Advisor</p> <p>Hedi Zaghouani - BDO</p> <p><u>Apologies</u></p> <p>Jacqui Akinlosotu - ENI</p> <p>Mark Burnett – EITI International Secretariat</p> <p>Nick Everington – The Crown Estate</p> <p>Martyn Gordon – Robert Gordon University</p> <p>Johann MacDougall – Scottish Government</p> <p>Tilly Prior – Transparency International UK</p> <p>Mark Wilson – Department for the Economy Northern Ireland</p>
---	--

1 – Welcome and Introductions:

1. All were welcomed to the 57th meeting of the UK EITI MSG.
2. The following civil society member was welcomed:
 - **Madeline Young**, Senior Lecturer, Faculty of Business and Law from the **University of Northampton of London**.

The following guests were welcomed:

- **Matt Donnelly** from the **Central Digital & Data Office, the Cabinet Office.**
- **Ben Gittins** from the **Central Digital & Data Office, the Cabinet Office.**
- **Andy Riley** from **Crown Estate Scotland.**

2 – Agreement of minutes and action points of 26th April 2023 meeting:

3. The minutes of the MSG meeting on 26th April 2023 were agreed.
4. The MSG were updated on the main action points from the meeting on 26th April.
 - Circulate UK EITI Comms & Engagement Strategy Implementation Plan and ask MSG for any comments and to identify industry events that we can use to promote UK EITI. ***Circulated after the meeting on 26th April, asking MSG for further comments and to identify any industry events.***
 - Circulate Payments to Governments Regulations Post Implementation Review slides to MSG and ask for any further comments to be sent directly to the DBT Team. ***Circulated after the meeting on 26th April, asking for any further comments to be sent directly to the Department for Business and Trade Team.***

3 - UK EITI Reconciliation 2022 - update

5. The UK EITI Payments for 2022 report is now ready for MSG approval. The main highlights are:
 - i) After adjustments 47 companies participated (33 oil and gas and 14 mining and quarrying) in the 2022 process.
 - ii) 98.75% of potential in-scope payments are captured in the report.
 - iii) Of a net total of £6.79 billion reported by government and in-scope companies, only £1,212 is unreconciled.
 - iv) All 47 companies submitted a beneficial ownership declaration relating to the people who ultimately own and/or control each company.
6. It was agreed that the MSG should be given more time to consider the report before final approval. The UK Secretariat agreed to circulate the report again to MSG members and arrange publication on the UK EITI website once the MSG have approved.
7. Embargoed copies of the report will be circulated prior to publication to all participating companies and MSG members.

4 – UK EITI Comms & Engagement - update

8. The UK were well represented at the EITI Global Conference. Three UK delegates and Lord Callanan attended. On the UK stand, rather than physical publications, the UK used QR codes, which allowed delegates to scan the UK EITI leaflet and website onto their phones.
9. The subgroup will need to consider how to communicate the new EITI Standard announced at the Global Conference and how to incorporate into the latest Comms Strategy.
10. The Secretariat are currently working with our website hosts to carry out an accessibility audit on the UK EITI website.
11. The Comms and Engagement subgroup are still interested in hearing about sector events that can be added to the current calendar of events.

5 – EITI Global Conference – report back

12. The Conference in Dakar was attended by over a thousand delegates from over 90 countries and included a number of Ministers from implementing countries. The attendees included three UK delegates and Lord Callanan.
13. The theme of the Conference was “Transparency in Transition”. The conference also included the successful launch of the new EITI Standard.
14. Lord Callanan spoke at the “Transparency in Transition” session on the first day of the conference. The UK sponsored the Peer Learning Day where EITI implementers had the opportunity to learn from each other, share their experiences, challenges, frustrations and opportunities in implementing the EITI.
15. There were many different sessions across the three days including discussions around a Just Transition and ideas of expanding EITI to cover other areas e.g. deep sea mining. There were also discussions on the gender imbalance on many of the MSG’s.
16. The UK delegation had some interesting conversations with delegates, including the German and Netherland’s Secretariat’s. They keen to follow-up this initial contact over the next couple of months.

6 – UK EITI Parliament event – report back

17. On 4 July, the All-Party Parliamentary Group (APPG) for Critical Minerals hosted an event ‘*Responsible Sourcing: Introduction to UK EITI*’. The event was an opportunity for stakeholders to come together to share their experiences of working with EITI and was attended by over 30 stakeholders.
18. The event was chaired by Baroness Northover and included presentations by the UK Secretariat on the importance of the extractives sector and EITI to the UK. There were also presentations covering working with EITI in Africa.
19. The event affirmed the EITI’s positive impact on mining communities and businesses, as well as the value of multi-stakeholder dialogue in promoting transparency, democracy, and growth.

7 – 2023 EITI Standard – overview of refinements

20. The new EITI Standard was launched at the EITI Global Conference in Dakar in June. The EITI Standard is designed to promote good governance by enhancing transparency, strengthening accountability and facilitating public debate. The Standard has evolved to respond to stakeholder needs. This is the fourth edition of the Standard.
21. The new Standard includes several new and refined provisions. These cover four areas:
 - Anti-Corruption.
 - Energy Transition.
 - Gender, social and environmental issues.
 - Revenue collection.
22. New anti-corruption provisions enhance opportunities for countries and companies to use the EITI platform to identify and address corruption risks in the natural resource sector.
 - This includes the requirement to mainstream anti-corruption into EITI objectives.
 - Expectation of disclosure of companies’ anti-corruption policies and practices.
 - Encouragement to adopt lower thresholds (10%) for reporting beneficial owners. Currently over 25% for the UK.

23. New provisions support disclosures and public debate on the impacts of the energy transition by shedding light on relevant policies, as well as the revenues that countries can expect to receive from their oil, gas and minerals under different scenarios.
- Increase understanding of energy transition policies to help inform public debate.
 - Accountability and rationale for in fast-tracking licence awards.
 - Encouragement to disclose proven oil, gas and mineral reserves and disclose greenhouse emissions.
 - Expectation that countries will disclose their revenue forecasts from fossil fuels and minerals.
24. To help ensure that natural resources are managed in the interests of all citizens, there are strengthened provisions on promoting greater diversity in decision-making and disclosures that consider gender, social and environmental issues.
- Companies will be expected to explain the consultation process that was followed in the award of licences.
 - Disclose gender-disaggregated data on benefits to the communities and granular data on employment.
 - Disclosure of ESG impact assessments of oil, gas and mining projects.
25. New and refined provisions require more comprehensive and detailed disclosures, which can help countries strengthen their tax base and raise revenues.
- Higher quality disclosures on production and exports.
 - Companies and governments encouraged to disclose capital and operating expenditures declared by companies.
 - EITI developing alternatives to disclosing revenues.
 -
26. Other parts of the new Standard worth noting include:
- Strengthening of contract transparency requirements:
- 2.4 – MSG to determine whether exploration contracts should be disclosed.
 - 4.2 – encouragement to disclose agreements stating terms of sale of the state's share of production revenues.
 - 4.3 - encouragement to disclose contracts with infrastructure and barter provisions.
 - 6.1 – disclosure of contracts and documents that mandate social and environmental payments.
27. The new Standard places greater emphasis on the role that national multi-stakeholder groups play in addressing and supporting public debate on key governance issues that are aligned with national priorities.
28. The next UK validation will be moved from 2024 to post-2025. This is part of the transitional arrangements. Countries that have not yet had a first validation under the new (2021) validation model will have first validations during 2024. Since the UK already had a validation under the new model in 2021, it falls in the group of countries that will be shifted to post-2025.
29. It was agreed that the MSG would need more detailed discussions on the new EITI Standard and the implications of new requirements and encouragements for UK EITI.

8 – Open Government National Action Plan

30. Open Government Partnership (OGP) is a broad partnership that includes members of the national and local level civil society organisations. Through the OGP two-year action plans and commitments are made across a broad range of issues.
31. The National Action Plan (NAP) process involves engaging with stakeholders to ensure they know how they can participate, gathering information on the issues that they would like the NAP to tackle. NAPs and commitments are then drafted and stakeholders informed of the results of their contributions and invited to participate in their development.
32. The first phase of the development of the latest action plan - NAP6 - was launched in June 2023 and is expected to be concluded in October 2023. Phase 2 will start in October 2023 and will be finalised in December 2023.
33. The UK MSG may want to consider ideas for NAP7. Planning for this will start in 2024, with outreach in early 2025. This will require both support from civil society and government. Considerations and ideas should be ambitious, relevant and have government capability and resources.
34. It was agreed that the UK Secretariat should meet with Cabinet Office colleagues after the meeting to discuss possibly being involved in NAP7.

9 – AOB

35. The next meeting will take place on Wednesday 13th September 2023.

Action points:

- UK EITI Payments report for 2022 to be re-circulated to the MSG for final approval before publication. **(Action: UK EITI Secretariat and MSG).**
- MSG members to provide details on sector events for the Comms and Engagement subgroup events calendar. **(Action: MSG members).**
- UK EITI Secretariat and EITI International Secretariat to discuss options on how to take forward the new requirements and encouragements of the EITI Standard and the implications for UK EITI. **(Action: UK EITI Secretariat and EITI International Secretariat).**
- UK EITI Secretariat and Cabinet Office to meet to discuss possible engagement with NAP7. **(Action: UK EITI Secretariat).**