**UK EITI Compliance Subgroup Meeting, Thursday 18th July 2024**

**Attendees:**

Helen Day Mike Earp Nicola Garrod

Martyn Gordon Hedi Zaghouani Mike Nash (Chair)

**Update on actions from last meeting on 12th June 2024**

**Requirement 2.5c**

***Implementing countries (ICs) are required to request, and companies are required to publicly disclose, Beneficial Ownership (BO) information.***

***(Action: Further guidance was requested and received from the EITI International Secretariat on 1st July 2024).***

*The Secretariat provided the following guidance:*

*It is up to the companies to disclose the BO data as they are the holders of the data.  Then as part of the reporting process, it is up to the MSG to monitor and report on any gaps or weakness in the company BO disclosures. This relates to the strategic recommendation from the last Validation which highlights that function of the MSG.*

*To strengthen implementation, the UK is encouraged to ensure that the MSG publishes an assessment of the comprehensiveness and reliability of beneficial ownership disclosures of all companies holding or applying for a mining or oil and gas license on a regular basis as a means of providing a diagnostic of disclosures in practice. The UK is urged to ensure that any politically exposed persons be identified in public disclosures of the beneficial ownership of extractive companies in accordance with Requirement 2.5.d.*

*One way to go about implementing this recommendation would be for the MSG to review and discuss the company BO disclosures as part of the work with BDO on preparation of the next UK EITI Report. Any gaps or weaknesses identified could then be referred back to BDO for advice on if they could be fixed, prior to publication of the report. Minutes of the MSG discussion could then be saved and referred back to in the next Validation.*

***(Action: It was agreed further guidance and clarification was required from the EITI International Secretariat. Invite Mark and colleagues to a future meeting to discuss this requirement).***

**Requirement 1.5b**

***The MSG is required to undertake an annual progress review of the WorkPlan, which should inform the subsequent WorkPlan.***

*A review on progress of the Workplan to be included on agenda of a future MSG meeting****. (Action: Completed. Review included as part of the July MSG agenda).***

*The Workplan is already available on the UK EITI website. Invite stakeholders to comment on the Workplan via a consultation period.* ***(Action: To be agreed by MSG at July meeting).***

*Include a breakdown of gender of the MSG members in the Workplan.* ***(Action: UK EITI Secretariat to check on pronouns with each MSG member).***

*Include spend to date in budget section of the Workplan.* ***(Action: Completed. Spend to date figure added to the UK EITI workplan).***

**Requirement 1.5c**

***All work planning, monitoring and review activities must be informed by consultations with national stakeholders, and documented in formats that are publicly available.***

*Invite stakeholders to comment on the Workplan via a consultation period.* ***(Action: To be agreed by MSG at July meeting).***

*Consider including all subgroup meeting notes on the UK EITI website. To be agreed by MSG at July meeting.* ***(Action: MSG to consider whether we publish historic meeting notes or just from 2024 onwards?).***

**Discussions on the four refined requirements**

**Requirement 2.2a**

**Implementing countries are required to disclose information related to all contract and license awards and transfers taking place during the accounting period covered by the most recent EITI disclosures, including for companies whose payments fall below the agreed MT. This must include:**

**i. A description of the process for transferring or awarding the license.**

**ii. The technical and financial criteria used, including any requirements related to free, prior and informed consent. Where the process for awarding or transferring a license mandates consultations with impacted communities, implementing countries and companies are expected to disclose a description of how the consultation process was conducted. This could include the number of people consulted, disaggregated by gender, and a summary of how views on the project’s impacts were collected and considered.**

**iii. Information about the recipient(s) of the license that has been transferred or awarded, including consortium members (where applicable).**

**iv. Any material deviations from the applicable legal and regulatory framework governing license transfers and awards, including an explanation of the methodology adopted for the assessment.**

UK oil and gas licences don’t have a consultation process. The description of the process for awarding oil and gas licences is already available online. **(Action: Need to confirm whether there is a consultation process involved for mining and quarrying licences. Also need to check if this refers to licences awarded annually or all licences).**

**(Action: Further clarification and guidance required from the EITI International Secretariat).**

**Requirement 2.2a**

**The MSG must clearly document the rationale for this choice; the award or transfer processes to which these processes applied; the procedures and criteria used; the institutions involved; and the outcomes of the award and transfer processes.**

**(Action: Contract and licence transparency subgroup to look at this requirement).**

**Requirement 2.2c**

**Where licenses are awarded through a bidding process, the government is required to disclose the list of applicants, including their beneficial owners in accordance with Requirement 2.5, and the bid criteria.**

NSTA don’t collect this data as there is no bidding process for licences. They are awarded on the basis of work programmes.

**(Action: Further clarification and guidance required from the EITI International Secretariat).**

**Requirement 6.4a**

**Implementing countries are required to disclose an overview of relevant legal provisions and administrative rules governing environmental and social impact management and monitoring in the extractive sector. This must include information on rules regarding environmental permits and licenses, including social, gender and environmental impact assessments, as well as rehabilitation, decommissioning and closure programmes. It must also include information on the roles and responsibilities of relevant government agencies in implementing the rules and regulations.**

**(Action: UK EITI Compliance subgroup to provide a first draft text documenting environmental and social impact of extractive activities across the UK extractive sector).**