**Reconciliation subgroup meeting, Wednesday 28th February 2024 via Microsoft Teams Attendees:**

Leo Kellaway (Chair) Aurelie Delannoy Mike Earp Pat Foster

Hedi Zaghouani Mark Henderson Mike Nash

**Updates on actions from the last meeting**

**3.2 Production data & 3.3 Export data**

*UK Secretariat wrote to DESNZ Statisticians to enquire whether the sources of and the methods for calculating production/export volumes and values is available. They sent a link to the methodology and source document (*[*oil*](https://eur02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.gov.uk%2Fgovernment%2Fpublications%2Fcrude-oil-and-petroleum-products-methodology-note&data=05%7C02%7CMichael.Nash%40energysecurity.gov.uk%7Cb2680b943b3b477aa18808dc36e810d2%7Ccbac700502c143ebb497e6492d1b2dd8%7C0%7C0%7C638445617631335603%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C0%7C%7C%7C&sdata=321Z9Rr7C8jhgl2C97PH9pZJvw4Rflf4XcEM6Hg5y1w%3D&reserved=0)*,* [*gas*](https://eur02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.gov.uk%2Fgovernment%2Fpublications%2Fnatural-gas-statistics-data-sources-and-methodologies&data=05%7C02%7CMichael.Nash%40energysecurity.gov.uk%7Cb2680b943b3b477aa18808dc36e810d2%7Ccbac700502c143ebb497e6492d1b2dd8%7C0%7C0%7C638445617631351600%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C0%7C%7C%7C&sdata=PXkaZtFK5GHD0ei4958fpr2glC4Elc%2FalojchQatC%2BA%3D&reserved=0)*).*

**3.2 Production data**

* Implementing countries are expected to present production data using national and international commodity classification standards.

*EITI International Secretariat to ask for clarification on what this means.**See examples in the Guidance Note on 7.2, appendix on data standards with links to examples:* [*en\_eiti\_gn\_7.2.pdf*](https://eur02.safelinks.protection.outlook.com/?url=https%3A%2F%2Feiti.org%2Fsites%2Fdefault%2Ffiles%2F2022-01%2Fen_eiti_gn_7.2.pdf&data=05%7C02%7CMichael.Nash%40energysecurity.gov.uk%7Cc945837eacb24bd375d808dc321f4c22%7Ccbac700502c143ebb497e6492d1b2dd8%7C0%7C0%7C638440357344492330%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C0%7C%7C%7C&sdata=%2BKZD95pa6YsZ5rr8Fpg2T4fQyZTw83IJfH8jy30%2Fcn4%3D&reserved=0)

* Companies are encouraged to disclose realised sales volumes and values by project. **Not likely to happen because such data are generally regarded as being commercially confidential.**

*UK Secretariat contacted industry colleagues (Jacqui, Aurelie, Pat and John) for their thoughts on whether companies are likely to be forthcoming with this information. Responses so far indicate that this is very unlikely given the commercial sensitivities.*

**3.4 Greenhouse gas emissions**

* Companies are encouraged to disclose greenhouse gas (GHG) emissions in alignment with existing leading disclosure standards. Where feasible, the multi-stakeholder group is encouraged to request disaggregated disclosures.

*UK Secretariat contacted EITI International Secretariat to ask for clarification on whether this refers to all companies are just those covered by the reconciliation. It was confirmed that this refers to companies making material payments to government and included in the scope of EITI reporting.*

* Other

*Mining & Quarrying subgroup meeting has been arranged for 5th March. The meeting will look at ensuring that all in-scope M&Q companies are being captured by the reconciliation process.*

* BDO to ensure that all new requirements of the Standard are being captured for the reporting process.

*BDO have drafted an EITI Standard 2023 checklist that includes all 165 provisions divided into 92 requirements, 19 expectations and 54 encouragements.*

**EITI Standard and further encouragements for reporting purposes**

**3.1 Exploration activities – disclosure of oil, gas and mineral reserves.**

MPA agreed to look at what is available and can be included. There was some data available for mining projects, but not all. For oil and gas reserves are only classified when field developments are approved, until this takes place they are classified as a resource, not reserve. It was agreed that if data was not available the government data should be used.

**3.2 Production data – disclosure of values and volumes.**

It was agreed that as companies would consider this information to be commercially confidential and disclosure will not happen.

**3.3 Export data – disclosure of sales volumes and values by project.**

It was agreed that as companies would consider this information to be commercially confidential and disclosure will not happen.

**Action: UK Secretariat to follow-up on proposed discussion paper from Compliance subgroup colleagues around the disclosure of production and export data by volume, value and project to be tabled at a future MSG.**

**4.10 Project costs – disclosure of declared costs disaggregated by project and by costs related to operating and capital expenditures.**

It was agreed that as companies would consider this information to be commercially confidential and disclosure will not happen.

**5.3 Additional on information revenue management and expenditures.**

We are still awaiting clarification from the EITI International Secretariat on this.

**Action: BDO to chase EITI International Secretariat.**

**AOB**

All reporting documents for 2023 were agreed by the Reconciliation subgroup and it was agreed that the MSG should be asked to approve all documents at their meeting on 20th March and the 2023 process should start on 28th March 2024.

**Action: UK Secretariat to circulate 2023 reporting process documents with the MSG papers and seek approval of documentation and Reconciliation subgroup proposals on launching the process in late March.**