

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

**Minutes of the 63rd Meeting – 24th July 2024 – Via Microsoft Teams
(10.00am – 11.30pm)**

Attendance

<p><u>Chair</u></p> <p>Joel Watson - Foreign and Commonwealth Development Office (FCDO)</p> <p><u>Secretariat</u></p> <p>Mike Nash - Department for Energy Security & Net Zero (DESNZ)</p> <p><u>Industry</u></p> <p>Jacqui Akinlosotu – ENI</p> <p>Kirsty Benham – Critical Minerals Association</p> <p>Aurelie Delannoy – Mineral Products Association (MPA)</p> <p>Dr Pat Foster – Camborne School of Mines at the 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>Nicola Garrod – HMRC</p> <p>Mark Wilson - Department for the Economy, Northern Ireland</p>	<p><u>Civil Society</u></p> <p>Chara de Lacey – Transparency International UK</p> <p>Tilly Prior – Transparency International UK</p> <p>Madeline Young - University of Exeter</p> <p><u>Guests/observers</u></p> <p>Helmi Ben Rhouma – BDO</p> <p>David Liebscher – National Crime Agency</p> <p>Mark Robinson – EITI International</p> <p>Hedi Zaghouani - BDO</p> <p><u>Apologies</u></p> <p>Sophia Brecknell - Foreign and Commonwealth Development Office (FCDO)</p> <p>Mark Burnett – EITI International Secretariat</p> <p>Helen Day- Coal Authority</p> <p>Nick Everington – The Crown Estate (TCE)</p> <p>Dr Martyn Gordon – Robert Gordon University</p> <p>Mark Henderson – BDO</p> <p>Johann MacDougall – Scottish Government</p> <p>Tim Vickery – Independent Advisor</p>
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1 – Welcome and Introductions:

1. All were welcomed to the 63rd meeting of the UK EITI MSG.
2. The following guests were welcomed:
 - **Mark Robinson**, Executive Director at the EITI International Secretariat.
 - **David Liebscher**, Senior Manager, International Corruption Unit, National Crime Agency (NCA).

2 – Agreement of minutes and action points of 22nd May 2024 meeting:

3. The minutes of the MSG meeting on 22nd May 2024 were agreed.
4. The MSG were updated on the main action points from the meeting on 22nd May 2024.
 - UK EITI Renewables Strategy Paper to be re-circulated to the MSG for comment. ***Paper re-circulated to the MSG for further comment on 22nd May 2024. Comments were discussed by CS/MPA on 3rd July 2024 and further update will be circulated with the MSG papers for MSG on 24th July 2024.***
 - EITI Standard explainer paper to be re-circulated to the MSG for comment. ***Draft recirculated to the MSG on 22nd May 2024. Final version approved and added to UK EITI website on 25th June 2024.***
 - Timetable for the main milestones of the UK validation to be circulated to the MSG. ***Email sent to EITI Secretariat on 5th July 2024. Timeline from July-December 2024 drafted and included in the papers for the MSG on 24th July 2024 for discussion and approval.***

3 – UK EITI Reconciliation 2023 update

5. The first draft of the Payments Data Report for 2023 was circulated to the Reconciliation subgroup for initial comment on 16th July 2024. The subgroup raised concerns about the current differences in the reconciliation. Although not material in terms of the overall figures it was agreed that further work on the reconciliation was required.
6. So far 32 of the 48 companies have been fully reconciled (31 oil and gas and 1 mining and quarrying). There is one particular company where the reconciliation currently has a difference of £95 million. BDO will work closely with HMRC to reconcile this amount. The overall unreconciled figure is just over £70 million.
7. It was agreed that the additional data requested in the 2023 process around anti-corruption policies, ownership structure, financial statements, gender pay and ESG should be reported separately on the UK EITI website and not in the report.
8. BDO are confident that, subject to MSG approval, the report will be available to publish in early to mid-August 2024.

4 – EITI International update

9. Interest in EITI work has increased significantly with particular interest in critical mineral supply chains and in the opportunities and challenges for the oil and gas sector brought about by the energy transition. A number of new countries have also registered an interest in becoming EITI implementing countries.
10. The main work for the International Secretariat continues to be the roll-out of the new Standard, ensuring implementing country Secretariat's and MSGs are engaging with the new Standard. Good progress is being made, but there is still much to do, so peer learning and the provision of detailed guidance are important aspects of the International Secretariat's work.
11. There has been a clear message from implementing countries to reduce the number of changes to the Standard in the future. The International Secretariat acknowledge this and will bear this in mind going forward. A review of the lessons learned in the validation process has also been taking place.
12. Political stability is also having an effect with two countries de-listed – Afghanistan and Myanmar, leaving 55 current implementing countries. A further 10 countries have expressed an interest in joining EITI.

13. The EITI Board have been reviewing strategic priorities, with a paper to be published shortly. The main areas reviewed were around the energy transition, anti-corruption and emphasis on open data, in particular systematic disclosure. There is also an emphasis on impact and outcomes of the work of the International Secretariat.
14. On renewables, a number of energy companies have asked about learning through EITI. A paper has been drafted looking at corruption within the sector and its implications.
15. While the EITI Board has not endorsed a significant programme of work on renewables, the International Secretariat welcome the work that the UK has started on renewables. There has already been some work in this area work carried out by Germany and Albania which could offer a good opportunities for peer learning.

5– UK EITI Compliance subgroup update on 2023 EITI Standard discussions and progress

16. A timetable for the remainder of the year to cover pre-validation activities has been drafted and circulated with the MSG papers. Activities include UK EITI MSG and Compliance subgroup meetings, possible pre-validation workshop and feedback sessions between the Compliance subgroup and colleagues in the EITI International Secretariat.
17. Completion of the three templates is planned to start at the beginning of October. The templates cover stakeholder engagement, outcomes and impact and transparency. Completion will require input from colleagues on the MSG and there will be regular feedback on progress at future meetings and via email.
18. A timetable for the period after 1st January, highlighting the main milestones after validation preparation, will also be drafted .

6– UK EITI Renewables Strategy paper update

19. The civil society constituency and MPA colleague met on 3rd July to discuss updates and comments received from the MSG after the May meeting.
20. The proposals and updates provided for the Renewables Strategy paper were discussed in detail. The paper highlights the important role that UK EITI already plays in promoting transparency. The updates were based on changes to the original three phase strategy. The proposed updates are:
 - Phase 1 map out what is happening in the UK renewables space to ensure the comprehensive coverage of UK minerals extraction.
 - Phase 2 to develop an understanding of the interaction between minerals extraction and the energy transition.
 - Phase 3 to develop a communication strategy on minerals extraction for the Energy Transition.
21. It was agreed that for Phase 1 there was a need to understand via desk research what minerals are produced in the UK and whether they are material enough to include in-scope of UK EITI. Colleagues on the MSG from industry may be able to provide some data as part of this process.
22. It was agreed that the reconciliation subgroup would benefit from the inclusion of a CS representative to raise the possible addition of renewables within the future scope of EITI.
23. There was agreement that it would be worth discussing key issues in more detail with both the German EITI Secretariat and the EITI Secretariat in Oslo, who had both recently carried out work on renewables.

24. It was suggested that the paper could be re-named critical/transition minerals rather than renewables.

7– National Crime Agency and the extractive industries

25. The National Crime Agency formed the International Corruption Unit to investigate corruption linked with politically exposed persons (PEPs) in 2015. During this time the extractives sector has been under-reporting with just one case from the sector since the unit was established.
26. The remit of the unit is to open and carrying out investigations, recover proceeds of crime and support foreign law enforcement. It is funded by the FCDO.
27. The vast majority of work takes place in Central Africa and Southeast Asia with NCA officers in many of these countries to help if UK companies around corruption issues. The International Corruption Unit would be happy to speak to or be contacted by any UK companies in the extractive sector who have concerns about corruption.

8-AOB

28. The agenda item covering the review of the UK EITI workplan was postponed due to lack of time. The workplan will be circulated for initial comment after the meeting and it will be formally discussed by the MSG at the meeting on 19th September.
29. The next meeting will take place on Thursday 19th September 2024.

Action points:

- Circulate BDO presentation on the first draft of UK EITI Payments report. **(Action: UK EITI Secretariat).**
- HMRC and BDO to collaborate to reconcile the bigger discrepancies in the reconciliation. **(Action: BDO and HMRC).**
- MSG industry colleagues asked to consider whether they can help chase non-compliant companies. **(Action: UK EITI MSG Industry constituency).**
- UK Secretariat and BDO to consider the possible reasons why companies are not complying and delays in receiving data from government agencies. **(Action: UK Secretariat and BDO).**
- Validation timetable to be circulated to the MSG after the meeting for comment. **(Action: UK Secretariat and UK EITI MSG).**
- Post-validation preparation timetable to be drafted and circulated to MSG members. **(Action: UK EITI Secretariat)**
- UK EITI Renewables Strategy Paper to be re-circulated for further comment. **(Action: UK Secretariat and UK EITI MSG).**
- UK EITI workplan to be re-circulated to the MSG for initial comments/review. An agenda item to fully review the workplan will to be added to the 19th September MSG agenda. **(Action: UK EITI Secretariat and UK EITI MSG).**