**UK EITI Compliance subgroup meeting, Tuesday 19th November 2024**

**Attendees**

Mike Earp Leo Kellaway Helmi Ben Rhouma

Madeline Young Hedi Zaghouani Mike Nash (Chair)

**Update on actions from last meeting on 23rd October 2024**

**Requirement 2.5c (Mandatory)**

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

**Action: UK EITI Secretariat to contact TCE and CES to see if they publish BO data.** *With regard to oil and gas licences, CES play no part and hence hold/disclose no information. They do hold beneficial ownership data for their renewables options and leases but don’t publish that as a matter of course. Awaiting a response from TCE.*

**Action: UK EITI Secretariat to draft a paragraph for the UK EITI website and discuss some desk research on a small sample with BDO and Tim Vickery.** *A meeting to discuss will be arranged shortly.*

**Requirements 3.2a/3.2b/3.3a/3.3b (Mandatory)**

*ICs are required to disclose timely production data, including production volumes and values by commodity. Data must be further disaggregated by project, where available.*

*ICs are required to disclose timely export data, including export volumes and the value by commodity and by exporting company.*

**Action: UK EITI Secretariat to arrange meeting of Mining & Quarrying subgroup to discuss the data required and if it is available or are there issues of commercial confidentiality, including a possible paper.** *Meeting of M&Q subgroup to take place on Thursday 21st November.*

**Requirement 7.1c (Encouragement)**

*iv. Summarise and compare the share of each revenue stream to the total amount of revenue that accrues to each respective level of government.*

**Action: It was agreed a quick win would be to update Table 2 of the UK EITI Payments Report for 2023 with the addition of overall percentage figures by each authority and revenue stream.** *BDO have updated Table 2 of the UK EITI Payments Report for 2023 to reflect this. An updated version of the report will be published shortly.*

**Requirements 1.5b and 1.5c (Mandatory)**

*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.*

**Action: UK EITI Secretariat to upload the latest version of the UK EITI Workplan onto the UK EITI website for stakeholder consultation for a period of 4 weeks.** *UK EITI Secretariat uploaded the latest version of the UK EITI Workplan onto the UK EITI website for stakeholder consultation for a period of 4 weeks covering 1-29 November 2024.*

**Requirement 4.10a (Mandatory)**

*ICs are required to disclose government policies and practices for monitoring oil, gas and mining project costs and managing revenue loss risks. This must include the disclosure of relevant laws, regulations and policies, as well as actions undertaken to monitor costs.*

It was agreed that because the new guidance for this requirement had just been received from the EITI international Secretariat subgroup members should have a chance to consider this before commenting further.

**Action: Subgroup members to provide UK EITI Secretariat with comments on new guidance for this requirement. *Any feedback from subgroup members via email as soon as possible please.***

**Encouragements from the 2021 validation**

As well as the corrective action from the 2021 validation there were several encouragements. These were split between the following headings:

* Outcome and impact (5 encouragements)
* Stakeholder engagement (2 encouragements)
* Transparency (7 encouragements)

The subgroup looked at these to establish whether the UK were already compliant or if any have now been incorporated into the 2023 Standard.

**Outcome and Impact Encouragements**

* To strengthen implementation and the alignment of EITI objectives with national priorities, the UK is encouraged to consider ways of strengthening the UKEITI’s engagement on the energy transition debate with a view to expanding the leadership by example for other EITI implementing countries, as is planned by the MSG for 2022. The MSG may wish to consider ways to strengthen its role as a platform for public debate on domestic and international policy issues relevant to EITI.
***There is currently work being undertaken by the civil society constituency of the UK EITI MSG on a Renewables Strategy that will be circulated and discussed at the MSG meeting in November 2024.***
* To strengthen implementation, the UK may wish to consider additional capacity-building efforts, especially with civil society, to improve public understanding of UKEITI findings and encourage use of the information by citizens, the media, and others. The UK could consider opportunities to use the UKEITI to facilitate access and citizen input to existing channels of multi-stakeholder consultations on extractive governance, for example by building on their work to date in referencing ongoing public consultations on the UKEITI website.

***It was agreed that this is an issue for discussion by the UK EITI Comms and Engagement subgroup. (Action: UK Secretariat to include on future agenda for C&E subgroup).***

* To strengthen the accessibility and usability of data, the UKEITI and government are encouraged to ensure that extractive sector data used in all charts and tables published by UKEITI is systematically published in machine readable and inter-operable format, and to code or tag EITI disclosures and other data files so that the information can be compared with other publicly available data in accordance with Requirement 7.2.d.

***We don’t provide this as a matter of course. This data is provided on request via the UK EITI website. Requests are answered, where possible, within 24 hours. We receive approximately 3-4 requests per year.***

* To further strengthen the UKEITI’s accountability, the MSG is encouraged to consider innovative ways of engaging the broader constituencies in the MSG’s annual review of outcomes and impact of implementation in accordance with Requirement 7.4, building on the findings of its impact assessment in 2020.

***Madeline confirmed she would be happy to be involved in outreach. (Action: UK Secretariat to arrange meeting with C&E subgroup Chair).***

* In order to increase its impact and the efficiency of its activities, the UKEITI may wish to consider mechanisms to more closely align the findings of impact studies with annual work planning and activity planning.

***It was agreed that the use of data and results of the impact studies could inform both work planning and the Comms strategy. There is already peer learning and best practice sharing with other implementing countries, particularly European counterparts. Also use the findings of the EITI evaluation from 2022.***

**Stakeholder Engagement**

* To further strengthen civil society engagement, the civil society constituency is encouraged to continue outreach efforts toward civil society representatives from local communities hosting extractive industries and to sustain efforts to further broaden the constituency. The constituency is encouraged to consider what new areas of UKEITI focus, such as the energy transition and prospects for strategic minerals, could help engage a broader segment of civil society in EITI implementation.

***The civil society constituency is better represented since the 2021 validation. There is still work to be done to engage local communities. The Renewables Strategy could be key to*** ***reaching a broader range of civil society organisations. Possibly speak to EITI International Secretariat colleagues about examples of best practice across implementing countries.***

* To strengthen implementation and the multi-stakeholder oversight of EITI implementation, all constituencies on the MSG are encouraged to continue efforts to ensure that all MSG seats are filled by members that are proactively engaged in all aspects of EITI implementation. As the MSG continues its strategic discussions about the future focus of UKEITI on emerging areas of implementation, such as oil and gas infrastructure decommissioning, prospects for strategic minerals and other areas such as the energy transition, it may wish to reconsider the structure of constituencies’ representation on the MSG to ensure that all appropriate stakeholders are represented on the MSG to make a meaningful contribution on these areas. All constituencies on the MSG, including government, are encouraged to consider proactive ways of fulfilling the national UKEITI objective of contributing to international efforts to further transparent and accessible disclosure systems, including in collaboration and peer exchanges on emerging issues of focus for UKEITI including environmental aspects of the extractive industries, the energy transition and beneficial ownership transparency.

***The MSG are well represented across each constituency, but efforts are currently in place for nominations to fill the current vacant posts across each constituency.***

**Transparency**

* To strengthen environmental aspects of EITI implementation, the UK may wish to consider using its EITI disclosures to cover the rules and practices of environmental management and monitoring of extractive investments in accordance with Requirement 6.4.a. The UK could also consider disclosures on regular environmental monitoring procedures, administrative and sanctioning processes, as well as environmental liabilities, environmental rehabilitation and remediation programmes in accordance with Requirement 6.4.b.

***A survey is currently taking place with in-scope companies from 2023 asking companies about the various environmental or social payments that they make. The paper and discussion at the UK EITI MSG meeting in November should satisfy this encouragement.***

* To strengthen implementation, the UK is encouraged to ensure public disclosure of information on awards and transfers of licenses on an annual basis, for all types of extractive licenses awarded by each of the 11 licensing authorities. This information should include the technical and financial criteria assessed, as well as clarity on license transfer rules and practices.

***For the UK EITI Contract and Licence Transparency subgroup to consider.***

* To strengthen implementation, the UK is encouraged to ensure that information on active licenses in the mining, oil and gas sectors is comprehensively disclosed, at the least for licenses held by material companies include in the scope of UKEITI reporting. This information should include license coordinates, dates of application, award and expiry, and commodity(ies) covered.

***For the UK EITI Contract and Licence Transparency subgroup to consider.***

* 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.

***To be covered by the due diligence paper and discussion at the November 2024 MSG.***

* To strengthen implementation, the UK may wish to publish clarifications of whether there are any instances of multiple extractive agreements that are substantially interconnected and considered to form a single project for the purposes of levying any revenue streams imposed at a project-level in the UK.

***It was agreed that clarification from the EITI international Secretariat was required. (Action: UK EITI Secretariat to ask EITI International for further guidance on this encouragement).***

* To strengthen implementation, the UK may wish to consider strengthening disclosures in the framework of Requirement 5.3 to address issues of public concern highlighted in the UKEITI’s 2020 impact study, such as the energy transition and intergenerational equity.

***It was agreed to look at the impact study recommendations around intergenerational equity.***

* To strengthen implementation, the UK may wish to reconsider its approach to materiality and expand the scope of UKEITI disclosures of financial data to include indirect taxes related to the environment such as the Aggregates Levy, disclosing the requisite information listed under Requirement 6.1.b. In order for Requirement 6.1 to be considered exceeded, the UK would have to ensure comprehensive and reliable disclosures of voluntary social expenditures and environmental payments to government, while ensuring that disclosures of information mandated under Requirement 6.1 was systematically disclosed through government and company systems.

***This is expected to be covered at the UK EITI MSG meeting in November 2024 by the environmental and social payments paper and discussions. There have already been several discussions around the inclusion of the Aggregates Levy in EITI reporting. There are a huge number of companies who could be in scope, which make this unfeasible. However, the annual report does include total payments of the Aggregates Levy each year.***

**AOB**

* The next meeting will take place on Wednesday 11th December 2024.