**UK EITI Contract and Licence Transparency subgroup meeting, Tuesday 12th November 2024 via Microsoft Teams**

**Attendees:**

Mike Earp (NSTA) Johann MacDougall (Scottish Government)

Andy Riley (CES) Mark Wilson (DENI)

Mark Wrigley (TCE) Hedi Zaghouani (BDO)

Mike Nash (DESNZ, UK EITI Secretariat, Chair)

**Update on actions from the September 2024 meeting:**

* Coal Authority and TCE still need to provide updated text for the legal barriers paper and TCE to provide redaction example, if possible. **(Action: TCE and CA to provide text for legal barriers paper and TCE to provide redaction).**
* It was reiterated that even if the MSG agree there are legitimate barriers, there would still be expectations of a plan to try to address these issues to be fully compliant with Requirement 2.4 and the subgroup would need to consider options. One of the main reasons the USA ceased implementing EITI was due to legal reasons around disclosure ([see link](https://eiti.org/news/eiti-chair-statement-united-states-withdrawal-eiti)).

**New guidance for requirement 2.4**

New guidance has been provided by the EITI International Secretariat for requirement 2.4. This includes:

* An updated [guidance note](https://eur02.safelinks.protection.outlook.com/?url=https%3A%2F%2Feiti.org%2Fguidance-notes%2Fcontracts-and-licenses&data=05%7C02%7CMichael.Nash%40energysecurity.gov.uk%7Ce1f1470afa304e07a6a408dcffd9229c%7Ccbac700502c143ebb497e6492d1b2dd8%7C0%7C0%7C638666555285838697%7CUnknown%7CTWFpbGZsb3d8eyJFbXB0eU1hcGkiOnRydWUsIlYiOiIwLjAuMDAwMCIsIlAiOiJXaW4zMiIsIkFOIjoiTWFpbCIsIldUIjoyfQ%3D%3D%7C0%7C%7C%7C&sdata=qAS%2BGUNsxUBzyc58bzxGCNJr4nBVNjNoBCIddJQB7JY%3D&reserved=0) on Requirement 2.4 is now aligned with the 2023 EITI Standard, with several new annexes.
* **Policy brief:** A new [brief on petroleum contracts](https://eur02.safelinks.protection.outlook.com/?url=https%3A%2F%2Feiti.org%2Fdocuments%2Fbeyond-fine-print&data=05%7C02%7CMichael.Nash%40energysecurity.gov.uk%7Ce1f1470afa304e07a6a408dcffd9229c%7Ccbac700502c143ebb497e6492d1b2dd8%7C0%7C0%7C638666555285856503%7CUnknown%7CTWFpbGZsb3d8eyJFbXB0eU1hcGkiOnRydWUsIlYiOiIwLjAuMDAwMCIsIlAiOiJXaW4zMiIsIkFOIjoiTWFpbCIsIldUIjoyfQ%3D%3D%7C0%7C%7C%7C&sdata=V%2B8I3br%2FkYzPJ2ktK33TOkFAbmVJIj%2F5f89xNOGaOqM%3D&reserved=0) outlines nine key provisions that can help mitigate risks and seize opportunities in the #energytransition. Check out the accompanying [promotional video](https://eur02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fyoutu.be%2FOya-l-NTYVo%3Ffeature%3Dshared&data=05%7C02%7CMichael.Nash%40energysecurity.gov.uk%7Ce1f1470afa304e07a6a408dcffd9229c%7Ccbac700502c143ebb497e6492d1b2dd8%7C0%7C0%7C638666555285870032%7CUnknown%7CTWFpbGZsb3d8eyJFbXB0eU1hcGkiOnRydWUsIlYiOiIwLjAuMDAwMCIsIlAiOiJXaW4zMiIsIkFOIjoiTWFpbCIsIldUIjoyfQ%3D%3D%7C0%7C%7C%7C&sdata=dsJGvWjwLD9fjm22z8SzS%2BF5VazX7GuABlg2x9SjFRM%3D&reserved=0)
* **Blog:** A [blog](https://eur02.safelinks.protection.outlook.com/?url=https%3A%2F%2Feiti.org%2Fblog-post%2Funlocking-progress-global-steps-toward-contract-transparency&data=05%7C02%7CMichael.Nash%40energysecurity.gov.uk%7Ce1f1470afa304e07a6a408dcffd9229c%7Ccbac700502c143ebb497e6492d1b2dd8%7C0%7C0%7C638666555285882250%7CUnknown%7CTWFpbGZsb3d8eyJFbXB0eU1hcGkiOnRydWUsIlYiOiIwLjAuMDAwMCIsIlAiOiJXaW4zMiIsIkFOIjoiTWFpbCIsIldUIjoyfQ%3D%3D%7C0%7C%7C%7C&sdata=Pf9MkV1sw6gd4LFM%2FwYX%2BxNA4Fhn7NOsv78TR6dfLzY%3D&reserved=0) highlighting key findings from the recent contract transparency stocktake.
* **Tracker:** The new[contract transparency tracker](https://eur02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fapp.powerbi.com%2Fview%3Fr%3DeyJrIjoiNTU2MTM3MDYtODE3Ny00ODc2LWJjMWYtYjEyNjA2MWU2M2JhIiwidCI6ImQwNDBmNjc3LTIxOTgtNGZkNC05YjIzLWJlYTQzNTJhNGRlMyIsImMiOjh9&data=05%7C02%7CMichael.Nash%40energysecurity.gov.uk%7Ce1f1470afa304e07a6a408dcffd9229c%7Ccbac700502c143ebb497e6492d1b2dd8%7C0%7C0%7C638666555285894365%7CUnknown%7CTWFpbGZsb3d8eyJFbXB0eU1hcGkiOnRydWUsIlYiOiIwLjAuMDAwMCIsIlAiOiJXaW4zMiIsIkFOIjoiTWFpbCIsIldUIjoyfQ%3D%3D%7C0%7C%7C%7C&sdata=lIHUt3%2FqLT5yn%2FzPT9z1a%2Bsk47FO3ZT6bc57DipG034%3D&reserved=0) is a dynamic, interactive tool for stakeholders to monitor progress on the EITI’s contract transparency requirements. It’s also available on our [contracts webpage](https://eur02.safelinks.protection.outlook.com/?url=https%3A%2F%2Feiti.org%2Fcontract-transparency&data=05%7C02%7CMichael.Nash%40energysecurity.gov.uk%7Ce1f1470afa304e07a6a408dcffd9229c%7Ccbac700502c143ebb497e6492d1b2dd8%7C0%7C0%7C638666555285906152%7CUnknown%7CTWFpbGZsb3d8eyJFbXB0eU1hcGkiOnRydWUsIlYiOiIwLjAuMDAwMCIsIlAiOiJXaW4zMiIsIkFOIjoiTWFpbCIsIldUIjoyfQ%3D%3D%7C0%7C%7C%7C&sdata=vUqxq0j2VHBJWVrH%2F0bC%2B8M0khowZIx%2BfjFg0%2FuBUMg%3D&reserved=0).

**(Action: The UK Secretariat and BDO to have a closer look at the guidance to look at the implications for the UK and validation going forward and report back to the subgroup).**

**Refined encouragements from the 2023 EITI Standard**

The following *refined* encouragements to the EITI Standard were discussed:

* **2.2d** The MSG is encouraged to include additional information on the allocation of licenses as part of EITI disclosures. This could include commentary on the efficiency and effectiveness of licensing procedures; a description of procedures, actual practices and grounds for renewing, suspending or revoking a contract or license; *and information regarding changes in majority ownership of license holding companies.*
* **2.4a** Implementing Countries are encouraged to publicly disclose any contracts and licenses that provide the terms attached to the exploitation of oil, gas and minerals, *as well as material exploration contracts.*

For both refinements it was agreed that more guidance was required from the EITI International Secretariat.

* For 2.2d – This data is not available for oil and gas. Who would provide the commentary on efficiency and effectiveness? This would be very subjective. Is the request for beneficial ownership (BO) data to re-endorse the request for disclosure of this data in other areas of the EITI Standard? CES track and have an interest in BO data and could draft something at a high level to describe their approach.
* For 2.4a-the language for this encouragement is unhelpful. Does the refinement in this encouragement refer to just contracts or should it be licences as well? The original encouragement refers to both contracts and licences.

**(Action: UK Secretariat to contact EITI International Secretariat for guidance on 2.2d and 2.4a).**

**Updates from organisations**

In Northern Ireland a Judicial Review has stated that the redaction of data on full licence application forms is unlawful. **(Action: Mark Wilson to update the legal barriers paper).**

**AOB**

If possible, agreement on the legal barriers paper will be completed via email before being tabled at the MSG meeting on 15th January 2025.

The next subgroup meeting will take place on 11th February 2025.