

What has been the impact of EITI implementation in the UK 2013-2020?

Introduction

On 22 May 2013 the former UK Prime Minister, David Cameron, announced that the UK would implement EITI. In July 2013, a Multi-Stakeholder Group was formed, with the first meeting taking place 9 October 2013. The UK became a candidate country on 15 October 2014 and published its first report on 15 April 2016.

The UK began its first validation against the 2016 EITI Standard on 1 July 2018 and, on 14 November 2019 it was announced that the UK had made “meaningful progress” in implementing the 2016 EITI standard. As part of this the UK was given a number of corrective actions in order to achieve “satisfactory progress” in our next validation. One of these corrective actions was as follows:

In accordance with Requirement 7.4, the MSG, with the full, active and effective engagement of civil society, should review the impact of the first five years of EITI implementation and explore the opportunities to further leverage the EITI platform to enrich public debate on the governance and stewardship of the UK's oil, gas and mineral resources.

In response to this, at the MSG meeting 18 March 2020 the MSG agreed to commission the UK Secretariat to draft a paper that answered the following questions:

1. What has UK EITI done to achieve its objectives 2013-2020?
2. What has been the impact of EITI implementation in the UK on natural resource governance?
3. How could the UK further leverage the EITI platform to enrich public debate on the governance and stewardship of the UK's oil, gas and mineral resources?

The MSG were asked to input on the Secretariat's initial draft and invite comment from their wider constituencies. These comments have been taken into account in this paper.

What has UK EITI done to achieve its objectives 2013-2020?

UK objectives

When UK EITI was first established the MSG set the following objectives:

1. Recognise and support the principles set out in the 2013 EITI Standard.
2. Enhance accountability to the UK public on the revenues from the UK's extractive industries.
3. Increase public understanding of the social and economic impacts of the UK's extractive industries and enrich public debate on the governance and stewardship of the UK's oil, gas and mineral resources.
4. Ensure information is readily accessible and presented to the public in a clear manner.
5. Support moves towards common global reporting standards in oil, gas and mining and promote a level playing field for business in the UK and internationally.
6. Support the UK government's championing of extractives transparency and open government.

Progress against these objectives has been mapped in UK EITI's Annual Progress Reports. As the scope and priorities of EITI implementation have changed, the MSG has reviewed and updated these objectives. The following revised objectives were agreed at MSG 18 March 2020; these reflect the changing nature of the EITI Standard and the latest priorities of the MSG. These new objectives were incorporated into the UK EITI workplan from 2020 onwards, with specific activities identified to progress each area.

1. Uphold the principles set out in the 2019 EITI Standard and implement them in a way suitable for the UK context.

2. Promote transparent and accessible disclosure systems and good governance in the extractives sector. Enhance accountability on revenues from the UK's extractives industries.
3. Increase public understanding of the social and economic impacts of the UK's extractive industries and enrich public debate on the governance and stewardship of the UK's oil, gas and mineral resources.
4. Contribute to international efforts to further transparent and accessible disclosure systems, common global reporting standards and good governance in the extractives sector.

Outcomes of EITI implementation in the UK

Progress against these objectives and the outcomes of EITI implementation in the UK are detailed in our annual workplans and progress reports, as seen on the [UK EITI website](#). The UK Secretariat has highlighted some key achievements below:

- The MSG has enjoyed good engagement from the three constituencies and operated effectively for the vast majority of its existence. It has met regularly and provided valuable and diverse oversight of EITI implementation in the UK.
- The MSG is supported by subgroups that oversee different elements of EITI implementation and make recommendations for discussion and agreement at MSG meetings. This has proved an effective and efficient model.
- The UK's first EITI report was published in 2016 and annual reports have been published ever since. Recently the focus has turned towards the timely publication of data, with systematic disclosure where possible. The new EITI website, which went live in May 2020, will be a key tool in the move towards systematic disclosure going forward.
- UK EITI has had a range of EITI Champions, these have been Ministers at the Department for Business, Energy and Industrial Strategy or its predecessors. The Champions have provided the political backing necessary to support EITI implementation.
- A range of outreach activities have taken place, as detailed later in this report.

What has been the impact of EITI implementation in the UK on natural resource governance?

Collating existing data

UK already benefits from a high level of extractives transparency and many of the disclosures required by EITI are already systematically disclosed. However, as outlined in our Mainstreaming Feasibility Study, this data is often spread across a range of sources so there is no one place for individuals to go to find out more about the UK extractive industries. UK EITI provides a key role in collating the data available into a more accessible format, and signposting additional data sources, so that the public have the tools available to hold the extractive sector to account.

Prior to the launch of the new UK EITI website (www.ukeiti.org) on 25th May 2020, data had been published in annual reports on Gov.uk. However, the sectoral information collated by UK EITI is now an integral part of the new website and is updated on a regular basis as new data becomes available, rather than once annually, which represents a move towards increased systematic disclosure. Four months since the launch of the new website, the UK EITI website has received a total of 2949 views, of which 921 (approximately 31%) were on our reporting or sectoral information pages¹, which demonstrates significant interest in the data collated and published by UK EITI.

¹ Data from Google Analytics, sourced 19th November 2020 and covering the period 29th May 2020- 18th November 2020.

Collecting and publishing new data

Some of the data published by UK EITI is not systematically available. Although extractives companies are required to disclose the revenues that they pay to government (under the Reports on Payments to Governments Regulations 2014), government does not systematically disclose the amounts it receives from industry due to tax confidentiality. The waiver system in the reconciliation process overcomes the challenges of tax confidentiality and the annual reconciliation process means that this data is collected, verified and published, so that a single, reliable set of figures is available.

Contributing to public debate

UK EITI has contributed to public debate by ensuring that key data on the UK extractives sector is readily available to the general public, as well as through proactive outreach. The new UK EITI website has further enhanced the accessibility and timeliness of the data available and provides an interactive online presence for UK EITI, which has been well received by stakeholders. The News & Events section of the website allows the MSG to highlight any recent developments in the sector and in EITI implementation.

The Extractive Industries Transparency Initiative was mentioned 48 times in the UK Parliament 2013-2020², with UK EITI data being used by Parliamentarians and others to hold the Government to account on key policy decisions.

MSG members and the UK Secretariat have raised awareness of UK EITI by organising and participating in events, written communications and social media outreach. These have included:

- Presentation by National Coordinator to students at Aberdeen (March 2015) and Durham (June 2015) Universities.
- Launch of 2015 report in Aberdeen with UK EITI Champion and Scottish Government minister (March 2017).
- Speaking slot at the Mineral Products Association (MPA) annual conference (June 2019).
- Participation at EITI Global conferences and Board meetings in Burma (October 2014), Lima (February 2016), Dakar (November 2018), Paris (June 2019) and Oslo (February 2020).
- Regular virtual meetings with EITI Secretariat colleagues based in Germany and the Netherlands (ongoing).
- Presentation on UK EITI to Armenian Secretariat and members of their MSG (September 2019).
- Article on UK EITI in Autumn 2019 edition of OGUK magazine: [Wireline](#).
- [PWYP UK blog](#) welcoming the publication of the UK EITI report covering 2018 payments data (January 2020).
- UK EITI CSN's virtual meeting in 2020 with civil society colleagues based in Germany and the Netherlands (June 2020).
- [Statement](#) in support of UK EITI and [Tweet](#) by new EITI Champion, Lord Callanan, Minister for Climate Change and Corporate Responsibility (July 2020).
- Presentation on UK experience of mainstreaming for webinar hosted by the Colombian EITI Secretariat (September 2020).
- Speaking slot at the ABC Minds Energy and Extractives Virtual Conference (September 2020).

Support to Global EITI Implementation

UK implementation of EITI has supported the UK Government's ambition to promote global EITI and improve transparency and accountability in extractives industries. Through MSG's outreach activities, UK attendance

² Data from Hansard UK Parliament, sourced 24th November 2020. <https://hansard.parliament.uk/>

at the EITI Board meetings and UK engagement with other implementing and candidate countries, the UK has encouraged others to follow the UK's example and share best practice.

Although difficult to quantify, we understand that the UK model has inspired and informed implementation elsewhere. Examples of this include Germany and the Netherlands, who have previously attended UK MSG meetings and used UK reporting systems to inform their own decisions on EITI implementation. The UK Secretariat holds regular calls with the Dutch and German Secretariats, which allow for a helpful exchange of ideas on reporting, the workings of MSG, mainstreaming and communications, amongst other topics.

The EITI network has provided opportunities for the UK to share expertise on natural resource governance, EITI implementation and wider topics of corporate transparency, with the UK EITI Secretariat providing an initial point of contact for officials from implementing countries' governments.

The UK has led the way in various aspects of EITI implementation. It was an earlier implementer of project-level reporting, both through EITI reporting and through the Payments to Governments Regulations. We have also led the way on open data: we published an [Open Data Policy](#) in 2017 and provide our payment data in CSV format as part of this commitment.

The UK has played a particularly important role on beneficial ownership. As an early implementer of a public beneficial ownership register, we have often spoken at EITI global and regional events at the request of the EITI International Secretariat. Following these we have been directly contacted by and have provided technical assistance to several EITI countries, for example Armenia and Indonesia. Outside the EITI context, we have supported requests from many more countries on every continent in drawing up legislation and implementing beneficial ownership registers. We are also exploring ways of being able to offer and deliver such assistance more formally, at present such requests can only be accommodated on an ad hoc basis.

The UK MSG will continue to explore opportunities to engage others, share knowledge and learn lessons from EITI implementation and its challenges.

How could the UK further leverage the EITI platform to enrich public debate on the governance and stewardship of the UK's oil, gas and mineral resources?

Focus UK EITI attention on the most relevant issues to the sector

The UK EITI (publications and MSG discussions) could be put to greater use to discuss broader issues affecting the extractive industries that are currently beyond the scope of the EITI Standard, for example the functioning of the Payments to Government Regulations, the energy transition, intergenerational equity and wider issues of corporate transparency.

The UK EITI MSG is a well-functioning forum that brings together government, industry and civil society for productive discussions but to date discussions have focused on the mechanics of EITI reporting, which does not always reflect the most pertinent issues to the UK extractive industries. Currently MSG capacity means that it would be challenging to move MSG attention away from meeting the EITI Standard alone but there may be more capacity once we have achieved "satisfactory progress", particularly if we are able to move to more systematic disclosure.

Provide more accessible, timely data

The new UK EITI website is an important tool to enrich public debate. It collates data from a range of sources and displays it in a more accessible and interactive way than EITI reports. The website also features news and events page, which allows UK EITI to create news items to highlight any developments in the extractives space

and of course to publicise any events. The new website helps to ensure that data is up to date, the Secretariat can update data themselves and certain pages are updated as soon as new data becomes available, rather than on an annual basis. UK EITI is also taking steps towards greater systematic disclosure of data, using the new website to signpost existing resources. The Mainstreaming Subgroup is leading the MSG's efforts in systematic disclosure and is considering new ways to provide timely data, including alternative approaches to the annual reconciliation process.

Outreach

As outlined above, UK EITI already seeks to actively raise awareness of EITI as an initiative and to inform public debate around the UK extractives sector; however, there is always more we could do. UK EITI could play more of a role in informing the UK public about the wider contribution of the extractive industries to the UK's economic activity, the impact of the industries on our daily lives and the current challenges for the industry (e.g. sustainability). This can be done through a range of mediums, as set out in our communications strategy, including through outreach events, use of the new EITI website's 'News & Events' page, blogs and articles. UK EITI could also do more to share examples of best practice across the wider implementing country constituency, building on the existing partnership with Germany and Netherlands EITI.