



UNIVERSITY OF
TORONTO

MUNK
SCHOOL
OF
GLOBAL
AFFAIRS

Join the Global Conversation

The
G8 Research Group
at the Munk School of Global Affairs at Trinity College in the University of Toronto
presents the

2013 Lough Erne G8 Summit Interim Compliance Report

18 June 2013 to 13 January 2014

Prepared by
Enko Koceku, Laura Correa Ochoa, Guillaume Kishibe and Sarah Danruo Wang,
with Caroline Bracht

G8 Research Group, University of Toronto,
and

Mark Rakhmangulov, Andrey Shelepov and Vitaly Nagornov
National Research University Higher School of Economics International
Organisations Research Institute (Moscow)

25 April 2014

www.g8.utoronto.ca • www.g8live.org
g8@utoronto.ca

9. Transparency: Extractive Industries [97]

Commitment:

“The G8 will take action to raise global standards for extractives transparency and make progress towards common global reporting standards, both for countries with significant domestic extractive industries and the home countries of large multinational extractives corporations.”

2013 Lough Erne Declaration

Assessment:

Country	Lack of Compliance	Work in Progress	Full Compliance
Canada			+1
France		0	
Germany		0	
Italy			+1
Japan		0	
Russia	-1		
United Kingdom			+1
United States			+1
European Union			+1
Average Score		+0.44	

Background:

In the wake of the International Financial Crisis, leaders at the 2009 L’Aquila Summit reaffirmed their belief that enhanced transparency is in the best interest of both energy producers and consumers, and will reduce excessive volatility in the energy market.⁵⁴⁸ The G8 announced its continued support of the Joint Oil Data Initiative (JODI), which is managed by the International Energy Forum (IEF), and called on all countries to cooperate in improving quality, completeness, and timeliness of data. Leaders also called on the IEF to examine the possibility of extending JODI-type initiatives to the natural gas sector.

Moreover, they commended the progress made by the Extractive Industries Transparency Initiative (EITI) and recommended that more countries and companies participate in this particular initiative. Member states believe that greater transparency will result in increased public revenue and reduced corruption, conflict, and violence fuelled by resource revenues.⁵⁴⁹

At the 2012 Camp David Summit, transparency of gas markets was a distinct commitment feature.⁵⁵⁰ The commitment focused on improving dialogue between gas producing and consuming countries, while also taking steps to develop gas data systems, similar to the aforementioned JODI.

⁵⁴⁸ Responsible Leadership for a Sustainable Future, G8 Information Centre (Toronto), 8 July 2009. Date of Access: 1 December 2013. <http://www.g8.utoronto.ca/summit/2009laquila/2009-declaration.html#energy>.

⁵⁴⁹ Responsible Leadership for a Sustainable Future, G8 Information Centre (Toronto), 8 July 2009. Date of Access: 1 December 2013. <http://www.g8.utoronto.ca/summit/2009laquila/2009-declaration.html#energy>.

⁵⁵⁰ 2012 Camp David G8 Summit Final Compliance Report, G8 Information Centre (Toronto), 14 June 2013. Date of Access: 1 December 2013. <http://www.g8.utoronto.ca/evaluations/2012compliance/index.html>.

Commitment Features:

This commitment is part of a broader G8 initiative to respond to transparency issues and concerns. Members believe that resource extraction can be a key driver of strong and sustainable growth, particularly in developing countries with significant oil, gas, and mineral reserves. However, the lack of transparency and accountability in the management of the extractive sector in some resource-rich countries has allowed revenues to be diverted from high-priority national needs. Raising global standards of transparency in the extractive sector and building the capacity of countries to manage their resources effectively will improve accountability, reduce the space for corruption and other illicit activities, and ensure that citizens benefit fully from the extraction of natural resources.

Raising domestic standards for extractive transparency may involve companies reporting on extractives payments and governments ensuring disclosure compliance. Governments who wish to move toward global reporting standards such as the Extractive Industry Transparency Initiative (EITI) would voluntarily report their revenues as part of this program. The EITI formally announced the EITI Standard, which is an international standard that ensures transparency around countries’ oil, gas, and mineral resources, in May 2013.⁵⁵¹

On one level, the commitment focuses on (1) improving standards for extractive transparency; and on a second level (2) making progress towards improving global reporting standards, for states that have high-level extractive industries or are the home for multinational extractive companies.

Scoring Guidelines:

-1	Member does not improve standards for extractive transparency AND does not make progress towards global reporting standards.
0	Member takes concrete steps to improve standards for extractive transparency OR makes progress towards improving global reporting standards.
+1	Member improves global standards for extractive transparency AND makes progress towards improving global standards.

Lead Analyst: David Cosolo

Canada: +1

Canada has fully complied with its commitment to energy transparency. Canada has been awarded a score of +1 for helping to improve both Canadian and global standards for extractive transparency along with having made progress towards improving global reporting standards. Canada has also cooperated fully with the work of the Extractive Industry Transparency Initiative (EITI) and has complied with its regulations and suggestions.

Canada is not a member of EITI, although it actively supports the work of the EITI. Canada aids member nations of EITI in resource management and provides technical assistance. Canada also contributed CAD 750,000 to the EITI Multi-Donor Trust Fund in initial support, along with CAD

⁵⁵¹ The EITI Standard, Extractive Industry Transparency Initiative (Oslo), 11 July 2013. Date of Access: 9 December 2013. http://eiti.org/files/English_EITI%20STANDARD_11July_0.pdf.

200,000 annually from 2008 to 2011.⁵⁵² Canada's formal contribution and participation in the EITI occurs through both the federal government and domestic energy companies.⁵⁵³

In June 2013, before the start of the Lough Erne Summit, Prime Minister Stephen Harper announced that Canada would establish new "mandatory reporting standards for Canadian extractive companies with a view to enhancing transparency on the payments they make to governments."⁵⁵⁴ The new reporting standards will aim to improve transparency, ensure Canada's framework is consistent with international standards, ensure a "level playing field" for companies operating both domestically and abroad, and reinforce the integrity of Canadian extractive companies.⁵⁵⁵ Harper also announced that over the coming months, the federal government will consult with provincial and territorial governments, First Nations groups, industry, and civil society organizations in order to "establish the most effective regime."⁵⁵⁶

Thus, Canada has been awarded a score of +1 for complying with the G8 commitment. Canada continues to work towards greater domestic and global transparency and strives to aid the work of the EITI.

Analyst: George L. Grobe IV

France: 0

France has failed to comply with its commitment to raise standards for extractive transparency and make progress towards common global reporting standards.

At Lough Erne, France declared that it would seek candidacy status for the Extractive Industries Transparency Initiative (EITI) by 2014.⁵⁵⁷

On 5-6 September 2013, French President François Hollande attended the G20 summit in Saint Petersburg, Russia. In the G20 Leaders' Declaration, France reaffirmed its support for "initiatives aimed at increasing extractive transparency, including voluntary participation in the Extractives Industries Transparency Initiative."⁵⁵⁸

⁵⁵² The EITI: Improving governance and Transparency, EITI (Oslo) DATE. Date of Access: 21 December 2013. http://eiti.org/files/page/canada_eiti_brochure.pdf.

⁵⁵³ The EITI: Improving governance and Transparency, EITI (Oslo) DATE. Date of Access: 21 December 2013. http://eiti.org/files/page/canada_eiti_brochure.pdf.

⁵⁵⁴ Transparency and Accountability in the Canadian Extractive Sector, Prime Minister of Canada (London) 12 June 2013. Date of Access: 30 December 2013. <http://pm.gc.ca/eng/news/2013/06/12/transparency-and-accountability-canadian-extractive-sector>.

⁵⁵⁵ Transparency and Accountability in the Canadian Extractive Sector, Prime Minister of Canada (London) 12 June 2013. Date of Access: 30 December 2013. <http://pm.gc.ca/eng/news/2013/06/12/transparency-and-accountability-canadian-extractive-sector>.

⁵⁵⁶ Canada Commits to Enhancing Transparency in the Extractive Sector, Prime Minister of Canada (London) 12 June 2013. Date of Access: 30 December 2013. <http://pm.gc.ca/eng/news/2013/06/12/canada-commits-enhancing-transparency-extractive-sector>.

⁵⁵⁷ G8 Lough Erne Leaders Communique, G8 Information Centre (Toronto) 18 June 2013. Date of Access: 13 December 2013. <http://www.g8.utoronto.ca/summit/2013lougherne/lough-erne-communicue.html#extractives>

⁵⁵⁸ G20 Leaders' Declaration, G20 Information Centre (Toronto) 6 September 2013. Date of Access: 16 December 2013. <http://www.g20.utoronto.ca/2013/2013-0906-declaration.html#corruption>

On 6-7 December 2013, a French delegation participated in the Elysée Summit for Peace and Security in Africa. In the Final Declaration, France reiterated its support for the EITI.⁵⁵⁹

However, France has not implemented any requirements that domestic companies report their extractives payments to the French government and no regulations have been issued requiring disclosure of government revenues from extractives payments.

As well, France has not fulfilled the requirements to become an EITI candidate.⁵⁶⁰ It has not appointed an individual to lead on the implementation of the EITI standard and has not established a multi-stakeholder group to oversee implementation.

Thus, France has been awarded a score of -1 for its failure to improve standards for extractives transparency and make progress towards improving global reporting standards.

Analyst: Malcolm Peck-McQueen

Germany: 0

Germany has partially complied with its commitment to increase transparency within extractive industries.

Following the Lough Erne Summit, Germany agreed to test Extractive Industries Transparency Initiative (EITI) implementation through pilot projects, in the hope of becoming a future EITI candidate.⁵⁶¹

On 18 June 2013, Germany hosted the Eschborn dialogue, which addressed the use of raw materials, resources, and growth.⁵⁶² The issue of natural resource transparency was discussed, particularly in developing countries. Some of the possible solutions that were discussed included adhering to the principles of the EITI, and enacting domestic and foreign transparency regulations.⁵⁶³

Germany supports the EITI both politically and financially. The country is currently a member of the EITI International Advisory Group, and the Ministry for Economic Cooperation and

⁵⁵⁹ Déclaration finale, Sommet de L'Elysée pour la Paix et la Sécurité en Afrique (Paris) 7 December 2013. Date of Access: 13 December 2013. <http://sommenet-afrique.elysee.fr/sommenet-de-l-elysee-pour-la-paix-et-la-securite-en-afrique-declaration-finale/>

⁵⁶⁰ The EITI Requirements, Extractive Industries Transparency Initiative (Oslo) 22 May 2013. Date of Access: 13 December 2013. <http://eiti.org/eiti/requirements>

⁵⁶¹ Italy to Implement, Germany to Pilot the EITI, Extractive Industries Transparency Initiative (Oslo) 18 June 2013. Date of Access: 16 December 2013. <http://eiti.org/news/italy-implement-germany-pilot-eiti>

⁵⁶² 2013 Eschborn Dialogue Thematic Forum — The Competition for Soil: Are We Losing Ground, Secretariat of the Global Donor Platform for Rural Development (Bonn) 18 June 2013. Date of Access: 20 December 2013. <http://www.donorplatform.org/calendar/icalrepeat.detail/2013/06/18/807/27%7C68%7C70%7C67%7C72%7C71%7C135%7C136%7C137%7C138%7C80/eschborn-dialogue-2013-thematic-forum-the-competition-for-soil-are-we-losing-ground.html>

⁵⁶³ Eschborn Dialogue 2013, Raw Materials and Resources: Growth, Values, Competition, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH (Eschborn). Date of Access: 18 December 2013. <http://www.giz.de/en/aboutgiz/10892.html>

Development continues to make both bilateral and multilateral payments to the Multi-Donor Trust Fund.⁵⁶⁴

As part of the European Union's Accounting Directive, Germany is expected to formulate payment disclosure legislation for extractive companies by July 2015.⁵⁶⁵ Germany is also committed to fast-tracking this legislation.

Germany also sustains an ongoing relationship with member states of the Economic and Monetary Community of Central Africa (CEMAC), in their efforts to partake in the Extractive Industry Transparency Initiative. Beginning in 2007, Germany has provided advice to member states (Cameroon, Central African Republic, Chad, Equatorial Guinea, Gabon, and the Republic of Congo) on the governance of extractive resources as well as on the technical/cooperative facets of extraction. Germany, through the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), commissioned by the German Federal Ministry for Economic Cooperation and Development, currently assists CEMAC states in implementing the EITI, as well as providing advice on more efficient allocation of public revenues from the extractive sector, in order to support the reduction of poverty while promoting economic growth. This partnership is expected to carry through to 2017.⁵⁶⁶

The German Federal Ministry for Economic Cooperation and Development (BMZ) has also commissioned an initiative targeted at improving the governance of natural resources in Mozambique.⁵⁶⁷ This is expected to last three years, to 2016. The primary aim is to promote growth and reduce poverty through the proper utilization of resource funds. The project hopes to improve the management and handling of policies and strategies, as well as to regulate the social and economic consequences of mining in Mozambique. In accordance with the objectives of the EITI, the core of Germany's work is also centred on "increasing transparency and compliance with accountability obligations." Transparency has thus improved Mozambique's governance of natural resources and its extractive sector.⁵⁶⁸

Germany continuously provides aid to many countries in the process of, or considering implementing the EITI. However, Germany is in partial compliance because they have not yet implemented direct measures necessary for improved transparency. Its efforts focus primarily on pilot projects aimed at implementing EITI standards necessary for achieving EITI candidacy.

Analyst: Kertia Johnson

⁵⁶⁴ The German Contribution to the EITI, Federal Ministry for Economic Cooperation and Development (Bonn). Date of Access: 17 December 2013.

http://www.bmz.de/en/what_we_do/issues/goodgovernance/EITI/deutscherbeitrag/index.html

⁵⁶⁵ UK Lead on Oil and Mining Transparency Law Sends Strong Signal to US, Global Witness UK Edition (London) 31 October 2013. Date of Access: 19 December 2013. <http://www.globalwitness.org/library/uk-lead-oil-and-mining-transparency-law-sends-strong-signal-us>

⁵⁶⁶ Strengthening Governance in Central Africa's Extractive Sector, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH (Eschborn) DATE. Date of Access: 16 December 2013.

<http://www.giz.de/en/worldwide/15828.html>

⁵⁶⁷ Improving Natural Resources Governance, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH (Eschborn) DATE. Date of Access: 18 December 2013.

<http://www.giz.de/en/worldwide/19385.html>

⁵⁶⁸ Improving Natural Resources Governance, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH (Eschborn) DATE. Date of Access: 18 December 2013.

<http://www.giz.de/en/worldwide/19385.html>

Italy: +1

Italy has fully complied with its commitment to implementing the principles of the Extractive Industry Transparency Initiative (EITI).

Following the Lough Erne Summit in June 2013, Italy announced that it would seek candidacy status for the new EITI standard “as soon as possible.”⁵⁶⁹

Italian energy company ENI has also shown a commitment to the new EITI standard. The company has taken an active role assisting countries in implementing EITI principles. ENI has also practiced transparency regarding payments made to governments that have subscribed to the EITI.⁵⁷⁰ ENI has maintained consistent dialogue with Transparency International, and on 2 October 2013, was recognized as the top company in corporate reporting and transparency.⁵⁷¹

As part of the European Union’s Accounting Directive, Italy is expected to formulate payment disclosure legislation for extractive companies by July 2015.⁵⁷² Italy has committed to fast-tracking this legislation.

ENI signed a collaborative agreement with Transparency International on 19 December 2013, for the formulation of a new system of assessment on corporate corruption. This initiative will involve collaboration between the public sector, international business associations, and the general public.⁵⁷³

Thus, Italy receives +1 for full compliance, as it has identified specific measures to improve extractives transparency and global reporting standards. Italy has maintained consistent dialogue and cooperation with organizations concerned with decreasing corruption and increasing transparency

Analyst: Kertia Johnson

Japan: 0

Japan has partially complied with its commitment to raise standards for extractives transparency and make progress towards common global reporting standards.

On 19 June 2013, Minister Counsellor Asako Okai of the Permanent Mission of Japan to the United Nations highlighted Japan’s already existing efforts at increasing the transparency of the extractives industry. She stated that Japan has supported the expansion of various international initiatives such as the Organisation for Economic Co-operation and Development’s Due

⁵⁶⁹ Italy to implement, Germany to pilot the EITI, Extractive Industries Transparency Initiative (Oslo) 18 June 2013. Date of Access: 27 December 2013. <http://eiti.org/news/italy-implement-germany-pilot-eiti>

⁵⁷⁰ ENI Annual Report 2012: Transparency Over Payments (City) DATE. Date of Access: 18 December 2013. http://annualreport2012.eni.com/annual-report/consolidated-sustainability/business-ethics/integrity-and-transparency.aspx?sc_lang=en

⁵⁷¹ ENI Ranked First in Survey of Italian Companies’ Transparency in Anti-Bribery Programs (Milan) 2 October 2013. Date of Access: 22 December 2013. https://www.eni.com/en_IT/media/press-releases/2013/10/2013-10-02-eni-ranked-first-transparency.shtml

⁵⁷² UK Lead on Oil and Mining Transparency Law Sends Strong Signal to US, Global Witness UK Edition (London) 31 October 2013. Date of Access: 19 December 2013. <http://www.globalwitness.org/library/uk-lead-oil-and-mining-transparency-law-sends-strong-signal-us>

⁵⁷³ ENI and Transparency International Sign Collaborative Agreement on New Anti-Corruption Tool (Milan) 19 December 2013. Date of Access: 22 December 2013. http://www.eni.com/en_IT/media/press-releases/2013/12/2013-12-19-eni-transparency.shtml

Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and high Risk Areas, as well as its support for the Extractive Industries Transparency Initiative (EITI).

Furthermore, Ms. Okai also highlighted the outcome of the Fifth Tokyo International Conference on African Development, which stipulates to “promote sustainable management of all Africa’s natural resources and conservation of biodiversity,” and reiterated Japan’s commitment to the issue.⁵⁷⁴

At the Lough Erne Summit, Japan stated its support for the goal of the EITI and declared that it would encourage national companies to support the EITI.⁵⁷⁵ On 5-6 September 2013, Prime Minister of Japan Shinzo Abe attended the G20 summit in St. Petersburg, Russia. Japan reiterated its support for the EITI in the G20 Leaders’ Declaration.⁵⁷⁶

However, there is no evidence of Japan taking action to improve domestic standards for extractives transparency or raise global reporting standards.

Thus, partially met its commitment to improve global standards for extractives transparency and has been awarded a 0.

Analyst: Malcolm Peck-McQueen

Russia: -1

Russia has failed to comply with the commitment on the Extractive Industry Transparency Initiative (EITI).

No facts of Russian actions to improve national transparency standards or implement global standards, such as the EITI, have been registered during the compliance period.

Thus, Russia receives a score of -1.

Analyst: Andrey Shelepov

United Kingdom: +1

The United Kingdom has fully complied with its commitment to improve domestic and global standards of extractive transparency. It has done so by actively implementing the Extractive Industry Transparency Initiative (EITI) standard of extractive disclosure, and by promoting strong standards of global extractive reporting.

On 9 July 2013, Business Minister Jo Swinson launched the UK’s implementation of the EITI through the formation of a Multi-Stakeholder Group (MSG) comprising government, civil society, and private sector actors in Britain’s extractive industry.⁵⁷⁷ The MSG is mandated to define the framework and scope of UK participation in the EITI, an international initiative which

⁵⁷⁴ Statement by Ms. Asako Okai, Permanent Mission of Japan to the United Nations. 19 June 2013. Date of Access: 15 January 2013. <http://www.un.emb-japan.go.jp/statements/okai061913.html>

⁵⁷⁵ G8 Lough Erne Leaders Communique, G8 Information Centre (Toronto) 18 June 2013. Date of Access: 13 December 2013. <http://www.g8.utoronto.ca/summit/2013lougherne/lough-erne-communique.html#extractives>

⁵⁷⁶ G20 Leaders’ Declaration, G20 Information Centre (Toronto) 6 September 2013. Date of Access: 16 December 2013. <http://www.g20.utoronto.ca/2013/2013-0906-declaration.html#corruption>

⁵⁷⁷ New Transparency Rules Launched for Extractive Industry Payments, Department for Business, Innovation & Skills (London) 9 July 2013. Date of Access: 18 December 2013. <https://www.gov.uk/government/news/new-transparency-rules-launched-for-extractive-industry-payments>.

seeks to independently reconcile reported private and government revenues/payments in the extractive industry. The formation of the MSG follows Prime Minister David Cameron's May 2013 announcement that the UK would seek to implement EITI standards of extractive transparency.⁵⁷⁸

On 9 October 2013 the UK's EITI MSG convened for the first time.⁵⁷⁹ The meeting defined the scope of the UK's EITI implementation, and decided that "the scope of UK EITI should ensure the main companies are captured while ensuring that disproportionate burdens on smaller business are avoided."⁵⁸⁰ The MSG meeting set expectations that the UK apply for full EITI candidacy by the end of 2014.⁵⁸¹ It also recommended the establishment of working groups to draft a work-plan outlining the UK's objectives and priorities for EITI implementation.⁵⁸²

From 30 October to 1 November 2013, the UK hosted an Open Government Partnership (OGP) Summit in London.⁵⁸³ As summit co-chair, the UK chose to set and promote five summit priorities, including natural resource transparency.⁵⁸⁴

On 30 October 2013, Prime Minister David Cameron delivered a speech to the 2013 OGP summit announcing the establishment of a public register of company beneficial ownership in the UK.⁵⁸⁵ The register bolsters transparency by allowing citizens to access information explaining who owns and benefits from particular UK firms, including those in the extractive sector.⁵⁸⁶

⁵⁷⁸ France and United Kingdom Commit to Global Transparency Standard, Extractive Industries Transparency Initiative International Secretariat (Oslo) 22 May 2013. Date of Access: 17 December 2013. <http://eiti.org/news/france-and-united-kingdom-commit-global-transparency-standard>.

⁵⁷⁹ UK Extractive Industries Transparency Initiative Multi Stakeholder Group, Department of Business, Innovation & Skills (London) DATE. Date of access: <https://www.gov.uk/government/policy-advisory-groups/uk-extractive-industries-transparency-initiative-multi-stakeholder-group>.

⁵⁸⁰ Minutes From the 1st Meeting of the EITI MSG, UK Extractive Industries Transparency Initiative Multi-Stakeholder Group (London) 9 October 2013. Date of Access: 18 December 2013. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/264505/Minutes_from_the_1st_Meeting_of_the_EITI_MSG.pdf.

⁵⁸¹ Minutes From the 1st Meeting of the EITI MSG, UK Extractive Industries Transparency Initiative Multi-Stakeholder Group (London) 9 October 2013. Date of Access: 18 December 2013. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/264505/Minutes_from_the_1st_Meeting_of_the_EITI_MSG.pdf.

⁵⁸² Minutes From the 1st Meeting of the EITI MSG, UK Extractive Industries Transparency Initiative Multi-Stakeholder Group (London) 9 October 2013. Date of Access: 18 December 2013. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/264505/Minutes_from_the_1st_Meeting_of_the_EITI_MSG.pdf.

⁵⁸³ UK Hosts Open Government Partnership Summit 2013, Cabinet Office (London) 17 October 2013. Date of Access: 21 December 2013. <https://www.gov.uk/government/topical-events/open-government-partnership-summit-2013>.

⁵⁸⁴ UK Hosts Open Government Partnership Summit 2013, Cabinet Office (London) 17 October 2013. Date of Access: 21 December 2013. <https://www.gov.uk/government/topical-events/open-government-partnership-summit-2013>.

⁵⁸⁵ Public Register to Boost Company Transparency, Department for Business, Innovation & Skills and Prime Minister's Office, 10 Downing Street (London) 31 October 2013. Date of Access: 18 December 2013. <https://www.gov.uk/government/news/public-register-to-boost-company-transparency>.

⁵⁸⁶ Public Register to Boost Company Transparency, Department for Business, Innovation & Skills and Prime Minister's Office, 10 Downing Street (London) 31 October 2013. Date of Access: 18 December 2013. <https://www.gov.uk/government/news/public-register-to-boost-company-transparency>.

On 31 October 2013, the Government of the United Kingdom published its second OGP “National Action Plan.” The document reaffirmed the UK’s commitment to government transparency, the G8 “Open Data Charter,” and the implementation of EITI standards of extractive transparency.⁵⁸⁷ The document also bolstered global reporting standards by setting expectations that UK-listed and UK-registered extractive companies publish revenue and payment data in an open and accessible format by 2016, under new European Union Accountancy and Transparency Directives.⁵⁸⁸

Thus, the United Kingdom has been awarded a score of +1 for its efforts to improve and implement standards of transparency and reporting in the extractive sector.

Analyst: Hayden Rodenkirchen

United States: +1

The United States has fully complied with its commitment to improve and implement standards for extractive transparency and reporting. It has done so by completing an application for Extractive Industries Transparency Initiative (EITI) candidacy, and by improving its standards of extractive data disclosure.

From 23-24 July 2013, the United States Department of the Interior (DOI) convened the fifth meeting of the U.S. Extractive Industries Transparency Initiative (USEITI) Multi-Stakeholder Group (MSG). The purpose of the meeting was to “determine scope and materiality for the U.S. draft candidacy application to the EITI international Board and to provide recommendations for Fall 2013 USEITI outreach activities.”⁵⁸⁹

On 29 August 2013, the U.S. Energy Information Administration (EIA) added 127,000 petroleum and natural gas time-series data sets to its application-programming interface (API). The data sets allow third-party utilization of information regarding “petroleum and natural gas production, consumption, inventories, prices, imports, exports, and sales.”⁵⁹⁰

⁵⁸⁷ Open Government Partnership UK National Action Plan 2013 to 2015, Cabinet Office (London) October 2013. Date of Access: 18 December 2013. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/255901/ogp_uknationalactionplan.pdf.

⁵⁸⁸ Open Government Partnership UK National Action Plan 2013 to 2015, Cabinet Office (London) October 2013. Date of Access: 18 December 2013. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/255901/ogp_uknationalactionplan.pdf.

⁵⁸⁹ United States Extractive Industries Transparency Initiative Multi-Stakeholder Group Advisory Committee Meeting July 23 — 24 Summary of Proceedings, U.S. Department of the Interior (Washington DC) 24 July 2013. Date of Access: 18 December 2013. <http://www.doi.gov/eiti/FACA/upload/USEITI-MSG-July-23-24-2013-DRAFT-Mtg-Minutes.pdf>.

⁵⁹⁰ Online Service Improves Public Access to Petroleum and Natural Gas Data, U.S. Energy Information Administration (Washington DC) 29 August 2013. Date of Access: 18 December 2013. <http://www.eia.gov/pressroom/releases/press397.cfm>.

On 10 September 2013, the U.S. DOI convened its sixth meeting of the USEITI MSG.⁵⁹¹ The meeting approved a draft United States EITI Candidacy Application⁵⁹² for publication and solicitation of public comment between 19 September 2013 and 18 November 2013.⁵⁹³

From 5-6 November 2013, the U.S. DOI convened its seventh meeting of the USEITI MSG. The meeting discussed public input received regarding the published draft of the United States EITI candidacy application. The USEITI MSG committed to publish a final draft application incorporating public input prior to their eighth meeting in December 2013.⁵⁹⁴

On 6 December 2013, the U.S. Government released its second Open Government Partnership (OGP) National Action Plan. The plan establishes a timeframe which commits the U.S. Government to publish its first USEITI report by 2015; achieve EITI compliant status by 2016⁵⁹⁵; unilaterally disclose all U.S. DOI receipts of extractive revenues in the USEITI report; create a process to discuss timber revenues in the future;⁵⁹⁶ and launch an improved Data.gov website which will centralize and index data produced by all federal agencies — including the DOI — into a single accessible catalog.⁵⁹⁷

On 11 December 2013, the USEITI MSG voted to approve a finalized EITI candidacy application.⁵⁹⁸ The final application defined the scope of the USEITI report, which the U.S. Government has committed to publishing by 2015. The report will disclose and reconcile payment information for firms extracting, “oil, gas, coal, other leasable minerals, and non-fuel minerals (such as hard rock, sand, and gravel), geothermal, solar, and wind.”⁵⁹⁹ The finalized

⁵⁹¹ United States Extractive Industries Transparency Initiative Multi-Stakeholder Group Advisory Committee Meeting September 10 2013 Summary of Proceedings, U.S. Department of the Interior (Washington DC) 10 September 2013. Date of Access: 18 December 2013. <http://www.doi.gov/eiti/FACA/upload/USEITI-MSG-Sept-10-2013-DRAFT-Mtg-Minutes.pdf>.

⁵⁹² United States Extractive Industries Transparency Initiative EITI Candidacy Application Form Draft for Public Comment, U.S. Department of the Interior (Washington DC) 10 September 2013. Date of Access: 18 December 2013. <http://www.doi.gov/eiti/FACA/upload/USEITI-CanApp.pdf>.

⁵⁹³ United States Extractive Industries Transparency Initiative Multi-Stakeholder Group Advisory Committee Meeting September 10 2013 Summary of Proceedings, U.S. Department of the Interior (Washington DC) 10 September 2013. Date of Access: 18 December 2013. <http://www.doi.gov/eiti/FACA/upload/USEITI-MSG-Sept-10-2013-DRAFT-Mtg-Minutes.pdf>.

⁵⁹⁴ United States Extractive Industries Transparency Initiative Multi-Stakeholder Group Advisory Committee Meeting September 10 2013 Summary of Proceedings, U.S. Department of the Interior (Washington DC) 10 September 2013. Date of Access: 18 December 2013. <http://www.doi.gov/eiti/FACA/upload/USEITI-MSG-November-5-6-2013-DRAFT-Mtg-Minutes.pdf>.

⁵⁹⁵ Second Open Government National Action Plan for the United States of America, Office of the President (Washington DC) 5 December 2013. Date of Access: 18 December 2013. http://www.whitehouse.gov/sites/default/files/docs/us_national_action_plan_6p.pdf

⁵⁹⁶ Second Open Government National Action Plan for the United States of America, Office of the President (Washington DC) 5 December 2013. Date of Access: 18 December 2013. http://www.whitehouse.gov/sites/default/files/docs/us_national_action_plan_6p.pdf.

⁵⁹⁷ Second Open Government National Action Plan for the United States of America, Office of the President (Washington DC) 5 December 2013. Date of Access: 18 December 2013. http://www.whitehouse.gov/sites/default/files/docs/us_national_action_plan_6p.pdf.

⁵⁹⁸ United States Extractive Industries Transparency Initiative EITI Candidacy Application Form, U.S. Department of the Interior (Washington DC) 12 December 2013. Date of Access: 20 December 2013. http://www.doi.gov/eiti/FACA/upload/USEITI-MSG-Approved-Application_12-12-13.pdf.

⁵⁹⁹ United States Extractive Industries Transparency Initiative EITI Candidacy Application Form, U.S. Department of the Interior (Washington DC) 12 December 2013. Date of Access: 20 December 2013. http://www.doi.gov/eiti/FACA/upload/USEITI-MSG-Approved-Application_12-12-13.pdf.

application also clarifies that the U.S. DOI will unilaterally disclose revenues from all commodities above, “disaggregated by commodity, company, revenue stream, and by project...” in its USEITI report, as well as publish details of material and revenue transfers associated with the extractive sector between U.S. federal and state governments.⁶⁰⁰

On 19 December 2013, the U.S. DOI submitted its finalized Candidacy Application to the International board of the EITI.⁶⁰¹ The board will consider the United States’ application in March 2014.⁶⁰² If approved, the United States will be an admitted EITI Candidate committed to publishing its first USEITI report within two years.⁶⁰³

Thus, the United States has been awarded a score of +1 for its efforts to improve and implement standards of transparency and reporting in the extractive sector.

Analyst: Hayden Rodenkirchen

European Union: +1

The European Union has fully complied with its commitment to energy transparency. The EU has been awarded a score of +1 for helping to improve both European and global standards for extractive transparency along with having made progress towards improving global reporting standards. The EU has also cooperated fully with the work of the Extractive Industry Transparency Initiative (EITI).

In December 2011, the EU passed “The Regulation on Wholesale Energy Market Integrity and Transparency” (REMIT), which was to be enacted on a staggered schedule. REMIT is scheduled to come into full force by mid-2014. According to REMIT, any corporation in the EU, whether in operation in the EU or abroad, involved in the energy market must report their trading activity and any information which might affect the market to the EU in order to improve global reporting standards.⁶⁰⁴

By 29 June 2013, the member states of the EU were to have given regulators the power to punish energy corporations which failed to comply with REMIT. Information will be reported to the EU Agency for the Cooperation of Energy Regulators (ACER). ACER will work with national regulators in the EU member states to curb abuse. However, REMIT is still in the process of being implemented.⁶⁰⁵

⁶⁰⁰ United States Extractive Industries Transparency Initiative EITI Candidacy Application Form, U.S. Department of the Interior (Washington, D.C) 12 December 2013. Date of Access: 20 December 2013. http://www.doi.gov/eiti/FACA/upload/USEITI-MSG-Approved-Application_12-12-13.pdf.

⁶⁰¹ Interior Submits U.S. Candidacy Application for Extractive Industries Transparency Initiative, U.S. Department of the Interior (Washington DC) 19 December 2013. Date of Access: 21 December 2013. <http://www.doi.gov/eiti/FACA/upload/USEITI-Application-Background.pdf>.

⁶⁰² Interior Submits U.S. Candidacy Application for Extractive Industries Transparency Initiative, U.S. Department of the Interior (Washington DC) 19 December 2013. Date of Access: 21 December 2013. <http://www.doi.gov/eiti/FACA/upload/USEITI-Application-Background.pdf>.

⁶⁰³ Interior Submits U.S. Candidacy Application for Extractive Industries Transparency Initiative, U.S. Department of the Interior (Washington DC) 19 December 2013. Date of Access: 21 December 2013. <http://www.doi.gov/eiti/FACA/upload/USEITI-Application-Background.pdf>.

⁶⁰⁴ European regulators get to grips with Remit monitoring, Risk Magazine Online Edition (City) 8 August 2013. Date of Access: 21 December 2013. <http://www.risk.net/energy-risk/feature/2287272/european-regulators-get-to-grips-with-remit-monitoring>.

⁶⁰⁵

The EU is neither a member, nor a candidate of the EITI, although it has enacted mandatory disclosure legislation, REMIT, which is a condition of membership in EITI. In addition, some members of the EU are beginning to undertake steps to enact EITI policies or join the group on their own.^{606,607}

In the “2013 Work Programme,” the EU included a section that promised a new framework to adopt transparency requirements for energy extraction in the EU. The Commission also initiated studies to explore support for new regulations.⁶⁰⁸

On 3 October 2013 the Environment Director-General (EDG) of the European Commission released a report on the extraction of domestic shale gas as an energy source for the EU. The report, which published concerns raised by EU citizens, highlighted the need for transparency as a goal for future shale gas extraction.⁶⁰⁹

Thus the European Union has been awarded a score of +1 for complying with the G8 commitment. The EU continues to work towards greater domestic and global transparency strives to aid the work of the EITI.

Analyst: George L. Grobe IV

⁶⁰⁶ EITI Countries, EITI (Oslo) DATE. Date of Access: 21 December 2013. <http://eiti.org/countries>.

⁶⁰⁷ Environmental Aspects on Unconventional Fossil Fuels, European Commission (Brussels) 15 October 2013. Date of Access: 21 December 2013. http://ec.europa.eu/environment/integration/energy/unconventional_en.htm

⁶⁰⁸ Analysis and presentation of the results of the public consultation “Unconventional fossil fuels (e.g. shale gas) in Europe”, European Commission DG Environment (Brussels) 3 October 2013. Date of Access: 21 December 2013. http://ec.europa.eu/environment/integration/energy/pdf/Shale_gas_consultation_report.pdf.

⁶⁰⁹