

# EITI Candidature Application of The Netherlands

# EITI CANDIDATURE APPLICATION FORM

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# INTRODUCTION

A government intending to implement the EITI is required to undertake a number of steps<sup>1</sup> before applying to become an EITI Candidate country (See EITI Requirements 1.1 – 1.5)<sup>2</sup>).

**When the country has completed the “sign-up” steps and wishes to be recognised as an EITI Candidate country, the government should submit an EITI Candidature Application, endorsed by the multi-stakeholder group, to the EITI Board. The application should describe the activities undertaken to date and provide evidence demonstrating that Requirements 1.1 – 1.5 have been met. The application should include contact details for government, civil society and private sector stakeholders involved in the preparations for implementing the EITI. Application materials will be published on the EITI website and be available for public comment.**

Once submitted, the application will be made publically available on the EITI website. The EITI Board, working through the Outreach and Candidature Committee, will review the application and assess whether the sign-up requirements have been met. The International Secretariat will contact stakeholders at the national level to ascertain their views on the sign-up process, and seek comments from supporting governments, international civil society groups, supporting companies and supporting organisations and investors. The International Secretariat will work closely with the senior individual appointed by the government to lead on EITI implementation in order to clarify any outstanding issues. Based on this and any other available information, the EITI Board’s Outreach and Candidature Committee will make a recommendation to the EITI Board on whether a country’s application should be accepted. The EITI Board takes the final decision.

The EITI Board aims to process applications within 8 weeks of receiving the application. The EITI Board prefers to make decisions on admitting an EITI Candidate country at EITI Board meetings, although may consider taking a decision via Board circular between meetings where appropriate.

When the EITI Board admits an EITI Candidate, it also establishes deadlines for publishing the first EITI Report and undertaking Validation. An implementing country’s first EITI Report must be published within 18 months from the date that the country was admitted as an EITI Candidate. EITI Candidate countries will be required to commence Validation (<http://eiti.org/validation>) within two and a half years of becoming an EITI Candidate. Further information on deadline policies is available in Requirement 8 of the EITI Standard (<https://eiti.org/node/4922>).

## Box 1 – Main steps in the Candidature application process

- 1. Country submits application for EITI Candidature.** The government should submit a formal application, endorsed by the MSG, in writing to the EITI Chair via the International Secretariat.
- 2. The EITI Board, working through the Outreach and Candidature Committee, will review the application and assess whether the sign-up requirements have been met.** The International Secretariat will ensure that the application is complete and will contact stakeholders at the national and international level to ascertain their views and seek comments. The International Secretariat will publish the application on the EITI international website.
- 3. The Outreach and Candidature Committee will make a recommendation to the EITI Board.** The recommendation will stipulate whether a country’s application should be accepted or not.
- 4. The EITI Board will take a decision on admitting the applicant as a Candidate country** in accordance with the EITI Standard.

<sup>1</sup> Guidance note 1 on becoming an EITI Candidate available at <https://eiti.org/node/7384>

<sup>2</sup> The requirements are provided in *The EITI Standard*: <https://eiti.org/node/4922>

# APPLICANT COUNTRY INFORMATION

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<b>Applicant</b>	<b>The Netherlands</b>
<b>Government Contact Point</b>	Geesje van Niejenhuis Mrs. Netherlands Enterprise Agency (RVO) Prinses Beatrixlaan 2 2595AL The Hague The Netherlands +31 88 042 4653 <a href="mailto:geesje.vanNiejenhuis@rvo.nl">geesje.vanNiejenhuis@rvo.nl</a>
<b>Date of Application</b>	April 16th, 2018

# EITI SIGN-UP REQUIREMENTS

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## EITI Requirement 1.1

### Government engagement:

- a) The government is required to issue an unequivocal public statement of its intention to implement the EITI. The statement must be made by the head of state or government, or an appropriately delegated government representative.
  - b) The government is required to appoint a senior individual to lead the implementation of the EITI. The appointee should have the confidence of all stakeholders, the authority and freedom to coordinate action on the EITI across relevant ministries and agencies, and be able to mobilise resources for EITI implementation.
  - c) The government must be fully, actively and effectively engaged in the EITI process.
  - d) The government must ensure that senior government officials are represented on the multi-stakeholder group.
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The government of the Netherlands has been closely involved with the Extractive Industries Transparency Initiative (EITI) since its inception in 2002. The steps taken by the Netherlands regarding the EITI are listed in chronological order below.

2003: The Netherlands declares its support for the EITI at the first EITI conference.

2005: The Netherlands provides USD 1.5 million in funding to the Multi-Donor Trust Fund managed by the World Bank. In addition, the Netherlands becomes a member of the "supporting countries" group on the EITI board.

2010: The Dutch government commissions Roland Berger to write the Extractive Industries Transparency Initiative (EITI) Feasibility Study (*Haalbaarheidsonderzoek Extractive Industries Transparency Initiative [EITI]*), which examines the advantages and disadvantages of EITI implementation in the Netherlands (please see Document 1).

2011: The Dutch government sends the Raw Materials Memorandum (*Grondstoffennotitie*, please see Document 2) to the House of Representatives, in which it specifies that:

- "it will provide financial support to the EITI";
- "based on the predicted international developments with regard to various transparency initiatives, including those initiated by the EU, the Netherlands will adopt the EITI or a similar initiative in due course";
- "it will lobby international financial institutions to give preference to companies that demonstrably adhere to EITI rules when it comes to tendering procedures, with a further advantage given to those companies that provide technical assistance and expertise during contract negotiations with developing nations about the exploitation of raw materials";
- "it will encourage developing nations who have implemented the EITI successfully to support other African nations".

2011–2020: The Dutch government provides USD 250,000 in funding to the EITI secretariat annually.

2012–2013: The Netherlands is an active member of the EITI board in a donor support group, together with France, Germany, Switzerland, Italy and the European Commission.

2012–2015: A member of staff of the Ministry of Foreign Affairs is on secondment to the EITI secretariat in Oslo.

2014: The Dutch government commissions Roland Berger to update his 2010 study to reflect the actual state of affairs (please see Document 1).

2015: The Dutch government sends two letters to the House of Representatives, in which it states its intention to implement the EITI in the Netherlands. In late 2015, the then Minister for Foreign Trade and Development Cooperation writes to the House of Representatives, also on behalf of the then Ministers of Economic Affairs and Finance, in order to announce the government's intention to put the Netherlands forward as a candidate country for EITI implementation (please see Documents 3 and 4).

2015: The Dutch government commissions Royal HaskoningDHV to carry out a scoping study for EITI implementation in the Netherlands (please see Document 5) and a survey of civil society organisations to gauge their interest in taking part in NL-EITI.

2015: The Dutch government implements the EU Directive on the annual financial statements by publishing the Decree on Disclosing Payments to Government Entities (*Besluit rapportage van betalingen aan overheden*; please see Document 6), among other things.

2016: The Ministry of Foreign Affairs tasks the Netherlands Enterprise Agency (RVO) with making preparations for EITI implementation in the Netherlands (NL-EITI). The RVO is to coordinate NL-EITI until after the publication of the first NL-EITI report in late 2019.

2016–2018: Prof. Dirk-Jan Koch, the Ministry of Foreign Affairs' special representative for raw materials, is an active member of the EITI board.

2017: The then Minister of Economic Affairs and the then Minister for Foreign Trade and Development Cooperation appoint Prof. Dirk-Jan Koch as the champion for NL-EITI (please see Documents 7 and 8).

In late 2017, those same ministers establish the multi-stakeholder group (MSG) for NL-EITI. The Dutch government is represented in the MSG by managers and/or senior members of staff at the Ministry of Economic Affairs and Climate Policy, the Ministry of Foreign Affairs, and the Tax and Customs Administration (please see Document 9).

In late 2017 and early 2018, the MSG prepares the Dutch EITI candidature.

The MSG agreed that the overarching aim of the EITI in the Netherlands is "to provide each member of Dutch society with transparent and verified information about the money flows between the extractive industries and the government in the context of the extractive industry value chain, in order to contribute to a well-informed debate about the extractive industry value chain in the Netherlands."

The extractive industries include the oil and gas extraction as well as the salt mining industries. The context of the extractive industry value chain in The Netherlands also refers to certain forms of sustainable energy, such as geothermal and wind energy.

7 March 2018: A national NL-EITI event is held to mark the public launch of NL-EITI (please see Document 10).

## List of documents

1. Roland Berger, *Haalbaarheidsonderzoek Extractive Industries Transparency Initiative (EITI)*, 2010 and *Addendum Haalbaarheidsonderzoek Extractive Industries Transparency Initiative (EITI)*, 28 March 2014.
2. Raw Materials Memorandum (*Grondstoffennotitie*)  
<https://www.rijksoverheid.nl/documenten/rapporten/2011/07/15/grondstoffennotitie>
3. Letter to the House of Representatives regarding EITI implementation in the Netherlands, 19 February 2015.
4. Letter to the House of Representatives regarding the progress of EITI implementation in the Netherlands, 2 November 2015.
5. Royal HaskoningDHV, *Perspectief van vier Ministeries en de belastingdienst op de scoping van de implementatie van EITI in Nederland* (Perspectives of four ministries and the Tax and Customs Administration on the scope of EITI implementation in the Netherlands), 12 June 2015.
6. Decree on Disclosing Payments to Government Entities (*Besluit rapportage van betalingen aan overheden*), 10 November 2015; cf. <https://zoek.officielebekendmakingen.nl/STB-2015-439.html>.
7. Announcement of the appointment of Prof. D.-J. Koch, Government Gazette, 5 May 2017.
8. Profile of Prof. D.-J. Koch.
9. Announcement of the establishment of the MSG, Government Gazette, 26 October 2017.
10. Announcement and schedule of the national NL-EITI event, 7 March 2018.

## EITI Requirement 1.2

### Company engagement.

- a) Companies must be fully, actively and effectively engaged in the EITI process.
- b) The government must ensure that there is an enabling environment for company participation with regard to relevant laws, regulations, and administrative rules as well as actual practice in implementation of the EITI. The fundamental rights of company representatives substantively engaged in the EITI, including but not restricted to members of the multi-stakeholder group, must be respected.
- c) The government must ensure that there are no obstacles to company participation in the EITI process.

Roland Berger's study was a main factor in determining the extractive industries that fall under the scope of NL-EITI.

#### *"Determination of raw materials industries:*

Oil and gas extraction still account for almost the entire amount (97%) of raw materials extracted in the Netherlands (Statistics Netherlands, 2011). The remaining 3% is the result of salt mining. Ultimately, the MSG will have to determine which industries to include in the scope of the EITI implementation. However, the EU's Directive on the annual financial statements also makes it obligatory for the salt mining and forestry industries to disclose annual financial statements. If it is the MSG's ambition to bring NL-EITI into line with the EU Directive to the maximum possible extent, it will have to extend its scope to the salt mining industry as well. As an aside, the United States has elected to include the solar, geothermal and wind energy industries in its reporting and is considering extending the scope to forestry and fisheries." (Please see Document 2, pp. 35-36.)

The scope of NL-EITI was discussed during the first three MSG meetings. At the MSG meeting of 11 October 2017, the following decision was made:

"With regard to the first report, the scope of NL-EITI shall ideally include the entirety of the oil and gas extraction as well as the salt mining industries. These industries shall be subject to a reconciliation of the payments made to government entities and the revenues received by government entities. Subject to consultation with the geothermal and wind energy industries, these industries could be covered in the first report's contextual information. The MSG shall re-evaluate the desired scope once the first report has been published."

In the first instance, the scope of EITI implementation in the Netherlands will focus on oil and gas extraction. A considerable number of Dutch oil and gas extraction companies are members of the Netherlands Oil and Gas Exploration and Production Association (NOGEP). For a list of NOGEP members, please see Document 11.

NOGEP has indicated that it is willing to advance EITI implementation in the Netherlands. To this end, it is both a full member and an alternate member of the NL-EITI MSG, while it also communicates the MSG's decisions to its member companies. In consultation with NOGEP, its member companies NAM BV, Vermilion Energy Netherlands BV and Dyas BV are also full and/or alternate members of the MSG. Shell International BV, which is not a member of NOGEP, is an alternate member of the MSG as well.

An important number of oil and gas extraction companies come under the scope of the Decree on Disclosing Payments to Government Entities (*Besluit rapportage van betalingen aan overheden*; i.e. the Dutch implementation of the EU's Directive on the annual financial statements). As such, these companies have been required to submit an overview of their payments to Dutch government entities to the Chamber of Commerce since 2017. From the standpoint of the administrative burden, the parallels between this Decree and the EITI Standard 2016 form a key argument for the participation of the oil and gas extraction companies in NL-EITI.

In addition, the MSG chair has spoken to AKZO Nobel Industrial Chemicals BV and Frisia Zout BV, inviting them to participate in NL-EITI. For different reasons they decided to postpone a definitive response to the invitation.

#### List of documents

11. List of NOGEPa members; cf. <https://www.onsaardgas.nl/nogepa/>.

## EITI Requirement 1.3

**Civil society engagement.** In accordance with the civil society protocol<sup>3</sup>:

- a) Civil society must be fully, actively and effectively engaged in the EITI process.
- b) The government must ensure that there is an enabling environment for civil society participation with regard to relevant laws, regulations, and administrative rules as well as actual practice in implementation of the EITI. The fundamental rights of civil society substantively engaged in the EITI, including but not restricted to members of the multi-stakeholder group, must be respected.
- c) The government must ensure that there are no obstacles to civil society participation in the EITI process.
- d) The government must refrain from actions which result in narrowing or restricting public debate in relation to implementation of the EITI.
- e) Stakeholders, including but not limited to members of the multi-stakeholder group must:
  - i. Be able to speak freely on transparency and natural resource governance issues.
  - ii. Be substantially engaged in the design, implementation, monitoring and evaluation of the EITI process, and ensure that it contributes to public debate.
  - iii. Have the right to communicate and cooperate with each other.
  - iv. Be able to operate freely and express opinions about the EITI without restraint, coercion or reprisal.

In 2015, the Dutch government, in preparation of its letter to Parliament consulted industry and civil society. In this first round a number of civil society organisations were consulted on a possible preparation of the Dutch EITI candidacy. Organizations were asked about their interest to participate in a future EITI-Multi-Stakeholder group, view on EITI-implementation in the Netherlands and organizations in their networks that would be interested in participating in the Multi-Stakeholder group. Amongst these were PublishWhatYouPay, Hivos, Transparency International, Tax Justice, Dutch Trade Union Confederation FNV, IUCN and Oxfam Novib.

As follow up to this first round of consultation, the Dutch government commissioned Royal HaskoningDHV to carry out a survey of civil society organisations to gauge their interest in taking part in NL-EITI. On the basis of a provisional scope (i.e. upstream oil and gas extraction in the Netherlands), 11 civil society organisations were approached directly to gauge their interest. As a result, six civil society organisations indicated their willingness to play an active role in NL-EITI.

Following this sounding, the NL-EITI coordinator invited 14 civil society organisations to a specific orientation meeting with regard to NL-EITI participation in early 2016. The invited organisations were the following:

PublishWhatYouPay	ActionAid
Hivos	Transparency International
Oxfam Novib	Tax Justice
Cordaid	Both Ends
SOMO	Foundation for Nature Conservation and Environmental Protection
Friends of the Earth Nederland	Dutch Trade Union Confederation FNV
Pax	IUCN

Topics on the agenda included a presentation on "What is EITI?" by Manuel Adamini (Actiam, former member of the international EITI board) and a presentation on "The Dutch government and EITI implementation" by Omer van Renterghem (Ministry of Foreign Affairs), followed by a round-table discussion about the specific role of the civil society organisations in NL-EITI.

This meeting was attended by five of the invited civil society organisations: ActionAid, Hivos, Publish-WhatYouPay, Transparency International and FNV.

<sup>3</sup> EITI Standard, pp 41-44. Section 5: Civil Society Protocol <https://eiti.org/node/4922>

The outcome of the meeting was that PublishWhatYouPay, Transparency International and FNV were willing to join the NL-EITI MSG.

For the invitation, the schedule of the day and the list of invitees, please see Document 12. For the minutes of this meeting, please see Document 13.

#### List of documents

12. Invitation, schedule of the day and list of invitees for 2 March 2016.
13. Minutes of the meeting on 2 March 2016.

## EITI Requirement 1.4

### Multi-stakeholder group:

- a) The government is required to commit to work with civil society and companies, and establish a multi-stakeholder group to oversee the implementation of the EITI. In establishing the multi-stakeholder group, the government must:
  - i. Ensure that the invitation to participate in the group is open and transparent.
  - ii. Ensure that stakeholders are adequately represented. This does not mean that they need to be equally represented numerically. The multi-stakeholder group must comprise appropriate stakeholders, including but not necessarily limited to: the private sector; civil society, including independent civil society groups and other civil society such as the media and unions; and relevant government entities which can also include parliamentarians. Each stakeholder group must have the right to appoint its own representatives, bearing in mind the desirability of pluralistic and diverse representation. The nomination process must be independent and free from any suggestion of coercion. Civil society groups involved in the EITI as members of the multi-stakeholder group must be operationally, and in policy terms, independent of government and/or companies.
  - iii. Consider establishing the legal basis of the group.
- b) The multi-stakeholder group is required to agree clear public Terms of Reference (ToRs) for its work<sup>4</sup>. The ToRs should, at a minimum, include provisions on:

#### The role, responsibilities and rights of the multi-stakeholder group:

- i. Members of the multi-stakeholder group should have the capacity to carry out their duties.
- ii. The multi-stakeholder group should undertake effective outreach activities with civil society groups and companies, including through communication such as media, website and letters, informing stakeholders of the government's commitment to implement the EITI, and the central role of companies and civil society. The multi-stakeholder group should also widely disseminate the public information that results from the EITI process such as the EITI Report.
- iii. Members of the multi-stakeholder group should liaise with their constituency groups.

#### Approval of work plans, EITI Reports and annual progress reports:

- iv. The multi-stakeholder group is required to approve annual work plans<sup>5</sup>, the appointment of the Independent Administrator, the Terms of Reference for the Independent Administrator<sup>6</sup>, EITI Reports and annual progress reports<sup>7</sup>.
- v. The multi-stakeholder group should oversee the EITI reporting process and engage in Validation<sup>8</sup>.

#### Internal governance rules and procedures:

- vi. The EITI requires an inclusive decision-making process throughout implementation, with each constituency being treated as a partner. Any member of the multi-stakeholder group has the right to table an issue for discussion. The multi-stakeholder group should agree and publish its procedures for nominating and changing multi-stakeholder group representatives, decision-making, the duration of the mandate and the frequency of meetings. This should include ensuring that there is a process for changing group members that respects the principles set out in Requirement 1.4.a. Where the multi-stakeholder group has a practice of per diems for attending EITI meetings or other payments to multi-stakeholder group members, this practice should be transparent and should not create conflicts of interest.
- vii. There should be sufficient advance notice of meetings and timely circulation of documents prior to their debate and proposed adoption.
- viii. The multi-stakeholder group must keep written records of its discussions and decisions.

<sup>4</sup> Guidance note 14 on the establishment and governance of multi-stakeholder groups available at <https://eiti.org/GN14>

<sup>5</sup> Guidance note 2 on developing an EITI work plan available at <https://eiti.org/GN2>

<sup>6</sup> Standard Terms of Reference for Independent Administrator services available at <https://eiti.org/TORIA>

<sup>7</sup> Guidance note 5 on annual progress reports (APRs) available at <https://eiti.org/GN5>

<sup>8</sup> Guidance note 23 on preparing for Validation available at <https://eiti.org/GN23>

Preparatory work for the establishment of the NL-EITI MSG commenced in 2014 at the initiative of the Ministry of Foreign Affairs, in consultation with the Ministry of Economic Affairs and the Ministry of Finance.

Following a consultation between the ministries and NOGEPA on the subject of NL-EITI, Dutch civil society organisations were approached from 2015 onwards to take part in NL-EITI.

The MSG was established following the appointment of Prof. Dirk-Jan Koch as NL-EITI champion (and MSG chair) as of April 1<sup>st</sup>, 2017. The MSG chair invited the following organisations to join the MSG.

For the government segment:	Ministry of Foreign Affairs; Ministry of Economic Affairs and Climate Policy; Rotterdam Tax and Customs Administration.
For the business segment:	NOGEPA; NAM BV; Dyas BV; Vermilion Netherlands BV; Shell International BV.
For the civil society organisation segment:	PublishWhatYouPay; Transparency International; FNV.

The government of The Netherlands has not given any specific grants or subsidies for the purpose of participation in the MSG. All organisations who are a member of the MSG, provide for their own costs.

The first meeting of the MSG (being established) was held on 29 June 2017. Topics on the agenda for this meeting included:

- a consideration of the EITI's ambition and working methods;
- how to adapt the EITI to the Dutch situation;
- next steps for NL-EITI, including a timeline.

For the minutes of this meeting, please see Document 14.

The second meeting of the MSG (being established) was held on 31 August 2017. Topics on the agenda for this meeting included:

- an overview of already publicly accessible NL-EITI data;
- parallels between the Decree on Disclosing Payments to Government Entities (*Besluit rapportage betalingen aan overheden*) and the EITI report;
- draft MSG Terms of Reference (ToRs).

For the minutes of this meeting, please see Document 15.

One important finding of the MSG was that the majority of the required EITI data are already publicly accessible. This suggests that transition to systematic disclosure can be made rather swiftly. With regard to those data, a reference in the NL-EITI report will suffice. However, not all data required to reconcile the payments made to and revenues received by government entities are publicly accessible. As a result, the first EITI report will be based on a call to individual companies and government entities for payments and revenues, followed by a reconciliation of these data sets. On the basis of its experiences with this call, the MSG can then examine how to bring the reconciliation process for subsequent reports more in line with the publicly accessible data.

The third meeting of the MSG (being established) was held on 11 October 2017. Topics on the agenda for this meeting included:

- the scope of NL-EITI;
- the composition of the MSG;
- the relevance and specific meaning of the EITI principles for the Netherlands, including derived objectives for the NL-EITI work plan.

For the minutes of this meeting, please see Document 16.

During this meeting, the composition of the MSG was established. This occasion was followed shortly after by an announcement in the Government Gazette (please see Document 9). The MSG's business segment indicated that it would reserve a seat for the salt mining industry as soon as this industry acceded to NL-EITI.

The fourth meeting of the MSG was held on 28 November 2017. Topics on the agenda for this meeting included:

- the draft NL-EITI work plan;
- the NL-EITI event;
- the NL-EITI website.

For the minutes of this meeting, please see Document 17.

The fifth meeting of the MSG was held on 6 February 2018. Topics on the agenda for this meeting included:

- the finalisation of the Terms of Reference;
- the finalisation of the NL-EITI work plan 2018-2019;
- the elaboration of NL-EITI "materiality", phase 1;
- the contracting of an Independent Administrator (IA) for NL-EITI.

For the minutes of this meeting, please see Document 18.

During this meeting, the MSG's Terms of Reference were finalised (please see Document 19). These terms were modelled on the MSG ToRs for UK-EITI.

In addition, the NL-EITI work plan 2018-2019 was finalised (please see Document 21).

Furthermore, the MSG decided to launch an NL-EITI website. This site is a subpage of the RVO website and can be accessed directly at [www.eiti.nl](http://www.eiti.nl).

The MSG also decided to organise a national event on 7 March 2018 to mark the official launch of NL-EITI and to provide NL-EITI with further publicity. A total number of more than 100 organisations were invited, including knowledge institutes, environmental organisations and civil society organisations from Groningen, the main gas exploitation area in the Netherlands. About 70 persons participated in the official launch of NL-EITI, coming mainly from the three constituencies of the MSG.

The schedule for the day was as follows:

15:00–15:10	<b>Opening speech by the chair of the day</b>
15:10–15:20	<b>Welcome to NL-EITI: dialogue and transparency in the global and Dutch raw materials sectors</b> Reina Buijs, Acting DG for International Cooperation, Ministry of Foreign Affairs
15:20–15:40	<b>Keynote: the EITI from international initiative to national implementation</b> Dirk-Jan Koch, special representative for raw materials and chair of the NL-EITI multi-stakeholder group
15:40–16:10	<b>The EITI as an example of international good governance in the raw materials sector: two perspectives</b> • Business: Dr A.M. Frens, General Manager, NAM • Civil society organisations: Marinke van Riet, former member of the EITI board on behalf of PublishWhatYouPay
16:10–16:45	<b>The EITI in the Netherlands: what can we expect in future?</b> Debate between members of the NL-EITI multi-stakeholder group (businesses, civil society organisations and government entities) and secondary school pupils about the future of raw materials extraction in the Netherlands as a result of NL-EITI
16:45–17:00	<b>Close and NL-EITI launch ceremony</b> Sandor Gaastra, DG for Energy, Telecommunications and Competition, Ministry of Economic Affairs and Climate Policy

During the event a pledge was made by the government to make all data available in an open data format and that the focus will be on ensuring that the data are made available on an attractive data portal.

The sixth meeting of the MSG was held on 3 April 2018. Topics on the agenda for this meeting included:

- the reassignment of the place of PWYP in the MSG to the Open State Foundation;
- the draft EITI Candidature Application of The Netherlands.
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After the MSG meeting on 2 February 2018, it was revealed that there are no longer any Dutch members of PublishWhatYouPay. As a result, PublishWhatYouPay is no longer formally represented in the Netherlands. It has therefore been proposed to reassign their place in the MSG to the Open State Foundation. The MSG has decided in accordance with this proposal.

During the MSG-discussion of the draft Candidature Application of The Netherlands a live connection was established with the international EITI secretariat to receive guidance about how to proceed with the draft Candidature Application.

#### List of documents

14. Minutes of the first meeting of the MSG (being established) on 29 June 2017.
15. Minutes of the second meeting of the MSG (being established) on 31 August 2017.
16. Minutes of the third meeting of the MSG (being established) on 11 October 2017.
17. Minutes of the fourth meeting of the MSG on 28 November 2017.
18. Minutes of the fifth meeting of the MSG on 6 February 2018.
19. MSG Terms of Reference.

## EITI Requirement 1.5

**The multi-stakeholder group is required to maintain a current work plan, fully costed and aligned with the reporting and Validation deadlines established by the EITI Board. The work plan<sup>9</sup> must:**

- a) Set EITI implementation objectives that are linked to the EITI Principles and reflect national priorities for the extractive industries. Multi-stakeholder groups are encouraged to explore innovative approaches to extending EITI implementation to increase the comprehensiveness of EITI reporting and public understanding of revenues and encourage high standards of transparency and accountability in public life, government operations and in business.
- b) Reflect the results of consultations with key stakeholders, and be endorsed by the multi-stakeholder group.
- c) Include measurable and time bound activities to achieve the agreed objectives. The scope of EITI implementation<sup>10</sup> should be tailored to contribute to the desired objectives that have been identified during the consultation process. The work plan must:
  - i. Assess and outline plans to address any potential capacity constraints in government agencies, companies and civil society that may be an obstacle to effective EITI implementation.
  - ii. Address the scope of EITI reporting, including plans for addressing technical aspects of reporting, such as comprehensiveness (4.1) and data reliability (4.9).
  - iii. Identify and outline plans to address any potential legal or regulatory obstacles to EITI implementation, including, if applicable, any plans to incorporate the EITI Requirements within national legislation or regulation.
  - iv. Outline the multi-stakeholder group's plans for implementing the recommendations from Validation and EITI reporting.
- d) Identify domestic and external sources of funding and technical assistance where appropriate in order to ensure timely implementation of the agreed work plan.
- e) Be made widely available to the public, for example published on the national EITI website and/or other relevant ministry and agency websites, in print media or in places that are easily accessible to the public.
- f) Be reviewed and updated annually. In reviewing the work plan, the multi-stakeholder group should consider extending the detail and scope of EITI reporting including addressing issues such as revenue management and expenditure (5.3), transportation payments (4.4), discretionary social expenditures (6.1.b), ad hoc subnational transfers (5.2.b), beneficial ownership (2.5) and contracts (2.4). In accordance with Requirement 1.4.b (viii), the multi-stakeholder group is required to document its discussion and decisions.
- g) Include a timetable for implementation that is aligned with the reporting and Validation deadlines established by the EITI Board (8.1-8.4) and that takes into account administrative requirements such as procurement processes and funding.

The NL-EITI work plan is based on the national NL-EITI objective. This objective of EITI implementation in the Netherlands is described as follows:

"The objective of NL-EITI is to provide each member of Dutch society with transparent and verified information about the money flows between the extractive industries and the government in the context of the extractive industry value chain, in order to contribute to a well-informed debate about the extractive industry value chain in the Netherlands."

With this regard, the extractive industries include the oil and gas extraction as well as the salt mining industries. In accordance with EITI systematics, the extractive industry value chain contains the following links:

- contracts and concessions;
- production;
- collection of proceeds;
- allocation of proceeds in government budgets;
- social and economic contribution of extractive industries.

<sup>9</sup> Guidance note 2 on developing an EITI work plan available at <https://eiti.org/GN2>

<sup>10</sup> Standard Terms of Reference for an EITI scoping study available at <https://eiti.org/TOR-scoping>

The context of the extractive industry value chain in The Netherlands also refers to certain forms of sustainable energy, such as geothermal and wind energy.

The implementation of NL-EITI is based on the following national transparency laws:

- Dutch Ultimate Beneficial Owner (UBO) legislation is an important principle behind the EITI requirement for a roadmap with regard to the disclosure of the ultimate beneficiaries of the extractive industries. At the moment the Netherlands is implementing the (amended) 4th EU anti-money laundering Directive (AMLD4) which will result in a register containing UBO-information of corporate and other legal structures as well as of trusts and other similar legal arrangements. The implementation is foreseen for the end of 2019 / beginning of 2020.
- The Decree on Disclosing Payments to Government Entities (*Besluit rapportage van betalingen aan overheden*) forms part of the Dutch implementation of Directives 2013/34/EU and 2013/50/EU of the European Parliament on the (transparency of) annual financial statements. This Decree makes it obligatory for companies from industries including the extractive industries to compile and disclose a report of payments made to government entities. As such, these companies have been required to submit an overview of their payments to Dutch government entities to the Chamber of Commerce since 2017. This obligation closely resembles the EITI requirements for the disclosure of payments made by the extractive industries to government entities.

The NL-EITI work plan applies to the period commencing with the final preparations for submitting the Dutch EITI candidature and ending with the publication of the first NL-EITI report.

The MSG expects to submit the Dutch candidature application to the EITI board in April of 2018, in time for the EITI board to admit the Netherlands as an EITI candidate country during its meeting on 28–29 June 2018 in Berlin. This procedure would require the Netherlands to submit its first EITI report by the end of 2019. Such a report would be for the year 2017. This first NL-EITI report would then have to be validated by late 2020 at the latest for the Netherlands to be designated as EITI compliant.

The present work plan applies to the period running from 1 January 2018 until 31 December 2019.

Main milestones during this period are as follows:

- 1 April 2018: submission of candidature to the EITI board;
- 1 July 2018: the Netherlands designated as an EITI candidate country;
- 1 October 2018: call for payments and revenues for 2017;
- 1 July 2019: completion of the first NL-EITI report for the fiscal year 2017;
- 1 September 2019: publication of the first NL-EITI report.

NL-EITI implementation costs itemised in the work plan are for the account of the Dutch government. The costs for 2018 will be borne by the Ministry of Foreign Affairs.

It remains to be seen to what extent the first NL-EITI report can be compiled on the basis of data that are already publicly accessible. As stated in the memorandum "Overview of publicly accessible EITI data" discussed during the second meeting of the MSG (being established), the majority of the required EITI data are already publicly accessible. With regard to those data, a reference in the NL-EITI report will suffice. For an example, please see document 20 (NLOG website). During 2018 preparations will start for creating a data portal that will enable systematic disclosure of data in a timely manner. By the end of 2018, in line with the EITI board decision in Oslo of February 2018, the Netherlands will have developed a costed work plan for 2019 and onwards that includes steps to mainstream EITI implementation in company and government systems within 3-5 years.

Not all data required to reconcile the payments made to and revenues received by government entities are publicly accessible. Whereas a considerable part of company data on payments made to government entities can be requested from the Chamber of Commerce, the government's tax revenue is not public information.

As a result, the first EITI report will be based on a classic call to individual companies and government entities for payments and revenues, followed by a reconciliation of these data sets. On the basis of its

experiences with this call, the MSG will then work together on bringing the reconciliation process for subsequent reports more in line with the publicly accessible data ("mainstreaming").

The NL-EITI work plan 2018-2019 was finalised during the MSG meeting on 6 February 2018 (please see Document 21).

#### List of documents

20. NLOG. cf. <http://nlog.nl/>.

21. NL-EITI work plan 2018-2019.

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# INFORMATION ABOUT THE MULTI-STAKEHOLDER GROUP

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Provide a list of members from the national Multi-Stakeholder Group, their organisational affiliation and contact details. If appropriate, attach information regarding additional government, civil society and private sector stakeholders involved in the sign-up process.

<b>Name</b>	<b>Title</b>	<b>Organisation</b>	<b>Contact details (Phone &amp; Email)</b>
Merei Wagenaar	Mrs.	Min. of Economic Affairs and Climate	member
Bert Roukens	Mr.	Min. of Economic Affairs and Climate	alternate
Carmen Hageaars	Mrs.	Min. of Foreign Affairs	member
Omer van Renterghem	Mr.	Min. of Foreign Affairs	alternate
Dorris Raijmann	Mrs.	Tax Department	member
Marco van Driel	Mr.	Tax Department	alternate
Jo Peters	Mr.	NOGEP	member
Marieke van den Akker	Mrs.	NOGEP	alternate
Martijn van der Deijl	Mr.	NAM B.V.	member
Joost Kutsch Lojenga	Mr.	Shell International B.V.	alternate
Peter Waaijer	Mr.	Dyas B.V.	member
Joris Hengeveld	Mr.	Vermilion Energy Netherlands B.V.	alternate
Gerno Kwaks	Mr.	Open State Foundation	member
Tom Kunzler	Mr.	Open State Foundation	alternate
Anne Scheltema Beduin	Mrs.	Transparency International NL	member
Paul Vlaanderen	Mr.	Transparency International NL	alternate
Joosje de Lang	Mrs.	FNV	member
Henk Korthof	Mr.	FNV	alternate

# ANNEXES

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## List of documents

1. Roland Berger, *Haalbaarheidsonderzoek Extractive Industries Transparency Initiative (EITI)*, 2010.
2. Roland Berger, *Addendum Haalbaarheidsonderzoek Extractive Industries Transparency Initiative (EITI)*, 28 March 2014.
3. Letter to the House of Representatives regarding EITI implementation in the Netherlands, 19 February 2015.
4. Letter to the House of Representatives regarding the progress of EITI implementation in the Netherlands, 2 November 2015.
5. Royal HaskoningDHV, *Perspectief van vier Ministeries en de belastingdienst op de scoping van de implementatie van EITI in Nederland* (Perspectives of four ministries and the Tax and Customs Administration on the scope of EITI implementation in the Netherlands), 12 June 2015.
6. Decree on Disclosing Payments to Government Entities (*Besluit rapportage van betalingen aan overheden*), 10 November 2015; cf. <https://zoek.officielebekendmakingen.nl/STB-2015-439.html>.
7. Announcement of the appointment of Prof. D.-J. Koch, Government Gazette, 5 May 2017.
8. Profile of Prof. D.-J. Koch.
9. Announcement of the establishment of the MSG, Government Gazette, 26 October 2017.
10. Announcement and schedule of the national NL-EITI event, 7 March 2018.
11. List of NOGEPa members; cf. <https://www.onsaardgas.nl/nogepa/>.
12. Invitation, schedule of the day and list of invitees for 2 March 2016.
13. Minutes of the meeting on 2 March 2016.
14. Minutes of the first meeting of the MSG (being established) on 29 June 2017.
15. Minutes of the second meeting of the MSG (being established) on 31 August 2017.
16. Minutes of the third meeting of the MSG (being established) on 11 October 2017.
17. Minutes of the fourth meeting of the MSG on 28 November 2017.
18. Minutes of the fifth meeting of the MSG on 6 February 2018.
19. MSG Terms of Reference.
20. NLOG; cf. <http://nlog.nl/>.
21. NL-EITI work plan 2018-2019.