



NL-EITI work plan

2018-2019

1. Introduction

The government of the Netherlands has been closely involved with the Extractive Industries Transparency Initiative (EITI) since its inception in 2002. Annex 1 lists the steps taken by the Netherlands regarding the EITI in chronological order.

In late 2015, the then Minister for Foreign Trade and Development Cooperation (BHOS) wrote to the House of Representatives, also on behalf of the then Ministers of Economic Affairs (EZ) and Finance, in order to announce the government's intention to put the Netherlands forward as a candidate country for EITI implementation, pursuant to Section 1.1a of the EITI Standard 2016 (hereinafter referred to as ES1.1a).

The ministers for BHOS and EZ appointed Dirk-Jan Koch in early 2017 as the champion for EITI implementation in the Netherlands (NL-EITI), pursuant to ES1.1b. In late 2017, those same ministers established the multi-stakeholder group (MSG) for NL-EITI (ES1.4a). The MSG has its own Terms of Reference (ToRs) (ES1.4b).

In late 2017, the MSG prepared the Dutch EITI candidature. One of the candidature conditions is a work plan (ES1.5). The NL-EITI work plan is described below.

2. Work plan for EITI implementation in the Netherlands (NL-EITI)

2.1 NL-EITI objective

This work plan is based on the national NL-EITI objective. The 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.

In the context of the extractive industry value chain, this sector also refers to certain forms of sustainable energy, such as geothermal and wind energy.

This objective is derived from:

- the more general discussion of NL-EITI during the first meeting of the MSG (being established) on 29 June 2017;
- the discussion of the scope of NL-EITI during the second meeting of the MSG (being established) on 31 August 2017, the third meeting of the MSG (being established) on 11 October 2017 and the fourth meeting of the MSG on 28 November 2017;
- the discussion of the EITI principles during the third meeting of the MSG (being established) on 11 October 2017.

For more information about the objective, please refer to items 3 "Scope of NL-EITI" and 5 "Discussion of the EITI principles" in the minutes of the third meeting of the MSG (being established), as well as item 5 "Draft NL-EITI work plan 2018-2019" in the minutes of the fourth meeting of the MSG.

2.2 Other national transparency laws relevant to NL-EITI

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 (ES2.5b).
- The Decree on Disclosing Payments to Government Entities (*Besluit rapportage van betalingen aan overheden*) forms part of the Dutch implementation of Directive 2013/34/EU of the European Parliament on the 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. This obligation closely resembles the EITI requirements for the disclosure of payments made by the extractive industries to government entities (ES4.1, 4.7).

2.3 NL-EITI work plan 2018-2019 in more detail

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 the first quarter 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 (ES4.8a). Such a report would be for the year 2017 (ES4.8b). 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 (ES8.3d).

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 (5);
- 1 July 2018: the Netherlands designated as an EITI candidate country (11);
- 1 October 2018: call for payments and revenues for 2017 (17);
- 1 January 2019: Submit a costed mainstreaming plan to EITI international secretariat (20)
- 1 July 2019: completion of the first NL-EITI report for the fiscal year 2017 (26);
- 1 September 2019: publication of the first NL-EITI report (27).

The period from 1 January 2018 until 31 December 2019 is elaborated in more detail in Table 1 below. Numbers between brackets in the list above refer to the corresponding action items in Table 1. The table includes information about the applicable ES sections.

Notes to Table 1:

- In 2018, the MSG will meet once every two months. These meetings are provisionally scheduled for February, April, June, August, October and December.
- The mandate of NL-EITI champion/MSG chair Dirk-Jan Koch expires at the beginning of October 2018. As a consequence, the MSG should start its search for a suitable candidate to succeed Dirk-Jan Koch in the first quarter of 2018.
- Internal personnel expenses for the three MSG sections are for the account of the MSG.
- The abbreviation "secr." refers to the NL-EITI secretariat, which is operated by the Netherlands Enterprise Agency (RVO) at the behest of the Ministry of Foreign Affairs.

- 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.
- 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.

However, 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 can then examine how to bring the reconciliation process for subsequent reports more in line with the publicly accessible data ("mainstreaming").

During 2018 the MSG will work on a costed plan to make systematic disclosure through an online data-portal the way in which NL-EITI progresses.

Table 1: Detailed NL-EITI work plan 2018-2019 (v2.0)

Item	Date	Action	Actor	Outcome	Costs in k€
	2018				
1	January–March	Organise and host a national NL-EITI event.	MSG/secret.	Government entities, companies and civil society organisations are more closely involved with NL-EITI (ES1.1–1.3).	10
2	January–February	Complete and maintain an NL-EITI website.	MSG/secret.	The public is better informed about NL-EITI (ES1.1–1.3 and 7.1).	-
3	January–February	Define material payments and revenues for NL-EITI.	MSG/secret.	The materiality definitions and thresholds are clearly established (ES4.1–4.7).	-
4	February	Start the search for a new MSG chair/NL-EITI champion.	MSG	A successor for D.-J. Koch has been found (ES1.1b).	-
5	February–March	Prepare the candidature application and submit it by 1 April 2018 at the latest.	MSG/secret.	The Netherlands is designated as an EITI candidate country in June 2018.	5
6	February–March	Contract an Independent Administrator (IA).	MSG/secret./RVO	An IA has been contracted (ES4.9).	35
7	March–April	Map material payments and revenues related to state-owned enterprises (SOEs).	MSG/secret.	The reporting requirements for SOEs are clearly established (ES4.2, 4.4 and 4.5).	-
8	April–May	Complete an overview of already publicly accessible data, e.g. extractive industry revenues as a percentage of public funds, sub-national transfers and quasi-fiscal expenditures.	MSG/secret.	The opportunities for mainstreaming NL-EITI data are known (ES4.9c).	-
9	May–June	Compile a definitive overview of already publicly accessible NL-EITI data in consultation with the IA.	MSG/secret./IA	The opportunities for mainstreaming NL-EITI data are definitively known (ES4.9c).	-
10	May–June	Find a definitive solution for the disclosure of tax data for NL-EITI.	MSG/secret.	It is possible to match the payments to and the revenues of government entities (ES1.1, 4.1 and 4.9).	-
11	June	Take part in the EITI board meeting in Berlin.	MSG/secret.	The Netherlands is designated as an EITI candidate country.	2
12	June	Publicise the Dutch status as an EITI candidate country.	MSG/secret.	The public is better informed about NL-EITI (ES1.1–1.3 and 7.1).	5
13	July–September	Develop a road map for the disclosure of the ultimate beneficiaries of the extractive industries by 1 January 2020 at the latest.	MSG/secret.	The ultimate beneficial ownership road map is complete (ES2.5b).	-
14	September	Prepare a call form to obtain NL-EITI data from companies and government entities in consultation with the IA.	MSG/secret./IA	The NL-EITI data call format is known.	-

15	September	Compile a list of participating companies in consultation with the IA.	MSG/secr./IA	The participating companies are known (ES1.2).	-
16	October	The new MSG chair/NL-EITI champion takes up his or her position.	MSG/ministers	The continuity of NL-EITI management is guaranteed (ES1.1b).	3
17	October	The IA issues the call to companies and government entities for NL-EITI data for 2017.	IA	Companies and government entities gather NL-EITI data for 2017 (ES4.1c).	-
18	October–December	Companies and government entities supply NL-EITI data for 2017 to the IA.	Companies and government entities	The IA possesses all the NL-EITI data for 2017 on payments and revenues that are required for reconciliation (ES4.9).	-
19	November	Compile an NL-EITI annual progress report.	MSG/secr.	The annual progress report is complete (ES1.4b:iv, 7.4).	-
20	December	Send in a costed-workplan to reach systematic disclosure within 3 years to the international secretariat	MSG/secr	MSG agrees on a long-term financially realistic vision on systematising disclosures	-
21	All of 2018	Perform administrative duties for the MSG.	secr.	Adequate support for the MSG.	154
2019					
22	January–December	The new MSG chair takes up his or her position.	MSG chair	The continuity of NL-EITI management is guaranteed (ES1.1b).	12
23	January–March	The IA reconciles the NL-EITI data for 2017 supplied by companies and government entities.	IA	The IA has a clear insight into any discrepancies between the payments to and revenues of government entities (ES4.9b).	20
24	January–March	Elaborate a suitable open data format.	MSG/secr.	The open data format is ready in time for the first NL-EITI report (ES7.1).	-
25	January–March	Elaborate "mainstreaming" opportunities based on experiences with the first NL-EITI call.	MSG/secr.	The mainstreaming opportunities form the basis for the call for the second EITI report (ES4.9c).	-
26	April–June	The secretariat compiles the NL-EITI report for 2017, including contextual data, in consultation with the IA.	MSG/IA/secr.	The NL-EITI report for 2017 is ready (ES4.8).	5
27	September	Organise an event to present the NL-EITI report for 2017.	MSG/secr.	The public is informed about the NL-EITI report for 2017 (ES7.1).	10
28	October	The IA issues the call to companies and government entities for NL-EITI data for 2018.	IA	Companies and government entities gather NL-EITI data for 2018 (ES4.1c).	3
29	October–December	Companies and government entities supply NL-EITI data for 2018 to the IA.	Companies and government entities	The IA possesses all the NL-EITI data for 2018 on payments and revenues that are required for reconciliation (ES4.9).	-
30	November	Compile an NL-EITI annual progress report.	MSG/secr.	The annual progress report is complete (ES1.4b:iv, 7.4).	-
31	All of 2019	Perform administrative duties for the MSG.	secr.	Adequate support for the MSG.	140

Annex 1. Steps taken by the Netherlands regarding the EITI in chronological order

- 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.
- 2011: The Dutch government sends the Raw Materials Memorandum (*Grondstoffennotitie*) 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".
- 2011–2015: 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, 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.
- 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. The government commissions Royal HaskoningDHV to carry out a scoping study for EITI implementation in the Netherlands.
- 2016: The RVO, as the national EITI coordinator, starts making preparations for EITI implementation.
- 2016–2018: Dirk-Jan Koch, the Ministry of Foreign Affairs' special representative for raw materials, is an active member of the EITI board.
- 2017: The then ministers for BHOS and EZ appoint Dirk-Jan Koch as the champion for EITI implementation in the Netherlands (NL-EITI). In late 2017, those same ministers establish the multi-stakeholder group for NL-EITI.