

Parameters for implementing the pilot on alternative reporting in 2021

Resolution of the 6th special meeting of the MSG on the pilot on alternative reporting

On 26 May 2021, the Multi-Stakeholder Group (MSG) unanimously adopted the following resolution:

the MSG agreed that the payment reconciliation pilot (alternative procedure for quality assurance of data/pilot on alternative reporting) should be continued and further developed in 2021. We refer to the parameters summarised in the annex to this resolution [see Parameters for continuation of the pilot on alternative reporting]. Continuation and further development comprise, in particular:

- the adoption and improvement of Chapter 8 of the 3rd D-EITI report [Improving the presentation of institutional structures];
- implementation of recommendations of the Independent Administrator (IA) from the 3rd D-EITI report, including statements of the IA in the presentation 'Payment Reconciliation Pilot Procedure/Risk Assessment and Plausibility Check' of 17 May 2021 (two-stage procedure with risk assessment and plausibility check where applicable) [see presentation of the IA];
- details on anti-corruption rules and procedures in relevant areas of public administration and rules and procedures on compliance in companies as a non-binding element in the report;
- a statement from the MSG on the risk assessment by the IA that confirms the relativity of the statement on risk assessment (limited to the field of payment reconciliation, no general exclusion of corruption risk).

The Multi-Stakeholder Group agreed to dedicate a separate chapter of the 4th D-EITI report to the topic of energy transition. Existing topics (renewable energy and coal phase-out) will be consolidated and introduced in a chapeau (in line with the chapter on Sustainability). In addition, the chapter will deal with topics from this context relating to natural resources – domestic resources for future technologies, recultivation, post-mining, structural change and acceptance.

Parameters for continuation of the pilot on alternative reporting

On 26 May 2021, the Multi-Stakeholder Group agreed on the following parameters for continuing the pilot:

1. Objective of the payment reconciliation pilot:

There is agreement that the primary aim of the pilot is to develop and implement a procedure that meets the binding requirements (4.9) of the EITI standard on quality assurance and ensures that D-EITI reporting under the 4th report complies with the EITI standard and thus pilots an alternative to the existing standard procedure (payment reconciliation) for the EITI. The parts of the agreement that are aligned with this objective are referred to as the 'mandatory part of the pilot'.

There is agreement that it is desirable to create added value with the pilot beyond this primary objective. The parts of the agreement that are focused on this added value are referred to as the 'non-mandatory part of the pilot'. A joint agreement was adopted for the two parts, and they both constitute the activity 'pilot for payment reconciliation', but in terms of implementation are considered and documented separately in order to satisfy the various target functions.

2. Partial activities of the pilot:

a) The report will be supplemented with further information on anti-corruption rules and procedures in relevant areas of public administration and the corresponding compliance rules and procedures for companies (non-mandatory part)

- The report will present this information separately from the chapter by the IA and from the mandatory part of the pilot.

- An initial draft will be prepared by the civil society constituency (Transparency International Germany e.V.) and the private sector constituency (Wintershall Dea)

b) Other MSG engagement with topics relating to tax collection and tax assessment (non-mandatory part)

- Chapter 8 of the 3rd D-EITI report – and thus the presentation of general aspects of tax collection and assessment – remains unchanged for the 4th D-EITI report.

- There will be a discussion within the MSG on any tax and financial issues arising from the first phase of the pilot. It will be supported by members of the government with technical responsibility and further representatives as required (Federal Court of Auditors, BRH).

c) Implementation of an alternative quality assurance procedure based on recommendations of the IA on the 3rd D-EITI report (mandatory part)

- Terms of References (ToR) will be prepared for the IA for the 4th report based on the recommendation of the IA from the 3rd report and information supplemented by the IA during preparation (see presentation by the IA 'Pilot Procedure for Payment Reconciliation/Risk Assessment and Plausibility Check' of 17 May 2021).

- The IA will implement the ToR with the aim of developing standard-compliant implementation of quality assurance and implementing it with the MSG.

- Implementation will take into account the fact that the MSG will not make any general statements on corruption risks in Germany in the planned risk assessment. The risk assessment will comprise only aspects that are necessary for standard-compliant quality assurance and will make only a relative statement in respect of the procedure to be chosen.

- The risk assessment procedure is open-ended, but the aim of the procedure is to make a further procedure possible without payment reconciliation (Alternative 1 of the recommendations).

- The IA will be commissioned to supplement their statements on the institutional structures in Chapter 8 for the 4th D-EITI report, particularly regarding the topics of trade tax and company audits.

- As with the 3rd D-EITI report, the IA will present the procedure in the 4th D-EITI report in accordance with the existing Chapter 8. It will be supplemented by a documentation of the procedure as part of the documentation on the pilot. Upon completion of the pilot, the MSG will undertake an assessment that will be published in the same way as the third report and use the statements made by the IA on the two-stage procedure approach to risk assessment and plausibility check of 17 May (presentation by the IA) as a basis.

Links to supplementary documents with relevance to the 2021 pilot implementation

- [3rd D-EITI Report – Recommendations of the Independent Administrator](#)
- [Presentation by the Independent Administrator 6th special meeting of the MSG \(26 May 2021\)](#)