

Board paper 32-6-B

Confidential

# Candidature Assessment: Germany

**Recommendation:**

The Outreach and Candidature Committee recommends that Germany is admitted as an EITI candidate country.

# CANDIDATURE ASSESSMENT: GERMANY

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## 1 Recommendation

The Outreach and Candidature Committee makes the following recommendation to the EITI Board:

***The EITI admits Germany as an EITI candidate country on 23 February 2015. In accordance with the EITI Standard, the Dominican Republic is required to publish its first EITI Report within 18 months of becoming a candidate (i.e., by 23 August 2017). Germany is required to publish an annual activity report for 2016 by 1 July 2017. Validation will commence within two and a half years of becoming a candidate (by decision date 23 August 2018).***

## 2 Summary

The International Secretariat received an EITI candidature application from Germany on 22 December 2015. The application is publically available on the D-EITI website<sup>1</sup> and the EITI website<sup>2</sup>. The procedures for assessing candidature applications are set out in the EITI Standard, which specifies four “sign-up” requirements:

- 1.1 The government is required to issue an unequivocal public statement of its intention to implement the EITI.
- 1.2 The government is required to appoint a senior individual to lead the implementation of the EITI.
- 1.3 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
- 1.4 The multi-stakeholder group is required to maintain a current workplan, fully costed and aligned with the reporting and Validation

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<sup>1</sup> <http://www.d-eiti.de/en/>

<sup>2</sup> <https://eiti.org/germany>

In addition, under requirement 1.5, the multi-stakeholder group can appeal to exceptional circumstances that necessitate deviation from the implementation requirements, in which case it must seek prior EITI Board approval for adapted implementation. Germany has not made an adapted implementation request.

In accordance with agreed procedures, the application was assessed by the International Secretariat (see sections 3 and 4, below). In addition to reviewing the application, the Secretariat sought comments and clarifications from stakeholders.

**The Secretariat's assessment is that Germany has satisfied the requirements in order to be admitted as an EITI candidate.**

The EITI Standard also outlines the requirements relating to reporting and Validation deadlines (see requirements 1.6 and 2.1):

Requirement 2.1: Implementing countries are required to produce their first EITI Report within 18 months of being admitted as an EITI candidate.

Requirement 1.6 a): If the EITI Report is not published by the required deadline, the country will be suspended.

Requirement 1.6 b): EITI candidate countries are required to commence Validation within two and a half years of becoming an EITI candidate.

These requirements are reflected in the recommendation above.

### 3 Background

Germany is Europe's largest and the world's fifth largest economy<sup>3</sup>. It is one of the world largest commodity consumers. While generally regarded as a resource-poor country, it has relatively large deposits of lignite, potash and rock salt as well as rocks and soils for the construction industry. Germany's coal mining, which is to be phased out by 2018, is a special case. It is subsidised by the government, which means that it does not generate payments to the state. Oil and gas are extracted, mainly in North Germany and the North Sea. In 2014 the total value of annual raw material production in Germany was approximately €13.5 billion<sup>4</sup>. Current data on all mining enterprises in Germany and a description on the status of German mining in the context of overall economic trends can be found in the 65th edition of *Mining in the Federal Republic of Germany: The Extractive Industries in Numbers* (in German<sup>5</sup>), an annual report published by the Federal Ministry for Economic Affairs and Energy in cooperation with the mining authorities of the federal states.

The German Government has been promoting the EITI since the initiative was established in 2003, primarily as part of Germany's development assistance strategy. This has included substantial political, technical and financial support, as documented online by the Federal Ministry for Economic Cooperation and

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<sup>3</sup> IMF (2015) <http://www.imf.org/external/pubs/ft/weo/2015/01/>

<sup>4</sup> The German Federal Institute for Geosciences and Natural Resources

<sup>5</sup> <http://www.bmwi.de/DE/Mediathek/publikationen/did=675744.html>

Development (BMZ)<sup>6</sup>.

At the G8 summit held in June 2013 in Lough Erne, Northern Ireland, the German government announced that it would test the EITI in a pilot region. During preparations for the pilot, the German government decided to implement the EITI. A feasibility and stakeholder study<sup>7</sup> was commissioned by the Federal Ministry for Economic Affairs and Energy (BMWi), the lead ministry for implementing the EITI in Germany. The study examined the views of the other federal ministries, the governments of the individual federal states (Länder), private industry and civil society regarding the objectives and the additional value that implementing the EITI in Germany could be expected to generate.

At a meeting on 2 July 2014, the German Cabinet formally resolved to undertake the sign-up steps for Germany's EITI candidature. The decision was officially announced the same day, along with the appointment of an EITI Champion, and a declaration to establish a multi-stakeholder group (MSG). The announcement explained the motivation of the German government to implement the EITI as follows: "The EITI will support responsible actions and transparency in the extractive sector in Germany as in other countries. We will also be helping establish a level playing field for transparency in extractive industries around the world."<sup>8</sup>

### **Environment for expression and participation**

Germany is universally regarded as free and democratic country. Freedom of expression is enshrined in the constitution, and the media are largely free and independent. Hate speech is punishable if publicly pronounced against specific segments of the population and in a manner that incites hatred, such as racist agitation and anti-Semitism<sup>9</sup>.

There is a vibrant civil society landscape in Germany, with a wide range of civil actors that are regularly consulted by public institutions through a variety of formal and informal procedures, institutions, initiatives and networks that aim to connect political actors and civil society. There is a useful overview on the participation of German civil society organisations on EU-related issues [here](#).

The challenge for German civil society organisations to mobilising resources (expertise and funding) to support the development of the EITI in Germany. A priority has been to ensure that the EITI is linked and adds value to other priority areas for German civil society organisations such as tax justice, energy security, climate change and environmental management.

## **4 Candidature assessment**

### **EITI REQUIREMENT 1.1**

The EITI Standard states that:

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<sup>6</sup> [http://www.bmz.de/en/what\\_we\\_do/issues/goodgovernance/EITI/deutscherbeitrag/index.html](http://www.bmz.de/en/what_we_do/issues/goodgovernance/EITI/deutscherbeitrag/index.html)

<sup>7</sup> <http://www.d-eiti.de/wp-content/uploads/2015/09/gutachten-zur-vorbereitung-einer-kandidatur-deutschlands-in-der-EITI.pdf>

<sup>8</sup> <http://www.bmwi.de/EN/Press/press-releases.did=645338.html>

<sup>9</sup> <https://freedomhouse.org/report/freedom-world/2015/germany>

*The government is required to issue an unequivocal public statement of its intention to implement the EITI.*

*The statement should be made by the head of state or government or an appropriately delegated government representative.*

### Secretariat assessment

The German Government has issued several unequivocal public statements regarding its intention to implement the EITI. As noted in the candidature application:

At a meeting on 2 July 2014, the German Cabinet formally resolved to undertake the sign-up steps for Germany's EITI candidature. The decision was officially announced the same day<sup>10</sup>, along with the appointment of an EITI Champion, and a declaration of the intention to involve a multi-stakeholder group (MSG) in the process.

The public statement was published on the BMWi website. It states:

At its meeting today, the Federal Cabinet decided to launch Germany's application to join the Extractive Industries Transparency Initiative (EITI). Uwe Beckmeyer, Parliamentary State Secretary at the Federal Ministry for Economic Affairs and Energy, was designated Germany's Special Representative for EITI with responsibility for implementation in Germany. The Federal Government will also establish a multi-stakeholder group (MSG). This is a three-group body with equal representation of government, commerce and civil society. The body is intended to shape and guide the EITI in Germany.

State Secretary Beckmeyer said: "Today's decision is an important step forward for the German government's policy on international commodities. By implementing the EITI in Germany, the government is strengthening the initiative as a global standard. This is sending out an important political signal of support to developing and emerging economies in the common fight against corruption related to raw materials transactions. Our aim is to encourage more countries to act as role models and use their market power in the international transparency agenda."

The German Government commitment to implement the EITI has subsequently been reiterated at a range of domestic and international events, including the At the D-EITI Transparency Summit which marked the official launch of preparations for Germany's EITI candidature.

**The International Secretariat's assessment is that the EITI Requirement 1.1 is met.**

### EITI REQUIREMENT 1.2

The EITI Standard states that:

*The government is required to appoint a senior individual to lead on the implementation of the EITI.*

*a) The appointee should have the confidence of all stakeholders.*

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<sup>10</sup> <http://www.bmwi.de/EN/Press/press-releases,did=645338.html>

*b) The appointee should have the authority and freedom to coordinate action on the EITI across relevant ministries and agencies.*

*c) The appointee should be able to mobilize resources for EITI implementation.*

### Secretariat assessment

As noted above, parallel to the official announcement of Germany's intention to implement the EITI, Uwe Beckmeyer, Parliamentary State Secretary at the Federal Ministry for Economic Affairs and Energy, was appointed as Special Federal Government Commissioner for EITI Implementation in Germany (EITI Champion).

The candidature application highlights State Secretary Beckmeyer's role in overseeing EITI implementation:

Within the D-EITI process, State Secretary Beckmeyer represents not only the lead ministry, the Federal Ministry for Economic Affairs and Energy, which is responsible for formulating Germany's policy on raw materials and resources. He also champions the involvement of other relevant federal ministries and stakeholders within society. In his capacity as an elected representative of the people, and a link to the German Bundestag in particular, he ensures a broad based representation in the D-EITI process.

The International Secretariat's consultation with stakeholders and direct engagement in the preparation for candidature confirm that State Secretary Beckmeyer has the confidence of all stakeholders, the authority and freedom to coordinate action on the EITI across relevant ministries and agencies, and is able to mobilize resources for EITI implementation.

**The International Secretariat's assessment is that the EITI Requirement 1.2 is met.**

### EITI REQUIREMENT 1.3

The EITI Standard states that:

*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.*

- a) The government, companies and 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 company and 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 and 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 civil society or company 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:*
- i. *must be able to speak freely on transparency and natural resource governance issues;*
  - ii. *must be substantially engaged in the design, implementation, monitoring and evaluation of the EITI process, and ensure that it contributes to public debate;*
  - iii. *must have the right to communicate and cooperate with each other; and*
  - iv. *must be able to operate freely and express opinions about the EITI without restraint, coercion or reprisal.*
- f) *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. *ensure that senior government officials are represented on the multi-stakeholder group; and*
  - iv. *consider establishing the legal basis of the group.*
- g) *The multi-stakeholder group is required to agree clear public Terms of Reference (ToRs) for its work. 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, the central role of companies and civil society, as well as widely disseminating 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 workplans, EITI Reports and annual activity reports:*

- iv. *The multi-stakeholder group is required to approve annual workplans, the appointment of the Independent Administrator, the Terms of Reference for the Independent Administrator, EITI Reports and annual activity reports.*
- v. *The multi-stakeholder group should oversee the EITI reporting process and engage in Validation in accordance with chapter 3.*

*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 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 1.3(f).*
- 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.*

## Secretariat assessment

The German government has committed to work with civil society and companies, and in March 2015 established a multi-stakeholder group to oversee the implementation of the EITI. The membership of the MSG is publically available<sup>11</sup>, as are the Rules of Procedure for the MSG<sup>12</sup>.

At the announcement of Germany's intent to implement the EITI, EITI Champion Uwe Beckmeyer said:

"The introduction of the internationally successful EITI model offers fresh opportunities for greater transparency and dialogue in the German raw materials sector. We want to work together with the German business community and civil society over the next few months on putting the conditions in place for a successful EITI candidacy."

Following the public statement, BMWi organised roundtables for German civil society and German industry to inform them about the EITI process and to encourage them to participate in the MSG. The invitation to take part in the roundtables was to a wide array of organisations, private companies and associations. Minutes of the civil society<sup>13</sup> and industry<sup>14</sup> roundtables are available online. Both stakeholder groups subsequently organised and elected their own representatives to the MSG. The website of the D-EITI Secretariat continues to invite interested parties to become engaged in the process and to contact the MSG. The industry and civil society constituencies have appointed coordinators, who act as contact persons for actors interested in the D-EITI process.

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<sup>11</sup> <http://www.d-eiti.de/en/d-eiti-implementing-the-eiti-standard/#parent-783>

<sup>12</sup> <http://www.d-eiti.de/wp-content/uploads/2015/05/2015-03-10-Rules-of-Procedure-MSG.pdf>

<sup>13</sup> <http://d-eiti.de/wp-content/uploads/2014/08/140714-D-EITI-Protokoll-des-1-Runden-Tisches-der-Zivilgesellschaft-+-Anlagen.pdf>

<sup>14</sup> <http://d-eiti.de/wp-content/uploads/2014/08/140717-D-EITI-Protokoll-des-1-Runden-Tisches-der-Wirtschaft-+-Anlagen.pdf>



- a) The application and supporting documentation clearly demonstrates that the government, companies and civil society are fully, actively and effectively engaged in the EITI process. Sustaining this active engagement will depend on demonstrating that the EITI adds value for each constituency.
- b) The government has ensured that there is an enabling environment for company and civil society participation with regard to relevant laws, regulations, and administrative rules as well as actual practice in implementation of the EITI. Stakeholders consulted throughout the preparations for candidature have expressed no concerns regarding respect for the rights of civil society and company representatives substantively engaged in the EITI.
- c) The government has ensured that there are no obstacles to civil society or company participation in the EITI process. As noted above, the challenge for German civil society organisations has been to mobilise resources (expertise and funding) to support the development of the EITI in Germany. The question of funding, independence and conflicts of interest is addressed in section f below.
- d) There is no evidence to suggest that the government has engaged in any actions which have resulted in narrowing or restricting public debate in relation to implementation of the EITI. To the contrary, it is clear that the government has made a considerable effort to promote such debate.
- e) Stakeholders consulted throughout the preparations for candidature have expressed no concerns regarding the ability of EITI stakeholders, in the widest sense, to speak freely on transparency and natural resource governance issues. As documented in the application, the government has made a considerable effort to engage government, industry and civil society stakeholders in the design, implementation, monitoring and evaluation of the EITI process. The rights of stakeholders to consult, communicate and cooperate with each other has been respected throughout the process, and stakeholders have been able to operate freely and express opinions about the EITI without restraint, coercion or reprisal.
- f) (i) The Secretariat's assessment is that the invitation to participate in the MSG was open and transparent. The candidature application addresses the selection process for each constituency:
- **Government.** The government stakeholder group of the MSG was constituted in the ... Federation-Länder Working Group on D-EITI. The five MSG members and their alternates were selected by unanimous decision. Since most revenue from the extractive sector in Germany is generated in the Länder and municipalities, Länder ministries and authorities responsible for fiscal and mining matters were accorded the three of five seats on the government side. The government side is thus represented by high-ranking government representatives (BMW and BMF) and by the Länder governments.
  - **Civil Society.** On the civil society side, organisations and networks active in the fields of transparency, accountability, open government and open data, the environment, development, as well as labour and social affairs were invited to participate. The civil society groups independently organised the selection of MSG members

- **Industry.** The Federation of German Industries (BDI)<sup>15</sup> and the Association of German Chambers of Commerce and Industry (DIHK)<sup>16</sup> organised the consultation process with the private sector. Members of the two bodies were invited to take part in the Industry Round Table initiated by BMWi. An EITI Task Force was subsequently established, which agreed that the industries likely to be the focus of the EITI (oil and gas, potash and salt, coal and quarrying (stone and earth)), should each be represented by one member and one alternate. It was decided that the BDI and the DIHK should also have one member and one alternate.

(ii) As highlighted above, the government and other stakeholders have worked together to ensure that all three constituencies are adequately represented. Each stakeholder group had the right to appoint their own representatives. Each constituency has 5 MSG members. The membership of the MSG is publically available, as are the Rules of Procedure for the MSG.

It is a requirement that “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”. In this content, the government funding made available for civil society warrant careful scrutiny. As noted in the application: “At the outset of the process it emerged that the experience and knowledge of German civil society with respect to the EITI was not adequate, which represented an obstacle to civil society participation in the D-EITI process”. Accordingly: “With the goal of ensuring the active, equal and well-informed participation of civil society organisations in the D-EITI process, the civil society organisations involved in the MSG receive support from the D-EITI Secretariat, totalling EUR 140,000 in grants for 2015 to help them develop the capacities required”. This is explained as follows:

Independence and professional involvement in implementation of the EITI in Germany requires not only knowledge and understanding of the German extractive sector and of the EITI, but also the financial leeway to acquire this knowledge and understanding. With financial support, the organisations involved in the process can now help shape the work of the MSG in a targeted fashion with their technical expertise, and can network within their interest group and conduct PR work to communicate the D-EITI process. This guarantees the extensive dissemination of information about the EITI within civil society structures.

As noted in the application, “the financing was the subject of heated and open discussion because of the potential risk of a conflict of interests”:

To retain the independence of civil society, participants agreed to award project-related grants, which make no requirements in terms of subject matter and which do not provide for the financing of an MSG member. The grants are rather to be used to build a support structure inside and between the non-governmental organisations involved, as well as networking with the broader interest group of civil society in general. The financing is rendered transparent on the D-EITI web-site. The subsidies are awarded by the D-EITI Secretariat, which is an independent body, thus avoiding creating any direct operational and political dependence on

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<sup>15</sup> The BDI is the umbrella organisation of German industries and represents 36 member associations, with a combined membership of over 100,000 private businesses.

<sup>16</sup> The DIHK is also an umbrella organisation, and represents 80 chambers of commerce and industry, which together have more than 3.6 million member companies of every size, from every branch of industry and every region.

the government or on private companies on the part of civil society groups. In this way, the independence of the civil society organisations engaged in the D-EITI process is assured.

The International Secretariat assessment is that the proposed arrangement as appropriate in order to secure vibrant CSO participation, and that appropriate mechanisms are in place to ensure that the integrity of the process is not compromised.

(iii) It is clear that senior government officials are represented on the multi-stakeholder group.

(iv) On 14 April 2015 State Secretary Beckmeyer officially appointed the members of the MSG with the symbolic presentation of the letters of appointment to the Head of the D-EITI Secretariat. The letters of appointment were subsequently sent to the individual members of the MSG. A press release issued by the BMWi then announced the establishment of the German MSG<sup>17</sup>. The International Secretariat is seeking a clarification on the legal basis of the multi-stakeholder group.

(g) As noted above, the membership of the MSG is publically available<sup>18</sup>, as are the Rules of Procedure for the MSG<sup>19</sup>. The Rules of Procedure address the role, responsibilities and rights of the multi-stakeholder group, the MSG's mandate to approve annual workplans, the appointment of the Independent Administrator, the Terms of Reference for the Independent Administrator, EITI Reports and annual activity reports. It also provides clear internal governance rules and procedures in accordance with Requirement 1.3(f).

**The International Secretariat's assessment is that the EITI Requirement 1.3 is met.**

#### **EITI REQUIREMENT 1.4**

The EITI Standard states that:

*The multi-stakeholder group is required to maintain a current **workplan**, fully costed and aligned with the reporting and Validation deadlines established by the EITI Board.*

*The workplan 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 should be tailored to contribute to the desired objectives that have been*

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<sup>17</sup> <http://www.bmw.de/DE/Presse/pressemitteilungen,did=701894.html>

<sup>18</sup> <http://www.d-eiti.de/en/d-eiti-implementing-the-eiti-standard/#parent-783>

<sup>19</sup> <http://www.d-eiti.de/wp-content/uploads/2015/05/2015-03-10-Rules-of-Procedure-MSG.pdf>

*identified during the consultation process. The workplan 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 and data reliability (Requirements 4 and 5); and*
  - 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*
- d) identify domestic and external sources of funding and technical assistance where appropriate in order to ensure timely implementation of the agreed workplan;*
- 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 workplan, the multi-stakeholder group should consider extending the detail and scope of EITI reporting including addressing issues such as revenue management and expenditure (3.7-3.8), transportation payments (4.1.f), discretionary social expenditures (4.1.e), ad-hoc subnational transfers (4.2.e), beneficial ownership (3.11) and contracts (3.12). In accordance with requirement 1.3 (g)(viii), the multi-stakeholder group is required to document its discussion and decisions; and*
- g) include a timetable for implementation that is aligned with the reporting and Validation deadlines established by the EITI Board (see 1.6, below) and that takes into account administrative requirements such as procurement processes and funding.*

## Secretariat assessment

a) The workplan establishes clear objectives, linked to the EITI Principles and reflect national priorities for the extractive industries. The objectives are as follows:

1. Produce timely reports that are understandable and accessible to the general public and based on a transparent, open and innovative EITI process in Germany.
2. Process contextual information concerning the German extractive sector, with a view to promoting a broad debate on resource policy that includes aspects of sustainability (economic, environmental, and social).
3. Engage in understandable, commensurate and increasingly comprehensive reporting to the general public in compliance with the EITI Standard and in harmony with the EU Accounting and Transparency Directives. Concomitantly, additional value shall be generated.
4. Contribute to the further development of the EITI Standard and its implementation and acceptance as a de-facto global standard, to support the global striving for transparency and

accountability as well as the fight against corruption in the extractive sector.

5. Share experience from the multi-stakeholder process, in particular with respect to participatory democracy, citizen engagement and knowledge transfer, and also with regard to EITI implementation in a federal state.

6. Substantially enhance Germany's credibility as regards its political and financial support for EITI.

7. Ensure ongoing implementation of the D-EITI with the intended multi-stakeholder model while building capacity for broad-scale public debate.

As noted in the candidature application, the decision to join the EITI is in line with the national priorities of the German government. Specifically:

- The coalition agreement<sup>20</sup> for the 18th legislative period (2013-2017) aims to promote political initiatives "in order to ensure that a reliable legal and institutional framework is put in place for fair competition on international raw material markets" (p. 10). The agreement also aim to "promote acceptance by citizens of raw material extraction at home" (p. 10).
- The German Government's raw materials strategy<sup>21</sup> advocates further enhancing the transparency of cash flows related to the exploration and exploitation of oil, gas and mineral resources within the framework of the EITI. "Open raw materials markets, the environ-mentally compatible extraction of raw materials, and the increase in welfare due to enhanced transparency, as a contribution towards economic development" are cited as significant issues (p. 26).
- In line with the coalition agreement, the quality of public services in Germany is to be enhanced through greater transparency and the provision of open data. To this end, D-EITI is part of the implementation of the Federal Government's National Action Plan<sup>22</sup> to implement the G8 Open Data Charter<sup>23</sup>, and of the moves of the German government to join the Open Government Partnership.

The objective to develop EITI Reporting in harmony with the EU Accounting and Transparency Directives is also significant, as this has the potential to enhance transparency and accountability while minimising compliance costs for companies. The approach adopted in Germany will be of interest to other EU countries and EITI implementing countries more widely.

b) The feedback from stakeholders is that the workplan reflect the results of consultations with key stakeholders. The workplan has been endorsed by the multi-stakeholder group.

c) D-EITI have undertaken extensive scoping work addressing technical aspects of reporting, such as defining materiality (requirement 4) and data reliability (requirement 5). The MSG's positons on these

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<sup>20</sup> [http://www.kas.de/wf/doc/kas\\_36853-544-2-30.pdf?140820093605](http://www.kas.de/wf/doc/kas_36853-544-2-30.pdf?140820093605)

<sup>21</sup> <http://www.bmwi.de/EN/Service/publications,did=376156.html>

<sup>22</sup> [https://www.verwaltung-innovativ.de/SharedDocs/Publikationen/Pressemitteilungen/nationaler\\_aktionsplan\\_open\\_data\\_englisch.pdf?\\_\\_blob=publicationFile&v=4](https://www.verwaltung-innovativ.de/SharedDocs/Publikationen/Pressemitteilungen/nationaler_aktionsplan_open_data_englisch.pdf?__blob=publicationFile&v=4)

<sup>23</sup> <https://www.gov.uk/government/publications/open-data-charter/g8-open-data-charter-and-technical-annex>

issues are outlined on pages 17-19 of the candidature application. The workplan includes measurable and time bound activities to achieve the agreed objectives, and provides detailed comments on “challenges and limitations for implementation of the D-EITI”, including potential legal or regulatory obstacles to EITI implementation.

d) The workplan is costed for 4 years at an expected cost of €2.7 million. Government funding has been made available to support implementation.

e) The workplan has been made publically available.

f) The expectation is that the MSG will be reviewed and updated annually. As noted above, the D-EITI Secretariat and MSG have already undertaken extensive scoping work.

g) The schedule outlined in the workplan is aligned with the reporting and Validation deadlines established in the EITI Standard.

**The International Secretariat’s assessment is that the EITI Requirement 1.4 is met.**