

**MAP-Workshop:
Implementation of EITI on local level**

Participation of local
stakeholders in Germany's
EITI



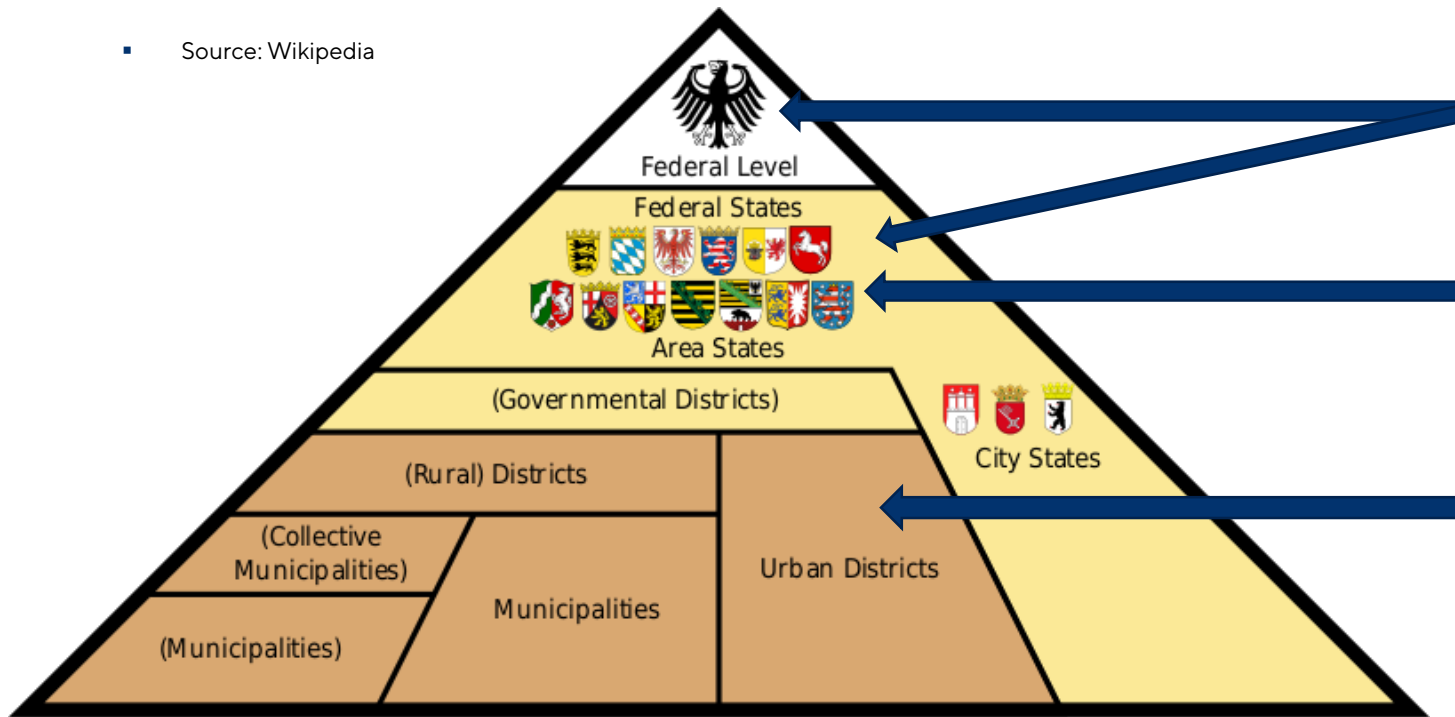
Kiev, 19. September 2019
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Introduction

Administrative divisions of Germany

- Source: Wikipedia



Main payment streams from EI

Corporate tax

Royalties

Local business tax

Introduction

Local communities and extractive industries

- Great impact of extractive industries on local communities
 - Communities receive one quarter of tax and fees paid from the extractive sector
 - Population is directly affected by environmental, economic, and social problems:
 - Examples of impact: resettlement, risks of seismic activity and landslides, water pollution, noise
- Involvement of local actors generally and local civil society actors particularly in the German EITI process quite low

Local involvement on government level

Government constituency

- 5 representatives of government constituency in MSG:
 - BMWi
 - Ministry of Finance on the federal level
 - Three representatives from state ministries and mining authority on the state level
- Local authorities are part of the financial reporting on case of the local business tax
- Mining Act is passed on federal level, but supervised and implemented by 16 states
- States are beneficiaries of half the revenues derived from corporation tax and the full revenues from mine site and extraction royalties

Local involvement on government level

Government constituency

- Working group with representatives from federal and state ministries to include every state (Bund-Länder Gruppe)
- In the EITI process, the inclusion of states is not considered as “local level”
- Two state representatives and the Bund-Länder Group are responsible to facilitate smooth communication and input from the sub-state level
- Direct representation of the local level in the MSG has not yet been pursued
- Informal exchange with Association of Towns and Municipalities (“Städte- und Gemeindebund”)

Local involvement on industry level

Industry constituency

- Individual companies represented by K+S AG (potash and salt producer) and Wintershall (oil and gas producer)
 - Both operating local facilities, but act on a global scale and thus do not represent interests of locally operating industry actors
- Three associations are organized on the federal level
 - Unification of federal and state-level associations and thus do not represent local actors
- Local industry actors are included through associations where local companies are members (e.g. Association of German Chambers of Industry and Commerce)

Local involvement on industry level

Industry constituency

- Materiality threshold for EITI reporting (as decided by MSG): 100 k€ per revenue stream
- Small and medium-sized enterprises do not qualify to participate in the D-EITI reporting framework, giving them no entry point for participation

Local involvement on civil society level

Civil society constituency

- Four CSOs and Trade Union for the Industries Mining, Chemical and Energy
- CSO representatives are operating on the national level
- Local actors and initiatives are not yet directly included in the civil society constituency
- Potential for coordination with local and regional CSOs , but exchange with local actors is rare
- Local civil society is most influenced by the extracting industry

Local involvement in the MSG

Status Quo

- Local actors are invited by MSG into the working groups as experts
- Involvement without MSG invitation not possible
- In 2016: Independent administrator recommended stronger local representation within the MSG
- Recommendation was not followed with following justification: Good cooperation with the Association of Towns and Municipalities (“Städte- und Gemeindebund”) established by government, which ensures access to the relevant actors when needed

Local CSO Stakeholder Mapping

Local initiatives in favor and against raw material extraction



Examples

- Pro Lausitzer Braunkohle (Pro Lausitz Lignite)
- Unser Revier Unsere Zukunft (Our District Our Future)



Examples

- Buirer für Buir
- Grüne Zukunft Welzow (Green Future Welzow)
- The Kohle erSetzen (rePlace coal)
- Zukunft statt Braunkohle Region Lützen (Future In-stead of Coal)
- Bürgerinitiative Bergbaubetroffener (Initiative of Mining Affected

Persons)

- Bergerinitiative GiesenSchacht (Initiativ GiesenTunnel)
- Bürgerinitiative der Salzbergbaugeschädigten NRW (Initiative for Salt Mining Victims)
- Bürgerinitiative Kiesabbau (Initiative against gravel extraction)



Local involvement in the MSG

Conclusions

- Local level is not yet integrated sufficiently in the D-EITI process
- No local actor is present in the MSG
- Government constituency has built mechanisms to cooperate with local actors
- Industry constituency has representatives which may advocate local interests
- Civil society groups have some linkages to local CSOs
- No formal participation of the local level in the German EITI

Integration of local actors into the D-EITI process

Ways to include local civil society actors more efficiently

1. Mapping of relevant local civil society stakeholders
2. Identifying the potential for cooperation with the local level
3. Different possible ways to include local level of civil society in the D-EITI process:
 - Active distribution of information about the process and the decisions
 - Ask for Feedback, send out questionnaires to identify most pressing issues
 - Increase involvement in the working groups
 - Sixth representative of local stakeholders added to CSO in MSG (only possible if all constituencies add another member)

Many thanks for your
attention!

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