

MINUTES OF THE 5TH MEETING OF THE MULTI-STAKEHOLDER GROUP (MSG) OF THE UGANDA EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (UGEITI) HELD ON THURSDAY, 5TH DECEMBER 2019 AT THE IMPERIAL ROYALE HOTEL, KAMPALA STARTING AT 9:00 A.M.

Attendance List

NO.	MSG MEMBERS	INSTITUTION
	GOVERNMENT	
1	Mr. Robert Tugume	Ministry of Energy and Mineral Development
2	Eng. Timothy Tibesigwa	Ministry of Works and Transport
3	Ms. Sarah Aijuka (Proxy)	National Environmental Management Authority
4	Ms. Nakawuma Juliet Magala	Ministry of Foreign Affairs
5	Mr. Philip Andrew Wabulya	Bank of Uganda
6	Mrs. Gloria T. Akatuhurira	Uganda Revenue Authority (URA)
7	Mr. Clovice Bright Irumba	Petroleum Authority of Uganda (Interim Chairperson)
	CIVIL SOCIETY	
8	Ms. Ngabiirwe Winfred	Global Rights Alert
9	Mr. Mugenyi Onesmus	Advocates Coalition for Development and Environment (ACODE)
10	Mr. Gard Benda	World Voices Uganda
11	Mr. Magara Siragi Luyima	Civil Society Budget Advocacy Group
12	Ms. Lomonyang Margaret	Karamoja Women Umbrella Group
	INDUSTRY	
13	Mr. Obad Noah	Oranto Petroleum
14	Dr. Tom Buringuriza	Armour Energy
15	Ms. Ann Bakashaba (Proxy)	China National Offshore Oil Company
16	Mr. Faustine Mugisha (Proxy)	Total E&P Uganda
17	Mr. Allan Joel Kyeyune. (Proxy)	Uganda National Oil Company (UNOC)
	OBSERVERS	
18	Ms. Magdalene Babirye	Office of the Auditor General
19	Mr. Miljan Sladoje	Department for International Development (DFID)
20	Ms. Mbabazi Annet	Strengthening Uganda's Anti-Corruption and Accountability Regime (SUGAR TAF) (DFID/EU Anti-corruption Project)
21	Ms. Robinah Manoba	Democratic Governance Facility (DGF)
22	Ms. Enora Marenne	European Union
23	Mr. Francis Elungat	Ministry of Energy and Mineral Development
24	Mr. Evans Mwesigye	Uganda Revenue Authority (URA)
25	Mr. Robert Mukobi	GIZ
26	Mr. Kosia Kasibayo	Petroleum Authority of Uganda (PAU)
27	Mr. Vincent Kedi	Ministry of Energy and Mineral Development
	OTHERS	

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1	Mr. Saul Ongaria	National Coordinator / Secretary
2	Mrs. Gloria Mugambe	Head of Secretariat, UGEITI
3	Mr. Mark Essex	EITI Expert, IBF/European Union
4	Mr. Pablo Valverde	Director – Outreach, Middle East & Governance, EITI International Secretariat
5	Mr. Christoffer Claussen	Technical Manager, EITI International Secretariat
6	Mr. Kanakulya Edwin Kavuma	Compliance Officer, UGEITI
7	Mr. Edgar Mutungi	Finance Officer, UGEITI
8	Ms. Gertrude Angom	Administration Officer, UGEITI
	MSG MEMBERS ABSENT WITH APOLOGIES	
1	Mr. Moses Kaggwa	MSG Chairperson
2	Mr. Elly Karuhanga	Uganda Chamber of Mines and Petroleum
3	Ms. Allen Bucyana	Ministry of Justice and Constitutional Affairs
4.	Mr. Emmanuel Mugagga	Uganda National Oil Company (UNOC)

AGENDA

1. Opening Remarks
2. Review and Adoption of the previous Minutes
3. Presentation by the Team from the International Secretariat on the EITI 2019 Standard
4. A Review of Requirements 1 – 7 for Member Countries
5. Review of the Challenges facing each Constituency
6. Overview of the Work Plan
7. Recommendations of the visiting team from the EITI International Secretariat
8. Closing remarks and A.O.B

MIN 1.0: OPENING REMARKS

- 1.1 The National Coordinator, Mr. Saul Ongaria, welcomed everyone to the 5th meeting of the MSG, and thanked them for honouring their invitations to attend the meeting.
- 1.2 He notified the participants that the Chairperson of the MSG, Mr. Moses Kaggwa had been delayed by other official duties, and had requested the National Coordinator to preside over the meeting pending his arrival.
- 1.3 He also informed the meeting that the UGEITI Secretariat was now in place, and would be supporting the MSG in their work going forward. Members from the Secretariat were present at the meeting, and introduced themselves as part of the general introductions.
- 1.4 1. He further informed members of the presence of a two-person visiting team from the EITI International Secretariat in Oslo, Norway. They were in the country

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to attend the MSG meeting and to conduct candidature application training for the members of the Uganda EITI Secretariat. These visitors were:

- a) Mr. Pablo Valverde, Director – Outreach, Middle East & Governance
- b) Mr. Christoffer Claussen, Technical Manager – Disclosures

2. He invited the visiting colleagues to make brief remarks, whereupon Mr. Pablo Valverde applauded members for their commitment and achievements already registered in the implementation of the EITI. These included:

- a) The setting up of the Multi-Stakeholder Group (MSG).
- b) Approval of the MSG Terms of Reference; although they required some minor adjustments.
- c) The constitution of the National Secretariat. He reiterated that the International Secretariat would support Uganda at every step to ensure that successful accreditation to EITI was achieved.

MIN 2.0: REVIEW AND ADOPTION OF THE PREVIOUS MINUTES

2.1 Deferred to the next meeting of the MSG.

MIN 3.0: PRESENTATION BY THE TEAM FROM THE INTERNATIONAL SECRETARIAT ON THE EITI 2019 STANDARD: A REVIEW OF REQUIREMENTS 1 – 7 FOR MEMBER COUNTRIES

3.1 The team from the International Secretariat INFORMED members that the EITI 2019 Standard contained three (3) core aspects:

- 1. Multi-Stakeholder oversight.
- 2. Disclosure of information through mainstreaming.
- 3. Dissemination, debate and action on EITI recommendations.

3.2 They went on to elaborate the 7 Requirements of the Standard as follows:

- 1. Oversight by the MSG, through;
 - a) Government engagement
 - b) Company engagement
 - c) Civil Society engagement
 - d) The creation of a Multi-stakeholder group
 - e) The preparation of a Work Plan
- 2. Legal and Institutional Framework, including allocation of contracts and licenses
- 3. Exploration and Production
- 4. Revenue collection
- 5. Revenue allocations
- 6. Social and economic spending



7. Outcomes and impact

- 3.3 The experts advised members that the efficiency of the EITI process would benefit from continued review of existing systems through regular consultation of stakeholder constituencies.
- 3.4 They presented an illustration of the functioning of EITI processes through the following Value Chain;



- 3.5 They informed the meeting that once Uganda had completed Requirement 1 sub-sections (a – e) of the EITI Standard, a Candidature Application could be submitted to the International Secretariat. They noted that the outstanding requirement for Uganda was currently the work-plan; however, in addition to this, the MSG ToRs also required some adjustments, specifically on the issue of the process for nominating constituency members, and the importance of constituency representation on MSG sub-committees as and when they were formed.
- 3.6 They cautioned that non-documentation would be assessed as lack of evidence that an activity or process had been undertaken. This would negatively affect the candidature application.
- 3.7 They added that proper documentation of discussions leading to decisions would demonstrate open and inclusive participation by all the MSG constituencies.

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3.8 **Presentation Conclusion and Recommendations**

1. MSG Constituencies were required to document each step in their decision-making processes, including conversations, in order to demonstrate participatory transparency and involvement.
2. Guidelines needed to be developed on the process of members' nomination for each constituency.
3. Representation from the mining sector was required as part of the Industry constituency.
4. The Secretariat would follow up with members of the civil society constituency to ensure that the process of member selection that they underwent was documented and shared with the International Secretariat.

MIN 4.0: REVIEW OF THE PRIORITIES AND CHALLENGES FACING EACH CONSTITUENCY

4.1 As a preamble to the main exercise, worksheets depicting the value chain illustrated in 3.4 above were distributed amongst the participants, and they were asked to rank the individual processes in order of importance. This exercise was intended to get a sense of what members considered to be their most important process along the EITI value chain. From this exercise, the priorities for each constituency were realized as:

1. Revenue collection (government)
2. Contracts and licenses (civil society)
3. Production (companies)

4.2 The team from the International Secretariat then facilitated a group exercise to review the main challenges facing each constituency. The following were the main challenges identified from each constituency. (Annex A contains the full list of challenges identified).

1. Sub-optimal Revenue collection (government)
2. Limited disclosure of information regarding contracts, licenses and payments (civil society)
3. Lack of clarity concerning the legal regime and the framework for contracts and licenses (companies)

4.3 **Recommendation**



The meeting agreed that national priorities for EITI implementation would be developed based on the challenges identified by each constituency during the session.

MIN 5.0: OVERVIEW OF THE WORK PLAN

- 5.1 The team from the International Secretariat led the meeting in an exercise to demonstrate how to begin populating the Work plan template using the priorities/ challenges distilled from the earlier group exercise.
- 5.2 *Optimisation of Revenue Collection* was sampled as an Objective, and possible ensuing activities and recommendations discussed to demonstrate the steps involved in preparing the work-plan.
- 5.3 Following this exercise, it was proposed that a sub-committee constituting a member from each constituency to develop the work plan be formed. The sub-committee would be chaired by the National Coordinator of UGEITI. The process was overseen by the Director Exploration, Petroleum Authority of Uganda, who was elected to preside over the meeting as Interim Chairperson.
- 5.4 The following members were nominated to the Work-Plan Sub-Committee:

No.	MSG Member	Constituency
1.	Magara Siragi Luyima	Civil Society Organisations
2.	Gloria T. Akatuhurira	Government
3.	Mugisha Faustine	Industry

MIN 6.0: RECOMMENDATIONS OF THE INTERNATIONAL SECRETARIAT

- 6.1 The team from EITI Norway then outlined a number of key issues as next steps;
 1. The MSG, supported by the National Secretariat, needed to begin developing a draft costed work plan i.e. by convening a meeting of the work-plan sub-committee and consulting with constituencies.
 2. Documentation needed to be detailed for all the EITI processes in order to demonstrate transparency.
 3. The MSG Terms of Reference required amendment according to the comments to be provided in writing from the EITI International Secretariat Team.
 4. The Secretariat also needed to embark on a scoping analysis that detailed the status of each sector along the value chain presented in 3.5 above.
 5. The National Secretariat needed to commence with the Candidature Application.

MIN 7.0: CLOSING REMARKS

- 7.1 The Interim Chairperson thanked the members for their interactive participation and commitment towards the development of the extractive sector through EITI.

In addition, the Chairperson thanked the team from the International Secretariat for successfully facilitating the meeting.

- 7.2 The National Coordinator thanked the visiting team from Norway for their contributions towards the meeting. The team in turn expressed their appreciation to their Ugandan hosts for their warm welcome, and indicated that they looked forward to receiving Uganda's EITI candidature application.
- 7.3 The meeting was closed at 3:23 pm.

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ACTION MATRIX

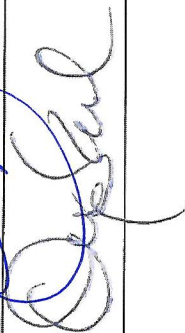
Min No.	Action Point	Responsible Institution	Timeline
4.0	Develop national priorities for EITI implementation based on the challenges identified by each constituency	MSG sub-committee and Secretariat	Before next MSG meeting in Feb 2020
6.1 (1)	The MSG, supported by the National Secretariat, to develop a draft costed work plan	MSG and National Secretariat	Before next MSG meeting in Feb 2020
3.8 (3)	Include representation from the mining sector on the MSG as part of the Industry constituency	Secretariat	Before next MSG meeting in Feb 2020
5.5	Undertake a scoping study to analyze the status of the Extractives Sector in Uganda	Secretariat & MEMD	Continuous
3.8 (4)	Civil society constituency to document the selection process undertaken for MSG membership	Civil Society Constituency	Before next MSG meeting in Feb 2020
6.1 (3)	Provide comments on areas for review regarding the MSG Terms of Reference	International Secretariat	Before end December 2019
6.1 (5)	Embark on Candidature Application process	Secretariat	December 2019

Signed:

MSG Chairperson:

 20/02/2020

Secretary/National Coordinator:

 20/02/2020

ANNEX A. CHALLENGES/ CONCERNS FACING THE EXTRACTIVE INDUSTRY IDENTIFIED BY THE THREE CONSTITUENCIES

Civil Society:

1. Limited information concerning the contracting process and disclosure of contracts
2. Limited information disclosure leading to ineffective citizens' participation
3. (Limited) payment disclosure (Payments & Receipts)
4. Allocation and spending of revenues
5. Social, health and environmental safeguards.

Industry:

1. Legal Regime /Framework governing contracts and licenses.
 - Lack of Clarity regarding Tax
 - Unstable Regime (PSA/TA)
2. Conflict between Business (What is good for business) & Sovereignty (What is good for the country)
3. Raising Money/Funds e.g. through Capital Markets/International Financing vs Prevailing Investment Climate
4. Managing Society Expectations (Social And Economic Spending)
5. Excessive Regulation by Government on implementation Issues e.g. Approval of Work Programs & Budgets.

Government:

1. Difficulty in maximizing revenue collection due to:
 - Limited knowledge of Industry
 - Low compliance by industry players
 - Lack of Interagency coordination;
2. Effective allocation of revenues:
 - Increasing budget deficit;
 - Intergenerational equity/Future generation;
 - Identification of priority sectors.

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3. Possibility of asset stranding; Energy transition may affect economic viability;
4. National participation of citizens to benefit economically. (National Content is Low).
5. Contracts (licenses)
6. Conducive Investment environment

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