

MINUTES OF THE 6TH MEETING OF THE MULTI-STAKEHOLDER GROUP (MSG) OF THE UGANDA EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (UGEITI) HELD ON THURSDAY, 20TH FEBRUARY 2020 AT THE IMPERIAL ROYALE HOTEL, KAMPALA STARTING AT 9:00 A.M.

Attendance List

No.	Name	Institution
GOVERNMENT		
1	Mr. Moses Kaggwa	Ministry of Finance, Planning & Economic Development (MSG Chairperson)
2	Ms. Allen Bucyana	Ministry of Justice and Constitutional Affairs
3	Mr. Robert Tugume	Ministry of Energy & Mineral Development
4	Eng. Timothy Tibesigwa	Ministry of Works & Transport
5	Mr. Phillip Wabulya	Bank of Uganda
6	Ms. Gloria Akatuhurira T.	Uganda Revenue Authority
7	Ms. Nakawuma Juliet Magala	Ministry of Foreign Affairs
8	Mr. Clovice Bright Irumba	Petroleum Authority of Uganda
9	Mr. Mucurezi Godfrey Kata (Proxy)	Uganda Revenue Authority
CIVIL SOCIETY ORGANISATIONS		
10	Ms. Winfred Ngabiirwe	Global Rights Alert
11	Ms. Lomonyang Margaret	Karamoja Women Umbrella Organisation
12	Mr. Gard Benda	World Voices Uganda
13	Mr. Mugenyi Onesmus	Advocates Coalition for Development and Environment
INDUSTRY		
14	Ms. Yuping Song	China National Offshore Oil Corporation
15	Mr. Obad Noah	Oranto Petroleum
16	Mr. Faustine Mugisha (Proxy)	TOTAL E & P
17	Ms. Emilly Nakamya (Proxy)	Uganda National Oil Company
18	Ms. Janet Nayebale (Proxy)	Armour Energy
OBSERVERS		
19	Ms. Magdalene Babirye	Office of the Auditor General
20	Mr. Evans Mwesigye	Uganda Revenue Authority (URA)
21	Mr. Kosia Kasibayo	Petroleum Authority of Uganda (PAU)
22	Ms. Sarah Ajjuka	National Environmental Management Authority
23	Mrs. Catherine Wabomba	Uganda Chamber of Mines and Petroleum
24	Dr. Jennifer Hinton	Uganda Chamber of Mines and Petroleum
OTHERS		
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. Kanakulya Edwin Kavuma	Compliance Officer, UGEITI
5	Mr. Edgar Mutungi	Finance Officer, UGEITI
6	Ms. Bronia Arinda	Secretary, UGEITI
7	Mr. Dan Denis Agaba	Statistician, UGEITI
8	Ms. Gertrude Angom	Administration Officer, UGEITI
9	Mr. Augustine Muthabali	Uganda Chamber of Mines and Petroleum
MSG MEMBERS ABSENT WITH APOLOGIES		
1	Mr. Magara Siragi Luyima	Civil Society Budget Advocacy Group
2	Dr. Tom Buringuriza	Amour Energy Limited (Proxy present)

AGENDA

1. Opening Remarks
2. Review and Adoption of the previous Minutes.
3. Matters Arising.
4. Presentation and discussion of the draft work plan.
5. Presentation of proposed amendments to MSG ToRs.
6. Discussion on Members' nomination of their Proxies.
7. A.O.B

MIN 1.0: OPENING REMARKS

- 1.1 The National Coordinator, Mr. Saul Ongaria, welcomed everyone to the meeting and requested all the participants to introduce themselves.
- 1.2 He informed members that this meeting had three core objectives, namely;
 1. To review the zero draft work plan,
 2. To review the proposed changes to the MSG ToRs, and
 3. To discuss the members' nomination of their proxies to MSG meetings.
- 1.3 He notified the meeting that the MSG Chairperson, Mr. Moses Kaggwa had requested the members to nominate an alternate Chairperson to preside over the MSG meeting pending his arrival.
- 1.4 Mr. Robert Tugume and Mr. Gard Benda were nominated as candidates for the position of interim Chairperson. When the matter was put to vote, Mr. Gard Benda (a Civil Society Representative) was elected to preside over the meeting pending the arrival of the MSG Chairperson, Mr. Moses Kaggwa.

MIN 2.0: REVIEW OF THE PREVIOUS MINUTES AND MATTERS ARISING

- 2.1 The following amendments were made to the minutes of the 5th MSG meeting;
 1. Two corrections on MSG member's names on the *Attendance List*.
 2. All words emphasized in capital letters be changed to small letters.
 3. The discussion on the representation of the Local Government on the MSG.
 4. *Matters Arising* should be included as an agenda item to allow for discussion of issues that may arise from the review of the minutes or any other issue of importance.
- 2.2 In the Action Matrix, under follow up actions, it was agreed that
 - *Minute 5.5* on the Scoping Study of the extractive sector in Uganda be included as an activity under Min 6.1 (1) - the development of a draft costed Work Plan.
 - An extra column detailing the status of the action be added to provide members with an update on the latest information concerning that action point.
- 2.3 With all the above corrections made, the minutes were adopted as a true record of the proceedings of the 5th MSG meeting held on 5th December 2019.
- 2.4 **Matters Arising**
 1. The relevance of the Local Government constituency was highlighted as key to EITI implementation. However, members noted that it was not possible for all relevant institutions to be represented on the MSG, hence the concept of representative constituencies. Furthermore, it was not possible to have continuous admission of members to the MSG. It was therefore resolved that

- their membership on the MSG would be considered at the next reconstitution and review of the MSG, after EITI candidature for Uganda had been secured.
2. With reference to Minute 3.8 (3) on the inclusion of the mining sector on the MSG, the Secretariat had held meetings with the Uganda Chamber of Mines & Petroleum, and were waiting for them to formally appoint a representative after their discussions and consultations.
 3. In reference to *Minute 6.1 (5)* of the previous meeting, The National Secretariat informed the meeting that a draft Candidature Application would be presented alongside the draft Work Plan at the next MSG Meeting for consideration.

MIN 3.0: PRESENTATION AND DISCUSSION OF THE DRAFT WORK PLAN

- 3.1 The work-plan was presented by a member of the MSG Work Plan Committee that had been constituted to develop the work plan. She informed members that the objectives of the work-plan had been derived from consultations and discussions concerning challenges and areas of concern identified by the individual constituencies. These objectives had then been used as the basis for development of the work-plan.
- 3.2 The (3) objectives that formed the basis of the work plan were the following:
 1. Enhance transparency in the extractive sector.
 2. Strengthen revenue management and accountability.
 3. Build the operational and technical capacity of the MSG and Secretariat to ensure EITI is effectively implemented.
- 3.3 The members thanked the Committee on the Work Plan for a job well done. The draft work plan is attached as *Annex A*.
- 3.4 **Reaction to the Draft Work Plan:**

1. General comments.

- a) A representative from the Uganda Chamber of Mines & Petroleum noted that the implementation of a number of activities could be fast tracked with support from relevant MSG members, as information already existed, and could be easily collected and compiled. It was therefore important that the responsible party for each activity be clearly identified and designated as lead on each task. She further informed members that the Canadian and Australian legal Associations were already interacting with their Ugandan counterparts with regards to training and capacity building in extractives-related issues.
- b) Some members expressed concern that the '*Outcomes*' of the work-plan were generic; however, the ensuing discussion noted that outcomes were generic by nature, and requested that specific alternative wording be proposed to improve the existing text if available. An alternative proposal was to begin with the end in mind, so that the description of the desired '*Outcome*' would determine the relevant outputs, activities and responsible party.
- c) There was a concern about the timelines, and the relationship between the application and deliverables in relation to their status prior to approval of Uganda's application to join the EITI. However, it was suggested that some activities could be carried out pending Uganda's candidature approval because they needed to be completed in order to secure membership.

- d) Members noted that it was important to have a strategic plan/ overarching framework that guided the work-plan and provided an indicative planning period. The existence of a baseline was also queried. In response, the Committee noted that the Scoping Study would serve as the baseline.
- e) Members requested for further training on the EITI 2019 Standard, and also that benchmarking visits consider participation of all EITI constituencies, including the MSG.
- f) Members also requested that the possibility of a Gantt chart be considered, in order to demonstrate the tasks at hand, and specify the duration of each task.

2. Specific comments

- a) A representative from the Government constituency was concerned that some of the challenges outlined in the second column under the first objective portrayed a misrepresentation of the true facts, and that was not comfortable with comments that alluded to “limited information concerning the contracting process”, when all the information was available in the law. In response, it was noted that the text in this column was directly reporting challenges as identified by the respective constituencies, and as such, it was not possible to edit it. However, it was agreed that the Work-plan Committee would revisit the description of challenges in the document and endeavor to reword them without losing the original meaning. This notwithstanding, the meeting affirmed that knowledge gaps did exist particularly in the mining sector.
- b) It was agreed that the rest of the specific comments be submitted to the Work-plan Committee, through the National Secretariat in writing.

3.5 **Way Forward on the Work-plan**

The members of the MSG agreed as follows:

- 1. An optimal costed Work-plan be shared with members of the MSG.
 - 2. The *Responsible Party* column be made more specific by aligning activities to persons or offices depending on their areas of expertise.
 - 3. The Work-plan should include the source of funding.
 - 4. Be more specific with reference to the mining sector concerning the accessibility of information concerning contracts and licenses.
 - 5. Include the baseline for all activities such as measurables, KPI's etc.
 - 6. Benchmarking should be inclusive to build the capacity of all stakeholders.
 - 7. Indicate the areas where outreach programmes would be carried out.
 - 8. Indicate areas where technical support was required.
 - 9. Re-align *Accessibility of Information* in the Work-plan without losing its context by including it under requirement 7.2.
- 3.6 There was need for intensive training for MSG members on the EITI 2019 Standard as well as in Work-plan development in order to build their capacity.
- 3.7 Members were informed that Civil Society Organisations had affirmed that they could support some activities of the UGEITI Work Plan.

- 3.8 It was agreed that the draft work-plan would be emailed to all members so that they could input their comments for consideration.

MIN 4.0: PRESENTATION OF THE PROPOSED AMENDMENTS TO THE MSG TERMS OF REFERENCE

- 4.1 The Secretariat made a presentation to the meeting on the proposed amendments to the MSG TOR as suggested by the International Secretariat, following their visit in December 2019. Members were informed that the proposed changes to the MSG Terms of Reference did not change the substance of the document but rather gave it more clarity. The members of the MSG adopted the revised Terms of Reference as follows:

- 4.2 Approved Clause 3 amended to read as follows;

The role of the MSG is to drive improvements in the governance of the extractive sectors through timely and effective implementation of the EITI. In the performance of its role, the MSG shall:

- (a) ensure that Uganda meets its objective of gaining EITI candidature,*
- (b) ensure Uganda maintains her membership to the EITI and*
- (c) ensure that the views of key stakeholders are taken into account in the improvement of the governance of the sector.*

- 4.3 Retained Article 4(f) of the TORs to read as follows;

Appointing an Independent Administrator and approving the Terms of Reference of the Independent Administrator.

The proposal to preface the above sentence with, 'Encourage disclosures through government systems in the short and middle term, this includes'...(appointing..) was rejected by members, as it was seen to refer to processes that were already synonymous with EITI implementation.

- 4.4 Adopted Article 5 with an additional Clause 5.1 (d) to read as follows;

Each constituency has the right to nominate its own members through the procedures that they choose, taking into consideration the need to ensure that procedures are transparent, open and representative.

- 4.5 Retained Article 6 Clause (f) to read as follows;

Meeting minutes will be circulated within 14 days from the date of the last held MSG meeting. The remainder of 6f relating to record-keeping was moved to Article 10, which defines the functions of the National Secretariat. This includes the proposed insertion, which was slightly amended to read: 'It is expected that with time, all Uganda EITI documents will be published, including online.'

- 4.6 The proposed edit to Article 7 Clause (b) read as follows:

"If a vote is required, resolutions are adopted by a majority, and must include the support of at least one third of the votes from each constituency."

However, the meeting chose to retain the original Clause which said:

If a vote is required, resolutions are adopted by a majority requiring the support of at least two thirds of the total votes cast. For the avoidance of doubt, each constituency shall have one vote.

Members had a lengthy debate on the proposed rephrasing and chose to retain the original phrasing. During the debate, MSG members raised the following points:

- 1) The issue of quorum as stipulated in the TORs would ensure that all constituencies were present at all meetings, thereby minimising the opportunity for vetoing any single constituency.
- 2) Clause 7(a) emphasised the precondition that every effort would be made to ensure that resolutions were adopted by consensus.
- 3) The scenario that any one constituency would be vetoed was therefore highly unlikely in the face of the above two considerations.
- 4) Even with the adoption of the alternative proposal, it was still possible for two constituencies to veto the third because the constituencies were not evenly numbered – government had 10 members, CSOs had 5 members and industry 7 members. Therefore, members were of the view that stating that at least one third of a constituency must be part of a majority vote was not a deterrent to collusion if it was intended.
- 5) Members reiterated that the spirit of the MSG was contained in Clause 7(a) of the TORs, that every effort must be made to build consensus, and that the MSG would strive to maintain this spirit.

Following the above discussion, it was agreed to maintain the current provision, and immediately revisit it if and when the need arose.

4.7 Adopted Article 8 as follows;

- a) *The MSG may establish committees to handle particular issues. A committee may consist of both MSG members and non MSG members and should as far as possible reflect the multi-stakeholder nature of the MSG. The chairperson of the Committee shall be chosen from among its members who sit on the MSG.*
- b) *The committee shall provide its findings and recommendations to the MSG, who will consider those recommendations and make a decision.*

4.8 The MSG Code of Conduct is contained in Schedule One of the TORs, Article 8, Clause (b) of this Schedule was revised to read as follows;

MSG Members may receive an allowance in the course of fulfillment of their MSG related duties and activities.

4.9 **Way Forward on the proposed changes in the MSG TORs**

With all the above considerations and adjustments made, the MSG TORs were adopted by the members.

MIN 5.0: DISCUSSION ON MEMBERS' NOMINATION OF THEIR PROXIES.

- 5.1 The meeting was informed that there was need to formally nominate proxies for each MSG member for clarity and clear documentation.
- 5.2 The National Secretariat was instructed to formally write to all the MSG Members to nominate their respective proxies to MSG meetings for clear communication, documentation, and follow-up of MSG activities.

MIN 6.0: CLOSING REMARKS AND A.O.B

- 6.1 The meeting was closed by the substantive Chairperson who thanked members for a productive engagement. He emphasized the importance of

finalizing the MSG TORs and the Work Plan to ensure Uganda's progress in the implementation of EITI.

6.2 There being no other business, the meeting was closed at 2:48 p.m.

ACTION MATRIX

Min No.	Action Point	Resp. Inst.	Timeline	Action Update
2.4.1	The MSG to consider addition of local governments to its membership.	MSG	October 2020	This would be done during the reconstitution of the MSG after Uganda's approval to the EITI.
2.4.3	Add a column for a status update for all activities on the <i>Action Matrix</i> Table.	Secretariat	June 2020	Done.
3.4 (g)	Consider development of a Gantt chart.	Work-plan Committee	June 2020	Done, and will be circulated to members.
3.5 (1)	An optimal costed Work-plan be shared with members of the MSG.	Work-plan Committee	June 2020	Done.
3.5 (2)	The column for <i>Responsible Party</i> be more specific by aligning activities to persons or offices depending on their experience and areas of expertise.	Work-plan Committee	June 2020	Done.
3.5 (3)	Include a column with the source of funding.	Work-plan Committee	June 2020	Done.
3.5 (4)	Specify the nature of information that is lacking with regard to contracts and licenses in the mining sector.	Work-plan Committee	June 2020	Done.
3.5 (5)	Include the baseline for all activities so that there is a point of departure from which progress can be measured.	Work-plan Committee	N/A	It was agreed that the various components of the scoping study would constitute the baseline.
3.5 (6)	Benchmarking should be inclusive to build the capacity of all stakeholders.	Secretariat	FY2020/21	All stakeholders including the MSG will be participants in benchmarking activities.
3.5 (7)	Indicate specific areas where out-reach and sensitization programmes will be carried out	Work-plan Committee	FY2020/21	This will be determined after the scoping study.
3.5 (8)	Indicate areas where technical support is needed on the Work Plan	Work-plan Committee	June 2020	Done.

Min No.	Action Point	Resp. Inst.	Timeline	Action Update
3.5 (9)	Re-align <i>Accessibility of Information</i> in the Work Plan without losing its context and include it under requirement 7.2.	Work-plan Committee	June 2020	Done.
3.6	There is need for an intensive training for MSG members in the EITI 2019 Standard as well as in Work Plan sensitization.	UGEITI National Secretariat	FY2020/21	Induction retreat planned for MSG members in FY2020/21.
3.8	The draft work plan to be emailed to all MSG members so that they input their comments for consideration.	UGEITI National Secretariat	28 th February 2020.	Done. Draft work-plan emailed to MSG members on Tuesday 25 th February 2020.
5.2	The National Secretariat to formally write to all the MSG Members to nominate their proxies.	UGEITI National Secretariat	FY2020/21	Done, but delayed by COVID. Members to receive their institution's letters at 7 th meeting.

Signed:

MSG Chairperson: Wayanya Date: 09/07/2020

Secretary/National Coordinator: [Signature] Date: 02/07/2020