

MINUTES OF THE 7TH MEETING OF THE MULTI-STAKEHOLDER GROUP (MSG) OF THE UGANDA EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (UGEITI) HELD ON THURSDAY, 2ND JULY 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. Jonan Kandwanaho	National Planning Authority
6	Ms. Gloria T. Akatuhurira	Uganda Revenue Authority
7	Ms. Nakawuma Juliet Magala	Ministry of Foreign Affairs
8	Mr. Clovice Bright Irumba	Petroleum Authority of Uganda
9	Mr. Peter Rumanzi (Proxy)	Bank of Uganda
10	Mr. Mucurezi Godfrey Kata (Proxy)	Uganda Revenue Authority
CIVIL SOCIETY ORGANISATIONS		
11	Mr. Mugenyi Onesmus	Advocates Coalition for Development & Environment
12	Ms. Lomonyang Margaret	Karamoja Women Umbrella Organisation
13	Mr. Gard Benda	World Voices Uganda
14	Mr. Magara Siragi Luyima	Civil Society Budget Advocacy Group (Online via Zoom)
15	Ms. Winnie Ngabiirwe	Global Rights Alert (Online via Zoom)
INDUSTRY		
16	Mr. Obad Noah	Oranto Petroleum
17	Ms. Emilly Nakamya (Proxy)	Uganda National Oil Company
18	Ms. Sandra Mwesigye (Proxy)	China National Offshore Oil Corporation
19	Ms. Janet Nayebale (Proxy)	Armour Energy
OBSERVERS		
20	Mr. James Muhindo	Civil Society Coalition on Oil and Gas (Online via Zoom)
21	Mr. Evans Mwesigye	Uganda Revenue Authority
OTHERS		
1	Mr. Saul Ongaria	National Coordinator / Secretary
2	Ms. Vanessa Ihunde	Assistant National Coordinator (Online via Zoom)
3	Mrs. Gloria Mugambe	Head of Secretariat, UGEITI
4	Mr. Mark Essex	EITI Expert, IBF/European Union (Online via Zoom)

5	Mr. Kanakulya Edwin Kavuma	Compliance Officer, UGEITI
6	Mr. Edgar Mutungi	Finance Officer, UGEITI
7	Ms. Bronia Arinda	Secretary, UGEITI
8	Mr. Dan Denis Agaba	Statistician, UGEITI
9	Ms. Gertrude Angom	Administration Officer, UGEITI
10	Mr. Abbey Gitta	Office Assistant, UGEITI
11	Ms. Susan Angela Acom	Office Assistant, UGEITI
MSG MEMBERS ABSENT WITH APOLOGIES		
1	Mr. Philip Andrew Wabulya	Bank of Uganda (proxy present)
2	Dr. Tom Buringuriza	Amour Energy Limited (Proxy present)
3	Ms. Yuping Song	China National Offshore Oil Corporation (Proxy present)

AGENDA

1. Opening Remarks
2. Prayer
3. Review and Adoption of the Minutes of the previous MSG Meeting.
4. Matters Arising.
5. Presentation of:
 - a) The Candidature Application
 - b) The UGEITI Work Plan 2020 - 2022
6. A.O.B

MIN 1.0: OPENING REMARKS

- 1.1 The National Coordinator welcomed everyone to the meeting and requested all the participants to introduce themselves.
- 1.2 He informed members that the main purpose of this meeting was for members to consider and endorse Uganda's EITI Candidature Application and the EITI Work Plan 2020 – 2022.
- 1.3 He informed the members that the MSG work plan Committee together with the National Secretariat had revised the work plan incorporating all their comments and concerns.
- 1.4 He then handed over the meeting to the MSG Chairperson who opened the meeting with a prayer and asked the participants who were attending the meeting via Zoom to introduce themselves; these were the following:
 - a) Mr. Magara Siragi Luyima; Budget Policy Specialist at Civil Society Budget Advocacy Group,
 - b) Mr. James Muhindo; National Coordinator at Civil Society Coalition on Oil and Gas
 - c) Ms. Vanessa Ihunde; Assistant National Coordinator at UGEITI
 - d) Mr. Mark Essex; EITI Expert, IBF/European Union

24

1.5 Chairperson's Remarks

1. He thanked members for attending the meeting amid the challenging circumstances posed by the Covid-19 pandemic, and urged members to stay safe by observing the Ministry of Health standard operating procedures. He stated that the long lockdown had affected the schedule of activities for the UGEITI, and that it was important for the meeting to consider and conclude the Candidature Application and the Work Plan 2020 - 2022.
2. He noted that the Covid-19 pandemic had greatly affected the price of oil, and hoped that the country's nascent oil and gas industry would not be adversely affected.
3. He proceeded to provide the meeting with key updates relating to the status of the extractives sector in Uganda including the following:
 - a) The Government had resolved the issues that were delaying the Final Investment Decision (FID) in the oil and gas sector, and that an agreement on the FID was expected soon.
 - b) Tullow Oil was dissolving its venture interest in Uganda to Total E&P.
 - c) There were ongoing negotiations on the Host Government Agreement (HGA) for the oil pipeline.
4. Regarding the minerals sector, the Chairperson stated that despite the ongoing challenges facing the sector, the Government was working on a new mining law that is expected to improve and regulate the sector. He noted that a number of new players had also come on board in the mining sector, and cited the granite factory that had recently been commissioned in Karamoja by the President of Uganda. He noted that while the Kilembe Copper Mines still had unresolved issues, efforts were underway to ensure that they were resolved.
5. He reiterated that the present time was an exciting moment to join the EITI as there were increasing opportunities to exploit the country's natural resources. Transparency along the entire extractives value chain would benefit Uganda as a whole.

MIN 2.0: REVIEW OF THE MINUTES OF THE PREVIOUS MEETING AND MATTERS ARISING

- 2.1 The following amendments were made to the minutes of the 6th MSG meeting;
 - a) Two corrections were made to MSG member's institutions on the Attendance List.
 - b) Members revised the sentence under Minute 3.4 (a) to read as follows;

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.

c) Members also revised Minute 3.4 (b) to read as follows;

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 augment the existing text. 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.

d) It was decided that the word 'capacity' in Minute no. 3.4 (f) be dropped.

e) It was agreed that while making reference to the MSG Terms of Reference (TOR) the word *Clause* would be used instead of *Section*. This change was to be made in both the minutes and TOR.

f) Minute 4.6 was revised to read as:

"Retained Article 7 Clause b) as follows:

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."

Furthermore, the sentence in the 4th paragraph under Minute 4.6 was revised to read as follows;

Members had a lengthy debate on the proposed rephrasing and chose to retain the original phrasing.

2.2 In the Action Matrix, under follow up actions, it was agreed that;

The update under 3.4 (g) be changed from N/A to Done, as the Secretariat stated that the Gantt chart was available and ready for circulation to all the MSG members.

2.3 With all the above corrections made, the minutes were adopted as a true record of the proceedings of the 6th MSG meeting held on 20th February 2020.

2.4 Matters Arising

1. The Chairperson advised the Secretariat to share the minutes of the meetings with Observers and proxies for the meetings that they attend, after a proxy member noted that he had not received the minutes of the previous MSG meeting.
2. A civil society representative advised that it was important for the action updates to be implemented expeditiously to avoid a backlog.

MIN 3.0: PRESENTATION OF THE CANDIDATURE APPLICATION AND THE UGEITI WORK PLAN 2020 - 2022

3.1 The Candidature Application was presented by the Head of the UGEITI Secretariat. Her presentation is attached to the Minutes as Annex A.

3.2 During her presentation, the Head of Secretariat highlighted three areas that were important for the MSG to take note of as Uganda prepared to embark on EITI implementation. These were:

1. Open data policy,
2. Systematic disclosure, and:
3. Beneficial ownership.

She noted that Uganda was joining EITI at a time when there was a move away from production of physical reports, towards publishing of real time data on national EITI and partner institutions' websites. She added that it would be important for the MSG to assess and decide on the best fit for Uganda, possibly a hybrid of the two systems. Uganda's pre-oil status was an opportunity to prepare the ground for implementation, especially to work out the details of how data would be collected and presented.

During her presentation, she listed the following as areas to note that could influence the International Secretariat's decision to approve the application:

1. The MSG's decision not to adopt the International Secretariat's proposal to amend Article 4b of the ToR concerning the voting modality among constituencies.
2. The lack of strong evidence of industry constituency consultation, as well as the process of constituting the industry constituency.

The above notwithstanding, she was confident that the application was strong, and that it would be successful.

3.3 She then thanked the MSG members, especially the work plan committee, for their tireless efforts in working with the National Secretariat to develop the work plan and finalise the application.

3.4 **Reaction to the Candidature Application and the UGEITI Work Plan 2020 - 2022:**

The Chairperson thanked the committee on the work plan and the National Secretariat for a job well done and opened the discussion on the application and the work plan.

- a) The following points were raised during the plenary discussion:
 - i) On Page 16, under section 1.3a vii), the name of the organization was corrected to read *Natural Resource Governance Institute*.
 - ii) A proposal was made to highlight the public private partnership framework under section 1.3 (b) as part of the enabling legal and regulatory environment that supported civil society's and the general public's participation in the EITI process in Uganda.
 - iii) Page 26 section 1.5 (a), first bullet point: the word '*and*' to be removed from the phrase 'Extractive Industries Transparency Initiative (EITI)'.
- b) It was important that reference be made to government's overarching national framework, the National Development Plan III (NDP III) under section 1.2b of the candidature application. It contained specific

references to EITI, which reflected the Government's commitment to the EITI process.

- c) It was proposed that the Mining and Minerals Policy 2018 also be added to section 1.2b of the Application Form. It was agreed that the Secretariat would check and confirm the status of this policy, and if approved, include it in the list of enabling regulations supporting EITI implementation.
- d) MSG members affirmed that it was important that EITI compliance be tailored to fit the country context and that implementation should be in line within the existing legal and regulatory framework, as a point of departure. The best fit would then serve as an entry form for reform where necessary.
- e) A civil society representative observed that a key focus area for EITI implementation should be the Eastern and Northern regions of Uganda, where there were increased mining activities, specifically in the districts of Kapchorwa and Karamoja. She emphasized that the scoping study on mining as defined in the work plan should be prioritized to take place in the first half of this financial year (FY 2020/21).
- f) Clarity was sought regarding the issue of contract disclosure. Members were keen to understand whether or not contracts that came into force before the cut-off date of January 2021 were also liable to be disclosed. The UGEITI Head of Secretariat responded by saying that as part of the work plan, the MSG intended to undertake a study that detailed the government's plan and intention for contract and license disclosure, as this was now a requirement under EITI. It was noted that although it was not a requirement to disclose contracts entered into before January 2021, countries were encouraged to do so as part of their commitment to transparency under EITI.
- g) A representative from the Uganda Revenue Authority requested that a reporting template detailing the data requirements for revenue be developed and shared with them so as to help them identify and share the data to be reported as defined in the EITI Standard.
- h) The Chairperson noted that it was important that revenues from the extractives sectors be reported on a real time basis, as and when the data became available.
- i) A Government representative from the Ministry of Works and Transport suggested that members whose institutions had not been assigned a lead role for activities in the work plan be included in order to support the work plan's holistic implementation. It was agreed that this would be done.

MIN 4.0: WAY FORWARD

- 4.1 With all the above amendments made, the MSG members endorsed the candidature application and the UGEITI work plan 2020 – 2022 and cleared it for submission to the International EITI Board.

- 4.2 The Chairperson noted that it was important for the MSG to ensure that Uganda met the EITI global standard, and remained compliant so as to maintain investor confidence and the country's international image.
- 4.3 Members were also encouraged to consult with their respective institutions to ensure that the UGEITI work plan was published on their individual institutional websites.
- 4.4 Once the application had been submitted, it was important that work plan implementation be embarked on. The Chairperson called upon the members of the MSG to actively participate and take lead in the areas of the work plan where their technical competence was strong.
- 4.5 It was agreed that an adaptive strategy be undertaken during the implementation of the UGEITI work plan that took into consideration the Covid-19 situation. Any challenges faced during implementation would be reflected in the progress implementation reports that would be produced.

MIN 5.0: CLOSING REMARKS AND A.O.B

- 5.1 Members were requested, by the Chairperson, to nominate and send the details of their proxy within a week's time.
- 5.2 There being no further business, the Chairperson thanked all members, including those who had attended online via Zoom, for their attendance and active participation.
- 5.3 The meeting was closed at 12:55 p.m.



ACTION MATRIX

Min No.	Action Point	Resp. Inst.	Timeline	Action Update
2.2	Circulate Gantt chart to all the MSG members	Secretariat	15/07/2020	Gantt chart distributed to all members at 8 th meeting
3.4 b)	Include NDP III as a supporting policy that contributes towards an enabling framework for EITI implementation	Secretariat	To be included in final candidature submission	Done. NDP was highlighted as overarching government planning framework in Candidature Submission Page 11
3.4 g)	Develop and share a reporting template that indicates the data to be reported on according to the EITI Standard requirements.	Secretariat	By candidature submission	On going.
3.4 i)	Institutions that have not been assigned a lead role for activities in the work plan should be included in order to support the work plan's holistic implementation.	Secretariat	Immediate	Done. All institutions are now part of the work plan.
4.3	UGEITI work plan be published on all stakeholders' websites	MSG Members	By candidature submission	Work plan has been published on MOFPED, MEMD and UNOC websites.
5.1	Nominate and send the details of proxy members within a week's time	MSG Members	Immediate	Ongoing.

Signed:

MSG Chairperson:

Date:

27/11/2020

Secretary/National Coordinator:

Date:

16/10/2020