

**MINUTES OF THE 15TH MEETING OF THE MULTI-STAKEHOLDER GROUP (MSG) OF
THE UGANDA EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (UGEITI)
HELD ON WEDNESDAY, 17TH NOVEMBER 2021 ON-LINE.**

Attendance List

No.	Name	Institution
GOVERNMENT		
1	Mr. Moses Kaggwa	Ministry of Finance, Planning & Economic Development (Chairperson)
2	Mr. Clovice Bright Irumba	Petroleum Authority of Uganda (PAU)
3	Mr. Peter Rumanzi	Bank of Uganda (BOU)
4	Mr. Robert Tugume	Ministry of Energy & Mineral Development (MEMD)
5	Mr. Jonan Kandwanaho	National Planning Authority (NPA)
6	Ms. Gloria Akatuhurira	Uganda Revenue Authority (URA)
7	Ms. Tracy Basiima	Uganda Revenue Authority (URA)
CIVIL SOCIETY ORGANISATIONS		
8	Mr. Siragi Magara Luyima	Oxfam International
9	Ms. Regina Navuga	Southern & Eastern Africa Trade Information and Negotiations Institute (SEATINI)
10	Mr. Henry Bazira	Water Governance Institute
11	Mr. Twebaze Paul	Pro-Biodiversity Conservationists in Uganda
12	Mr. Mucunguzi Sam	Citizens' Concern Africa
13	Ms. Margaret Lomonyang	Karamoja Women Umbrella Organization
INDUSTRY		
14	Mr. Faustine Mugisha	TotalEnergies
15	Ms. Emilly Nakamya	Uganda National Oil Company (UNOC)
16	Mr. Emmanuel Kibirige	Uganda Association of Artisanal & Small-Scale Miners Limited (UGAASM)
17	Mr. John Bosco Bukya	Uganda Association of Artisanal & Small-Scale Miners Limited (UGAASM)
18	Ms. Sandra Mwesigye	CNOOC Uganda Ltd
19	Ms. Jennifer Hinton	Jervois Limited
20	Dr. Tom Buringuriza	Armour Energy Limited
OBSERVERS		
21	Ms. Mina Horace	EITI Consultant
22	Mr. Kosia Kasibayo	Petroleum Authority of Uganda (PAU)
23	Mr. Ben Toorabally	Independent Administrator (IA)
24	Mr. Rached Maalej	Independent Administrator (IA)
25	Mr. Tim Woodward	Independent Administrator (IA)
26	Mr. Oscar Daniel Mwesigwa	Independent Administrator (IA)
27	Mr. Robert Muhumuza	Office of the Auditor General (OAG)
28	Ms. Magdalene Babirye	Office of the Auditor General (OAG)
29	Ms. Patricia Opoka	Uganda Registration Services Bureau
30	Ms. Sharon Kuku	Communications Consultant
31	Ms. Enora Marenne	European Union Delegation
UGEITI NATIONAL SECRETARIAT		

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17/12

32	Mr. Saul Ongaria	National Coordinator (Secretary)
33	Mrs. Gloria Mugambe	Head of Secretariat, UGEITI Secretariat
34	Mr. Kanakulya Edwin Kavuma	Compliance Officer, UGEITI Secretariat
35	Mr. Edgar Mutungi	Finance Officer, UGEITI Secretariat
36	Ms. Bronia Arinda	Secretary, UGEITI Secretariat
37	Mr. Dan Denis Agaba	Statistician, UGEITI Secretariat
38	Ms. Gertrude Angom	Administration Officer, UGEITI Secretariat
39	Mr. Abbey Gitta	Information Management Assistant, UGEITI
40	Ms. Acom Suzan Angela	Office Assistant, UGEITI Secretariat
41	Mr. Francis Garvin Okello	Office Assistant, UGEITI Secretariat
ABSENT WITH APOLOGY		
1	Mr. Obad Noah	Oranto Petroleum Ltd
2	Mr. Onesmus Mugenyi	Advocates Coalition for Development and Environment
3	Mr. John Kennedy Okewling	Ministry of Energy & Mineral Development
4	Ms. Sandra Kaitare	Uganda Revenue Authority
5	Mr. Philip Andrew Wabulya	Bank of Uganda

AGENDA

1. Welcome, Opening Prayer and Adoption of the Agenda.
2. Communication from the Chairperson.
3. Review and Adoption of the Minutes of the 14th MSG Meeting held on 7th October 2021, and Matters Arising.
4. Presentation of the Draft Scoping Report for Uganda's First EITI Report by the Independent Administrator.
5. Way Forward.

MIN 1.0: WELCOME, OPENING PRAYER AND ADOPTION OF THE AGENDA.

- 1.1 The Chairperson called the meeting to order at 2:48 p.m. He welcomed everyone and thanked them for making time to attend the meeting.
- 1.2 The meeting held a moment of silence to pay respects to those who had lost their lives in the twin bombings that occurred in Kampala on Tuesday, 16th November 2021. The Chairperson empathized with the affected families and wished the injured a quick recovery.
- 1.3 The agenda of the meeting was adopted following the deferral of the review and adoption of the Minutes of the 14th MSG meeting to the next meeting.

MIN 2.0: COMMUNICATION FROM THE CHAIRPERSON

- 2.1 The MSG Chairperson made the following remarks to the members:
 - a) On 1st September 2021, Government of Uganda with the support of BDO as the Independent Administrator embarked on the preparation of the first EITI report. The IA had held several engagements with various Government institutions to finalize the analysis for the scoping report which would be presented to the MSG during the meeting. The scoping report would define the scope of Uganda's EITI report in regards to the sectors to consider, the material

revenue streams and threshold, as well as the companies and government agencies to be included in the EITI report.

- b) Regarding the ongoing legislative reforms, the Mining and Minerals Bill, 2021 had not yet been tabled in Parliament while the Public Finance Management (Amendment) Bill was currently at Parliamentary Committee level. The Chairperson informed the meeting that Members of Parliament (MPs) had indicated that they wanted the petroleum contracts disclosed which gives the MSG an opportunity to present proposed changes for consideration by Parliament before the end of November 2021.
- c) The Honourable Minister of Finance Planning and Economic Development (MoFPED) had appointed a Champion and Co-champion for EITI in Uganda. The Hon. Minister of State for Finance Planning and Economic Development (in charge of Planning) had been appointed as the Champion for EITI while the Minister of State for Mineral Development had been appointed as the Co-Champion for UGEITI.
- d) The Chairperson informed members of the following next steps in the EITI Report production process:
 - i. Holding of a workshop in early December to train entities on how to fill in the data reporting templates;
 - ii. Submission of the completed templates by the extractive companies;
 - iii. Presentation of the final report to the MSG for review in January 2022; production of the final report in February 2022.
- e) The Chairperson informed the MSG that the main purpose of the meeting was for the IA to present the findings of the Scoping Study Report that they had prepared using the data and information submitted by Government agencies and institutions. The findings would inform the MSG in making key decisions for the UGEITI report.

2.2 Reactions to the Chairperson's remarks.

- a) A member from the Petroleum Authority of Uganda asked whether the MSG had made plans to meet with the Champion and Co-champions of UGEITI. The Chairperson stated that they would be invited for the next MSG meeting so as to provide them with an update on the EITI implementation process in Uganda.
- b) A member from the Civil Society Constituency asked whether the MSG would engage on the EACOP Bill 2020. In response the Chairperson agreed that it was important for the MSG to engage on both the EACOP Bill 2020 and the Income Tax (Amendment) Act 2021, since both of them contained legal amendments with implications for first oil and the final investment decision.

MIN 3.0: REVIEW OF THE MINUTES OF THE 14TH MSG MEETING HELD ON 7TH OCTOBER 2021 AND MATTERS ARISING.

- 3.1 This agenda item was deferred to the next meeting so as to allow ample time for the meeting to discuss on the Scoping Study Report by the IA.

MIN 4.0: PRESENTATION OF THE DRAFT SCOPING REPORT FOR UGANDA'S FIRST EITI REPORT BY THE INDEPENDENT ADMINISTRATOR.

- 4.1 The Presentation which was made by Mr. Rached Maalej is attached as Annex A. The IA informed the meeting that the report's objective was to define the

scope of the UGEITI Report for the Financial Year 2019/2020, which required approval by the MSG. The main contents of the scoping report were:

- i. A description of the preparation process leading to the first EITI report namely: scoping, inception and the final report;
 - ii. The scope of the study which referred to the sectors to be covered in the report i.e., the mining sector (mining and quarrying) and the oil & gas sector (upstream and midstream activities);
 - iii. The lists of: 1) extractive entities
2) payment streams, and:
3) government agencies to be included in the reconciliation scope.
 - iv. List of contextual information to be included in the report
- 4.2 Out of the six (6) oil and gas companies which were confirmed as being in operation during the reporting period, the IA recommended that the following four (4) be considered for reconciliation:
- i. Total E&P Uganda Limited
 - ii. CNOOC Uganda Limited
 - iii. Oranto Petroleum Limited
 - iv. Armour Energy Limited
- 4.3 The IA proposed that Uganda National Oil Company (UNOC) and Tullow Oil Limited be excluded from the reconciliation exercise for the following reasons:
- 4.3.1 UNOC did not make any upstream-related payments during the reporting period
- 4.3.2 Tullow Oil was no longer operational in Uganda and it would therefore be difficult to reconcile their data and information.
- 4.4 The IA also recommended that only the mining entities that paid revenues of over UGX 500 million should be considered for full disclosure. The payments for mining entities that remitted less than UGX 500 million would be aggregated and reported unilaterally by government.
- 4.5 The IA recommended reporting of the following payment streams:
- 1) From Uganda Revenue Authority (URA):
PAYE, With-holding tax, Customs payments, Value Added Tax (VAT), Income Tax, and any other significant payment flows over 500 million UGX
 - 2) From National Social Security Fund (NSSF):
Social Security contribution and any other significant payment flows over 500 million UGX
 - 3) From National Environment Management Authority (NEMA): EIA payments, and any other significant payment flows over 500 million UGX
 - 4) Social expenditure
 - 5) Environmental expenditure
 - 6) Infrastructural provisions and barter arrangements
 - 7) Subnational payments
 - 8) Subnational transfers

4.6 List of Government agencies to be included in the reporting scope are the following:

a) For the Oil and gas sector:

- i. Uganda Revenue Authority (URA)
- ii. National Social Security Fund (NSSF)
- iii. National Environment Management Authority (NEMA)

b) Mining sector

- i. Uganda Revenue Authority
- ii. Directorate of Geological Survey and Mines (DGSM)
- iii. National Social Security Fund
- iv. National Environment Management Authority

4.7 The IA informed the meeting that the information that they had provided under this section was based on the data provided by Government on the statement of revenues collected for the fiscal year 2019/2020. However, the Directorate of Geological Survey and Mines (DGSM) had just provided them with the list of active licenses during the fiscal year 2019- 20. They intended to review this list to ensure the accuracy of the revenue data set.

4.8 The IA also advised that the following list of contextual information be included in the report:

- i. Legal framework and fiscal regime
- ii. Register of licenses
- iii. Beneficial ownership
- iv. An overview of the extractive industries, including any significant exploration activities
- v. Export data
- vi. Contribution of the extractive industry

4.9 Reactions from Members

a) A representative from the Government Constituency enquired whether agriculture could be considered as an extractive activity. In response, the IA stated that the scope to be adopted was at the discretion of the MSG as some EITI countries included forestry, fisheries, mineral water and carbon credit in their scope.

b) The member further enquired on why the IA had used the name Total E & P Ltd and not TotalEnergies. The IA explained that the name Total E & P had been adopted from the data and information submitted provided by PAU and URA for the period of 2019/2020.

c) The same MSG member enquired about the IA's proposal for the MSG to adopt unilateral disclosure for UNOC and Tullow rather than full disclosure for the oil and gas sector as adopted at the 14th MSG meeting. In response, the IA stated that from the information they received UNOC did not have any revenues or significant expenditures in the upstream or midstream during the reporting period. Concerning Tullow, the IA explained that since they were no

17/12

- longer operating in the country, it would be difficult to report and verify the data. The IA further explained that flexible reporting would allow for contextual information to be included such as operations in the downstream sector that amounted to UGX 9 billion paid by UNOC.
- d) The IA advised that the NSSF payments can either be included or not considering that other countries have chosen one of the two options. In addition, the IA stated that NSSF contributions had been included in the scope because social contributions were part of social expenditure by companies, and other countries have included it as a social payment in their reports. Relatedly, the member from the government constituency stated that contributions made to NSSF were paid for the benefit of employees and not Government. However, the IA indicated that the consideration of NSSF payments is at the discretion of the MSG.
 - e) A member from the industry constituency enquired why the IA indicated that they had no access to the contracts yet the EITI Standard only requires the disclosure of contracts entered into after 1st January 2021. In response, the IA explained that in order for them to give a full description of the fiscal regime, they needed to look at the PSA provisions because part of the fiscal regime is enshrined in the PSAs. The IA emphasized that though it was not a requirement for the financial year 2019/2020 EITI countries were encouraged to disclose earlier contracts.
 - f) Another member from industry enquired why gold revenue which was a major contributor to the economy was not highlighted in the scoping report. In response the IA explained that at the time of the presentation, they had not reviewed all the data from DGSM which was being submitted in phases.
 - g) Members from the industry constituency were concerned how they would submit their audited and certified reports considering that their reporting period is a calendar year (January – December) vis-a-vis the government financial year that runs from July to June. In response, the Chairperson advised the IA to share an extract or guidelines of the quality assurance process for reconciliation.
 - h) The EITI consultant enquired whether the IA would include the impact of the extractive activities on the environment as well as inclusion of information on local content under the list of contextual information for the UGEITI report. The IA responded that this information would be included under social and economic payments as emphasized within Requirement 6 of the EITI Standard.

MIN 5.0: WAY FORWARD

5.1 The IA made the following recommendations:

- a) The reconciliation exercise should include the oil and gas companies that still held active licenses and were based in Uganda during the fiscal year of 2019/2020.

- b) The Uganda National Oil Company (UNOC) and Tullow Oil Limited be excluded from the list of oil and gas entities to be retained in the reconciliation scope since UNOC did not make any upstream payments to government during FY 2019/20.
- c) That under the mining sector, the 24 companies listed in the scoping report (each contributing over UGX 500 million to total revenue) would be fully disclosed. Payments from the 24 companies make up approximately 95.01% of the total revenue paid to government.
- d) That, the revenue streams paid to government by the remaining 259 mining companies contributing 4.99% of the total revenues would be reported unilaterally.
- e) For data quality assurance purposes, all reporting templates under reconciliation for the oil and gas sector should be certified by an independent external auditor in reference to the audited statements of 2019/2020 for companies. With regard to the Government entities, the reporting templates should be certified by the accounting officers in their respective institutions.
- f) Advised the MSG to adopt flexible reporting in lieu of the tight deadline and the Covid-19 pandemic challenges in producing the 1st EITI report due February 2022.
- g) Share the reporting templates and an extract or guidelines of the quality assurance process for reconciliation.

5.2 The MSG would make a decision on the following:

- a) To adopt flexible reporting in lieu of the tight deadline and the Covid-19 pandemic challenges in producing the 1st EITI report due February 2022.
- b) Whether to include or exclude NSSF payments as part of the Government agencies to be included in the reporting process.
- c) Whether to include or exclude Local Government transfers as a stand-alone under the payment streams for the FY 2019/2020 reconciliation scope with much consideration to the complexity of collecting and verifying data from every district with extractives.

MIN 6.0: ANY OTHER BUSINESS

6.1 There being no other business, the Chairperson thanked members for making time to attend the meeting which ended at 5:28 p.m.

Handwritten signature and date:
17/12

ACTION MATRIX

Min No.	Action Point	Resp. Inst.	Timeline	Action Update
5.1 g)	Share an extract or guidelines of the quality assurance process for reconciliation.	IA	Next Meeting	Done. The information has been provided in the scoping report on pages 20 and 54.
5.1 g)	Share reporting templates with the MSG prior to the training workshop. The MSG to advise on a date for the training.	Secretariat	Next Meeting	Done. The template shared and the date for the training workshop will be Wednesday 15 th December 2021.
5.2 a)	Consider flexible reporting in lieu of tight deadline and the Covid-19 pandemic challenges in producing the 1 st ELTI report due February 2022.	MSG	Next Meeting	To be considered during the MSG Meeting.
5.2 b)	Whether to include or exclude NSSF payments as part of the Government agencies to be included in the reporting process.	MSG	Next Meeting	To be considered during the MSG Meeting.
5.2 c)	Whether to include or exclude Local Government transfers as a stand-alone item under the payment streams for the FY 2019/2020 reconciliation scope with much consideration to the complexity of collecting and verifying data from every district with extractives.	MSG	Next Meeting	To be considered during the MSG Meeting.

Signed:

MSG Chairperson:

Muyanga Date: 17/12/21

Secretary/National Coordinator:

Opul Date: 17/12/2021