

MINUTES OF THE 18TH MEETING OF THE MULTI-STAKEHOLDER GROUP (MSG) OF THE UGANDA EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (UGEITI) HELD ON THURSDAY, APRIL 21ST 2022 AT IMPERIAL ROYALE HOTEL, KAMPALA.

Attendance List

No.	Name	Institution
GOVERNMENT		
1.	Mr. Clovice Bright Irumba	Petroleum Authority Uganda (Acting Chairperson)
2.	Ms. Sarah Aijuka	National Environment Management Authority
3.	Eng. Timothy Tibesigwa	Ministry of Works & Transport
4.	Mr. Francis Elungat	Ministry of Energy & Mineral Development
5.	Mr. Robert Tugume	Ministry of Energy & Mineral Development
6.	Mr. Jonan Akandwanaho	National Planning Authority
7.	Ms. Gloria Akatuhurira	Uganda Revenue Authority
8.	Mr. Peter Rumanzi (Proxy)	Bank of Uganda
CIVIL SOCIETY ORGANISATIONS		
9.	Ms. Winfred Ngabiirwe	Global Rights Alert
10.	Mr. Siraji Magara Luyima	Oxfam International
11.	Mr. Henry Bazira	Water Governance Institute
12.	Mr. Sam Mucunguzi	Citizens' Concern Africa
13.	Ms. Regina Navuga	Southern & Eastern Africa Trade Information and Negotiations Institute
14.	Mr. Paul Mulindwa	Kitara Civil Society Organization's Network
INDUSTRY		
15.	Mr. Faustine Mugisha	TotalEnergies
16.	Mr. Emmanuel Kibirige	Uganda Association of Artisanal & Small-Scale Miners Limited
17.	Mr. Obad Noah	Oranto Petroleum Ltd
18.	Ms. Sandra Mwesigye	CNOOC Uganda Ltd
19.	Dr. Tom Buringuriza	Armour Energy Limited
OBSERVERS		
20.	Ms. Mina Horace	EITI Consultant
21.	Mr. Robert Muhumuza	Office of the Auditor General
22.	Ms. Banda Agnes	Office of the Auditor General
23.	Mr. Kasigwa C. Jim	Office of the Auditor General
24.	Mr. Frank Byaruhanga	Office of the Auditor General
25.	Ms. Babirye Magdalene	Office of the Auditor General
26.	Mr. Joseph Kyeyune	Uganda Revenue Authority
27.	Mr. Rached Maalej	Independent Administrator
28.	Mr. Christopher Wilson	International EITI Secretariat
29.	Mr. Gilbert Makore	International EITI Secretariat
UGEITI NATIONAL SECRETARIAT		
30.	Mr. Saul Ongaria	UGEITI Secretariat (Secretary)
31.	Ms. Gloria Mugambe	UGEITI Secretariat
32.	Mr. Kanakulya Edwin Kavuma	UGEITI Secretariat

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33.	Mr. Edgar Mutungi	UGEITI Secretariat
34.	Mr. Dan Denis Agaba	UGEITI Secretariat
35.	Ms. Bronia Arinda	UGEITI Secretariat
36.	Mr. Abbey Gitta	UGEITI Secretariat
37.	Ms. Acom Suzan Angela	UGEITI Secretariat
38.	Mr. Francis Garvin Okello	UGEITI Secretariat
39.	Ms. Sharon Kuku	UGEITI Secretariat
ABSENT WITH APOLOGY		
1.	Mr. Moses Kaggwa	Ministry of Finance, Planning & Economic Development (MSG Chairperson)
2.	Ms. Margaret Lomonyang	Karamoja Women Umbrella Organisation
3.	Dr. Jennifer Hinton	Uganda Chamber of Mines and Petroleum
4.	Mr. Gard Benda	World Voices Uganda
5.	Mr. John Kennedy Okewling	Ministry of Energy & Mineral Development
6.	Mr. Bukya John Bosco	Uganda Association of Artisanal & Small-Scale Miners Limited

AGENDA

1. Welcome, Introductions and Adoption of the Agenda.
2. Communication from the Chairperson.
3. Review and Adoption of the Minutes of the 17th MSG Meeting.
4. Presentation of the draft UGEITI Report by the Independent Administrator (IA).
5. Presentation on Requirement 1.5 (Work Plan) and Requirement 7.4 (Annual Progress Report) by the EITI International Secretariat (IS).
6. Way Forward.
7. A.O.B.

MIN 1.0: WELCOME, INTRODUCTIONS AND ADOPTION OF THE AGENDA.

- 1.1 The National Coordinator welcomed members and called the meeting to order at 10:18 a.m. Mr. Clovice Bright Irumba was unanimously nominated to chair the meeting in the absence of the substantive Chairperson who was delayed by another official engagement. The National Coordinator requested members to introduce themselves.
- 1.2 The MSG adopted the agenda subject to:
 - i. The postponement of Item 3 (*Review and Adoption of the Minutes of the 17th MSG meeting*) to the next MSG Meeting.
 - ii. The revision of Item 5 to *Work Planning and Progress Reporting for Uganda*.

MIN 2.0: COMMUNICATION FROM THE CHAIRPERSON

- 2.1 The Chairperson made the following remarks:

B.ves

- a) He thanked members for having taken time to attend the meeting physically and said he was privileged to chair the 18th MSG Meeting of UGEITI.
- b) He informed the meeting that he would summarize the MSG Chairperson's remarks and that the UGEITI Secretariat would share the detailed document thereafter. The full remarks are attached as Annex A.

2.2 The Chairperson highlighted the below:

- **Loss of Colleagues from DGSM in Karamoja Region**

A minute of silence was observed to pay tribute to colleagues from DGSM in the Ministry of Energy and Mineral Development, who lost their lives in the Karamoja region while on official duty hence a big loss to the extractive sector in Uganda.

- **Presidential Ban on Exportation of Unprocessed Minerals**

He pointed out that Cabinet, on 11th April 2022, decided to maintain the Presidential directive on the ban on the export of unprocessed minerals from the country that was issued in 2011. This ban has an effect on the revenues from the mining sector as shall be seen in the draft EITI report.

- **The Annual Oil and Gas Convention**

He thanked colleagues from the Uganda Chamber of Mines and Petroleum (UCMP) and other players in the oil and gas sector upon successfully holding the 8th Annual Oil and Gas Convention whose main theme focused on development of national content with the aim of enhancing opportunities for locals in areas of employment, utilization of services from domestic suppliers and transfer of technology, skills and knowledge from multinationals to domestic suppliers. He emphasized its importance as the best way Ugandans could directly participate and benefit from the country's extractive sector.

- 2.3 He also reminded the members that the deadline for publishing the EITI report was 14th May 2022. All stakeholders therefore needed to ensure that the remaining work was done expeditiously so as to enable the timely publication of the report.
- 2.4 The Chairperson took note of the obligations of the reporting entities in the production of the EITI report which included among others; the submission of duly certified copies of the reporting templates. He urged all entities that had not yet submitted certified copies of the templates to do so.
- 2.5 In conclusion, the Chairperson took note of the appointment letters sent to the MSG members by the Honorable Minister of Finance, Planning and Economic Development (MoFPED), and thanked everyone who had confirmed their appointment.



MIN 3.0: PRESENTATION OF THE DRAFT UGEITI REPORT BY THE INDEPENDENT ADMINISTRATOR (IA)

- 3.1 The presentation was made by Mr. Rached Maalej and is attached as Annex B.
- 3.2 The Chairperson thanked the IA for a clear and comprehensive report. The Chairperson then proposed that the next presentation on the agenda be made immediately following the IA presentation so as to allow ample time for discussion since the presenter was available for a limited time.
- 3.3 The meeting then received the presentation from the International Secretariat (IS) by Mr. Christopher Wilson on Annual Progress Reporting and Work Planning. This presentation is attached as Annex C.
- 3.4 The Chairperson then invited reactions to the two presentations.

Reactions from Members to the Presentation from the International Secretariat (IS)

- 3.5 The Chairperson appreciated the presentation particularly the section detailing the Roadmap from April to September 2022. He requested for continued guidance, engagement, consultation and support from the EITI International Secretariat to UGEITI.
- 3.6 A representative from Civil Society thanked the presenter for the information and clear guidance. He requested that the IS share experiences from other countries so as to improve on and enrich Uganda's 1st Annual Progress Report (APR).
- 3.7 A representative from the industry constituency requested that the presentation be shared with members.

Reactions from Members to the Independent Administrator (IA) Presentation

- 3.8 A representative from the industry constituency asked whether the discrepancies outlined in the presentation would have an impact on the final report, and if the respective concerned parties could reconcile these gaps before the report was finalised.
- 3.9 She enquired further if these discrepancies would have repercussions, especially for the discrepancies in the Oil and Gas Sector.
- 3.10 A representative from Civil Society commended the work done so far, but noted that there was need for an extensive review and validation of the report before its submission. He proposed that a three (3) day MSG workshop be held in this regard.
- 3.11 He further requested that the CSO constituency be given an opportunity to consult widely amongst themselves on the draft report.
- 3.12 He also inquired whether details of Government expenditure from the extractive sector revenues could be provided in the report especially details on how Local Governments utilized the funds sent to them from the royalties collected.
- 3.13 He further stated that the draft report had not captured information on beneficial ownership of the oil and gas companies.



- 3.14 Another representative from the CSO constituency highlighted that the discrepancies on gold captured by URA and DGSM were significant and hence required further interrogation.
- 3.15 She also enquired whether the templates that had been submitted without certification would undermine the credibility of the report.
- 3.16 She further enquired if the recommendations presented in the draft report by the IA would be harmonized with the previously determined UGEITI objectives in the Uganda National EITI work plan.

Responses by the IA

- 3.17 Regarding the use of royalties collected, the IA guided that ideally, citizens should know how these revenues benefit them. However, in his opinion, it would be a lengthy and time-consuming exercise, and if it was done for royalties it would have to be done for all other revenue streams. He further advised that if such disclosures were to be considered, it should only be for those revenue streams above the UGX 500 million threshold that had been agreed by the MSG.
- 3.18 The IA guided that it was at the discretion of the MSG to decide whether or not to include information on the benefits of royalties; however, it was not a reporting requirement for FY 2019/2020 report.
- 3.19 Regarding the absence of information on beneficial ownership for oil and gas companies in the draft report; the IA clarified that this information was included in the report.
- 3.20 Regarding the reporting process; the IA guided that the draft report be tabled to the different constituencies/ stakeholders for feedback such that any existing inaccuracies could be rectified.
- 3.21 Regarding the total unreconciled discrepancies in the Oil and Gas revenues; the difference amounted to UGX 4,283,795 representing 0.01 % of total revenues of UGX 42,244,190,491 (included in the reconciliation scope).
- 3.22 The IA explained that this difference was equivalent to approximately \$1000 which he did not consider material.

Response By UGEITI Secretariat

- 3.23 Regarding constituency consultation on the draft report; the Secretariat informed the meeting that the quality assurance of the Final Report was the mandate of the Steering Committee which had been constituted to coordinate and oversee the report preparation; it comprised representation from each constituency, and it was the role of the committee members to ensure that their constituencies were consulted and their feedback considered.
- 3.24 On wide consultations; the Secretariat reminded the members that the final report was due May 14, 2022 hence the need to be realistic about extensive consultations. The Secretariat encouraged the members to expedite constituency consultations, which the Secretariat promised to attend. The feedback from the consultations would then be communicated through their respective representatives on the Steering Committee.
- 3.25 Regarding details of the Government expenditure from extractive revenues; the Secretariat noted that all extractive funds were remitted to the Consolidated Fund, therefore tracking their specific allocation was not possible, since they became fungible once remitted. The section in the report

- on the budget process and revenue allocation aimed at addressing questions of revenue expenditure, and described the movement of these funds.
- 3.26 The National Secretariat would work with the IA to crosscheck details of signed and unsigned templates, and to reconcile the information submitted and the data contained in the report.
- 3.27 The EITI consultant reminded CSOs that their participation was key to the EITI process. She encouraged them to refresh themselves on the EITI Protocol for Civil Society Participation contained in the EITI Standard, which would support their consultations within the MSG and with their wider constituency. She urged the CSO constituency to coordinate their activities, harmonize and consolidate their feedback on the report for submission at the earliest possible time, to avoid delays and misrepresentation.
- 3.28 The CSOs on the MSG were advised to nominate a coordinator amongst themselves for better alignment of all their activities. Among others, the coordinator would serve as liaison between the CSO constituency and the National Secretariat. In response, the CSO constituency affirmed that they had a Coordinator, and that their activities were fully aligned and coordinated.
- 3.29 The MSG was advised not to lose sight of the mining constituency adding that the mining companies should be consulted during the reporting process though they were reported on unilaterally by the Government. Members were further advised that during validation the EITI International Secretariat would look for evidence of wider consultations on the report by the different MSG constituencies and other EITI stakeholders.
- 3.30 In response to reporting on revenue expenditures at sub-national level; the EITI consultant noted that the current mining policies did not provide for ring fencing of extractive revenues to undertake specific projects. She re-affirmed that the revenues lost their identities once they were lodged into the Consolidated Fund, and therefore, revenue expenditures and the direct benefits of minerals extraction received by mining communities could not be accounted for in the report for now.
- 3.31 Regarding the concern on whether the draft report's recommendations would be harmonized with the work plan objectives; the consultant noted that there was a strong link between the two.

Plenary Responses to UGEITI

- 3.32 A representative from the Civil Society constituency called on the members to read and provide timely feedback on the draft report as well as other information shared by the National Secretariat.
- 3.33 A representative from the Government constituency proposed that regarding the discrepancies in gold production and export figures; URA and DGSM should meet and interrogate the matter further.
- 3.34 Another representative from the Government constituency advised the National Secretariat to seek guidance on the need for Cabinet approval of the final report before its publication. The Chairperson recommended that UGEITI Secretariat and the Government constituency seek guidance on whether Cabinet approval was required or a Cabinet Information Paper would suffice.



MIN 4.0 WAY FORWARD

4.1 The MSG agreed the following:

- i. The Draft Report is approved and the IA could commence with the finalization of the report.
- ii. All constituencies would meet to consult, review and provide feedback on the draft report through their representatives on the Steering Committee by **April 29th 2022** for the timely finalization of the report.
- iii. UGEITI would consult and seek guidance from the Government on the need for Cabinet approval of the report before its publication.
- iv. The UGEITI Secretariat would revert to the MSG to present what is required of the MSG to ensure that the Road-map for preparation of the next work plan and the Annual Progress Report is delivered.

MIN 5.0: ANY OTHER BUSINESS

5.1 There being no other business, the meeting was adjourned at 1.30 p.m.



ACTION MATRIX

Min No.	Action Point	Resp. Inst.	Timeline	Action Update
3.26	The National Secretariat to work with the I.A to crosscheck details of signed and unsigned templates, to reconcile the information submitted and the data contained in the report	Secretariat	Immediate	Done
4.1(ii)	All constituencies meet to consult, review and provide feedback on the draft report through their representatives on the Steering Committee for timely finalization of the report.	MSG	April 29, 2022	Done
4.1(iii)	UGEITI to consult and seek guidance from the Government on the need for Cabinet approval of the report before publication of the report.	Secretariat	Immediate	Done
4.1(iv)	UGEITI Secretariat to revert to the MSG to present what is required of the MSG to ensure that the Work plan and Annual Progress Report roadmap is delivered.	Secretariat	Immediate	To be made after submission of the UGEITI report on 14 th May, 2022.

Signed:

MSG Chairperson:

 Date: 12/5/2022

Secretary/National Coordinator:

 Date: 12/05/2022