# MINUTES OF THE 21ST MEETING OF THE MULTI-STAKEHOLDER GROUP (MSG) OF THE UGANDA EX extractive Industries Transparency Initiative (UGEITI) HELD ON THURSDAY, 8TH SEPTEMBER 2022 AT IMPERIAL ROYALE HOTEL, KAMPALA

## Attendance List

<table>
<thead>
<tr>
<th>No.</th>
<th>Name</th>
<th>Institution</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>GOVERNMENT</strong></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Mr. Moses Kaggwa</td>
<td>Ministry of Finance, Planning and Economic Development (MOFPED) <strong>Chairperson</strong></td>
</tr>
<tr>
<td>2</td>
<td>Ms. Allen Bucyana</td>
<td>Ministry of Justice and Constitutional Affairs (MOJCA)</td>
</tr>
<tr>
<td>3</td>
<td>Mr. Clovice Bright Iruma</td>
<td>Petroleum Authority of Uganda (PAU)</td>
</tr>
<tr>
<td>4</td>
<td>Mr. Peter Rumanzi</td>
<td>Bank of Uganda (BOU)</td>
</tr>
<tr>
<td>5</td>
<td>Mr. Robert Tugume</td>
<td>Ministry of Energy &amp; Mineral Development (MEMD)</td>
</tr>
<tr>
<td>6</td>
<td>Mr. Sebagala David</td>
<td>Ministry of Energy &amp; Mineral Development</td>
</tr>
<tr>
<td>7</td>
<td>Mr. John Kennedy Okewang</td>
<td>Ministry of Energy &amp; Mineral Development</td>
</tr>
<tr>
<td>8</td>
<td>Mr. Francis Elungat</td>
<td>Ministry of Energy &amp; Mineral Development</td>
</tr>
<tr>
<td>9</td>
<td>Mr. James Mushereure</td>
<td>Petroleum Authority of Uganda</td>
</tr>
<tr>
<td>10</td>
<td>Ms. Sarah Ajuuka</td>
<td>National Environment Management Authority (NEMA)</td>
</tr>
<tr>
<td></td>
<td><strong>CIVIL SOCIETY ORGANISATIONS</strong></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Ms. Regina Navuga</td>
<td>SEATINI Uganda</td>
</tr>
<tr>
<td>12</td>
<td>Mr. Gard Benda</td>
<td>World Voices Uganda</td>
</tr>
<tr>
<td>13</td>
<td>Mr. Sam Mucunguzi</td>
<td>Citizens’ Concern Africa</td>
</tr>
<tr>
<td></td>
<td><strong>INDUSTRY</strong></td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>Mr. Obad Noah</td>
<td>Oranto Petroleum Ltd</td>
</tr>
<tr>
<td>15</td>
<td>Mr. John Bosco Bukya</td>
<td>Uganda Association of Artisanal &amp; Small-Scale Miners Limited (UGAASM)</td>
</tr>
<tr>
<td>16</td>
<td>Ms. Ingrid Muhanguzi</td>
<td>CNOOC Uganda Ltd</td>
</tr>
<tr>
<td>17</td>
<td>Mr. Jean Gavaldia</td>
<td>TotalEnergies E&amp;P Uganda Limited</td>
</tr>
<tr>
<td>18</td>
<td>Ms. Emilly Nakamya</td>
<td>Uganda National Oil Company (UNOC)</td>
</tr>
<tr>
<td>19</td>
<td>Mr. Emmanuel Kibirige</td>
<td>Uganda Association of Artisanal &amp; Small-Scale Miners Limited (UGAASM)</td>
</tr>
<tr>
<td></td>
<td><strong>OBSERVERS</strong></td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>Ms. Mina Horace</td>
<td>EITI Consultant</td>
</tr>
<tr>
<td>21</td>
<td>Mr. Mande Brian</td>
<td>Ministry of Finance, Planning and Economic Development</td>
</tr>
<tr>
<td>22</td>
<td>Ms. Magdalene Babirye</td>
<td>Office of the Auditor General (OAG)</td>
</tr>
<tr>
<td>23</td>
<td>Mr. Samuel Bekoe</td>
<td>Consultant, Beneficial Ownership</td>
</tr>
<tr>
<td>24</td>
<td>Ms. Brenda Mahoro</td>
<td>Financial Intelligence Authority (FIA)</td>
</tr>
<tr>
<td>25</td>
<td>Ms. Patricia Opoka</td>
<td>Uganda Registration Services Bureau (URSB)</td>
</tr>
<tr>
<td>26</td>
<td>Ms. Joseph Keyyune</td>
<td>Uganda Revenue Authority (URA)</td>
</tr>
<tr>
<td>27</td>
<td>Ms. Nakyommy Christine</td>
<td>Petroleum Authority of Uganda</td>
</tr>
<tr>
<td>28</td>
<td>Mr. Winston Mugumya</td>
<td>Ministry of Energy &amp; Mineral Development</td>
</tr>
</tbody>
</table>

1

25/11
AGENDA

1. Welcome, Introductions and Adoption of the Agenda
2. Communication from the Chairperson.
3. Review and adoption of the Minutes of the 20th MSG meeting.
7. Way forward.

MIN 1.0: WELCOME AND ADOPTION OF THE AGENDA.

1.1 The National Coordinator called the meeting to order at 9:49 a.m. He welcomed everyone to the meeting and requested all the participants to introduce themselves. He notified participants that he had invited members of the National Beneficial Ownership Committee (NBOC) to observe the MSG meeting and that they would later leave to attend the Beneficial Ownership (BO) workshop that was scheduled to take place concurrently with the MSG meeting.

1.2 He informed the meeting that the technical expert on BO, Mr. Samuel Bekoe, was in the country to facilitate the NBOC workshop which was intended to build the capacity of the Committee members and other
stakeholders to effectively implement BO disclosure in Uganda. The Committee comprised of the following institutions; Uganda Registration Services Bureau, Financial Intelligence Authority, Ministry of Justice and Constitutional Affairs, Uganda Revenue Authority, Ministry of Energy and Mineral Development, and Ministry of Finance Planning and Economic Development.

1.3 Following these introductions, he welcomed the Chairperson of the MSG to give his opening remarks.

MIN 2.0: COMMUNICATION FROM THE CHAIRPERSON.

2.1 The Chairperson welcomed members to the 21st MSG meeting. He read his communication which is appended as Annex A. The major highlights of the communication were:

a) Parliament had passed both the Mining and Minerals Bill 2022 and the Companies (Amendment) Act, 2022. The Bills had been sent to the President for his assent.

b) In August 2022, the Honourable Minister of Energy and Mineral Development, Hon. Ruth Nankabirwa held a meeting with the International EITI Secretariat in Oslo, Norway. During the meeting, a number of issues were discussed concerning the status of EITI implementation in Uganda. The International EITI Secretariat noted the gaps identified in the first UGEITI report - including the disclosure of contracts and agreements signed. The Minister highlighted the need for continued engagement between the relevant parties in order to ensure that contracts are disclosed in the near future.

c) With the support of the European Union, the National Secretariat had contracted Mr. Samuel Bekoe, a technical expert on Beneficial Ownership disclosure to guide the key regulatory institutions mentioned in 1.2 above through the BO process.

d) Various projects had been initiated in the upstream sector by the International Oil Companies (IOCs), including the procurement of the necessary equipment for production purposes. This demonstrated the IOCs commitment towards first oil production.

e) With the support of the Civil Society Constituency, consultative meetings on the work plan 2022/23 were successfully undertaken in Hoima on 23rd August 2022, Mbale on 30th August 2022 and Kampala on 1st September 2022. The Government constituency held their consultative meeting on 2nd September, 2022 in Kampala.

The National Secretariat had consolidated all the inputs from these engagements to come up with a final draft for review and adoption in the meeting.
2.2 **Reactions from Members**

a) A member from DGSM informed the meeting that the Mining and Minerals Bill 2022 was returned to Parliament by the President for Parliament to reconsider the definition of large-scale mining (and not small-scale mining), removal of the tribunal dispute resolution, and the application of competitive bidding in all areas except those with licenses held by Government.

b) The National Coordinator requested the BO Consultant, Mr. Bekoe Samuel to make a few remarks before the NBOC team left for their workshop. Mr. Bekoe noted that he had taken time to review both the Mining and Minerals Bill 2022 and the Companies (Amendment) Bill, 2022. The Bill—had clearly made provisions for beneficial ownership transparency for business entities. He said that there was a wave of demands for beneficial ownership declaration by business entities to avert fraud and corruption. Internationally, different jurisdictions including the European Union were passing enabling legislation to enforce BO disclosure.

**MIN 3.0: REVIEW AND ADOPTION OF THE MINUTES OF THE PREVIOUS MEETING.**

3.1 The Chairperson led the review of the Minutes of the 20th MSG meeting that was held on 21st July 2022, which were adopted as a true record of the proceedings of the meeting.

3.2 **Matters Arising from the 20th MSG meeting.**

Under Minute 2.2 a), a representative from MEMD committed to share with the MSG a write-up on the new mineral discovery in the Busoga sub-region.

**MIN 4.0: FEEDBACK FROM CONSTITUENCY CONSULTATIONS ON THE DRAFT WORK PLAN.**

4.1 The Head of Secretariat reminded the meeting that members had been requested to hold consultations with their respective constituencies on the draft work plan 2022/2023. With the support of the civil society constituency, three regional engagements had been conducted for consultations on the work plan, and to disseminate the first UGEITI report. The consultative engagements were held in Hoima City on 23rd August 2022, Mbale City on 30th August 2022, and the Government constituency in Kampala City on 1st September 2022. She was also able to share the UGEITI report 2019/2020 with Parliamentarians on 7th September 2022. Stakeholders in the extractive sector from the different regions attended the meetings and provided their feedback into the work plan and UGEITI report 2019/2020.

The Head of Secretariat provided feedback on the emerging issues as follows:

a) Hoima Consultation;
• The Project Affected Persons (PAPs) complained about the delayed compensation for the EACOP project yet they were not allowed to carry out any activity on the land.
• The local government leaders felt left out in the monitoring of oil and gas activities due to the bureaucratic process followed when obtaining permission to visit the oil fields and Kabaale International Airport. They were required to write to the Central Government for permission through the Permanent Secretary of the MEMD.

b) Mbale consultation;
• Local Government leaders expressed the need to be involved in monitoring extractive activities because the locals questioned them directly about activities of investors in the region. For instance, the district leaders said the locals from Karamoja informed them that they were not granted access to mining sites which are heavily guarded by the police and military personnel. In addition, they were not aware of the quantities of minerals being extracted from Karamoja region.

c) Parliamentary workshop on extractives
• Parliamentarians were keen on EITI and expressed their desire to benchmark on contract disclosure from other EITI implementing countries.

In addition, the Head of Secretariat emphasized to the meeting the importance of MSG members attending regional engagements and this was to ensure provision of accurate responses to the issues raised during the plenary discussions.

4.2 The meeting was informed that the Industry Constituency was yet to provide consolidated feedback on the workplan. In response, the representatives from Oranto Petroleum and CNOOC Uganda Limited promised to revert with feedback, while the representative of TotalEnergies stated that they had no objection to the work plan and that their primary interest was the full disclosure of all contracts. UNOC had no objection to the workplan.

4.3 Reaction from Members

a) The Chairperson informed the meeting that money had been allocated in the budget for the EACOP compensation. He stated that according to the contract, Government had agreed to pay all the EACOP PAPs two months before the Final Investment Decision.

b) A member from MEMD informed the meeting that arrangements were underway for training Community Development Officers to have presence in the mining areas at all times. It was a requirement for the Directorate of Geological Survey and Mines (DGSM) officers to visit the local authorities before any trip to the mines. However, the member emphasized that following the Mining Regulations of 2019, there was no need for District authorities to seek authorization to visit the mining sites.

c) The meeting was informed that MEMD had procured a weigh bridge though it was yet to be installed for collecting all the information on the
type and quantities of minerals leaving the Karamoja region on a daily basis.

d) The representative from TotalEnergies informed the meeting that the company was engaging with all stakeholders including the communities who were updated regularly on the activities being undertaken and that the company facilities were accessible to the public with an average of 200 visitors on a monthly basis. TotalEnergies offered to host MSG members at the Tilenga site before the end of year.

e) A representative from the PAU advised DGSM to develop a communication strategy to improve the working relationships with the district leaders and locals in the mining areas. He asserted that the Central Government needed to regulate access to the oil project areas to prevent unforeseen risks to the facilities because Government and the companies had heavily invested in the projects.

f) The representative from the National Environment Management Authority acknowledged the need for local authorities to seek authorization to petroleum and mining sites but stated that once companies received prior notice of their planned visits, they corrected all the anomalies that existed which prevented regulators like NEMA from carrying out their mandate effectively.

g) In addition, a representative from the Uganda Artisanal and Small-scale Miners Association advised that access to mines needed to be controlled because the unplanned visits disrupted their operations and posed a risk to their investments.

**MIN 5.0: REVIEW AND APPROVAL OF THE NEXT UGEITI WORK PLAN.**

5.1 The presentation on the workplan is attached as Annex B. This was presented by a member of the UGEITI Secretariat and the highlights were as follows:

a) The work plan had been developed through a consultative process in line with the EITI Standard. The total cost amounted to USD 1,725,500.

b) UGEITI maintained the following three (3) objectives in the work plan;
   - Objective 1 – Enhance transparency in the extractive sector.
   - Objective 2 – To strengthen revenue management and accountability.
   - Objective 3 – To build the operational and technical capacity of the MSG and Secretariat to ensure EITI is effectively implemented.

5.2 **Reaction from Members**

a) The representative from TotalEnergies reiterated that TotalEnergies had no objection to the work plan however he emphasized the need for full disclosure of the petroleum contracts.

b) A member from civil society stated that since Government had committed to EITI in Uganda, it needed to explicitly commit funds for its implementation – including the funds needed to support the disclosure of contracts. In response, the Chairperson stated that a partnership came with responsibilities, so it was in place for an EITI
partner including civil society to fund a government programme or project.

c) A member from the MEMD noted that it was good practice to add the column of outcomes to the workplan framework.

5.3 **Way Forward**

a) Under the column for *Responsible Party* in the workplan, members agreed to change the Responsible Party to MSG noting that the MSG was the owner of the work plan and therefore responsible for all the activities of the work plan. The funding institutions could be incorporated during the implementation process of the activity by the UGEITI National Secretariat.

b) For *Activity 1.1 b)* requested MoFPED and MEMD to take lead in the engagement process with Cabinet on contract disclosure.

c) *Activity 1.4* was changed to read – “Implement the Communication Strategy for EITI Awareness.” i.e., to enhance awareness and responsiveness on extractive activities. The *Output* was changed to read, “Report on Communication Activities.”

d) *Activity 1.5 d)* (Comparative Study on Contract Disclosure) was costed twice, therefore a deduction of USD 23,500 was made to total work plan cost.

e) *Activity 1.6 c)* was changed to read, “Engage with DGSM, Ministry of Trade and URA to reconcile figures on mineral exports.”

f) *Activity 1.6 d)* was changed to read, “Support the development of a system that ensures coordination and streamlining of mineral trade.”

5.4 **Adoption of the Work Plan 2022/2023**

The MSG approved the Workplan for FY 2022/2023 subject to the comments provided during the meeting.

**MIN 6.0: FUNDING AND DELIVERY CHALLENGES OF THE NEXT WORK PLAN.**

6.1 The presentation on funding and delivery challenges is attached as Annex C. This was presented by a member of UGEITI Secretariat with the following highlights:

a) The work plan which was costed at USD 1,725,500 was largely unfunded. The Government of Uganda had provided USD 335,000, leaving approximately three quarters of the work plan activities worth USD 1,390,500 unfunded.

b) The critical activity in the workplan was preparation and publication of the 2nd UGEITI report, which was due by 30th June 2023, costed at USD 150,000.

c) Other key deliverables for the Financial Year 2022/2023 included:
   - Validation.
   - Follow up on MSG recommendations of the first UGEITI report.
d) MoFPED required the National Secretariat to align its annual outputs for the FY 2022/23 with the Tax Policy Department outputs in line with the Ministerial Policy Statement as follows:
   - Printing and dissemination of the first UGEITI report.
   - Validation to ensure adherence to the EITI Standard.
   - Follow up by MSG on recommendations of the first UGEITI report.
   - Production of the second UGEITI report.
   - Capacity building for MSG and National Secretariat.
   - Attending International Conferences.

e) There were funding challenges for various activities including consultations, dissemination and sensitization which were critical in the implementation of EITI. The funding challenge also presented logistical difficulties for members especially in terms of transportation, funding for training and study tours.

6.2 Reaction from Members.

a) A representative from the Petroleum Authority of Uganda expressed concern about the EITI implementation funding challenges. He was surprised that the CSO constituency had funded many key activities for this particular Government programme. He stated that money from funders/donors ought to be secured through the MoFPED. He advised that this challenge could be highlighted in a Cabinet Memorandum through the Minister of Finance.

b) A member from the CSO constituency thanked the Secretariat for working and delivering effectively amidst the dire funding challenges for implementing EITI in Uganda. He stated that EITI should be a priority since it was initiated to prevent corruption and propel real development in Uganda. CSO financing should only come in to support effectiveness and efficiency, for instance where studies have already been carried out. In addition, when seeking for funds from development partners, Government needed to show its level of commitment by funding a larger percentage of the UGEITI budget. He proposed for a special engagement between Cabinet and the MSG.

c) He also informed members that he was facing difficulties in representing his constituency effectively on the MSG as the facilitation provided by UGEITI for travel from Kagadi District to Kampala District for MSG engagements was meagre. He requested for a review of the MSG Terms of Reference particularly the provisions on allowances for members travelling from upcountry.

d) In his submission, a representative from the Uganda Artisanal and Small-scale Miners Association (UGAASM) advised that UGEITI needed to be autonomous like other government parastatals in order to secure funding from Government and development partners. It was difficult to expect adequate funding while still working under the MoFPED due to its bureaucracy.

e) The representative from the Uganda National Oil Company stated that EITI was a sensitive matter and the MSG needed to prove why the initiative must stay. She advised the MSG to look for donors who could...
provide funding for up to three years, which was a more sustainable approach for effective EITI implementation.

f) The Chair advised UGEITI Secretariat to align its budgeting process with Government’s to ensure better funding for its future budgets. He offered to meet the Accounting Officer of MoFPED, together with the National Coordinator and the Head of Secretariat to secure the much-needed funding for activities of UGEITI. He also advised the Secretariat to benchmark with Zambia and Tanzania for solutions on how they financed their activities.

g) He further said that there was need to engage the Champions in seeking funding for EITI at Cabinet level. The meeting agreed that the Hon Minister of MEMD and the EITI champion in the MoFPED (Hon. Min of State for Finance in charge of Planning) should be briefed on the matter.

6.3 Way Forward

a) Highlight UGEITI’s funding challenges in a Cabinet memo by MoFPED requesting for EITI funding to be ring-fenced or UGEITI given a vote because this is an international obligation.

b) Align the UGEITI work plan with Government’s budgeting process.

c) Prepare a presentation for top management of MoFPED.

d) Seek audience with the Accounting Officer of MoFPED for funding the preparation and publication of the 2nd report amounting to USD 150,000.

MIN 7.0: ANY OTHER BUSINESS.

7.1 The Head of Secretariat requested the MSG to make a decision on:

a) The two languages for translation of the UGEITI report. The MSG needed to make a decision from the following four languages used in the extractive regions:
   • Lunyoro
   • Luganda
   • Kiswahili, and
   • Karamojong

   The Chairperson advised the Secretariat to prepare a paper guiding on the appropriate languages to consider for purposes of translation for local use.

b) With regard to the methodology to be used to capture Artisanal and Small-scale Miners (ASM) contribution, the MSG stated that they needed to advocate for the formal registration of miners without licenses as a means of increasing government revenue.

7.2 There being no other business, the Chairperson thanked members for their active participation and closed the meeting at 2:28 p.m.
## ACTION MATRIX

<table>
<thead>
<tr>
<th>Min No.</th>
<th>Action Point</th>
<th>Resp. Inst.</th>
<th>Timeline</th>
<th>Action Update</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.2</td>
<td>Share with the MSG a write-up on the new mineral discovery in Busoga sub-region.</td>
<td>John Kennedy Okefwilng (DGSM)</td>
<td>Within 2 weeks</td>
<td>Done. Write-up was prepared and will be circulated to MSG with current minutes.</td>
</tr>
<tr>
<td>4.2</td>
<td>Representatives from Oranto Petroleum and CNOOC Uganda Limited to provide feedback on the work plan.</td>
<td>Oranto Petroleum &amp; CNOOC Uganda</td>
<td>Ongoing</td>
<td>Oranto Petroleum reverted on 9th November 2022 with a vote of &quot;No Objection&quot; to the work plan FY 2022/2023. Awaiting CNOOC feedback.</td>
</tr>
<tr>
<td>6.2 gl</td>
<td>The Hon. Minister of MEMD and the EITI Champion in the MoFPED (Hon. Min of State for Finance in charge of Planning) to be briefed on EITI and the need to secure a funding commitment for its implementation at Cabinet level.</td>
<td>MSG Chairperson</td>
<td>Ongoing</td>
<td>Efforts are underway to seek a meeting with the Hon. Minister of Energy and Mineral Development, and her Permanent Secretary.</td>
</tr>
<tr>
<td>6.3 a)</td>
<td>Highlight UGEITI’s funding challenges to MoFPED requesting for EITI funding to be ring-fenced or UGEITI given a vote because this is an international obligation.</td>
<td>Secretariat</td>
<td>Immediate</td>
<td>UGEITI funding challenges were highlighted to Top Management. Top Management has promised to revert with possible consideration in the 2nd supplementary schedule.</td>
</tr>
<tr>
<td>6.3 b)</td>
<td>Align the UGEITI work plan with Government’s budgeting process.</td>
<td>Secretariat</td>
<td>Immediate</td>
<td>Process ongoing. Discussions are underway to align the EITI work plan with the GOU budgeting process.</td>
</tr>
<tr>
<td>6.3 c)</td>
<td>Seek audience with the Accounting Officer of MoFPED for funding the preparation and publication of the 2nd report amounting to USD 150,000.</td>
<td>MSG Chairperson</td>
<td>Immediate</td>
<td>Request has been submitted to EU for funding for the 2nd UGEITI report. Response is pending.</td>
</tr>
</tbody>
</table>

Signed:

MSG Chairperson: [Signature]
Date: 25/11/2022

Secretary/National Coordinator: [Signature]
Date: 21/11/2022