

**MINUTES OF THE 24<sup>TH</sup> MEETING OF THE MULTI-STAKEHOLDER GROUP (MSG) OF THE UGANDA EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (UGEITI) HELD ON THURSDAY, 23<sup>RD</sup> FEBRUARY 2023 AT THE IMPERIAL ROYALE HOTEL, KAMPALA STARTING AT 9:00 A.M.**

**Attendance List**

No.	Name	Institution
<b>GOVERNMENT</b>		
1.	Mr. Clovice Bright Irumba	Petroleum Authority of Uganda (PAU)
2.	Mr. John Kennedy Okewling	Ministry of Energy & Mineral Development (MEMD)
3.	Ms. Gloria Akatuhurira	Uganda Revenue Authority (URA)
4.	Mr. Philip Andrew Wabulya	Bank of Uganda (BOU)
5.	Mr. Jonan Akandanwaho	National Planning Authority (NPA)
6.	Ms. Sarah Aijuka	National Environment Management Authority (NEMA)
7.	Mr. Okello Anthony	Ministry of Finance, Planning & Economic Development (MoFPED)
8.	Mr. Joseph Kyeyune	Uganda Revenue Authority (URA)
9.	Ms. Allen Bucyana	Ministry of Justice and Constitutional Affairs (MoJCA)
10.	Mr. James Musherure	Petroleum Authority of Uganda
<b>CIVIL SOCIETY ORGANISATIONS</b>		
11.	Mr. Onesmus Mugenyi	Advocates Coalition for Development & Environment (ACODE)
12.	Ms. Winfred Ngabiirwe	Global Rights Alert (GRA)
13.	Mr. Paul Mulindwa	Kitara Civil Society Organization Network (KCSON)
14.	Mr. Sam Mucunguzi	Citizens' Concern Africa
15.	Mr. Paul Twebaze	Pro-Biodiversity Conservationists in Uganda
<b>INDUSTRY</b>		
16.	Ms. Jennifer Hinton	Jervois Mining Limited ( <b>Chair</b> )
17.	Mr. Noah Obad	Oranto Petroleum Limited
18.	Mr. Faustine Mugisha	TotalEnergies Uganda Limited
19.	Dr. Tom Buringuriza	Armour Energy Limited
20.	Ms. Emily Nakamya	Uganda National Oil Company
21.	Ms. Ingrid Muhanguzi	CNOOC Uganda Limited
22.	Mr. Mathius Ssenkaali	Oranto Petroleum Limited
23.	Mr. John Bosco Bukya	Uganda Association of Artisanal & Small-Scale Miners Limited (UGAASM)
24.	Mr. Emmanuel Kibirige	Uganda Association of Artisanal & Small-Scale Miners Limited (UGAASM)
<b>OBSERVERS</b>		
25.	Ms. Magdalene Babirye	Office of the Auditor General (OAG)
26.	Mr. Michael Uzoigwe	International Secretariat (IS)
27.	Mr. Ben Toorabally	Independent Administrator (IA)
28.	Mr. Rached Maalej	Independent Administrator
29.	Mr. Mellah Mehdi	Independent Administrator
<b>UGEITI</b>		
30.	Mr. Saul Ongaria	National Coordinator ( <b>Secretary</b> )
31.	Ms. Gillian Lawino	Technical Support Officer
32.	Ms. Gloria Mugambe	Head of Secretariat
33.	Mr. Kanakulya Edwin Kavuma	Compliance Officer
34.	Ms. Bronia Arinda	Secretary
35.	Mr. Dan Denis Agaba	Statistician



36.	Mr. Francis Garvin Okello	M&E Assistant
37.	Mr. Edgar Mutungi	Finance Officer
38.	Mr. Abbey Gitta	Data Management Assistant
39.	Ms. Susan Angela Achom	Office Assistant
40.	Mr. Ignatius Ariho	Information Technology Assistant
41.	Mr. Gordon Muhereza	Office Assistant
42.	Ms. Gertrude Angom	Administration Officer
<b>MSG MEMBERS ABSENT WITH APOLOGY</b>		
1.	Mr. Moses Kaggwa	Ministry of Finance, Planning & Economic Development
2.	Mr. Robert Tugume	Ministry of Energy & Mineral Development (MEMD)
3.	Ms. Margaret Lomonyang	Karamoja Women's Umbrella Organisation

## **Agenda**

1. Welcome and Introductions.
2. Communication from the Chairperson.
3. Review of Minutes of:
  - a) 22nd MSG - 17<sup>th</sup> November 2022
  - b) 23rd MSG - 1<sup>st</sup> December 2022
4. Update on the second EITI Report
5. Presentation on the validation process and expectations
6. Way Forward
7. Any Other Business

### **MIN 1.0: WELCOME AND INTRODUCTIONS**

- 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 the participants that the MSG Chairperson, Mr. Moses Kaggwa was unable to attend the meeting due to another official engagement. Ms. Jennifer Hinton (Industry Representative) was then nominated by members to preside over the meeting as Chair.
- 1.2 The meeting agenda was adopted.

### **MIN 2.0: COMMUNICATION FROM THE CHAIRPERSON**

- 2.1 The Chair made the opening remarks as appended in *Annex A*. The major highlights of the communication were:
  - a) CNOOC had launched oil drilling activities at Kingfisher on January 24<sup>th</sup>, 2023 which was expected to result into Uganda's first oil in 2025. This was a significant milestone for the oil and gas industry.
  - b) Following the issuance of the Companies (Beneficial Ownership) Regulations, 2023, companies had started filing their beneficial ownership information with the Uganda Registration Services Bureau. This was a commendable milestone for UGEITI.
  - c) In January 2023, the Independent Administrator (IA) consortium comprising of DT Global and BDO was procured with the support of the European Union. The IA had commenced the EITI report preparation process and would provide the meeting with an update. He conveyed his condolences to the family of the late Mr. Juvinal Betambira who had



- been appointed as a member of the IA team in the production of the second EITI report. The meeting was informed that the EU had provided a replacement for him.
- d) The International Secretariat would also join the meeting to provide guidance to the MSG on the validation process scheduled to commence on 1<sup>st</sup> October 2023.

### **MIN 3.0: REVIEW OF MINUTES OF THE PREVIOUS MEETINGS**

#### **3.1 Minutes of the 22<sup>nd</sup> MSG meeting held on 17<sup>th</sup> November 2022:**

The National Coordinator led the review of the Minutes of the 22<sup>nd</sup> MSG meeting that was held on 17<sup>th</sup> November 2022, which were adopted as a true record of the proceedings of that meeting.

##### **3.1.1 Matters Arising from the 22<sup>nd</sup> MSG meeting.**

- a) Under Minute 3.2 b), the MSG nominated members from each constituency to the delegation to meet the EITI Champions. They included:
- Mr. Onesmus Mugenyi, CSO representative
  - Mr. Paul Twebaze, CSO representative
  - Ms. Winfred Ngabiirwe, CSO representative
  - Mr. Clovice Irumba, Government representative
  - Ms. Sandra Kaitare, Government representative
  - Mr. Jonan Akandwanaho, Government representative
  - Ms. Emily Nakamya, Industry representative
  - Mr. John Bosco Bukya, Industry representative
  - A representative from TotalEnergies
- b) Under Minutes 3.2 c), the National Coordinator explained that UGX 1.2 billion had been allocated for UGEITI in the next FY 2023/2024 budget which presented the same financial constraint to the effective implementation of EITI. The meeting instructed the Secretariat to prepare documentation on the funding gap in the workplan and its implication for EITI implementation in Uganda.
- c) Similarly, seek an audience with the EITI Champions, Minister of Finance, Planning and Economic Development (MoFPED), Minister of Energy and Mineral Development (MEMD), the Permanent Secretary / Secretary to the Treasury and Permanent Secretary MEMD, to bring to their attention the funding challenges faced by UGEITI.
- d) Under Minute 3.2 e), the Secretariat informed the MSG that following consultations with the civil society regarding the two languages to be used for the translation of the EITI report, the findings indicated that:
- Luganda was the most widely understood local language in the country, and that Runyakitara was the language understood in

the oil producing region as well as districts along the oil pipeline.

- Kiswahili comprehension in the country was not widespread. However, the language could be considered as a third option if resources were available.
- e) Following the above findings, the MSG adopted Luganda and Runyakitara as the two languages to be used for translation of the first EITI report before the validation exercise. They also advised that an explanatory note be included in the translated report stating why the two languages had been selected.
- f) Under Minute 4.2 e), the Secretariat explained that UGX 500 million had been earmarked for UGEITI from the Sustainable Energy Development programme under MEMD.
- g) A query was raised on whether UGEITI had engaged with MOFPED concerning the restriction on Government entities holding workshops and travels in the next financial year's budget. A representative from MOFPED explained that some exceptions to the restriction would be made for some entities because of the nature of their activities. He further stated that EITI would be amongst the exceptions, and that it was important for the MSG and Secretariat to follow up and engage on this matter.

### 3.2 Minutes of the 23<sup>rd</sup> MSG meeting held on 1<sup>st</sup> December 2022:

The National Coordinator led the review of the Minutes of the 23<sup>rd</sup> MSG meeting that was held on 1<sup>st</sup> December 2022, which were adopted as a true record of the proceedings of that meeting.

## **MIN 4.0: UPDATE ON THE SECOND EITI REPORT**

4.1 The updates were provided in three different sets as follows:

- a) An overview of the report production by the Independent Administrator (IA).
- b) Parameters for the second report by the Head of Secretariat.
- c) Status of the recommendations from the first EITI report by the Compliance Officer.

### **4.2 An overview of the report production by the IA.**

The meeting welcomed the IA team comprising Mr. Ben Toorabally, Mr. Rached Maalej and Mr. Mellah Mehdi. They made the following highlights:

- a) Unlike the previous year when only oil and gas was reconciled the second EITI report would entail the reconciliation of royalties in the mining sector for the reporting period for the FY 2020/2021.
- b) They had held detailed discussions with DGSM and URA on revenues. They commended URA's Enterprise Resource Planning (ERP) system that allowed for timely extraction of EITI data.



- c) They assured the MSG that they would work with the different Government agencies to ensure efficient data collection and avoid duplication by using the agencies' existing data collection formats where necessary.
- d) They commended the Secretariat for their support in preparing for the production of the next report and they looked forward to the training on reporting templates scheduled to take place on 9<sup>th</sup> March 2023.

#### **4.3 Parameters for the Second Report.**

The Secretariat provided an update attached as *Annex B* on the parameters that the MSG had agreed upon at the 23<sup>rd</sup> meeting held on 1<sup>st</sup> December 2022:

- a) To conduct the reconciliation of all revenues for the oil and gas sector for the FY 2020/2021, to consider a materiality threshold of UGX 100 million for revenues paid by mining companies for the reporting period, and to reconcile mineral royalties. Reconciliation of license fees at application and renewal had been proposed by URA in their presentation in the 23<sup>rd</sup> MSG meeting but was yet to be agreed by the MSG.
- b) The recommendations in the first report had not yet been fully met. The IA advised that UGEITI could undertake certain steps towards addressing the recommendations including; (i) undertaking a legal study to appreciate the obstacles to contracts disclosure in the oil and gas sector, (ii) engaging stakeholders in the petroleum sector to agree on a position or sign a memorandum of understanding on contract disclosure. However, the Head of Secretariat stated that although a roadmap had been developed, little progress had been made in its implementation.
- c) Regarding the data submitted on minerals the following points were raised for the MSG to note:
  - The revenues had significantly increased compared to those of the previous reporting period, yet mining royalties had remained the same.
  - The number of entities with active licenses for the reporting period were less compared to those of the previous reporting period yet the revenues were significantly higher.
  - The issue of whether to reconcile royalties from mining only, or include license fees and applications for renewal.

#### **4.4 Reaction from Members**

- a) The IA stated that it was important to reconcile significant revenue streams from companies in addition to royalty payments.
- b) The IA advised UGEITI to have a discussion with the International Secretariat on the exclusion of license fees and application fees for renewal from the reconciliation process. Mr. Uzoigwe from the

International Secretariat stated that according to the 2019 EITI Standard, comprehensive disclosure of licenses was required including license fees and application fees for renewal.

#### **4.5 Status of the recommendations from the first EITI report.**

The Secretariat provided the MSG with a status update on the recommendations from the first UGEITI report attached as *Annex C*. For each recommendation, the MSG noted the following:

- a) Mainstreaming and systematic disclosure of EITI data.  
Progress on this recommendation had been affected by the cancellation of previously pledged support from USAID to create an open data platform for all EITI data. Institutions therefore needed to adopt systematic disclosure of EITI data on their websites in order to fulfil this recommendation.
- b) Public disclosure of the register of licenses.  
DGSM considered this recommendation to be fully met because the cadastre map provided the details of each license on the website, and it was publicly accessible. DGSM would reconcile this position with the IA.
- c) Public disclosure of contracts and licenses in Petroleum and Mining sectors.  
Contracts were still not fully disclosed. The relevant MSG member institutions were tasked to spearhead discussions on implementation of the roadmap for contracts disclosure in the oil and gas sector.
- d) Data quality and assurance.  
Companies needed to take the necessary steps to ensure that they comply with the data assurance requirements for the upcoming EITI reports.
- e) Accuracy of export data.  
DGSM and URA had agreed to:  
Create a single window portal for the two agencies so to track the transactions on mineral exports.  
Share monthly updates of export data collected to identify discrepancies, if any.
- f) Public disclosure of beneficial ownership information.  
Significant progress had been realized for BO disclosure including legal reforms. Engagements with URSB indicate the need for public sensitization on BO disclosure.

#### **MIN 5.0: PRESENTATION ON ON THE VALIDATION PROCESS AND EXPECTATIONS**

- 5.1 The presentation attached as *Annex D* was made by Mr. Michael Uzoigwe from the EITI International Secretariat. He made the following highlights:



- a) Validation was important to show how EITI implementation was creating impact in member countries, as it took stock of implementation progress. Validation focused on the following three components:
  - Stakeholder engagement with emphasis on civic space,
  - Transparency, and
  - Outcomes and impact.
- b) Validation for Uganda was scheduled to commence on 1<sup>st</sup> October 2023. There was need for early preparation and sensitization of key stakeholders, including those outside the MSG.
- c) UGEITI could request the support of the IA to provide guidance to help the MSG in completing the Transparency Template.
- d) The process would also actively engage stakeholders outside the MSG to gauge their awareness and obtain feedback on EITI implementation in Uganda. This would also include a public call for views.
- e) The MSG should conduct a pre-validation assessment and share the templates with the International Secretariat to ensure timely guidance.
- f) In addition, a status update could be provided on the recommendations from the first EITI report to illustrate the progress made by UGEITI in addressing the gaps.
- g) UGEITI should set up a working group to oversee the validation process.

## 5.2 Reaction from Members

- a) A query was raised regarding the score that each of the three components carried during the validation process. Mr. Uzoigwe stated that all the three components carried the same weight. The score for each were rated from 0 points where a country had not met any of the requirements to 100 points where the country had exceeded the requirements of the Standard.
- b) A representative from the Civil Society Constituency inquired about the priorities that would be considered for *Outcomes and Impact* since Uganda was still in its early stages of EITI implementation. She further inquired about the mechanism that would be used to receive country feedback during the validation process. Mr. Uzoigwe stated that for *Outcomes and Impact* validation would look at issues from inception to-date – focusing on the effects of activities like public debates, sensitization etc. A public call for country feedback would be issued through public online media platforms, the websites of UGEITI and the International Secretariat, as well as through emails to MSG members and the wider stakeholder community.
- c) Country feedback related to governance of the extractive sector would also be considered during the validation process, and the MSG was given the opportunity to pronounce itself on all feedback that was received from the public.

- d) A member from the Industry Constituency inquired about the duration of the validation process. In response, the Mr. Uzoigwe stated that the entire process took up to four months for completion from the start date. In some instances, the process stretched up to six months.
- e) The MSG also inquired whether UGEITI would be validated against the recommendations of the first report or the second EITI report that was scheduled for publication in June 2023. Members were advised to prioritize the recommendations of the first report for the validation process.

### **5.3 Way Forward**

The MSG resolved as follows:

- a) The nomination of the following members to constitute the working group to oversee the validation process;
  - Ms. Winfred Ngabirwe, CSO representative
  - Mr. Sam Mucunguzi, CSO representative.
  - Ms. Emilly Nakamya, Industry representative.
  - Ms. Jennifer Hinton, Industry representative.
  - Mr. Joseph Kyeyune, Government representative.
  - A representative from DGSM.
- b) MSG constituencies to complete validation templates and return them to the Secretariat.
- c) Conduct a workshop to review the submitted stakeholder engagement template and fill in the outcomes and impacts template.
- d) Conduct a pre-validation self-assessment and share the templates with the International Secretariat to ensure Uganda is given timely and appropriate guidance.

### **MIN 6.0: ANY OTHER BUSINESS**

- 6.1 The MSG requested the Secretariat to ensure that the work plan was aligned with Government's annual budgeting cycle prior to Government's submission of the final draft to Parliament.
- 6.2 There being no other business, the meeting was closed at 1:28 p.m.



## ACTION MATRIX

Min No.	Action Point	Resp. Inst./Individual	Timeline	Action Update
<b>Matters Arising</b>				
3.1.1 c)	Prepare documentation on the funding gap in the workplan and its implication for EITI implementation to be used at the high-level meetings with the Champions and the Ministers.	Secretariat		This process is yet to be completed. Documentation to support the high-level meetings will be prepared in time for the engagements.
	Seek an audience with the EITI Champions, Minister of Finance, Planning and Economic Development (MoFPED), the Minister of Energy and Mineral Development (MEMD), the Permanent Secretary / Secretary to the Treasury, and the Permanent Secretary of MEMD to bring to their attention the funding challenges UGEITI was facing.	Chairperson		Partly done. Minister of MoFPED has been met and we have reached out to MEMD. Documentation to support these high-level meetings will be prepared before the next engagement.
3.1.1 e)	Engage civil society to establish cost of translation of Monograph into two languages.	Secretariat	Next MSG meeting	Done. Civil society were engaged and they shared the contacts of the service providers with the Secretariat.
4.2 d)	Organise a training workshop for reporting templates	Secretariat	Immediate	Done. Workshop was held on 9th March 2023
<b>Status of the recommendations from the first EITI report.</b>				
4.5 a)	Engage relevant institutions to systematically disclose EITI information on their websites.	MSG & Secretariat	Ongoing	This process is ongoing. The Secretariat is currently engaging the relevant institutions.
4.5 b)	Write letters to MEMD, PAU and MoJCA to commence on the roadmap implementation for contract disclosure in the oil and gas sector.	Chairperson	Immediate	We wrote to the relevant institutions requesting to engage on the recommendation concerning contract disclosure.
<b>Presentation on the Validation Process and Expectations</b>				
5.3 b)	MSG constituencies to complete validation templates and return them to the Secretariat.	MSG members	Next MSG	Templates were shared with the relevant constituencies but Secretariat has not yet received completed templates.

5.3 c)	Conduct a workshop to review the submitted stakeholder engagement template and fill in the outcomes and impacts template.	MSG Secretariat	&	May	A workshop has been planned for this activity before end May 2023.
5.3 d)	Conduct a pre-validation self-assessment and share the templates with the International Secretariat to ensure Uganda is given proper guidance in time.	MSG Secretariat	&	July	A workshop has been planned for this activity before end July 2023.

**Signed:**

**Chair:** 

Date: 03/04/23

**Secretary/National Coordinator:** 

Date: 03/05/2023