



REPORT ON THE SECOND PRE-
VALIDATION TRAINING FOR THE MULTI-
STAKEHOLDER GROUP MEMBERS AND
REVIEW OF THE ANNUAL PROGRESS
REPORT OF THE UGANDA EXTRACTIVE
INDUSTRIES TRANSPARENCY INITIATIVE

ADVOCATES COALITION FOR
ENVIRONMENT AND DEVELOPMENT
(ACODE)

This training was
organized by Uganda
Extractive Industries
Transparency
Initiative in
partnership with
Advocates Coalition
for Environment and
at Skyz Hotel
Kampala, Uganda, on
July 26th and 27th,
2023.



ABBREVIATIONS& ACRONYMS

ACODE	Advocates Coalition for Development and Environment
APR	Annual Progress Report
ASM	Artisanal and Small-Scale Miners
CEO	Chief Executive Officer
CSO	Civil Society Organization
DGSM	Directorate of Geological Surveys and Mines
ED	Executive Director
EITI	Extractive Industries Transparency Initiative
IA	Independent Administrator
MEMD	Ministry of Energy and Minerals Development
MOFPED	Ministry of Finance, Planning and Economic Development
MSG	Multi-Stakeholder Group
NDP	National Development Plan
NPA	National Planning Authority
UCMP	Uganda Chamber of Mines and Petroleum
UGAASM	Uganda Association of Artisanal and Small-Scale Miners
UGEITI	Uganda Extractive Industries Transparency Initiative
UNOC	Uganda National Oil Company

1.0 INTRODUCTION

1.1 Background

The Advocates Coalition for Development and Environment (ACODE), in partnership with the Uganda EITI Secretariat with support from USAID – Nathan Inc through the Domestic Resource Mobilization for Development (DRM4D) project, organized a two-day training for the members of the Multi-stakeholder Group (MSG) to further build their knowledge on Validation. This followed their first pre-validation workshop that was held earlier in Jinja. The training took place on Wednesday 26th and Thursday, 26th July 2023 at the Sky Hotel located in Naguru, Kampala District.

Uganda applied and was admitted to the Extractive Industries Transparency Initiative (EITI) in August 2020 as a member country. EITI is a global Standard to promote open and accountable management of natural resources. It seeks to strengthen government and company systems, inform public debate, and enhance trust. Transparency and accountability in the extractive sector are important for revenue mobilization and development in resource-rich countries. In each implementing country, EITI implementation is supported by a Multi-Stakeholder Group (MSG) comprised of government representatives, extractive company officials, and civil society organizations working together.

The EITI process covers the entire value chain of the extractives sector in implementing countries. The value chain (below) is guided by the EITI Standard. A more elaborate structure can be viewed in the diagrams below:



Uganda is scheduled to undergo Validation by EITI International Secretariat that will commence on 1st October 2023. The Validation process is a comprehensive assessment conducted by an independent validator to determine a country's compliance with the EITI Standard.

The Validation process also involves engaging with various stakeholders, including government agencies, extractive companies, civil society organizations, and affected communities. Stakeholders are given opportunities to provide input and share their perspectives on the country's implementation of the EITI Standard.

The validator evaluates the country's compliance with the EITI Standard by looking over pertinent documents and going on field visits. Based on their findings, the validator will then prepare a Validation Report.

Overall, the EITI validation process serves as a crucial mechanism to ensure transparency and accountability in the management of a country's extractive resources. It encourages dialogue among stakeholders, highlights areas for improvement, and promotes good governance in the sector.

1.2 The Rationale for the Training

As key implementers of EITI in Uganda and to ensure effective oversight of EITI and overall governance of the extractives sector, there is a need to equip members of the Multistakeholder Group and other key stakeholders with information on how EITI works and update members on the new validation requirements of EITI.

This information is collected through the completion of three (3) validation reporting templates. These three validation reporting templates collectively facilitate a comprehensive assessment of a country's adherence to the EITI Standard. They ensure the availability of accurate and relevant data, track progress over time, and provide a structured framework for evaluating compliance.

At the first pre-validation training, MSG members began populating the validation templates and appreciated that a lot more work was needed to be done to further populate the templates.

1.3 Objectives of the second pre-validation Training

The overall objective of the training is to build the capacity of MSG members to discuss the implementation's progress, prepare for the validation exercise, and develop the next work plan. However specifically, the workshop intends to:

1. To address the challenges and gaps identified following the first training that included, data completeness and accuracy, the timeliness of reporting evidence, documentation of stakeholder engagements, need to build constituency capacity to undertake validation. There is a need to prepare the appropriate actions that can be taken to address them and strengthen the country's implementation of the EITI Standard.
2. To further sensitize stakeholders on the validation model and prepare members for the upcoming validation exercise that will be conducted by the International Secretariat to assess Uganda's compliance with EITI implementation.
3. To further build the capacity of MSG members in comprehending the validation reporting templates and the information required to fill them out.
4. To further sensitize members on stakeholder engagement best practices, review stakeholder engagement mechanisms and feedback to enhance transparency, inclusivity, and accountability.
5. To further review the tangible outcomes and impact of Uganda's implementation of the EITI Standard to prepare the next work plan.

1.4 Organizers of the Training

The two-day engagement was coordinated and organized by; the Uganda Extractive Industries Transparency Initiative (UGEITI), and Advocates Coalition for Development and Environment (ACODE).

The UGEITI Secretariat coordinates the activities of the Uganda Extractive Industries Transparency Initiative Multi-Stakeholder Group which comprises representatives from government, industry, and civil society.

ACODE is a public policy research and advocacy think-tank based in Uganda. Its core work is policy research and advocacy. The mission of ACODE is to make public policies work for people.

1.5 Participants

The training brought together the members of the Multi-Stakeholder Group, their proxies and Uganda EITI Secretariat staff. A total of 40 participants participated in the training.

DAY ONE

2.0 Remarks by the National Coordinator, UGEITI



The UGEITI National Coordinator, Mr. Saul Ongaria, welcomed all the participants and thanked them for making time to attend the second pre-Validation training of the MSG members and staff of the UGEITI Secretariat. He noted that the training was a follow-up of the first pre-Validation training that had

taken place in Jinja. He informed members that there was a lot of work to be done regarding completing finning the validation templates following the guidance from the EITI International Secretariat and that the information in the templates needed to be updated based on the second UGEITI Report.

Mr. Ongaria explained that the Validation does not stop at looking at the EITI report but further looks at the level of engagement by stakeholders in the EITI process. He informed the participants that he was going to give an introductory presentation on Validation to explain what validation is about and the roles of each of the different MSG constituencies in the Validation process.

3.0 Remarks by the Deputy ED, ACODE



Mr. Onesmus Mugenyi, Deputy ED ACODE, was tasked to invite the Minister to give his remarks. Mr. Mugenyi thanked the Minister for sparing time to meet the MSG. He also thanked the International Secretariat for always supporting the MSG in the

process of implementing EITI. He informed the Minister that there was a need to EITI to move beyond the MSG to the entire country. He noted that Cabinet made the decision that Uganda joins EITI and so it is important that Cabinet remains involved in the EITI implementation process and the Minister's presence is a good indication of this. He informed the Minister that the civil society is very active in the process of implementation of EITI in Uganda and civil society has supported the UGEITI Secretariat and MSG to carry out several activities through the provision of some resources and the instant training is an example.

4.0 Remarks by the Minister, MOFPED and EITI Champion



Hon. Haruna Kasolo Kyeyune, Minister of State for Microfinance and Small-scale Enterprises thanked the civil society for supporting the training which is a sign of the commitment of the civil society towards EITI implementation in Uganda. He congratulated the MSG for having successfully produced and published the two EITI reports in time.

The Minister informed the meeting that the Government was aware of the work of the MSG and his assignment to supervise UGEITI is an indication of this and to also ensure that where the MSG cannot reach, the MSG's voice is heard. He noted that he needed to understand EITI better so that he can ably champion EITI everywhere and so he tasked the UGEITI Secretariat to constantly engage him in this regard.

The Minister informed the members that he had a meeting with the MSG Chairperson and discussed how to increase funding for UGEITI especially now that the support from the European Union had ended. He pointed out that Uganda has enough resources and UGEITI should be prioritised to ensure sustainable implementation of EITI in Uganda. The Minister pledged to secure extra resources within this financial year as more work is done towards securing the

required funding for smooth EITI implementation in the budget of the next financial year 2024/2025.

In conclusion, the Minister emphasized the need and importance of preparing a cabinet paper on EITI implementation that he would present to the Cabinet and later to Parliament so that Cabinet and Parliament are updated about the progress of EITI implementation in the country.

The Minister declared the training officially open.

5. O Presentation on Validation

This presentation was delivered by the UGEITI National Coordinator. He started by informing the participants that there are three validation templates namely, the stakeholder engagement template, the transparency template and the outcomes and impacts template.

He informed the members that validation will consider mainly the second report but where the first UGEITI Report provides relevant information on something, then that would be considered too.

The first template to be discussed by Mr. Ongaria was the transparency template. He noted that this template aims at addressing any gaps that were identified in the EITI report. He gave an example of an issue that had been raised by DGSM after the publication of the second UGEITI Report of a table that was not presented well in the report and noted that this could be addressed by an addendum to the report before Validation. He also noted that the transparency template provides the opportunity to point out some new developments included in the most recent EITI report.

The National Coordinator informed the members that some gaps in terms of implementing EITI had been identified, for example, the fact that contract disclosure had not been achieved. The transparency template provides the opportunity to mention the steps that have been taken towards achieving contract disclosure.

Another gap was related to some of the reporting companies' non-fulfilment of the quality assurance measures that required the reporting companies to have their reporting templates certified by an external auditor and also share their audited financial

statements. He noted that such companies could still work to comply with the data quality assurance measures before Validation to remove this gap.

Mr. Ongaria further explained that it is in the transparency template that the links to the EITI information, which is publicly available online, are included. He informed the participants that the transparency template is for addressing the EITI disclosure requirements by providing evidence of the disclosures or the progress made towards achieving the disclosures.

The second template the National Coordinator talked about was the stakeholder engagement template. He noted that it is in this template that the procedure for setting up the MSG, giving the Minutes of MSG meetings and assessing the work of MSG Committees. He pointed out that this template also looks into whether the MSG has Terms of Reference and a Code of Conduct for guiding members on their roles and responsibilities. That through this template, the level of involvement of stakeholders in the EITI implementation process.

Mr. Ongaria noted that when the International Secretariat sends out a call for comment on the EITI in Uganda, it is in the stakeholder engagement template that the comments can be captured but also stakeholders may reach out directly to the EITI International Secretariat.

The structures for EITI implementation are also described in the stakeholder engagement template i.e., the MSG, national Secretariat and how the three MSG constituencies consult their wider constituencies. The template also brings up the issue of gender participation or the involvement of women in the EITI process.

The National Coordinator also pointed out that evidence of the Government's commitment to EITI implementation, i.e., the statements made by high-level government officials on EITI, is provided through the stakeholder engagement template.

The third template, the outcomes and impacts template, was discussed next by Mr. Ongaria. He informed participants that the outcomes and impacts template is where the progress on recommendations of the EITI report is provided. He noted that the template brings out the aspects of having a strategic plan, theory of

change and the monitoring and evaluation plan to track the activities of the work plan. He emphasized the importance of this template because it brings out the impact that the implementation of EITI has had on the country.

The National Coordinator then discussed the validation schedule or roadmap. He stated that there were about two more months, August and September, before the commencement of Validation. He informed the participants that the MSG was expected to have an engagement with the International Secretariat to review the gaps in the EITI report and the status of filling the validation templates and the instant training was for that purpose.

Mr. Ongaria then mentioned the following as the next validation activities going forward:

1. Hold a high-level meeting, in August, between the EITI Champion or MSG Chairperson and the EITI International Secretariat for the International Secretariat to point out the gaps that they would have identified in the EITI Report.
2. The national EITI Secretariat is to organize engagements aimed at getting political support for EITI implementation from Cabinet and Members of Parliament, starting with the Natural Resources Committee of Parliament.
3. The MSG Chairperson is to write to the relevant stakeholders to inform them of the gaps identified and recommendations of the EITI report for them to take necessary action before Validation starts.
4. In September the national Secretariat will discuss with the International Secretariat the progress made in addressing the gaps that were identified in the EITI report. The gaps that are not resolved before Validation shall also be identified and a plan to address them.
5. To prepare a dossier or documentary evidence to support the validation templates that will be submitted to the International Secretariat for validation purposes. The soft copies of these documents are to be uploaded to the UGEITI Secretariat.
6. The MSG to develop a list of stakeholders that the validation team of the International Secretariat will engage on a random basis about EITI implementation in Uganda.

7. Validation will kick off on 1st October and the International Secretariat's validation team will share with the MSG the draft validation report for review and provide comments. The validation team will then prepare a validation report.
8. The validation report will be submitted to the EITI Board for a decision on the performance of the country.

The National Coordinator concluded his presentation by retaliating that the MSG members will be expected to take the lead in answering the questions the validation team might have. He therefore implored them to familiarise themselves with the EITI report, the Annual Progress Report and the Work plan.

6.0 Remarks by the EITI International Secretariat

Mr. Gilbert Makore, Regional Director Anglophone & Lusophone Africa, made the remarks on behalf of the EITI International Secretariat. He thanked the MSG for inviting the International Secretariat to be part of the training. He informed participants that the Validation exercise is an accountability tool and a quality assurance mechanism and that it will help ways Uganda can implement EITI better and more efficiently. He applauded the MSG for starting preparations for Validation early and informed the members that the more information provided, the better. Mr. Makore further informed the members that it was not the country team for Uganda that will carry out Uganda's Validation. Validation will be carried out by a different team that has not worked with Uganda for purposes of ensuring impartiality. He noted that the International Secretariat was willing to support Uganda through the country team, he and Country Officers Mr. Edwin Wuadom Warden and Mr. Williams Noar, that has experience of about 10 Validations.

6.1 Comments and responses from participants

Mr. Pual Twebaze, civil society, inquired about what happens when a country scores 30. In response, Mr. Makore explained the different scores in Validation and that if a country scored between 0 – 69, the validation team could recommend to the EITI Board to have a shorter period within which the next validation would happen to

ascertain if the country has addressed the shortcomings it had. The EITI Board may decide to suspend the country where the country shows no progress in the subsequent validation. He, however, noted that where a country demonstrates progress since the previous validation then it would not be suspended. Mr. Makore asked the members to take note that if the country scores low on stakeholder engagement then it might be suspended even where the average general score is high.

Mr. Francis Okello, a staff member of the national Secretariat asked if countries that are undergoing Validation for the first time also face harsh punishments. In response, Mr. Makore pointed out that Validation is not a punitive process but all countries are subjected equally to the EITI Standard regardless of whether they are new members or not.

Ms. Winfred Ngabiirwe, civil society, presented a scenario where the MSG has agreed on a position that diverges from that of the wider civil society constituency, and asked how that would affect the score during Validation. In response, Mr. Makore noted that Validation is not for the MSG but for Uganda as a country. He noted that if the MSG and wider civil society constituency are not in agreement but the civil society constituency has evidence of consultation of the wider civil society, the MSG position takes precedence but there will be consultations on the views of the wider constituencies. He also informed the members that there is a consideration of how the general environment in the country affects EITI implementation, this is reflected in the Validation report.

Mr. Paul Mulindwa, civil society, inquired whether a low mark would impact the useability of the EITI report. Mr. Makore responded that it would not necessarily result in less use of the EITI report. He noted that validation would drive support for reform in specific thematic areas.

An observer from OAG, Mr. Calvin Kasigwa, asked if there was an appeal forum where a country that does not agree with the Validation report and whether the Validation report would be made public. In response, Mr. Makore explained that the MSG has the opportunity to review the draft validation report and give its views. The validation team would then consider these views and come up with a final report that is submitted to the EITI Board. He further

informed the members that the Validation report will be made publicly available on the EITI website.

7.0 Discussion of the Validation Templates

7.1 Discussion on the Stakeholder Engagement Template

The template was introduced by Mr. Agaba Dan Denis, UGEITI Secretariat. He informed participants that EITI requires the three constituencies to engage beyond the MSG. He then took through the participants what had been filled in the stakeholder template and what information the different sections of the template required. He also informed members that the International Secretariat was impressed with the way the Civil Society Constituency had populated their part of the template.

Mr. Edwin Wuadom Warden, EITI International Secretariat, presented the comments that the team from the International Secretariat had on the stakeholder engagement template. He inquired from the MSG members whether they were comfortable with the extent they had gone to fill the template.

Mr. Paul Twebaze, civil society, stated that Uganda has been implementing EITI for two years and that they were confident at the end of Validation there will be evidence of progress. Mr. Asimwe Kenneth, industry, commented that the process is transparent and that the oil and gas sector is well organized but there are some challenges in the mining sector. That as the challenges of the mining sector are addressed, the Validation report will be good. On the side of the Government, Ms. Gloria Akatuhurira noted that they were ready for Validation and that by the time Validation commences all will be in place to ensure it is successfully completed.

Moving to the comments on the template, Mr. Wuadon pointed out that they did not see evidence of the Government constituency's consultations with government institutions beyond the MSG meetings on the Work Plan and Annual Progress Report for example at Cabinet level or Parliamentary meetings. He also noted that there is no evidence of how the Industry Constituency MSG members consult with the wider industry constituency. He shared that some countries use the chamber of mines to engage non-MSG members

however, Uganda has big participation of Artisanal Minors. Here he stated the use of a What's App Group and/or Email mailing list to reach out to the wider constituency could be more effective.

Mr. Gard Benda, civil society, sort clarification on the scope in terms of engaging the wider constituency. In response, Mr. Wuadon, said that the engagement should go beyond the chamber. He noted that it was not possible to consult everyone but it should be a considerable number of players.

Regarding the civil society section of the template, Mr. Wuadon commended the civil society constituency for what they had done in populating the template. He pointed out that it was good that the civil society talked about not only the good things but also they talked about the challenges. He however noted that the issue of civic space was not reported on or documented in the template and that it was better to discuss it as the MSG than let the Validation team seek views from elsewhere. Related to civic space, Mr. Makore referred to the Validation Guide to indicate to members the kind of questions that are asked during Validation. He advised the engagement with the International Secretariat on civic space needs to be documented and that any engagements on civic space by the CSOs should be documented. Mr. Makore warned members that there will be more questions about civil society engagement than the other constituency engagements.

Ms. Winfred Nagbiirwe, civil society, pointed out that the issue of civic space has been discussed at the MSG and that civil society has some reports they can share about discussions on civic space. She also noted that the Civil Society Coalition on Oil and Gas had organized a meeting with the NGO Bureau but the bureau declined at the last minute. The report from the meeting that was held at Esella Hotel on civic space with the government also needs to be included as part of the evidence of engagement.

Mr. Onesmus Mugenyi, civil society, informed the participants that there are quarterly engagements with the NGO Bureau and the Ministry of Internal Affairs on civic space with the wider civil society. He also noted that there were meetings on civic space with the Natural Resources Committee, so these reports should be got for evidence. Mr. Gard Benda added that there was an engagement held

in Hoima by Uganda Communications Commission (UCC) on civic space whose report can be got.

Mr. Gilbert Makore, International Secretariat, stated that the statement issued by the Civil Society Coalition on Oil and Gas on civic space and any other such statements should be included in the documentary evidence dossier.

A member of the government, Mr. Francis Elungat, sought clarification about civic space and whether it should relate to the implementation of EITI or the general civil society. He also suggested that the reports on civic space provided by the CSOs need to be discussed at the MSG so that the MSG takes a position on them before they could be included in the dossier of evidence.

Mr. Sarigi Magara, civil society, pointed out that issues of civic space are actually online and can be accessed by anyone including the International Secretariat and therefore it was important for the MSG to address them and document the available evidence about the discussions on civic space.

Mr. Emmanuel Kibirige, industry, informed members that several players in the mining sector are not transparent in their operations in remote areas and so it is not possible to consult with them if you do not go to the remote areas. He noted that it was difficult for them as artisanal and Small-scale minors to get audience from the government but now EITI gives them a platform to discuss with the government.

Mr. Wuadon concluded his discussion on the stakeholder template by emphasizing that there was a need for further engagements by the MSG and that it was important and possible before Validation commences. He stated that other countries carry out sub-national dissemination of EITI information.

7.2 Discussion on the Transparency Template

The transparency template was introduced by Mr. Abbey Gitta, UGEITI Secretariat. He informed members that the template was being updated to capture the disclosures by the second UGEITI Report following the recent publication of the report. He told the

participants that the International Secretariat had provided some preliminary comments on the template for example that it is better to use the EITI Reports as the point of reference for the disclosures instead of using links because sometimes the links fail to be accessed yet the information is in the EITI reports. He pointed out that the Independent Administrator for the second UGEITI Report had not yet submitted the summary data template which was to be used to fill the transparency template.

Mr. William Noah, International Secretariat, presented the comments that the team from the International Secretariat had on the transparency template. He made informed members that the ongoing reforms in the sector need to be highlighted in the transparency template and that if there were no ongoing reforms it should be stated.

He further noted that there was no mention of the process of transferring licenses, especially for the mining sector neither was there an indication of the weighting scheme for the mining sector that is used before awarding licenses nor mention whether there were no material deviations from the award of licenses. He also noted that the report mentions the start of the second licensing round in the oil and gas sector but does not indicate whether the bidding process was finalised. In response, Ms. Gloria Mugambe, UGEITI Secretariat, stated that there were no mentions of these things because they were not there but clarification on this would be made. In further response, Mr. Francis Elungat clarified that the second licensing round ended this year (2023).

Mr. John Kennedy Okewling, government, informed the participants that there was an ongoing process of developing the Mining and Minerals (Licensing) Regulations and thus this could be included as one of the ongoing reforms. He clarified that there were no transfers of licenses in the mining sector during the reporting period of the second UGEITI Report.

Mr. Paul Twebaze, civil society, inquired when the International Secretariat would be able to provide the comprehensive gap analysis of the second UGEIT Report so that the MSG could provide more consolidated responses by way of an addendum to the report.

The Chair of the session, Mr. Gard Benda requested Mr. Kanakulya Edwin Kavuma, UGEITI Secretariat, to brief the Minister before the Minister could make his remarks.

Mr. Kanakulya informed the Minister that this is a training for the members of the MSG who are tasked to oversee the implementation of EITI in Uganda. He stated that earlier this year, the Minister had met representatives of the MSG at the UGEITI Secretariat who briefed him on the progress of EITI since Uganda joined in August 2020. He noted that at that meeting, the Minister pledged to support the MSG in its role of overseeing the implementation of EITI. Mr. Kanakulya also explained to the Minister what Validation under EITI is and that International Secretariat was participating in the training online.

The Head of Secretariat, Ms. Gloria Mugambe, welcomed the Minister and thanked him for sparing time to meet the MSG members. She retaliated that the instant training is meant to prepare for Uganda's Validation that is scheduled to commence on 1st October 2023.

Mr. Gilbert Makore, on behalf of the International Secretariat, thanked the Minister for coming to meet the MSG at the training. He noted that EITI implementation is led by Government but also requires the full participation of the industry players and civil society. He informed the Minister that the MSG had done commendable work towards preparing for Validation.

7.3 Discussion on the Outcomes and Impacts Template

Mr. Francis Okello, UGEITI Secretariat, led the discussion of the Outcomes and Impacts Template. He explained that this template is about the general relevance of EITI implementation in Uganda. He reminded members that the previous work plan had been used to populate the template which had since expired at the end of the previous month. He, therefore, pointed out that the MSG needed to approve the new work plan soon so that the template can be updated accordingly. He went on to take the participants through the entire template section by section pointing out the gaps that need to be addressed before Validation commences.

Mr. Gilbert Makore, International Secretariat, discussed the comments of the International Secretariat. He informed members that there was some missing information for example, much as the contracts are not disclosed, there is need to disclose a full list of the contracts in the extractives sectors including the exploration ones. He clarified that licenses in mining are considered to be contracts under EITI. Where the text in the license does not differ from the prescribed form in the laws, the MSG should state this in the transparency template.

On beneficial ownership he noted that there is good progress apart from some contradictions in the laws for example the Companies Act does not provide for a threshold yet the Mining and Minerals Act provides for a threshold. He stated that is important to mention if there are any efforts to try and harmonise the laws. He also noted that there was no mention of a policy or law to cover politically exposed persons which is part of the requirements under beneficial ownership disclosure under EITI.

Regarding legal ownership disclosure, the report does not mention whether all legal ownership information of all extractive companies, not only those in the report, is available from URSB.

He pointed out that for the State-Owned Enterprises i.e., UNCO and Kilembe Mines Ltd, their audited financial statements are not publicly available but what is available are the audit reports from the OAG but not the actual financial statements. Mr. Makore also stated that there was no mention of the 2022 amendments in the Public Finance Management Act which permitted UNOC to retain some revenues. He also noted that the permission to UNOC to retain some revenue did not indicate the kind of revenues that are to be retained by UNOC.

In terms of gold exports, the report shows only information from the gold refineries and this is okay if there is no other company exporting gold and this can be clarified in the transparency template. He also mentioned that there are variances in the gold export data from DGSM, URA and BOU.

Mr. Makore also noted that there was no materiality threshold according to the revenue streams mentioned in the report. He stated that Requirements 4.1, 4.6 and 6.2 of the EITI Standard. He stated

that it is okay for the MSG to choose not to have a materiality threshold and report on all revenues but it must be clearly stated. That the report states that the MSG decided that there would be unilateral disclosure by the government on sub-national transfers and by companies the sub-national payments and environmental expenditures but it is not clear why this decision was taken by the MSG thus no reconciliation was done for these payments.

He further pointed out that there were some errors in the royalties data and that the formula was clear in the report but not clear how this formula was applied to the aggregated amounts in the report.

Gilbert concluded by emphasizing the need for the MSG to agree on an open data policy. He explained what was meant by open data by stating that it means the EITI information share must be reusable and not in non-editable formats like PDF. He suggested that the International Secretariat could share a template of their open data policy that the MSG could domesticate to fit Uganda's situation and then adopt if the MSG wishes. There needs to be a UGEITI open data policy and not different open data policies for the different constituencies.

Ms. Gloria Mugambe, UGEITI Secretariat, inquired from the member from DGSM if they considered Uganda's Cadastre is transparent enough. She informed members that the Secretariat staff will consider the comments received on the templates with guidance from the International Secretariat.

The member from DGSM, informed members that the Cadastre was found to be transparent by the Independent Administrator apart from having the full text of the licenses accessible online. He explained that the full text of the licenses is accessible through a legally prescribed procedure with a fee prescribed by the law. He pointed out that he had engaged his colleagues and they had agreed that a read-only version of the licenses could be published online. He informed members that DGSM will provide a clear explanation of the royalties in a detailed write-up. He stated that the direct beneficiaries of royalties are the people in the areas where the mining activities take place and the other citizens benefit from the 80% that remains with the central government through the national budgeting process.

The chair of the session, Mr. Gard Benda, pointed out that from the Validation templates, there are several engagements where the CSOs are shown to have used EITI information but the use of EITI information by the industry and government constituencies is not seen. He noted that we need to capture where the other two constituencies have used the EITI information.

Mr. Sam Muchunguzi, civil society, raised the issue of translating the EITI information into local languages which has not been done yet it is an important aspect of Validation. In response, the Chair stated that falls under the implementation of the Communication Strategy was an issue of and so there was a need to ensure that the Communication Strategy is implemented to cater for such issues.

8.0 Wrap-up of Day One

The Chair thanked the team from the EITI International Secretariat for joining the training and giving support and guidance to the MSG on how to prepare for Validation. He stated that the comments and suggestions from the International Secretariat will be acted upon to further prepare well for Validation. He also thanked the members of the MSG and the staff of the national Secretariat for the time and effort they have put into the preparations for validation.

The Chair then invited Mr. Kanakulya Edwin Kavuma, to give a brief wrap-up. Mr. Kanakulya took the participants through what had transpired in line with the program. He pointed out the following as the **key takeaways**:

1. The Minister affirmed the need and importance of preparing a cabinet paper on EITI implementation that he would present to Cabinet and later to Parliament so that Cabinet and Parliament are updated about the progress of EITI implementation in the country.
2. The EITI International Secretariat informed the MSG members that the MSG needs to adopt an open data policy. They offered to send their template of an open data policy that the MSG could consider by domesticating and adopting it as its open data policy.

3. Civil Society members have pledged to provide reports on the various engagements that they have held to discuss the issue of civic space.

DAY TWO

9.0 Review of Draft Annual Progress Report FY 2022/23

Before the review of the Annual Progress Report (APR), the National Coordinator, Mr. Saul Ongaria, explained to the MSG members that it was a requirement to have an annual progress report and that as they are aware, this is the second APR the MSG is developing.

The review of the Annual Progress Report was led by Mr. Mutungi Edgar, UGEITI Secretariat. He informed members that the MSG is supposed to carry out a review of the immediate past work plan and record the progress made in form of an annual progress report.

Mr. Mutungi He also linked the APR to the EITI Standard and referred to Requirement 7.4 under which the Standard provides for the MSG developing an APR. He explained that the APR summarises the country's EITI implementation progress in meeting the EITI Requirements, track the level of completion of the work plan activities, tracks the work done on the recommendations of the EITI report and identifies strengths and weaknesses of UGEITI. Mr. Mutungi then took the MSG members through the contents of the draft APR.

9.1 Discussions on the Draft Annual Progress Report FY 2022/23

Mr. Paul Twebaze, civil society, wanted to know how the objectives are aligned with the government programming framework in the extractives sector. Mr. Mutungi responded by taking the members through the process that was undertaken by the MSG with the guidance of the MSG Work Plan Committee to come up with the objectives of the work plan. He also reminded members of the training of the MSG on work plan development where the activities

of the work plan were linked to the National Development Plan (NDP) III.

Mr. Twebaze further inquired whether some indicators can be used to measure the progress. He pointed out that there is a lot that is done but the documentation of the same was not streamlined. He noted that the Secretariat has done a lot of work but this work does not come out to be known outside the Secretariat. He further pointed out that there was a need to improve on the way the lessons in the APR o that we clearly bring out those lessons that arise from EITI implementation. Mr. Twebaze also noted that UGEITI's presence in the media is still low and needs to be improved.

The National Coordinator appreciated the need for increased media presence. He informed members of the upcoming press conference scheduled for 10th August on the second UGEITI Report. He informed members that there will also be a launch of the Second EITI Report in early September. Mr. Ongaria also pointed out that the UGEITI website is quite active and a lot of the key activities of the MSG are reported on the website. He also stated that UGEITI has a Twitter handle (@UgandaEITI).

Mr. Sam Mucunguzi, civil society, pointed out that it would be better to present some of the content in the APR in a tabular or matrix format so that it is easier to track the progress made.

Mr. Siragi Magara, civil society, noted that the progress on the follow-up of the recommendations of the EITI reports needs to be reported in form of a progress report. The National Coordinator responded that there is a requirement to have a dossier on the follow-up of the recommendations of the EITI reports in preparation for Validation. He also requested the MSG members to suggest ways in which the MSG can actively take part in following up with the recommendations.

Mr. Kanakulya Edwin Kavuma, UGEITI Secretariat, noted that Validation requires that all that has been done during the implementation of EITI is pointed out and the relevant evidence properly documented and published. He pointed out that the Validation is going to present an opportunity for UGEITI to bring out all the things that have been done and the evidence of the same to the public domain.

The MSG members agreed that the Secretariat considers the comments and suggestions raised in the deliberations on the APR to come up with the version that will be discussed at the MSG meeting for adoption as the new APR for the previous financial year.

10.0 Review of Draft UGEITI Work Plan FY 2023/24

The National Coordinator, Mr. Saul Ongaria, explained to the MSG members that there was a need to streamline the UGEITI work plan development with the government budgeting cycle of government so that funding for the work plan could be mobilized early before the budgeting cycle gets to advanced stages. He also informed members that the work plan for this financial year needs to be downsized to match the resources that have been provided in the budget of the financial year.

Mr. Abbey Gitta, UGEITI Secretariat, presented the work plan. He informed the members that the work plan for the instant financial year is to be developed keeping in mind that Validation by the International Secretariat is going to happen in the same financial year. He explained that that means that it is the work plan of the instant financial year that will be considered during Validation. Mr. Gitta pointed out that the International Secretariat had guided that the MSG could have a work plan that covers multiple financial years as long as the MSG reviews and updates the work plan every financial year.

He reminded the MSG members of the three objectives of the work plan i.e., the first is to enhance transparency in the extractive sector, two is to strengthen revenue management and accountability and the third is to build the operational and technical capacity of the MSG and the Secretariat to ensure that EITI is effectively implemented.

He highlighted some of the key activities that inform the work plan as;

1. Dissemination of the second EITI Report.
2. Follow up on the recommendations in the EITI reports.
3. Preparation of the third EITI report.
4. Preparation for Validation.

10.1 Activities in the draft work plan per objective

Mr. Gitta then took the MSG members through the work plan listing the activities under each of the three work plan objectives for the members to identify which activities need to be maintained or removed and others added. He listed the proposed activities under objective one as follows;

10.1.1 Objective 1: Enhance transparency in the extractive sector

Activity 1.1 Disseminate the second EITI report findings and sensitize key stakeholders on the EITI implementation process The sub-activities under this activity are;

- a) Map the key stakeholders.
- b) Engage with the Natural Resource Committee of Parliament.
- c) Hold a press conference on the publication of the second EITI report.
- d) Undertake regional outreach engagements on EITI implementation sensitization.
- e) Media presence through radio and tv talk shows, newspaper articles inter alia.
- f) Print copies of the report and monograph of the report.
- g) To translate the monograph into local languages.

Activity 1.2 Implement the Communications Strategy for EITI awareness. The sub-activities under this activity are;

- a) Prepare two facts sheets on Contract and license allocations, including explanations of commonly used technical terms, and 'procedures and practices in contract and license allocations for petroleum and mining
- b) Engage research institutions to raise awareness of the EITI process and encourage usage of the EITI data.
- c) Maintain and update the UGEITI website (Reviewing content every six months)
- d) Sensitize communities on Government and Industry expenditures of the EITI report in their areas.
- e) Hold national dialogue on improving extractives governance.
- f) Strategic meetings for MSG members to improve coordination and flow of information.
- g) Strategic engagements with key institutions of Government for high-level buy-in and commitment.

Activity 1.3 Undertake studies and develop strategies to inform the EITI implementation process. The sub-activities under this activity are;

- a) Set up a database for oil, gas and mining sectors to mainstream the implementation of EITI data towards an open data policy.
- b) A study on the gender impacts of the extractives sector and disseminate the findings.
- c) Document the status of the implementation of the National Content Policy and disseminate the findings.
- d) Study on ASM activities to inform EITI reporting and disseminate the findings.
- e) Study to track LG royalty payments to the district and sub-county level and report on their receipts and expenditure.
- f) Develop a Monitoring and Evaluation (M&E) strategy for the Secretariat to implement and for the MSG to use in tracking implementation. Disseminate the findings.

Activity 1.4 Monitor and track the progress on recommendations of the previous UGEITI report. Presenting the Recommendations to stakeholders for implementation. The sub-activities under this activity are;

- a) Organize a workshop for relevant institutions to handle recommendations.
- b) Organize follow-up meetings with the relevant institutions
- c) Desk study to review and establish the legal basis for the Multi-Stakeholder Group.

Activity 1.5 Develop a government plan for contract and license disclosure and publications, documenting the government's policy on disclosing extractive industry contracts and licenses. The sub-activities here are;

- a) Conduct a study and propose a plan for contract disclosure.
- b) Engage Cabinet with a strategy for contract disclosure
- c) Organize a joint meeting for relevant MDAs to appraise them on contract disclosure.

Activity 1.6 Engage with Uganda Registration Services Bureau and other relevant stakeholders to track progress and contribute to the reforms on beneficial ownership disclosure.

10.1.2 Objective 2: Strengthen Revenue Management and Accountability

Activity 2.1 Prepare and publish the UGEITI report FY 2021/2022. The sub-activities under this activity are;

- a) Development and approval of ToRs for Independent Administrator (IA).
- b) Engage the IA to conduct a scoping study, prepare an inception report, collect data, and undertake analysis and reconciliation.
- c) Organise workshop for Training for reporting companies and government agencies and issuing of reporting templates for collecting payment and receipt data for 2021/22.
- d) Organise MSG workshop for Presentation and Review of Draft Inception Report submitted to MSG.
- e) Organise MSG workshop to approve the Inception Report.
- f) Organise MSG workshop for Presentation of the Draft final report to stakeholders.
- g) Organise MSG workshop for approval of the Final report.
- h) Undergo validation

10.1.3 Objective 3: To Build the Operational and Technical Capacity of the MSG and Secretariat to Ensure that EITI is Effectively Implemented.

Activity 3.1 MSG engagements to support EITI implementation. The sub-activities under this activity are;

- a) Workshop to review MSG Terms of Reference and membership.
- b) Annual Subscription to the EITI.
- c) MSG training on EITI Validation and conducting a pre-Validation exercise.
- d) Regional engagement meetings i.e., Experiential Learning including benchmarking & regional engagements for the MSG and EITI Champions.

Activity 3.2 Field visits to the extractive regions. The sub-activities under this activity are;

- a) Visit one oil and gas region.
- b) Visit one mining region.

Activity 3.3 Capacity development of MSG and stakeholders. The sub-activities under this activity are;

- a) Training on reconciliation of data in the extractives industries for the mining companies & CSOs, MSG and DGSM operating in Uganda.
- b) Validation Exercise
- c) Training to the Office of the Auditor General and Secretariat on report preparation. (3-day event)
- d) e). MSG Annual Retreat to develop a Workplan for the next reporting period and review the progress of EITI implementation.

Activity 3.4 provides for the UGEITI Secretariat Operations.

- Operational expenses.
- Salaries.
- Sitting Allowances.
- Office Stationery.
- Equipment i.e., Computers, Printers.
- Fuel and Transportation Costs.
- Internet fees.
- Zoom and other software tools.
- Funding for specific research studies.

Mr. Gitta concluded by stating that the MSG members are requested to make comments and give suggestions on the activities that need to be either removed or included in the work plan. He mentioned that the draft work plan has a total cost of USD 1,209,500.

10.2 Discussions on the work plan by MSG members

Mr. Paul Twebaze, civil society, inquired whether the MSG is to develop a monitoring and evaluation tool, framework or a monitoring and evaluation strategy. The National Coordinator clarified that what is needed is a means for monitoring and evaluating the work of the MSG so members can advise which one is needed. Mr. Twebaze suggested that a tool may not be sufficient. Ms. Gertrude Angom, UGEITI Secretariat, suggested that a framework would capture all that is needed to do the monitoring and evaluation.

Mr. Robert Tugume, government, inquired if the framework could be developed internally instead of hiring a consultant. Ms. Angom

informed members that the framework will be developed internally. Mr. Gard Benda, civil society, pointed out that it is also important to develop a strategy with time. He suggested that the monitoring and evaluation strategy can be captured in the strategic plan that is planned to be developed. The MSG members discussed and agreed that it is important to track the progress of EITI implementation more deliberately and clearly.

Ms. Regina Navuga, civil society, laid a question to the members whether the same hard questions should be asked about implementing the MSG Communication Strategy. She explained her reasons for this question is that the activities under implementation of the Communication Strategy in the work plan were not conclusive enough and there is a need to unpack the activities to be more specific on how they are going to be executed. Mr. Gard Benda responded that all these issues are taken note of for the necessary action to be taken.

Ms. Emilly Nakamya, industry, raised the fact that the MSG approved a Communication Strategy that was developed with the help of a consultant. She then posed a question to the members that how far has the MSG gone to implement this strategy because it seems like we adopted a strategy and then shelved it. She further noted that the tracking of performance has been mainly qualitative and this is why we have challenges because performance needs to be quantitative. This can be rectified in the monitoring and evaluation framework. She also suggested that the activities need to be detailed for better monitoring and evaluation.

Mr. Siragi Magara, civil society, noted that it was important to have a fresh and living work plan that addresses the requirements of the EITI Standard. He informed members that the new EITI Standard, 2023 brought in some new elements for example energy transition and reporting on cost recovery. He emphasized the need for the work plan to have activities that are going to cover these new aspects of the EITI Standard because these are now part of the requirements for EITI implementation and reporting. We have been answering these questions on cost recovery but not the EITI Standard, 2023 is requiring us to report on them. The National Coordinator responded that the Requirements of the Standard will be addressed in the EITI report however Mr. Magara noted that there is a need to build the

capacity of the MSG and Secretariat on the new aspects like cost recovery if effective reporting on them is to be achieved.

Mr. Siragi Magara, civil society, noted that the draft work plan can be reorganized to read better. He pointed the MSG members to Objective 2 of the work plan which is about revenue management and production of the EITI report is put under this objective is not going to achieve the objective. He suggested that since the production of the report is promotion of transparency then the activities on the report production should be moved to Objective 1 of the work plan. He suggested that the objective of enhancing revenue management is still very relevant and there is a need to come up with activities for that objective. He also noted that it was important to determine the cost centres for coming up with the accurate costing of the work plan.

Mr. Paul Twebaze, civil society, emphasized the importance of writing the activities in a more specific and comprehensive way. He gave an example of the activity of visiting the extractive regions and that the purpose of the visit needs to be indicated clearly. He said the use of general terms like 'engage' makes it difficult to communicate the exact activities that need to be executed. This he said would also make it easier to cost the activities and mobilise resources from other stakeholders if the activities are specific and clear. He suggested that the MSG task some members to go and review the draft work plan. The MSG members chose one member from each constituency i.e., Mr. Siragi Magara from Civil Society, Mr. Kenneth Asiimwe from Industry and Mr. Robert Tugume from Government.

The National Coordinator informed the MSG members that their comments and suggestions are going to be taken into consideration by the members who have been tasked to review the work plan. He then asked members to look at the work plan for the FY 2024/25 so that there is a draft that will be used to mobilise for funding when the budgeting cycle begins next month.

Mr. Paul Twebaze, civil society, guided that the MSG concentrates on the work plan of the instant financial year while the draft work plan for FY 2023/25 be shared with the members for them to go through the processes that are required when developing a work plan, for example, the wider constituency consultations. The

members agreed that they can use their various mechanisms for consultations.

It was agreed that the feedback from the consultations on the draft work plan for the instant financial year be provided by 15th August 2023.

The members agreed that they have a quick run-through of the draft work plan for the next financial year for them to see the activities that have been included in it. Mr. Abbey Gitta, UGEITI Secretariat, presented the draft work plan for the next financial year 2024/25 to the MSG members. He noted that the three objectives were still maintained unless the MSG members wish to change them.

Mr. Sam Muchunguzi suggested that previously members of the Secretariat only carried out desk research and it was now time to include activities that will let them go out in the field to do some practical research for an even better understanding of the sector.

Mr. Siragi Magara suggested that there needs to be activities for the MSG members and the Secretariat staff can participate in regional and international EITI conferences. Mr. Sam Muchunguzi noted that even local participation in workshops was low and needs to be improved. Mr. Paul Twebaze noted that it was important to have resources available for MSG members and Secretariat staff to participate in regional and international EITI activities.

Mr. Isaac Ntujju, government, suggested that to address the resource mobilisation issue, the institutions could mainstream EITI in their budgeting, especially the Government Ministries Departments and Agencies (MDAs). The National Coordinator reminded the MSG members about the discussions they had on how to use the Program Budgeting system to include EITI-related activities in their institutional budgeting. Members agreed that this was the right time to take this forward as the budgeting cycle was going to commence soon.

The MSG members tasked one member from each constituency i.e., Mr. Siragi Magara from Civil Society, Mr. Kenneth Asiimwe from Industry and Mr. Robert Tugume from Government to review the draft work plan and come up with a draft that will be discussed at the MSG meeting for adoption.

10.2.1 Discussions on the Theory of Change

Mr. Francis Okello, UGEIT Secretariat, informed members that according to the Outcomes and Impacts Template, the MSG is required to adopt a theory of change.

Ms. Regina Navuga, civil society, informed members that with the work plan objectives can be used to come up with a theory of change. She guided that the MSG could consider the three broad objectives and then have an end goal in mind of increasing transparency and accountability in the extractive sector in Uganda. She further guided that the strategies to be used may be included.

Mr. Paul Twebaze, civil society, pointed out that a theory of change is about three things namely, where are we, where we want to go and how are we getting there. He noted that once we have a broad goal then the objectives are the things to be done to achieve the goal and then consider the outcomes and impacts and identify activities on each. He stated that if a diagrammatic representation of the work plan it would bring out a theory of change.

Mr. Siragi Magara, civil society, was asked by members to suggest some activities regarding the objective of ‘contributing to strengthening revenue management and accountability in Uganda’. He proposed that the MSG can start by undertaking a study to determine if the extractive revenues have been utilized based on the set rules in the law, then have a high-level stakeholder policy dialogue on how to effectively and transparently manage revenues from the extractive sector and thirdly to have a study on cost recovery. Mr. Kenneth Asimwe, suggested that one study could be done to cover all the different aspects instead of having various studies. Mr. Magara guided that cost recovery is a bit unique and it would not be ably handled if bundled with the other aspects.

Mr. Mulindwa Paul, civil society, noted that objective one could be used as the goal. He also stated that there is also a way of presenting a theory of change in a tabular format. The National Coordinator stated that UGEITI has a goal which is to “Improve the governance of the extractive sector in Uganda for the benefit of the present and future generations.” The members continued to share ideas about a theory of change. The MSG members agreed that the theory of change should cover a five-year period.

Mr. Sam Muchunguzi, civil society, noted that since EITI reporting is on an annual basis, and that members are aware of the new changes in the EITI Standards, what would the target in the five years yet reporting be done annually. Mr. Kenneth Asiimwe guided that there can be annual performance indicators as work towards the five-year goal. Mr. Gard Benda suggested that the meeting can provide pointers and the Secretariat can come up with a proposal to be discussed by the MSG.

The MSG members tasked Ms. Regina Navuga and Mr. Paul Mulindwa to spearhead the development of the theory of change.

11.0 Way Forward

1. The Minister affirmed the need and importance of preparing a cabinet paper on EITI implementation that he would present to Cabinet and later to Parliament so that Cabinet and Parliament are updated about the progress of EITI implementation in the country.
2. The EITI International Secretariat informed the MSG members that the MSG needs to adopt an open data policy. They offered to send their template of an open data policy that the MSG could consider by domesticating and adopting it as its open data policy.
3. The MSG members tasked one member from each constituency i.e., Mr. Siragi Magara from Civil Society, Mr. Kenneth Asiimwe from Industry and Mr. Robert Tugume from Government to review the draft work plan and come up with a draft that will be discussed at the MSG meeting for adoption.
4. The MSG members agreed that the Secretariat considers the comments and suggestions raised in the deliberations on the APR to come up with the version that will be discussed at the MSG meeting for adoption as the new APR for the previous financial year.

5. The MSG members tasked Ms. Regina Navuga and Mr. Paul Mulindwa to spearhead the development of the theory of change.
6. Civil Society members have pledged to provide reports on the various engagements that they have held to discuss the issue of civic space.

12.0 Closing Remarks

The Chair of the day two's sessions, Mr. Gard Benda, made the closing remarks. He thanked the MSG members for creating time to attend the two-day training and appreciated their active participation and contributions in the deliberations. He then thanked ACODE for the logistical support they gave to UGEITI to make the training possible. The session Chair also thanked the UGEITI Secretariat for the coordination and support given to the MSG members during the training. He thanked the EITI International Secretariat for the technical support they gave during the training on how to fill the Validation templates and stated that he was confident that Uganda will successfully go through the Validation process.

The session Chair then declared the Second MSG Pre- Validation Training closed.

Program

Day 1: 26 th July 2023		
08:30 – 09:00 a.m.	Arrival and Registration	UGEITI Secretariat
09:00 – 09:15 a.m.	Introductions and Opening Remarks	MSG Chairperson
09:15 – 10:00 a.m.	Presentation on Validation under EITI	UGEITI Secretariat
10:00 – 10:30 a.m.	TEA BREAK	Hotel
10:30 – 01:00 p.m.	Review of the Validation Templates	EITI International Secretariat/UGEITI Secretariat
01:00 – 02:00 p.m.	LUNCH	Hotel
2:00 – 02:30	Remarks by EITI Champion, Minister of State for Microfinance and Small-scale Enterprises.	EITI Champion
02:30 – 04:45 p.m.	Review of the Validation Templates	EITI International Secretariat/UGEITI Secretariat
04:45 – 05:00 p.m.	Wrap-up of Day 1	National Coordinator
Day 2: 27 th July 2023		
08:00 – 08:30 a.m.	Arrival and Registration	UGEITI Secretariat
08:30 – 09:30 a.m.	Review of Draft Annual Progress Report FY 2022/23	UGEITI Secretariat
09:30 – 10:30 a.m.	Presentation and Review of Draft Work Plan FY 2023/2024	UGEITI Secretariat
10:30 – 11:00 a.m.	TEA BREAK	Hotel
11:00 – 1:00 p.m.	Discussions on Annual Progress Report and Work Plan	All
01:00 – 02:00 p.m.	LUNCH	Hotel

Gallery





