

# CIVIL SOCIETY ORGANIZATIONS CONSULTATIVE MEETING ON THE EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (EITI) WORK PLAN FOR 2022/2023

## SUMMARY OF THE PROCEEDINGS

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*Participants at the Consultative Meeting at Protea Hotel Naguru Skyz*

**11<sup>th</sup> AGUST, 2022**

## **1. INTRODUCTION**

The Civil Society Coalition on Oil and Gas (CSCO) in partnership with Publish What You Pay (PWYP) organized a consultative workshop for civil society on UGEITI MSG workplan for 2022/2023. The consultative workshop took place on 11<sup>th</sup> August, 2022 at Protea SKYZ Naguru and was Moderated by Mr. Onesmus Mugenyi, ACODE. The work shop was intended to solicit input from the wider civil society on the UGEITI workplan. The workshop was supported by Oxfam, SEATIN and IMPACT. This is therefore a summary of the proceedings of the workshop.

## **2. BACK GROUND**

Uganda joined the Extractives Industries Transparency Initiative (EITI) in August 2020, becoming the 26th country in Africa to join the international transparency initiative. As a member of the EITI, Uganda did not only commit to regulate the oil and gas & mining sectors but also open up to international scrutiny on the governance of the extractives sector, and the extent to which the government and extractives companies are adhering to the EITI principles and standard.

Upon admission, Uganda embarked on the implementation process, which has included the establishment of a Multi-Stakeholder Group (UGEITI MSG) to steer implementation. The MSG prepared and submitted the country's first report, which covers both oil and gas & mining to the EITI. The EITI report has been a major milestone in opening Uganda's extractives sector for broader public scrutiny and accountability.

The UGEITI MSG which is comprised of three constituencies that include; civil society, government, and private sector representatives, is currently in the process of developing a work plan for the FY 2022/ 2023. As a requirement, all the three representative groups are required to consult their constituents (groups they represent) to provide input into the work plan.

Its therefore against the above background, CSOs are organized a consultative meeting to provide input into the UGEITI work plan.

## **3. OBJECTIVES**

The meeting aimed at providing a platform for civil society stakeholders to discuss and inform the UGEITI work plan for 2022/23. In particular, the meeting aimed at agreeing and developing a road map to fast-track implementation of EITI related activities, and to give CSOs a status update on the progress of Uganda EITI implementation processes.

#### 4. PROCEEDINGS

##### **Opening remarks from the Chairman CSCO Steering Committee**

The Chairman thanked members for creating time to attend the meeting on short notice. He emphasized the objectives of the meeting, and expressed gratitude for UGEITI Secretariat's consideration that the views of civil society are sought to improve the draft work plan. He went on to inform the members of CSCO that failure to meet as often as before had been caused by limited finances, especially as a result of the suspension of the Democratic Governance Facility (DGF). He recognized the good work of the CSCO Secretariat to organize such meeting amidst financial challenges challenges faced by civil society. He appreciated CSCO partners and members such as Oxfam, WWF – Uganda, ASF and GRA among others for the continued support. He thanked, in particular, the partners who funded the meeting that included SEATINI, IMPACT, and Oxfam. He indicated that CSCO, whereas seemingly an oil and gas coalition, also strategically included mining since these are complementary sectors. He recognized the role played by the representatives of the civil society to the MSG, especially in developing the country's first EITI report.



*Chairman CSCO Steering Committee giving opening remarks*

##### **Opening remarks from the Head EITI Uganda – Ms. Gloria Mugambe**

She thanked the organizers of the meeting for giving the UGEITI Secretariat an opportunity to attend and get views of the civil society on the draft work plan. She indicated that the EITI implementation is overseen by the MSG. She added that progress report is available for members to know what has been achieved so far. She also encouraged participants to get acquainted with the EITI Standard which is the cornerstone of the EITI implementation

processes. She recognized the important role played by the Uganda's civil society in Uganda's admission to EITI.



*Ms. Gloria Mugambe giving opening remarks*

### **Presentation I: Progress on EITI implementation in Uganda – Saul Ongaria (National Coordinator UGEITI)**

The presentation covered Uganda's EITI journey to date, work plan objectives, highlights of the proposed activities, assessment of performance based on the EITI Standard, outcomes and opportunities of EITI, challenges and next steps. Among the next steps include wider constituency consultations, dissemination of the first UGEITI report, EITI awareness creation, validation of the first UGEITI report, preparation of the next UGEITI report, and collaboration and support to implement all the planned activities.

### **Emerging questions/comments from Presentation I**

A comment was raised on the issue of lack of transparency in contract disclosure, including the Production Sharing Agreements (PSA). In response, the UGEITI Secretariat intimated that whereas they have made slow progress, they are hopeful that by the next report they will have made headways into having the PSAs disclosed. They added that there are commitments on both sides, government and oil companies, to keep engaging. He noted that PSAs have a clause that provides for confidentiality which has to be considered in the disclosure process. He however, assured members that before the next EITI report, the PSAs may have been disclosed if the current engagement continues.

A comment was also raised on the need to translate the UGEITI report into several local languages so that people can easily comprehend the contents. To this, the UGEITI Secretariat responded that this is one of the planned activities in the work plan.

### **Presentation 2: Highlights of UGEITI Report – Gloria Mugambe Head UGEITI**

The presentation focused on the key contents of the first UGEIT report for the period 2019/20. These were background, approach and methodology, summary of results and recommendations. Key among the highlights of the report were;

- That total revenues received from the extractives sector in the reporting period amounted to UGX 436,353 million, 96.96 of which was collected by URA.
- That the minerals that contributed to this revenue were Limestone, Pozollana, Vermiculite, Wolfram, Gold, among others.
- That whereas the model Public Sharing Agreement is publicly available on UNOC's website, the Production Sharing Agreements signed with oil and gas companies are currently not in the public domain.

### **Emerging questions/comments from presentation 2**

A question arose on the source of the information that was used for the report. To this, Ms. Gloria responded by saying that the data was obtained from government and companies. She clarified that audited information was obtained from the Auditor General's office and reconciled with that provided by mining and other companies. She also added that data on mining is obtained from the Directorate of Geological Surveys and Mines (DGSM).

On the issue of ensuring that information about EITI is shared with as many people in the extractives sector as possible which was raised by one of the participants, Ms. Gloria responded by intimating that this will be ensured through dissemination engagements with sub regional stakeholders. She called on the CSOs to also assist in dissemination of UGEITI report and other information on EITI.

A question also arose on why the UGEITI Secretariat could not a set of photos to use in the report, the UGEITI report and Ms. Gloria responded by saying that the MSG was working with a tight deadline to produce the report and had limited time to look for them.

Questions relating to how EITI can be instrumental in fighting Illicit Financial Flows (IFFs), and whether the subsequent reports could have a component on tax expenditure were asked. To the former, a member of the MSG, Mr. Onesmus Mugenyi guided that EITI does not necessarily report on IFFs but the process can be used to mitigate IFFs, adding that once there is full transparency and contract disclosure, IFFs can easily be mitigated in the extractives sector. To the later question, it was agreed that it a critical area that can be looked into in the subsequent reports since the country can easily lose a lot of money in tax exemptions.

Suggestions on the need to focus on active mining and production licenses other than creating unnecessary work of focusing on inactive ones and to consider incorporating the recoverable costs of the oil companies were put forward.

It was also noted that the report considering only the formally recognized miners while leaving out the Artisanal and Small-scale Miners (ASMs) was unfair, and it needs to be corrected going forward.

It was also noted that the government underfunds the mining sector, making it extremely difficult for the ministry responsible to fulfil their mandate. CSOs were therefore encouraged to advocate for increased and timely funding for the sector.

**Presentation 3: Strengthening the role of Civil Society Organisations (CSOs) for EITI Outcomes. Roles and perspectives on EITI implementation – Dr. Paul Bagabo**

The presentation highlighted the role, opportunities, and perspectives of CSOs' participation in the implementation of EITI. Key among the highlights included the EITI Standard guaranteed position of CSOs in the EITI process, new and emerging challenges such as climate change, and the need for the CSOs' representatives at the MSG to present the documented CSO positions and their individual opinions.

**Emerging questions/comments from Presentation 3**

A concern arose on the shrinking civic space and the need for members to ensure that they are working legally by meeting all the requirements, however stringent they might be. It was presented to the participants that the NGO and NGO policy are up for review. A call was made for CSOs to participate actively in this process so that a good policy and law can emerge.

It was noted that in this era of shrinking civic space, CSOs need to be strategic and act smart to survive government increasing scrutiny. It was presented to participants that there is a planned move by government to register coalitions and CSOs were asked to ponder on the implication of this move on the operation of networks like CSCO.

**Presentation 4: Draft Work Plan**

Participants were informed that the draft work plan was prepared guided by the Requirement 1.5 of the EITI Standard of 2019. It was drafted by a committee which was constituted for this purpose. Emphasis was put on the fact that the objectives of the work plan are hinged on the first UGEIT report but also on the previous challenges.

#### **Emerging questions/comments from Presentation 4**

There was consensus among the participants that government needs to fund the bigger part of EITI implementation. A call was made that civil society organizations should advocate for increased government funding of the EITI activities.

A concern was raised that the work plan looks more of a budget instead. A suggestion was made that columns for outputs and outcomes be created in the work plan. It was agreed that a meeting should be organized involving a few members of civil society to revise the structure of the workplan.

A question was asked on how the UGEITI Secretariat will collect information on ASMs and whether they are planning to open up regional offices. The EITI secretariat clarified that there is no intention to open offices at sub-national levels but information will be collected through studies and consultations.

The need for clarity on times in the work plan was also presented as critical so that a determination of whether it can be executed in one or two years can be made easier. It was observed that including the studies in the work plan might need much more time than the one year which is the reporting framework for the EITI.

It was equally observed that many of the proposed activities in the work plan have not been funded yet. An appeal was made to the CSOs to direct resources to such activities in order to support the execution of the work plan.

While some participants were opposed to the issue of translation to avoid the costs involved, others proposed an increase in the number of languages to a minimum of four broader dialects spoken in the main regions of the country.

A participant raised the issue of the current debate on fossil fuels and greenhouse gas emissions. He wondered if this is something that the UGETI MSG could interest itself in, and whether they can include some activities in the work plan in that regard.

A participant raised an issue of the need to evaluate the performance of last year's performance to inform the work plan. To this, she was guided that the annual performance report deals with the aspect of performance.

The UGEITI implementation Advisor praised civil society in Uganda for the way they engage on issues of EITI.

### **Summary of key recommendations by civil society on the work plan.**

Key recommendations raised by the participants aimed at improving the work plan included the following.

- To include a study on tax expenditure among the proposed studies in the work plan.
- To include Local Governments and the inter-agency forum in the proposed engagements.
- To carefully analyze reports relating to the studies proposed in the work plan that have mainly been done by CSOs so that they generate new information.
- To quantify the items in the work plans so that budgeting can be made easier.
- To harmonize related CSOs activities with those of the UGEIT to avoid duplication.
- To accord every activity sufficient time such that it is easy to determine whether the work plan in its current form can be executed in one or two years.
- To work with any other government agency doing any activity related to the ones proposed in the work plan so that there is avoidance of duplication.

### **Way forward**

As a way forward, participants were asked to forward any other recommendations on the work plan to the UGEITI Secretariat after any other closer scrutiny.

### **Closure**

The meeting ended with remarks of gratitude for members' participation in the consultative meeting from the Chairman CSCO Steering Committee Mr. Bashir Twesigye, and the head of UGEITI Secretariat Ms. Gloria Mugambe.