

**MINUTES OF THE 8TH MEETING OF THE MULTI-STAKEHOLDER GROUP
(MSG) OF THE UGANDA EXTRACTIVE INDUSTRIES TRANSPARENCY
INITIATIVE (UGEITI) HELD ON FRIDAY, 25TH SEPTEMBER 2020 AT THE
IMPERIAL ROYALE HOTEL, KAMPALA, UGANDA**

Attendance List

No.	Name	Institution
GOVERNMENT		
1	Mr. Moses Kaggwa	Ministry of Finance, Planning & Economic Development (MSG Chairperson)
2	Ms. Allen Bucyana	Ministry of Justice and Constitutional Affairs
3	Mr. Robert Tugume	Ministry of Energy & Mineral Development
4	Mr. David Sebagala	Ministry of Energy & Mineral Development
5	Eng. Timothy Tibesigwa	Ministry of Works & Transport
6	Mr. Jonan Kandwanaho	National Planning Authority
7	Ms. Nakawuma Juliet Magala	Ministry of Foreign Affairs
8	Ms. Sandra Kaitare	Uganda Revenue Authority
9	Mr. Philip Andrew Wabulya	Bank of Uganda (online via Zoom)
10	Mr. Francis Elungat	Ministry of Energy & Mineral Development (online via Zoom)
11	Mr. Bright Mutambuzi (Proxy)	Ministry of Works & Transport
12	Ms. Sarah Aijuka (Proxy)	National Environment Management Authority
13	Ms. Tracy Basiima (Proxy)	Uganda Revenue Authority
14	Mr. Kosia Kasibayo (Proxy)	Petroleum Authority of Uganda (online via Zoom)
15	Mr. Peter Rumanzi (Proxy)	Bank of Uganda (online via Zoom)
16	Mr. Mucurezi Godfrey Kata (Proxy)	Uganda Revenue Authority
CIVIL SOCIETY ORGANISATIONS		
17	Mr. Magara Siragi Luyima	Civil Society Budget Advocacy Group
18	Ms. Winnie Ngabiirwe	Global Rights Alert
19	Mr. Mugenyi Onesmus	Advocates Coalition for Development & Environment
20	Ms. Lomonyang Margaret	Karamoja Women Umbrella Organisation
INDUSTRY		
21	Dr. Tom Buringuriza	Armour Energy Limited
22	Mr. Faustine Mugisha (Proxy)	Total E&P
23	Ms. Emilly Nakamya (Proxy)	Uganda National Oil Company
24	Ms. Ingrid T. Muhanguzi (Proxy)	China National Offshore Oil Corporation
25	Ms. Susan Busingye (Proxy)	Tullow Uganda Operations Pty Ltd (online via Zoom)
OBSERVERS		
26	Mr. Gilbert Makore	EITI -International Secretariat (online via Zoom)
27	Mr. Tarik Kubach	European Union Delegation
28	Mr. Robert Muhumuza	Office of Auditor General

29	Ms. Gorret Imakit	Secretariat for Accountability Sector
30	Mr. Muhumuza Juvenal	Asst. Commissioner / Ministry of Finance, Planning & Economic Development
31	Mr. Apollo Munghinda	Ministry of Finance, Planning & Economic Development
32	Mr. Kyaligonza Aloysious	Ministry of Finance, Planning & Economic Development
UGEITI NATIONAL SECRETARIAT		
33	Mr. Saul Ongaria	National Coordinator / Secretary
34	Ms. Vanessa Ihunde	Assistant National Coordinator
35	Mrs. Gloria Mugambe	Head of Secretariat, UGEITI
36	Ms. Sharon Kuku	Communications Consultant, UGEITI
37	Mr. Kanakulya Edwin Kavuma	Compliance Officer, UGEITI
38	Mr. Edgar Mutungi	Finance Officer, UGEITI
39	Ms. Bronia Arinda	Secretary, UGEITI
40	Mr. Dan Denis Agaba	Statistician, UGEITI
41	Ms. Gertrude Angom	Administration Officer, UGEITI
42	Mr. Abbey Gitta	Office Assistant, UGEITI
43	Ms. Susan Angela Acom	Office Assistant, UGEITI
MSG MEMBERS ABSENT WITH APOLOGY		
1	Dr. Callist Tindimugaya	Ministry of Water and Environment
2	Mr. Clovice Irumba	Petroleum Authority of Uganda
3	Dr. Jennifer Hinton	Uganda Chamber of Mines and Petroleum

AGENDA

1. Opening Prayer and Communication from the Chairperson
2. Review and Adoption of the Minutes of the 7th MSG Meeting.
3. Presentation on the Implications of joining EITI and the Next Steps.
4. Disclosure Requirements under the EITI Standard.
5. Remarks from Hon. Matia Kasaija Minister of Finance, Planning and Economic Development.
6. Presentation on Work Plan Implementation – Prioritization and Sequencing of Activities.
7. Uganda's first EITI Report – The Period and Materiality of Revenue to be reported.
8. A.O.B

MIN 1.0: OPENING REMARKS

- 1.1 The Chairperson called the meeting to order at 9:46 a.m. with an opening prayer led by Ms. Vanessa Ihunde. He welcomed everyone to the meeting and requested all the participants to introduce themselves.
- 1.2 He affirmed the importance of this meeting as it had been convened immediately after Uganda's admission to the EITI as the 54th member country to the international body on extractives - EITI.

1.3 He thanked the MSG members and the National Secretariat team for their participation in the preparation of Uganda's candidature application which had led to the successful accreditation.

1.4 He informed members that the Hon. Minister of Finance, Planning and Economic Development was expected to join the meeting at 11:00 a.m. to officially inaugurate UGEITI and attend a press briefing on the same.

1.5 Communication from the Chairperson

The Chairperson communicated as follows;

- a) Heads of State of Uganda and Tanzania had signed the Host Government Agreement (HGA) for the East African Crude Oil Pipeline (EACOP) Project on Sunday, 19th September 2020. This would expedite the conclusion of the Final Investment Decision (FID) between the Government of Uganda and companies in the oil and gas sector.
- b) The project framework agreement for the Oil Refinery had been signed, and the Environmental and Social Impact Assessment (ESIA) for the project was ongoing and almost finalized.
- c) The Capital Gains Tax dispute on the farm down transaction between Tullow and Total E&P was in its final stages and would soon be resolved.
- d) The draft Mineral and Mining Bill 2019 would be submitted to Parliament for review upon completion of its drafting by the Ministry of Justice and Constitutional Affairs. The Bill seeks to improve governance and management of the mining sector especially artisanal and small-scale mining.
- e) There was need to review all the laws relating to extractives so as to ensure that Uganda's legal framework was compliant and in position to implement EITI effectively and efficiently.
- f) Uganda is expected to produce her first EITI report by February 2022. All members were encouraged to support the Secretariat with the required data to ensure that this deadline is met.

1.6 Reactions to the Chairperson's Remarks.

A civil society representative advised that it was important for the MSG to ensure that the Mineral and Mining Bill 2019 was compliant with the EITI requirements. It was therefore important that the MSG have input before the Bill was submitted to Parliament. In response, the Chairperson advised that members should await the first draft of the Bill in print. There would then be an opportunity for them to review it and make recommendations.

MIN 2.0: REVIEW OF THE MINUTES OF THE 7TH MSG MEETING AND MATTERS ARISING

2.1 The minutes of the 7th MSG meeting held on 2nd July 2020 were adopted as a true record of the proceedings of that day.

2.2 Matters Arising from the 7th MSG meeting

1. Under minute 3.4 (g), the National Secretariat informed the meeting that a draft EITI reporting template had been developed and was being discussed with the relevant institutions including Uganda Revenue Authority (URA). It would be shared with the MSG members upon completion.
2. Under Minute 4.3, the Chairperson encouraged all members to publish the UGEITI Work Plan on their respective websites. He noted that to-date the following institutions had complied;
 - i) Ministry of Finance, Planning and Economic Development.
 - ii) Ministry of Energy and Mineral Development
 - iii) Uganda National Oil Company
 - iv) Global Rights Alert
 - v) National Planning Authority
 - vi) Petroleum Authority of Uganda

MIN 3.0: PRESENTATION ON THE IMPLICATIONS OF JOINING EITI AND THE NEXT STEPS

3.1 The presentation, which was made by the Chairperson of the MSG, highlighted the following issues:

1. The data requirements for EITI reporting were contained in the 2019 EITI Standard
2. The benefits of joining EITI to the ordinary Ugandan which included:
 - i) Access to the right information which would avoid conflicts and speculation
 - ii) An improved business environment for all players
 - iii) Promotion of accountability & public finance management
 - iv) Proper revenue management and generation
 - v) More investment into the extractive sector
 - vi) Enhanced understanding and participation of the local citizens

2.3 The presentation was circulated to members for their information.

MIN 4.0: DISCLOSURE REQUIREMENTS UNDER THE EITI STANDARD.

- 4.1 The presenter focused on Requirement 2 of the EITI Standard 2019.
- 4.2 The presentation by the Compliance Officer of the UGEITI Secretariat, highlighted the following focused on Requirement 2 of the 2019 EITI Standard. It highlighted the following issues:
- 4.3 The MSG is required to agree and publish a plan for disclosing contracts with a clear timeframe for implementation. They are also expected to address any barriers to comprehensive disclosure; an aspect that is included in Activity 1.5 of the UGEITI Work Plan 2020-2022.

4.4 There is need to publicly disclose:

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- i) In full text any contracts and licenses that are granted and entered into or amended from 1 January 2021; including Production Sharing Agreements (PSA). Noting that although it will not mandatory to disclose contracts entered into before this date, EITI implementing countries are encouraged to do so.
- ii) A comprehensive register or cadastre on information on all contracts and licenses awarded.
- iii) A register with detailed identities of beneficial owners, their level of control, and ownership of the company (ies) with effect from 1st January 2020.
- iv) Legal owners and share of ownership.
- v) A policy on disclosure prepared by Government.
- vi) The role of state-owned enterprises (SOEs) in the sector.

4.5 Reactions to the Presentation on Disclosure Requirements under the EITI Standard.

- a) A member from the Ministry of Justice and Constitutional Affairs stated that each contract in the oil and gas sector was contextually different, and recommended that each should be handled individually and uniquely.
- b) The Chairperson noted that the MSG was yet to determine whether there was a need to disclose the existing contracts or not. The MSG has the option of disclosing only new contracts from January 2021.
- c) A government representative from the mining sector stated that they were ready to disclose all the mining licenses as there were no confidentiality clauses in these agreements.
- d) A representative from the industry constituency proposed the need to have a discussion with the government to agree on the way forward on the legal issues concerning the confidentiality clauses in the Production-Sharing Agreements (PSAs).
- e) They also expressed concern over the complexities involved in the disclosure of contracts.
- f) Another member informed the meeting that the best way to acquire information about beneficial owners of extractive companies is to inquire through the Uganda Registration Services Bureau (URSB). This applied more to the mining sector as Licensees could transfer their mineral rights without the knowledge of the licensing body.

At this juncture, the discussion was put on hold following the arrival of the Hon. Minister of Finance Planning and Economic Development, Mr. Matia Kasaija at 11:26 a.m.

MIN 5.0: REMARKS FROM THE HON. MINISTER OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT

5.1 Hon. Matia Kasaija highlighted the following:

- a) He was honoured to officially announce that Uganda had become the 54th member of the Extractives Industries Transparency Initiative (EITI).
- b) He requested the MSG Chairperson to organize a press statement to inform Ugandans of the benefits of joining EITI, as well as engagement

opportunities with Parliament, the public and other stakeholders in government to discuss EITI.

- c) He stated that EITI would address the transparency challenges in the sector as it would promote openness by availing holistic information on extractives. He also emphasized that EITI was crucial as a tool to enable dissemination of information on extractives to the public thus minimising speculation and misinformation on issues surrounding the sector.
- d) He stated that the protracted negotiations in the industry had caused Uganda to suffer significant revenue losses in the previous years, especially in the oil and gas sector.

4.3 After his remarks, the Chairperson invited the Hon. Minister for a group photo with members of the MSG, thereafter led him to a press engagement on EITI and extractives. Following the departure of the Hon. Minister, the meeting continued with its discussion under Minute 4.0 on Disclosure Requirements.

Discussion under Minute 4.5 continued:

- g) Members agreed on the need to conduct research on how other member countries have handled the issue of contract disclosures so that Uganda could borrow a leaf from their best practices.
 - h) Government representatives noted the need to avail the meeting with an explanation on the policy framework and processes surrounding reimbursable expenses. The Office of the Auditor General (OAG) and the Petroleum Authority of Uganda (PAU) thought this meeting would be able to elaborate on the processes followed to enable members and the public understand reimbursable expenses better.
 - i) A civil society representative encouraged full disclosure of all contracts to improve the investment climate for the benefit of future investors.
- 4 Following the above discussions, the members agreed to set up a Contract Disclosure Committee to discuss the implications of full disclosure, and to examine best practices from other implementing countries, so as to make recommendations for the MSG to consider as a way forward on the issue.

The members nominated to the Contract Disclosure Committee were:

No.	MSG Member	Constituency
1.	Ms. Winnie Ngabiirwe	Civil Society Organisations
2.	Mr. Magara Siragi Luyima	
3.	Mr. David Sebagala	Government
4.	Mr. Robert Tugume	
5.	Mr. Clovice Irumba	
6.	CNOOC	Industry
7.	Dr. Tom Buringuriza	

MIN 6.0: PRESENTATION ON WORK PLAN IMPLEMENTATION – PRIORITISATION AND SEQUENCING OF ACTIVITIES BY THE HEAD OF SECRETARIAT, UGEITI

- 6.1 The presentation highlighted the following;
- a) The work plan had been developed based on areas that the MSG had identified as priorities
 - b) It provided the country with a clear understanding of the state of the extractives sector and how it could be improved.
 - c) It used the EITI Standard 2019 to demonstrate adherence to international best practice in the governance of extractives
- 6.2 **The immediate priority activities from October to December 2020 are:**
- a) The development of a UGEITI website which is underway.
 - b) Development and implementation of a Communications Strategy.
 - c) Engagement with the Auditor General on securing their support as UGEITI Independent Administrator.
 - d) Implementation of the Monitoring and Evaluation (M&E) framework.
 - e) Conduct a comprehensive induction of MSG members.
 - f) Finalize documentation of all information relating to the legal and institutional framework, including license and contract allocation.
 - g) Organize one field visit to the extractive regions for the Secretariat and MSG members.
- 6.3 **Studies in the work plan with draft terms of reference prepared and planned for early 2021 are:**
1. Activity 1.9 which looks at the revenue contributions of Artisanal and Small-scale Mining, and its social and environmental impacts.
 2. Activity 1.10 which focuses on the gender impacts of the extractives sector, and the potential of EITI to improve gender equality and outcomes for women in the extractive sector.
 3. Activity 1.11 which covers the implementation of the National Content Policy - recommendations for EITI implementation and dissemination of findings.
 4. Activity 2.6 which covers the contribution of extractives to the economy.
 5. Activity 2.7 which focuses on the social and environmental impact of extractives on the economy.
- 6.5 In conclusion, the presenter noted that the pre-production status of the petroleum sector was an opportunity for the MSG to set the optimal foundation for EITI reports, as there existed good prospects for systematic disclosure and mainstreaming of the information at hand. She encouraged the active participation of the MSG members requesting them to initiate and maintain the practice of regular and open disclosure of information and data, especially online through their institutional platforms.

MIN 7.0: DISCUSSION ON THE PERIOD AND MATERIALITY OF REVENUE TO BE REPORTED.

- 7.1 The Secretariat requested for guidance from the MSG on the reporting period and the materiality of revenue to be reported. In response,

members noted that they needed to be appraised on best practice from other EITI implementing countries before they could pronounce themselves on revenue thresholds and materiality.

- 7.2 The Secretariat was therefore advised to co-opt experts to provide technical guidance on materiality, so that the MSG could make an informed decision. This notwithstanding, MSG members agreed that all revenues were material for EITI reporting.
- 7.3 The MSG agreed that it was important to have representation from big miners and artisanal miners in future planned meetings in order to accurately capture the status of that sub-sector in the EITI report.

MIN 8.0: CLOSING REMARKS AND A.O.B

- 8.1 The meeting agreed to consider a date in mid-November 2020 for the MSG induction.
- 8.2 The Civil Society constituency (CSO) advised the Secretariat to examine CSO workplans in order to identify possible activities that could be carried out jointly.
- 8.3 They also proposed that there should be a deliberate effort to link EITI discussions to the district level to help keep the locals apprised the activities surrounding their areas of interest in the extractive sector.

The meeting was informed that there was limited information concerning the disbursement of royalties to local governments, because the funds were not earmarked for any specific activity, but simply disbursed as and when they became available. In response, the Chairperson stated that this expenditure could be dictated in the mining law. For example, royalties could be utilized for infrastructural development.

- 8.4 The Chairperson also stated that dissemination of information would be tackled under Requirement 7 (outcomes) of the EITI Standard at the appropriate time.

UGEITI would ensure that information is accessible and widely distributed through outreach programmes and other forums for transparency.

A government representative for the mining sector advised that UGEITI could also partner with Non-Governmental Organisations (NGOs) who already had the funding and were involved in outreach programmes to disseminate information to communities.

- 8.5 There being no further business, the meeting was closed at 2:38p.m.

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ACTION MATRIX

Min No.	Action Point	Resp. Inst.	Timeline	Action Update
1.6 b)	MSG to review the Mineral and Mining Bill, 2019 once it is released from the Ministry of Justice and Constitutional Affairs to examine if it is compliant with the EITI requirements	ALL/Edgar	Ongoing	Awaiting first draft of Bill in print, in order to provide written comments
4.5 h)	Provide an explanation on the policy framework and processes surrounding reimbursable expenses in the oil and gas sector.	OAG/PAU	Ongoing	Secretariat to liaise with identified institutions to prepare information and present it at the next MSG
7.3	Include representation from big miners and artisanal miners in order to accurately capture the status of each sub-sector in the EITI report	UGEITI Secretariat	Ongoing/ discussion	Secretariat to engage Uganda Chamber of Mines and civil society representatives with mining expertise to identify suitable candidates
8.2	Examine CSO work plans in order to identify possible activities for joint synergies.	UGEITI Secretariat	Ongoing/ discussion	Secretariat to meet with CSO representatives week of 14 th December to concretise joint activities
8.3	Partner with Non-Governmental Organisations (NGOs) who already have funding and are involved in outreach programmes to disseminate EITI information to communities.	UGEITI Secretariat	Ongoing/ discussion	To be undertaken in conjunction with 8.2 above, so that outreach activities in CSO work plans are undertaken in conjunction with UGEITI

Signed:

MSG Chairperson: Rayana

Date: 12/01/2021

Secretary/National Coordinator: [Signature]

Date: 11/01/2021

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Case No.	Case Name	Case Address	Case Description	Case Status	Case Date	Case Time	Case Location
1001	1001	1001	1001	1001	1001	1001	1001
1002	1002	1002	1002	1002	1002	1002	1002
1003	1003	1003	1003	1003	1003	1003	1003
1004	1004	1004	1004	1004	1004	1004	1004
1005	1005	1005	1005	1005	1005	1005	1005
1006	1006	1006	1006	1006	1006	1006	1006
1007	1007	1007	1007	1007	1007	1007	1007
1008	1008	1008	1008	1008	1008	1008	1008
1009	1009	1009	1009	1009	1009	1009	1009
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