

MINUTES OF THE 20TH MEETING OF THE MULTI-STAKEHOLDER GROUP (MSG) OF THE UGANDA EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (UGEITI) HELD ON THURSDAY, 21ST JULY 2022 AT IMPERIAL ROYALE HOTEL, KAMPALA.

Attendance List

No.	Name	Institution
GOVERNMENT		
1	Mr. Moses Kaggwa	Ministry of Finance, Planning and Economic Development (Chairperson)
2	Mr. Philip Andrew Wabulya	Bank of Uganda (BOU)
3	Mr. Robert Tugume	Ministry of Energy & Mineral Development (MEMD)
4	Mr. Jonan Kandwanaho	National Planning Authority (NPA)
5	Mr. John Kennedy Okewling	Ministry of Energy & Mineral Development (MEMD)
CIVIL SOCIETY ORGANISATIONS		
6	Ms. Winfred Ngabiirwe	Global Rights Alert (GRA)
7	Mr. Onesmus Mugenyi	Advocates Coalition for Development and Environment (ACODE)
8	Mr. Sam Mucunguzi	Citizens' Concern Africa
INDUSTRY		
9	Mr. Obad Noah	Oranto Petroleum Ltd
10	Mr. John Bosco Bukya	Uganda Association of Artisanal & Small-Scale Miners Limited (UGAASM)
11	Ms. Ingrid Muhanguzi	CNOOC Uganda Ltd
12	Mr. Faustine Mugisha	TotalEnergies EP Limited
13	Ms. Emily Nakamya	Uganda National Oil Company (UNOC)
14	Ms. Jennifer Hinton	Jervois Limited
OBSERVERS		
15	Ms. Mina Horace	EITI Consultant
16	Mr. Anthony Okello	Ministry of Finance, Planning and Economic Development (MOPPED)
17	Mr. Mathias Ssenkaali	Oranto Petroleum Ltd
18	Ms. Magdalene Babirye	Office of the Auditor General (OAG)
UGEITI SECRETARIAT		
19	Mr. Saul Ongaria	National Coordinator (Secretary)
20	Mrs. Gloria Mugambe	Head of Secretariat
21	Mr. Kanakulya Edwin Kavuma	Compliance Officer
22	Mr. Edgar Mutungi	Finance Officer
23	Ms. Bronia Arinda	Secretary
24	Mr. Dan Denis Agaba	Statistician
25	Mr. Francis Garvin Okello	Office Assistant
26	Mr. Abbey Gitta	Information Management Assistant
27	Ms. Acom Suzan Angela	Office Assistant
28	Ms. Gertrude Angom	Administration Officer
ABSENT WITH APOLOGY		
1	Ms. Allen Bucyana	Ministry of Justice and Constitutional Affairs
2	Mr. Gard Benda	World Voices Uganda
3	Mr. Clovice Irumba	Petroleum Authority of Uganda (PAU)
4	Mr. Peter Rumanzi	Bank of Uganda (BOU)

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AGENDA

1. Welcome, Introductions and Adoption of the Agenda
2. Communication from the Chairperson.
3. Review and adoption of the Minutes of the 19th MSG meeting.
4. Report on the Mission conducted by the International Secretariat Mission. Highlights on;
 - a) The upcoming Validation Process
 - b) Funding of UGEITI activities
 - c) Production of the next UGEITI Report 2020/2021
5. Presentation on the Annual Progress Report.
6. Presentation on the next UGEITI Work Plan.
7. Discussion on the UGEITI Report 2019/2020
 - a) Gaps identified by the International Secretariat
 - b) Implementation of the recommendations
8. Way forward.

MIN 1.0: WELCOME AND ADOPTION OF THE AGENDA.

- 1.1 The National Coordinator welcomed participants to the meeting and notified members that the MSG Chairperson would join the meeting later as he was held up at another important engagement. In that regard, members nominated Mr. Onesmus Mugenyi (CSO Representative) as Chair of the meeting.
- 1.2 The Agenda of the meeting was unanimously adopted.

MIN 2.0: COMMUNICATION FROM THE CHAIRPERSON.

- 2.1 The Chair read the communication from the MSG Chairperson. It is appended as *Annex A*. The major highlights of the communication were:
 - a) UGEITI hosted the EITI International Secretariat mission from 27th June to 1st July 2022, which ended with a 2-day workshop during which MSG members were trained on how to develop a focused work plan. The engagement helped the MSG to draw lessons from the annual progress review and align the EITI objectives to national priorities to ensure strategic orientation of EITI implementation in Uganda. The EITI mission report had been shared with the MSG for review during this meeting.
 - b) The President had returned the Mining and Minerals Bill, 2021 to Parliament for a few issues to be reconsidered.
 - c) The Russia and Ukraine war had impacted on Uganda's economy including the oil and gas sector. A Russian company that was to supply the line pipes for the EACOP project was set to be replaced due to the sanctions imposed on

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Russian companies which affected their capacity to raise financing. The war had also caused a rise in fuel pump prices which had a spill over effect leading to general price increases for goods and services.

- d) There were reports that a local mining company called Kweri Investments had discovered rare earth metals in the Busoga sub-region worth USD \$370 billion (about Ugx 942 trillion). The Chair requested members from Directorate of Geological Surveys and Mines (DGSM) to enlighten the meeting about this development.
- e) The objective of the 20th MSG meeting was to review the Draft Work Plan, approve the Annual Progress Report (APR) and discuss the next steps for EITI implementation in Uganda.

2.2 Reaction from Members

- a) A member from DGSM affirmed that rare earth metals had been discovered and the area was currently undergoing an Environmental and Social Impact Assessment (ESIA). He offered to prepare and share with the MSG a summary write-up on the new mineral discovery in Busoga sub-region. He also informed the meeting that the President highlighted the following issues to be addressed in the Mining and Minerals Bill, 2021:
 - Revise the definition of small-scale mining,
 - Remove *creation of a tribunal* and have all disputes resolved in the courts of law,
 - Competitive bidding to apply to all areas excluding licenses held by the Government.
- b) A member from the civil society constituency informed members about a debate that had been conducted on Twitter concerning the minerals in Karamoja region. She stated that there was need to engage with stakeholders from Karamoja to assure them that they were a part of the EITI process. She informed the meeting that there was a lot of misinformation about EITI and the extractive sector as a whole. To this, the Chair explained that wider UGEITI engagements had been limited by funding but the work plan ought to address this.
- c) A representative from the industry constituency advised that there was need to conduct a training for the media fraternity so that they could understand the information in the EITI report. This could resolve the issue of misinformation about EITI and the extractive sector as a whole.

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

- 3.1 The Chair led the review of the Minutes of the 19th MSG meeting held on 10th and 12th May 2022, which were adopted as a true record of the proceedings of that meeting.

MIN 4.0: REPORT ON THE MISSION CONDUCTED BY THE INTERNATIONAL SECRETARIAT MISSION.

- 4.1 The National Coordinator informed the meeting that UGEITI had hosted Mr. Michael Uzoigwe Uchenna (Country Manager, Anglophone Africa) and Mr.

Christopher Wilson (Senior Advisor Evidence and Learning) from the EITI International Secretariat from 27th June 2022 to 1st July 2022. The main purpose of the mission was to provide technical support to UGEITI on work planning and the Annual Progress Report (APR) development.

During their visit, the mission met with key stakeholders to acknowledge milestones achieved, share on validation experiences and facilitated a 2-day workshop at Speke Resort Hotel, Munyonyo.

The mission report was presented by the Finance Officer, Mr. Edgar Mutungi. His presentation is attached to the Minutes as *Annex B*.

4.2 The objectives of the Mission were to support the development of the second UGEITI work plan and preparation of the Annual Progress Report, guide the MSG on how to prepare for validation, and provide broader support for successful implementation of EITI in Uganda. They emphasized the following:

a) The upcoming Validation Process

The International Secretariat (IS) announced that the validation process was scheduled to commence on 1st April 2023 and reiterated the need for early preparation and sensitization of key stakeholders.

b) Funding of UGEITI activities

The mission expressed concern about the lack of funding that had affected numerous activities on the previous work plan. Some of the activities affected include; capacity building, outreach activities and stakeholder engagements. There was need to undertake a fund-raising drive to ensure that the next work plan is adequately facilitated. The International Secretariat (IS) encouraged partnering with CSOs & the industry constituency for funding and joint stakeholder engagements.

c) Production of the next UGEITI Report 2020/2021

The MSG needed to embark on the process for production of the next EITI report which is expected by end of June 2023.

4.3 **Reaction from Members**

a) A member from Bank of Uganda (BOU) referred to the statement in the mission report that indicated that BOU should properly reference royalties paid to the Local Government. He stated that UGEITI needed to clearly identify the institutions that had the mandate to initiate transfer of royalties to improve traceability and monitoring the use of these funds.

b) A member from the Directorate of Petroleum (MEMD) stated that his unit had not met with the International Secretariat (IS) team and enquired on the criteria used to organise the meetings that the IS mission held with the different stakeholders. In response, the National Coordinator stated that the IS mission designed its own schedule and selected the institutions to engage with during their visit.

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- c) The member from DGSM informed the meeting that GIZ could not fund activities under Artisanal mining because this sector had been ring-fenced for Ugandan nationals. They considered this segregation on non-citizens. He also requested editing of the text under section 2.2 of the draft work plan to indicate what UGEITI intended to do to influence change on royalties.
- d) The National Coordinator informed the meeting of the following key issues that needed prioritizing in the next work plan:
 - Dissemination of the first UGEITI Report,
 - Preparation of the next UGEITI report,
 - Validation,
 - Stakeholder engagement.

4.4 Way Forward

The Chair informed the meeting that most of the issues raised in the mission report had been incorporated into the next work plan for implementation. This included among others; progress on contracts disclosure and beneficial ownership.

MIN 5.0: PRESENTATION ON THE ANNUAL PROGRESS REPORT (APR).

- 5.1 The National Coordinator informed the meeting that the APR documented the progress on implementation of the work plan to inform the next work planning cycle. He stated that the MSG needed to re-review the document and approve it since it would be assessed during the validation process. The APR was presented by the UGEITI Statistician. His presentation is attached to the Minutes as *Annex C*.
- 5.2 The outcomes and impacts from EITI implementation for the period 2020/2022 included:
 - a) Increased transparency in the extractive sector through the publication of the first UGEITI report.
 - b) Improved inter-agency coordination among stakeholders.
 - c) Increased sensitization among the local communities in extractive regions.
 - d) Enhanced public debate and awareness.
- 5.3 Efforts to improve EITI implementation in Uganda required the following:
 - a) Political support especially at the highest levels.
 - b) Capacity building of stakeholders to fully appreciate their roles.
 - c) Credibility of EITI data.
 - d) Management of public expectations.
 - e) Data management to be done efficiently among stakeholders.

5.4 Reaction from Members

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- a) There was a general concern by MSG members on whether EITI implementation was at the level of providing concrete impacts and outcomes since EITI was still in its early stages of implementation in Uganda. They advised that the wording in the APR should reflect what Uganda wanted to achieve, for example the need for increased political support to ensure EITI recommendations are implemented.
- b) The member from BOU added that increased political support should reflect a more measurable aspect such as integrating the EITI process into the National Development Plan.

5.5 **Adoption of the Annual Progress Report 2020/2022**

The MSG approved the Annual Progress Report 2020/2022 subject to the comments provided during the meeting.

At this juncture, the MSG Chairperson Mr. Moses Kaggwa joined the meeting.

MIN 6.0: PRESENTATION ON THE NEXT UGEITI WORK PLAN.

6.1 The presentation was made by Mr. John Kennedy Okewling from the Directorate of Geological Survey and Mines, and a member of the Work Plan Committee of the MSG. The work plan committee had met on 13th and 15th July 2022 to review the draft work plan which is attached as *Annex D*. UGEITI maintained the following three (3) objectives in the work plan;

- a) Objective 1 – Enhance transparency in the extractive sector.
- b) Objective 2 - To strengthen revenue management and accountability.
- c) Objective 3 – To build the operational and technical capacity of the MSG and Secretariat to ensure EITI is effectively implemented.

6.2 **Reaction from Members.**

- a) A member from National Planning Authority advised UGEITI to highlight the programmes identified from the National Development Plan (NDP III) in the work plan, so as to identify and engage with the political and technical heads of these institutions that these national programmes relate to for EITI implementation.
- b) The representative from the central bank advised the meeting to review the methodology used for carrying out scoping studies by identifying persons from within the MSG to undertake the scoping studies. This would save on costs as well as build the capacity of UGEITI MSG.
- c) A member from the Government constituency proposed an activity for the development of baseline studies for EITI activities noting the challenge associated with tracking progress without data. He stated that most of this information could be retrieved from the different stakeholder institutions. He also proposed that the EITI report could be translated into two or four languages informed by the mineral's distribution map of Uganda.
- d) The member from the Directorate of Petroleum (MEMD) advised that the work plan be implemented for a period of 2 to 3 years, noting that it was too big to be achieved within 1 year.

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- e) A representative from the civil society advised that priority needed to be given to recommendations under section 8 of the UGEITI report 2019/2020. This could be achieved by engaging in workshops and drafting reports to document the status and progress achieved in these key areas of concern. She also advised that;
- Action could be taken to inform the Mining and Mineral Bill, 2021 that had been returned to Parliament for further review.
 - Institutions like Financial Intelligence Authority (FIA) and Uganda Revenue Authority URA be included in the work plan activity 1.4 (i) “to support the Inspectorate of Government (IGG) in the discussion to manage corruption risks in the extractive sector.”
- f) The EITI Consultant informed the meeting that the EU had expressed concern about the lack of funds to facilitate the production of Uganda’s next EITI report. There was need to look out for other funding sources to ensure that the next report is produced in time.
- g) There was a general concern about the lack of funds to facilitate the work plan activities. The National Coordinator informed the meeting that the IS mission advised UGEITI to use the approved work plan to source for funding from development partners and other stakeholders. He re-affirmed that the following activities needed to be prioritized in the new work plan;
- Outreach (for the first UGEITI report)
 - Preparation for the Validation process
 - Production of the next UGEITI report.
- h) A member from the civil society stated that minimal attention had been given to the recommendations from the first UGEITI report. The National Coordinator explained that the gaps identified by the IS mission and the recommendations from the first report had been incorporated into the work plan under section 1.10 and 2.2. He noted that implementation of both were key for a successful validation process.
- i) The MSG Chairperson concurred with the National Coordinator explaining that the approved work plan would be used to source for funds from donors. He emphasized the need for giving priority to the three key activities of, dissemination of the UGEITI Report FY 19/20, preparation for Validation and production of the report FY 20/21 in the new Work Plan. He, however expressed concern over the EU Delegation’s inability to facilitate the production of the next EITI report.

6.3 Way Forward on the next UGEITI Work Plan

Following the above submissions, the meeting agreed as follows:

- a) MSG to consider using in-house capacity to conduct studies. This would curb costs associated with this and hence building capacity of UGEITI.
- b) The MSG to consult further with their respective constituencies and revert to the Secretariat with documented comments and proposals for the next work plan.

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- c) The UGEITI Secretariat to consolidate the comments and incorporate them into the Draft workplan prior to the next MSG meeting scheduled for Thursday, 11th August 2022 for review and approval.

MIN 7.0: DISCUSSION ON THE UGEITI REPORT 2019/2020.

7.1 The presentation was made by the EITI Consultant, Ms. Mina Horace. Her presentation is attached to the Minutes as *Annex D*.

7.2 Gaps identified by the International Secretariat.

The International Secretariat (IS) has documented the gaps identified in the UGEITI report which included:

- a) Data quality (Sec 4.9 of the EITI Standard) where, three of the four oil and gas companies did not comply with the assurance process agreed by the UGEITI MSG. The reporting templates were not certified by an external auditor and they did not submit their audited financial statements.

- b) On contracts and licenses –

The report noted that there was need for clarity on the level of fiscal devolution that applies to other extractive revenue sources or if not applicable.

- c) On license allocations –

The report noted that the complete bidding criteria did not clarify whether there was any scoring or weighting considered as part of the evaluation of the bids.

7.3 The IS mission stated that it was the responsibility of the MSG to address the gaps in the report by;

- a) Sharing the gaps with the IA to provide possible corrections to the MSG.
b) Appoint an Oversight Steering Committee for the FY2019-20 report to study the EITI findings/gaps and develop a work plan to address them taking into consideration the limitations of time.
c) Publish missing information through systematic disclosures and publish a document that addresses the gaps.
d) Address all the gaps before the April 2023 Validation (if feasible).

7.4 Implementation of the recommendations

The IS asserted that there was need for the implementation of the recommendations laid out under section 8.0 of the UGEITI report 2019/2020.

7.5 **WAY FORWARD.**

It was agreed that the gaps identified by the IS and the recommendations from the UGEITI report be addressed in the next work plan.

MIN 8.0: ANY OTHER BUSINESS.

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8.1 There being no other business, the Chairperson thanked members for their active participation and contribution towards the implementation of EITI in Uganda and adjourned the meeting at 1:43 p.m.

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ACTION MATRIX

Min No.	Action Point	Resp. Inst.	Timeline	Action Update
2.2 a)	Share write-up on the new mineral discovery in Busoga sub-region	DGSM	22/9/2022	To be submitted to the Secretariat by DGSM.
6.3 b)	Consult further with respective wider constituencies and revert to the Secretariat with documented comments and proposals for the next work plan.	MSG	30/8/2022	Done.
7.5	The gaps identified by the IS and the recommendations from the UGEITI report be addressed in the next work plan.	Secretariat	30/8/2022	Done.

Signed:

MSG Chairperson:

Mayanja

Date:

15/9/2022

Secretary/National Coordinator:

[Signature]

Date:

08/09/2022