

**MINUTES OF THE 25<sup>TH</sup> MEETING OF THE MULTI-STAKEHOLDER GROUP (MSG) OF THE UGANDA EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (UGEITI) HELD ON THURSDAY, 13<sup>TH</sup> APRIL 2023 AT THE IMPERIAL ROYALE HOTEL, KAMPALA STARTING AT 9:00 A.M.**

**Attendance List**

| No.                                | Name                         | Institution   |
|------------------------------------|------------------------------|---|
| <b>GOVERNMENT</b>                  |                              |   |
| 1.                                 | Mr. Clovice Bright Irumba    | Petroleum Authority of Uganda (PAU)   |
| 2.                                 | Ms. Sarah Aijuka             | National Environment Management Authority (NEMA) <b>(Chair)</b>                     |
| 3.                                 | Mr. David Sebagala           | Ministry of Energy & Mineral Development (MEMD)                                     |
| 4.                                 | Ms. Gloria Akatuhurira       | Uganda Revenue Authority (URA)  |
| 5.                                 | Mr. Jonan Akandanwaho        | National Planning Authority (NPA)   |
| 6.                                 | Eng. Timothy Tibesigwa       | Ministry of Works & Transport   |
| 7.                                 | Mr. Joseph Kyeyune           | Uganda Revenue Authority (URA)  |
| 8.                                 | Ms. Allen Bucyana            | Ministry of Justice and Constitutional Affairs (MoJCA)                              |
| 9.                                 | Ms. Sophie Luwano            | Ministry of Water and Environment   |
| 10.                                | Mr. Winston Mugumya          | Ministry of Energy & Mineral Development (MEMD)                                     |
| <b>CIVIL SOCIETY ORGANISATIONS</b> |                              |   |
| 11.                                | Mr. Onesmus Mugenyi          | Advocates Coalition for Development & Environment (ACODE)                           |
| 12.                                | Ms. Regina Navuga            | Southern and Eastern Africa Trade, Information and Negotiations Institute (SEATINI) |
| 13.                                | Mr. Siragi Magara            | Oxfam International   |
| 14.                                | Mr. Sam Mucunguzi            | Citizens' Concern Africa  |
| 15.                                | Mr. Paul Twebaze             | Pro-Biodiversity Conservationists in Uganda   |
| 16.                                | Mr. Henry Bazira             | Water Governance Institute (WGI)  |
| <b>INDUSTRY</b>                    |                              |   |
| 17.                                | Mr. Noah Obad                | Oranto Petroleum Limited  |
| 18.                                | Dr. Tom Buringuriza          | Armour Energy Limited   |
| 19.                                | Ms. Emilly Nakamya           | Uganda National Oil Company (UNOC)  |
| 20.                                | Ms. Ingrid Muhanguzi         | CNOOC Uganda Limited  |
| 21.                                | Mr. Emmanuel Kibirige        | Uganda Association of Artisanal & Small-Scale Miners Limited (UGAASM)               |
| 22.                                | Mr. Humphrey Asimwe          | Uganda Chamber of Mines and Petroleum (UCMP)  |
| <b>OBSERVERS</b>                   |                              |   |
| 23.                                | Mr. Calvin Kasigwa           | Office of the Auditor General (OAG)   |
| 24.                                | Mr. Robert Muhumuza          | Office of the Auditor General (OAG)   |
| 25.                                | Mr. Frank Byaruhanga         | Office of the Auditor General (OAG)   |
| 26.                                | Mr. Rached Maalej            | Independent Administrator (IA)  |
| 27.                                | Ms. Patricia Opoka Akello    | Uganda Registration Services Bureau (URSB)  |
| 28.                                | Ms. Namuli Catherine Mugerwa | Uganda Registration Services Bureau (URSB)  |
| <b>UGEITI</b>                      |                              |   |
| 29.                                | Mr. Saul Ongaria             | National Coordinator <b>(Secretary)</b>   |
| 30.                                | Ms. Gloria Mugambe           | Head of Secretariat   |
| 31.                                | Mr. Kanakulya Edwin Kavuma   | Compliance Officer  |
| 32.                                | Ms. Bronia Arinda            | Secretary   |
| 33.                                | Mr. Dan Denis Agaba          | Statistician  |
| 34.                                | Mr. Francis Garvin Okello    | M&E Assistant   |
| 35.                                | Mr. Edgar Mutungi            | Finance Officer   |
| 36.                                | Ms. Stellah Anyait           | Secretary   |

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|--|---------------------------|--|
| 37.                                    | Mr. Abbey Gitta           | Data Management Assistant                            |
| 38.                                    | Ms. Susan Angela Achom    | Office Assistant                                     |
| 39.                                    | Mr. Ignatius Ariho        | Information Technology Assistant                     |
| 40.                                    | Mr. Gordon Muhereza       | Office Assistant                                     |
| 41.                                    | Mr. Perez Ham Bwoye       | Administrative Assistant                             |
| 42.                                    | Ms. Gertrude Angom        | Administration Officer                               |
| <b>MSG MEMBERS ABSENT WITH APOLOGY</b> |                           |  |
| 1.                                     | Mr. Moses Kaggwa          | Ministry of Finance, Planning & Economic Development |
| 2.                                     | Mr. John Kennedy Okewling | Ministry of Energy & Mineral Development (MEMD)      |
| 3.                                     | Mr. Francis Elungat       | Ministry of Energy & Mineral Development (MEMD)      |

## **AGENDA**

1. Welcome and Introductions.
2. Communication from the Chairperson.
3. Review of Minutes of the 24<sup>th</sup> MSG meeting held on 23<sup>rd</sup> February 2023.
4. Presentation of the scoping report for Uganda's second EITI report by the Independent Administrator.
5. Feedback from Constituencies on filling in the validation templates.
6. Proposal for a no – cost one year extension of the current UGEITI Work Plan 2022/2023.
7. Any Other Business

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

- 1.1 The National Coordinator called the meeting to order at 9:28 a.m. He welcomed everyone to the meeting and requested all the participants to introduce themselves. He notified the participants that the MSG Chairperson, Mr. Moses Kaggwa was unable to attend the meeting due to another official engagement. The Chairperson was part of the delegation representing the Government of Uganda at the World Bank meetings in Washington, D.C. Ms. Sarah Aijuka (Government Representative) was then nominated by the MSG members to preside over the meeting as Chair.
- 1.2 The meeting agenda was adopted.

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

- 2.1 The Chair made the opening remarks as appended in *Annex A*. The major highlights of the communication were:
  - a) UGEITI was at a critical stage in the production of the second EITI report, and the tasks the MSG was expected to accomplish during this process included:
    - Completion and submission of the reporting templates for the EITI report data collection process.
    - Completion of the templates for the stakeholder engagement in preparation for the validation exercise.
    - Follow-up on the recommendations of the first EITI report FY 2019-2020.
    - Obtaining support from the Government for EITI operations in Uganda.

- b) The main purpose of the meeting was to review the recommendations made by the Independent Administrator (IA) in the scoping study for the second UGEITI report, and to consider the extension of the current workplan for one year.

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

3.1 The Chair led the review of the Minutes of the 24<sup>th</sup> MSG meeting that was held on 23<sup>rd</sup> February 2023, which were adopted as a true record of the proceedings of that meeting.

3.2 Matters Arising:

- a) Under Minute 3.1.1 c), the meeting reiterated the need for the Secretariat to prepare a report on the funding gap for EITI implementation.
- b) In addition, members inquired whether an EITI champion from the Parliament of Uganda could be considered. They also asserted the need to structure engagements with Parliament through the Natural Resources Committee (NRC). This committee would be instrumental in advocating for EITI, and raising funds to support UGEITI's budget at the national level. The meeting proposed that members from the NRC could be invited to attend EITI activities like workshops and MSG meetings.
- c) Under Minute 4.5 a), the MSG requested the Secretariat to share a comprehensive list of all the relevant institutions (indicating those that had complied and not) that were required to systematically disclose EITI information on their websites. This would provide a proper update to the MSG to enable them understand the status of the activity which was one of the six recommendations from the first EITI report.
- d) Under Minute 4.5 b), the meeting tasked MEMD to spearhead discussions on the implementation of the roadmap for contracts disclosure in the oil and gas sector. The MSG requested Mr. Winston Mugumya to highlight the importance of this activity to the Directorate of Petroleum. The meeting also requested him to follow up on the letter written to the Hon. Minister of MEMD on this matter.
- e) Under Minute 5.3 b), the Secretariat informed the MSG that there was need for the Industry Constituency to nominate a member from amongst themselves to coordinate the process of filling in the EITI stakeholder engagement validation template. Following the above, Ms. Emily Nakanya from Uganda National Oil Company (UNOC) was nominated to coordinate the engagements.

#### **MIN 4.0: PRESENTATION OF THE SCOPING REPORT FOR UGANDA'S SECOND EITI REPORT BY THE INDEPENDENT ADMINISTRATOR.**

4.1 The presentation made by Mr. Rached Maalej, a member of the IA team, is attached as *Annex B*. The IA informed the meeting that the report's objective was to define the scope of Uganda's second EITI report for the Financial Year 2020/2021, which required approval by the MSG. The main contents of the scoping report were:

- a) A description of the preparation process leading to the second EITI report namely: scoping, inception and the final report.
- b) The scope of the study which covered the sectors in the report i.e., the oil & gas sector (upstream and midstream activities) and the mining sector (mining and quarrying) including:
  - The extractive entities to be retained in the reconciliation scope.
  - The payment streams to be retained in the reconciliation scope.
  - Government agencies to be retained in the reconciliation scope.
  - Contextual information to consider.
- c) The IA recommended that the following four (4) oil and gas companies, that contributed 100% of the revenues from the sector, be considered for reconciliation:
  - TotalEnergies E&P Uganda B.V.
  - CNOOC Uganda Limited
  - Oranto Petroleum Limited
  - Armour Energy Limited
- d) The IA recommended that the seven (7) mining companies that contributed 96% of revenues from the mining sector be considered for reconciliation. The payments for the remaining mining entities that contributed 4% of the total revenues for the sector would be aggregated and reported unilaterally by government. The list of the mining companies retained in the reconciliation scope included:
  - Tororo Cement Ltd
  - Hima Cement Ltd
  - National Cement Company Uganda Ltd
  - Kampala Cement Co. Ltd
  - Goodwill Ceramic Co. Ltd
  - Wagagai Mining U Ltd
  - Mota Engil Engenharia E Construcao Africa

- e) The IA also advised that the following list of contextual information be included in the report:
- Legal framework and fiscal regime.
  - Contract and license allocations.
  - Register of licenses.
  - Government's policy on disclosure of contracts and licenses.
  - Beneficial ownership.
  - State participation in the extractive industries.
  - An overview of the extractive industries, including any significant exploration activities.
  - Production data.
  - Export data.
  - Distribution of revenues from the extractive industries.
  - Contribution of the extractive industries to the economy.
- f) List of Government agencies to be included in the reporting scope are the following:

Oil and gas sector,

- Uganda Revenue Authority (URA)
- Uganda National Oil Company (UNOC)
- Petroleum Authority of Uganda (PAU)
- Directorate of Petroleum (DoP)
- Uganda Registration Services Bureau (URSB)

Mining sector,

- Uganda Revenue Authority
- Directorate of Geological Survey and Mines (DGSM)
- Uganda Registration Services Bureau (URSB)
- Kilembe Mines Limited

- g) The National Environment Management Authority (NEMA) was not listed in the reporting scope because all payments made to the institution were already collected and reported by URA. Payments from NEMA and DGSM would not be reconciled.

#### 4.2 Reaction from Members

- a) The representative from Petroleum Authority of Uganda inquired whether it was enough to reconcile only 11 companies. It was proposed that the mining sector scope be expanded to include companies contributing at least UGX one (1) billion.
- b) In response, the IA stated that the 96% threshold of total revenue for the mining sector was comprehensive enough to cover significant payments made during the reporting period FY 2020-2021.
- c) A representative from the civil society constituency expressed the need to reconcile royalty payments so as to hold Government accountable to the public and local communities in the mining



- regions. He also inquired how the issue of cost recovery audits would be addressed in the EITI report.
- d) The IA stated that cost recovery audits were not included in the Terms of Reference (TOR) of the second EITI report, but that they could be considered in future EITI reports. Concerning the issue of royalties, he informed the meeting that if the focus was put on royalty payments only, other material payments would be left out.
  - e) The civil society constituency stated that it was important for the report to explain how the revenues generated from the sector had been able to change the lives of citizens through improved service delivery.
  - f) Another member from the civil society constituency noted that in addition to reporting on the legal framework, it was important to indicate the level of compliance with this framework. He stated that this information would add more value if included in the contextual section of Uganda's EITI report. In response, the IA stated that the EITI report was not an audit process and that the MSG needed to agree in advance on the reporting parameters.

#### 4.3 Way Forward

- a) The MSG adopted the scoping report for Uganda's second EITI report subject to the following:
  - a) The list of companies for reconciliation of the mining sector was increased to eight (8) mining companies to include 98% of total revenues; to include Virat Alloys Limited which paid UGX 6,991,804,334 for the reporting period 2020/2021.
  - b) Both Government and companies were advised to adhere to the assurance process. They are to submit signed and certified Reporting Templates by an authorized senior officer (at management level) and an authorized senior official respectively as well as submit audited financial statements for the reporting period. For companies, the Reporting Templates are to be certified by an External Auditor or a Statutory Auditor for the company while for Government entities this was not necessary. Companies are also expected to submit audited financial statements while the Government entities are expected to submit the OAG annual Audit Reports.

### **MIN 5.0: FEEDBACK FROM CONSTITUENCIES ON FILLING IN OF THE VALIDATION TEMPLATES.**

#### 5.1 Civil Society Constituency

Mr. Sam Mucunguzi a representative of the Civil Society Constituency (CSO), informed the meeting that the CSOs had had a first meeting with the Secretariat on filling in the Validation Templates on 4<sup>th</sup> April 2023, and that they had agreed to hold a working meeting with the broader

constituency on 18<sup>th</sup> April 2023. They affirmed that they would submit the completed template by 20<sup>th</sup> April 2023.

## 5.2 Government Constituency

Ms. Gloria Akatuhurira a representative of the Government Constituency, informed the members that they had held a meeting with the Secretariat on 29<sup>th</sup> March 2023 to discuss the Validation Templates. She stated that they were scheduled to meet on 19<sup>th</sup> April 2023 to discuss and finalize the stakeholder engagement template.

## 5.3 Industry Constituency

Mr. Obad Noah a representative of the Industry Constituency, stated that they would organise a meeting under the leadership of UNOC to fill in the validation template and then submit the same to the Secretariat thereafter.

### **MIN 6.0: PROPOSAL FOR A NO – COST ONE YEAR EXTENSION OF THE CURRENT UGEITI WORK PLAN 2022/2023**

6.1 The Secretariat requested the MSG to consider extending the period of the current workplan by one year to June 2024. It explained that the activities in the work-plan could be classified in 3 main categories:

1) completed 2) continuous, and 3) recurrent.

Most of the activities fell in the last two categories, and were still valid. The Secretariat therefore proposed that the work-plan containing those activities be extended by one year, and that a new work-plan would be developed covering the period from June 2024 based on the outcome of validation and the recommendations from the second EITI report.

6.2 In response, the MSG advised the Secretariat to prepare a progress report on the implementation of the work plan highlighting the achievements and progress made, implemented activities and those not achieved; and incorporating the challenges therein. This would be then be presented at the next MSG meeting, and used to inform the development of a new work plan for the financial year 2023/2024.

### **MIN 7.0: ANY OTHER BUSINESS**

7.1 There being no other business, the meeting was closed at 2:12 p.m.



## ACTION MATRIX

| Min No.  | Action Point  | Resp. Inst./ Individual | Timeline | Action Update  |
|--|---|-------------------------|----------|--|
| <b>MATTERS ARISING FROM THE 24<sup>TH</sup> MSG MEETING</b>                                  |   |                         |          |  |
| 3.2 a)   | Prepare documentation on the funding gap in the workplan and its implication for EITI implementation to be used at high-level meetings with stakeholders.   | Secretariat             |          | Done. The document has been shared with the MSG.   |
| 3.2 c)   | Share a comprehensive list of all the relevant institutions (indicating those that have complied and not) that were required to systematically disclose EITI information on their websites. This would provide a proper update to the MSG to enable them understand the status of the activity which was one of the six recommendations from the first EITI report. | Secretariat             |          | Done. A list was compiled and shared with the invitation for the next MSG meeting scheduled to take place on Friday, 16 <sup>th</sup> June 2023.   |
| 3.2 d)   | Follow up on the letter written to the Hon. Minister of MEMD on the issue of contract disclosure.   | MSG member from MEMD    |          | Secretariat followed up with the MSG member from MEMD. MEMD planning to meet internally during the week of 12 <sup>th</sup> - 16 <sup>th</sup> June 2023. After this meeting the MEMD team will meet with the MSG. |
| <b>PROPOSAL FOR A NO - COST ONE YEAR EXTENSION OF THE CURRENT UGEITI WORK PLAN 2022/2023</b> |   |                         |          |  |
| 6.2  | Prepare a progress report on the implementation of the WP for presentation at the next MSG meeting to inform the development of a new work plan for the financial year 2023/2024.   | Secretariat             |          | Done. A progress report was prepared and presented to the MSG at the recently concluded retreat held in Jinja.   |

**Signed:**

Chair: *Bigwee.*

Date: *26<sup>th</sup> June 2023*

*[Signature]*

Secretary/National Coordinator: \_\_\_\_\_

Date: *20/06/2023*