



**MINUTES: 3rd MEETING OF THE CONTRACTS DISCLOSURE COMMITTEE
HELD ON 09TH JULY 2021**

Time: 10:00 a.m.

Location: VIA ZOOM

Attendance List.

No.	NAMES	DESIGNATION
1.	Mr. Robert Tugume.	Chairperson (Government)
2.	Mr. Francis Elungat	Member (Government)
3.	Mr. David Sebagala	Member (Government)
5.	Ms. Sandra Mwesigye.	Proxy for (Industry)
6.	Ms. Yuping Song	Member (Industry)

Absent with Apologies.

1. Dr. Tom Buringuriza. (Industry)
2. Ms. Winfred Ngabiirwe (Civil Society)

Secretariat Staff Present.

1. Mr. Kanakulya Edwin Kavuma- Compliance Officer.
2. Mr. Edgar Mutungi- Finance Officer (**Secretary**).

The Agenda was Adopted as Follows:

1. Welcome, Introductions, and Adoption of the Agenda.
2. Opening remarks from the Chairperson.
3. Presentation on Uganda's Mining sector in regard to contract / license disclosure.
4. Discussion of Action Points arising out of the 11th Meeting of the MSG.
5. Planned engagement with Heads of Departments and Agencies in the Energy and Mineral Sector.
6. A.O.B.
7. Way forward.

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MIN 1.0	Welcome, Introductions, and Adoption of the Agenda.
1.1	The meeting commenced at 10:15 a.m. with the Chairperson requesting members to introduce themselves. The Chairperson read out the Agenda and the members adopted the same for the meeting.
MIN 2.0	OPENING REMARKS FROM THE CHAIRPERSON.
2.1	The Chairperson began by reminding the members about the update he had given to the MSG members at the 12 th MSG meeting on the update on the progress of the Committee on Contracts Disclosure.
2.2	He informed members of the pending work of the committee that was going to be discussed in detail in the instant meeting. He pointed out that there was a pending presentation from the member of from DGSM on the mining sector of Uganda.
	Reactions from the members.
2.3	A member from the government constituency raised a matter on the need to address the attendance a situation where one of the constituencies is not represented in the instant committee meeting in the spirit of reflecting the tripartite of constituencies that make up the MSG.
2.4	A member from the UGEITI Secretariat informed the meeting that the member from civil society had sent in her apologies and so was not absent due to not being invited to the meeting. The Chairperson also told the meeting that he had requested the member from civil society to join the meeting in due course if she finished her other engagements.
2.5	The members agreed that this matter be taken to the wider MSG to clarify if a certain constituency is not represented at a committee meeting would deem the meeting not to have quorum.
MIN 3.0	PRESENTATION ON UGANDA'S MINING SECTOR IN REGARD TO CONTRACT / LICENSE DISCLOSURE.
3.1	The Presenter began by providing a summary of Requirement 2 of the EITI Standard 2019 on the legal and institutional framework relating it with Uganda's mining sector. He explained in detail each part of the Requirement providing examples from the current status of the mining sector except for the section on Beneficial Ownership.
3.2	Furthermore, he informed the meeting about the legal and institutional framework and fiscal regime covering the licensing of exploration and mining operations. He emphasized that Uganda employs a Licensing Regime which differs from the Contracting Regime used in the oil and gas sector. He went ahead to explain the different licenses in the mining sector of Uganda and how the licenses are awarded or revoked. He stated that in Uganda the process of awarding licenses is provided for under


3.3	the Mining Act of 2003 and the Mining Licensing Regulations of 2019. He stated that under the current legal regime the licenses are awarded on a first come first serve basis and not competitive bidding. He pointed out that the first come first serve approach is only applied for exploration licenses.
3.4	The presenter stated that location licenses are transferable but the prospecting license and the mineral dealer's license are not transferable. He shared and explained to the meeting the portals that the public can use to access information from the mineral sector. The information concerning contracts and licenses is available to the public at an affordable fee.
3.5	Also, he informed the meeting that the revenues collected from the mining sector are reported in the Annual Report of the Ministry of Energy and Mineral Development. This information is on revenues broken down to company level payments.
3.6	In regard to contracts in the Uganda's mining sector, the presenter stated that the only contracts in the sector are the Mineral Development Agreements that were only entered into after one acquired a license or lease. They are between the license holder and the Ministry of Energy and Mineral Development.
3.7	He stated that all information in the mining register is publicly available only that in some instances one is required to pay a certain fee to access the information.
3.8	In regard to state participation, he informed the meeting that under the current legal region, state participation could only occur where a Mineral Development Agreement is entered into. That the challenge was that there was, currently, no legal body that would take up government's participation. But the Mining and Mineral Bill of 2020 provides for the establishment of a National Mining Company.
3.9	Reactions from the members.
3.10	The Chairperson inquired if the presenter was able to categorise the information into that available to the public and that that was not currently available to the public (information gaps). The presenter responded by stating that by using the Mining Cadastre, the information is broken down to company level including geo-referencing of site locations only excluding production statistics but that they had asked the service provider to include the production data.
3.11	An inquiry was made on whether the Mining Agreements were shared online and the presenter replied that they are only available on request from the Ministry at an affordable fee. A member from the industry constituency inquired on the progress of the Mining and Mineral Bill 2020, to which the presenter replied that the Bill was approved by Cabinet with some amendments. The main area of concern being the powers vested in the Minister to oversee licensing. The argument against the having the powers to grant licenses vested in the Minister was that unlike oil and gas that has few contracts, the mining has very many licenses in their thousands and thus the Minister would not effectively carry out this role. A member of industry asked if the Bill still retained the formation of a National

3.12	Mining Company to which the presenter answered in the affirmative.
MIN 4.0	Discussion of Action Points arising out of the 11th Meeting of the MSG.
4.1	The Chairperson led the meeting through this Agenda item and informed members that he would use what he gave as an update on the committee work at the 12 th MSG meeting. He reminded the meeting that the Committee was then tasked with some action points regarding the roadmap to contracts disclosure. He also told the meeting that it was resolved that at the MSG that Mr. Francis Elungat joined this committee then went ahead to discuss the following action points:
4.2	a) <u>Progress on developing a Cost Benefit Analysis (CBA) for Contracts disclosure:</u> The Chairperson then let the members know that he had communicated with Mr. Tom Ayebare, a staff Petroleum Authority of Uganda, to assist with the development of a Cost Benefit Analysis (CBA) on Contract Disclosure. Mr. Rukondo, an officer at PAU, provided a host of literature to review following request to carry out the CBA. The committee then agreed to create a working group consisting of
4.3	experts covering both the mineral and petroleum sectors of Uganda from the regulating bodies of government to develop the CBA. A member of the government constituency, highlighted the importance of the CBA in this period of resource development. He emphasized how it would impact the next stage of resource utilization.
4.4	b) <u>Categories of Information required for the disclosure:</u> This action was deferred until the CBA is complete since the information collected will guide the committee on the categories of information required.
MIN 5.0	Planned engagement with Heads of Departments and Agencies in the Energy and Mineral Sector.
5.1	The Chairperson stated that the Committee had planned an engagement with heads of Government Ministries, Departments and Agencies in order to highlight the matter of contract disclosure in Uganda in line with the Requirements of the EITI Standard 2019.
5.2	The list of the Institutions from which members are to be invited for the engagement include: I. Ministry of Energy and Mineral Development. II. Petroleum Authority of Uganda. III. Ministry of Justice and Constitutional Affairs.
5.3	The Chairperson suggested that at this meeting, the Committee also would request the heads of Government institutions to either;

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5.4	<ul style="list-style-type: none"> i. identify technical staff from their relevant institutions to carry out the Cost Benefit Analysis on contract disclosure; or ii. To avail funding for engaging a consultant to carry out the Cost Benefit Analysis on contract disclosure. <p>It was agreed by the meeting the UGEITI Secretariat would contact the MSG Chairperson for guidance on how to have the meeting with heads of Government institutions held.</p>
MIN 6.0	A.O. B
6.1	The Chairperson informed the members that the committee had been combined with the Committee on Legal Affairs. This was based on the similarity between the work of the committees and that their work fell under the same Requirement (Requirement 2) of the EITI Standard 2019.
MIN 7.0	WAY FORWARD.
7.1	The members of the Committee agreed to engage with the Heads of Departments and Agencies in the energy and mineral sector at a meeting that would be planned to be held in the fourth week of July 2021, online
7.2	Furthermore, the Committee agreed to work with the wider MSG and the National Secretariat to identify sources of funding for the Cost Benefit Analysis (CBA) of Contract Disclosure.

Chairperson: 

Secretary: 

Date: 14th July 2021

