

# ANNEX 11 (A)

## 1<sup>ST</sup> EITI GOVERNMENT CONSULTATIVE MEETING TO DISCUSS CHALLENGES AND PRIORITIES FACING UGANDA'S EXTRACTIVE SECTOR

### MINUTES OF THE MEETING.

**Date:** Wednesday 22<sup>nd</sup> January, 2020 **Time:** 2:30 pm

**Location:** Ministry of Finance, Planning and Economic Development.

### ATTENDANCE LIST

No.	Name	Institution
1.	Mr. Clovice B. Irumba	Petroleum Authority of Uganda
2.	Mr. Robert Tugume	Ministry of Energy & Mineral Development
3.	Ms. Allen Bucyana	Ministry of Justice & Constitutional Affairs
4.	Mr. Jonan Kandwanaho	National Planning Authority
5.	Mr. Saul Ongaria	Ministry of Finance, Planning & Economic Development ( <b>Chairperson</b> )
<b>Observers</b>		
6.	Mr. Kanakulya Edwin Kavuma	UGEITI Secretariat
7.	Mr. Edgar Mutungi	UGEITI Secretariat

### AGENDA

1. Opening remarks from the Chairperson.
2. Purpose of the meeting.
3. General discussions and suggestions from members.
4. Key priorities arising from the challenges / concerns identified.
5. Way Forward.
6. Closing Remarks.

<b>MIN 1.</b>	<p><b>Opening Remarks from the Chairperson.</b></p> <p>The Chairperson welcomed the members and informed them that as the EITI National Coordinator, he had been requested to chair the meeting by the Government Representative on the MSG Committee formed to spearhead the development of the work plan, Ms. Gloria T. Akatuhurira.</p> <p>The Chairperson made the following remarks;</p> <p>a) The respective constituency representatives had met with the UGEITI Secretariat on 13<sup>th</sup> January, 2020 with the purpose of starting the consultations to identify key priorities arising from the challenges within each constituency.</p>
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	<p>b) Some of the government constituency members were attending a workshop on East African Company Oil Pipeline (EACOP) Shareholders' Agreement which required the presence of the key government institutions, and were therefore unable to attend the meeting.</p>
<p><b>MIN 2.</b></p>	<p><b>Purpose of the Meeting.</b> To carry out consultations with the MSG members under the government constituency on the list of challenges / concerns that they had identified at the last MSG meeting (5/12/2019) in order to identify and prioritize the key challenges/concerns facing the extractive sector to enable the Committee develop a draft Work Plan for the next MSG meeting.</p>
<p><b>MIN 3.</b></p>	<p><b>General discussions and suggestions from members.</b> Members reviewed the list of challenges / concerns and made the following proposals/observations:</p> <ul style="list-style-type: none"> <li>a) The exercise on identifying challenges / concerns that had taken place at the previous MSG meeting had not been comprehensive. Identified challenges required a narrative linking the challenge to a solution for better understanding.</li> <li>b) Detailing the process of handling contracts and licenses especially under the mining extractive industries was a key priority area for EITI consideration.</li> <li>c) The issue of transparency of the licensing process would be facilitated by the existence of good policies on competitive bidding (for oil and gas).</li> <li>d) The management of public anxiety and expectations was a priority challenge that needed a strategy because the investors took a large portion of the revenues from extractives owing to the need to recover their costs, yet expectations of public benefit were extremely high.</li> <li>e) The issues on contract disclosure and profit sharing could be handled through management of public anxiety and expectations.</li> <li>f) EITI's key goal should be transparency meaning all our objectives should support and increase information dissemination so as to invoke deeper conversations on the challenges that arise during extractives management.</li> </ul>
<p><b>MIN 4.</b></p>	<p><b>Key priorities arising from the challenges / concerns identified.</b> The following key priorities were identified as arising from the challenges / concerns within the extractive sector by the government constituency MSG members;</p>

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	<p>a) <b>Optimization of revenue collection.</b> This may be implemented through addressing a number of issues: inadequate documentation to track information, limited skilled experts, weak fiscal &amp; legal framework for identifying the fiscal elements for license holders, the huge informal sectors and online reporting mechanisms on revenue (including systematic disclosure).</p> <p>b) <b>Effective allocation of revenues.</b> Address issues like financing unproductive projects, mismanagement of funds, impractical timeliness of funding, budget shortages etc.</p> <p>c) <b>Management of public anxiety and expectations.</b> There is need to develop a strategy in the extractives sector to handle public anxiety and expectations due to the difficulty in understanding some information on the extractives' industries by the public e.g. sharing of benefits between companies and government.</p>
<b>MIN 5.</b>	<p><b>Way Forward</b> Use emails to support the consultation process by informing members on challenges / concerns identified.</p>
<b>MIN 6.</b>	<p><b>Closing Remarks.</b> There being no other business to discuss, the Chairperson adjourned the meeting at 5:30 pm.</p>

**Signed:**

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**CHAIRPERSON**

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**SECRETARY**