

# ANNEX 14

1<sup>ST</sup> MSG Meeting, 22<sup>ND</sup> March 2019

## MINUTES OF THE 1<sup>ST</sup> MEETING OF THE MULTI-STAKEHOLDER GROUP (MSG) OF THE EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (EITI) HELD ON 22<sup>ND</sup> MARCH, 2019 AT THE MINISTRY OF FINANCE PLANNING AND ECONOMIC DEVELOPMENT.

No.	MSG MEMBERS	INSTITUTION
1	Mr. Moses Kaggwa	Ministry of Finance, Planning & Economic Development ( <b>MSG Chairperson</b> )
2	Mr. Robert Tugume	Ministry of Energy and Mineral Development
3	Eng. Timothy Tibesigwa	Ministry of Works and Transport
4	Dr. Tom Buringuriza	Armour Energy
5	Mr. Obad Noah	Oranto Petroleum
6	Mr. Philip Andrew Wabulya	Bank of Uganda
7	Mrs. Gloria T. Akatuhurira	Uganda Revenue Authority
8	Mr. Nathan Morgan	TOTAL E&P
9	Mr. Godfrey Mucurezi (Proxy)	Uganda Revenue Authority
10	Ms. Allen Bucyana	Ministry of Justice and Constitutional Affairs
11	Mr. Allan Joel Kyeyune (Proxy)	Uganda National Oil Company
12	Ms. Allen Tebugulwa	National Planning Authority
	<b>OBSERVERS</b>	
13	Mr. Thomas Tiedemann	European Union
14	Mr. Jean-Yies Petit	TOTAL E&P
15	Mr. Kush Amin	Private Public Partnership Unit
	<b>OTHERS</b>	
16	Mr. Saul Ongaria	Secretary

### AGENDA

1. Introductions
2. Communication from the Chairperson
3. Reactions to the Chairperson's communication
4. Review of roles of the Multi-Stakeholder Group
5. Way Forward

### 1.0 COMMUNICATION FROM THE CHAIRPERSON

The Chairperson welcomed members to the first meeting of the Multi-Stakeholder Group (MSG) and informed them that;

1. On 28<sup>th</sup> January 2019, Cabinet approved Uganda to join EITI.
2. Cabinet directed the Ministry of Finance Planning and Economic Development to lead the process of securing EITI accreditation.

3. The public statement on Government's intention to implement EITI had been issued.
4. The Senior Government Official to lead the EITI process had been appointed.
5. Government would proceed with setting up the institutional framework to oversee EITI implementation.
6. The focal point for EITI implementation would be the Ministry of Finance Planning and Economic Development. The Ministry would house the National EITI Secretariat.
7. The MSG would oversee implementation of EITI, and it would comprise of representatives from Ministry of Energy and Mineral Development, Ministry of Justice and Constitutional Affairs, Ministry of Water and Environment, Ministry of Works and Transport, Uganda Revenue Authority, National Planning Authority, Petroleum Authority of Uganda, Uganda National Oil Company, petroleum companies, Civil Society and Uganda Chamber of Mines and Petroleum. Some of the institutions had yet to nominate their representatives.
8. This first meeting of the Multi- Stakeholder Group was intended to initiate dialogue between Government, Civil Society, petroleum and mining companies.
9. On 27<sup>th</sup> February 2019, Government of Uganda was invited to participate at the international EITI Board meeting in Kiev, Ukraine. During the meeting, the delegation was informed that technical assistance from the International Secretariat was available and a country director would soon be appointed to assist Uganda in implementing EITI.

## **2.0 REACTIONS TO CHAIRPERSON'S COMMUNICATION**

### **2.1 The European Union (EU) commented as follows;**

1. The EU was a keen observer of Uganda's EITI process.
2. Joining EITI was a good step for the country as its extractive sector would immensely benefit from it.
3. This first MSG meeting was timely and fairly attended. They wished that successive meetings would be more fully attended.
4. Civil Society should actively participate and utilize the space accorded to them to air out key issues of concern.
5. The European Union was exploring other ways to support Government in the next steps of implementing EITI.
6. European Union would provide technical assistance through an expert who would work with the National EITI Secretariat. The EITI Technical Advisor would commence work in May 2019.
7. The decision made by Government to join EITI was a strong signal and

commitment towards supporting transparency, accountability and the development of the extractive industry.

8. Government of Uganda should own and manage its EITI implementation process. This would require political will at the highest level.

## **2.2 UNOC commented that;**

1. Lessons should be picked from other EITI member countries for purposes of guidance in implementing EITI in Uganda.
2. The technical assistance from the European Union should be extended to the other stakeholder institutions that may require help. This would help to ensure compliance on the part of stakeholders.

## **2.3 TOTAL E&P commented that;**

1. A clear roadmap should be prepared and followed through to ensure efficiency and effectiveness of the entire EITI implementation process in Uganda.

## **2.4 Ministry of Energy and Mineral Development commented that;**

1. The EITI process would improve transparency and accountability in the entire extractive sector and this would lead to enhanced economic activity in the country.

## **2.5 Armour Energy Limited commented that;**

1. The good attendance at this first MSG meeting demonstrated the willingness of the institutions represented to participate in implementing EITI.
2. Joining EITI would result in many benefits to the country including attracting foreign investment to the extractive industry of Uganda. He noted that the last petroleum licensing round had resulted in the selection of only two companies out of the original nineteen that bid for oil blocks.

## **3.0 REVIEW OF ROLES OF THE MULTI- STAKEHOLDER GROUP**

3.1 The Chair explained the progress Uganda had made in implementing EITI, and elaborated the roles that would be played by the Multi- Stakeholder Group as follows;

1. As a requirement, a Senior Government Official was appointed, and the statement of intent to join EITI was published by the Government. In addition, the MSG was constituted although some institutions had yet to submit the names of their representatives to the Ministry.
2. Appointment letters would be sent to all members of the MSG in the following week

- and the roles of the MSG would be stated in the letters.
3. In brief, the MSG would perform the following roles;
    - a) Lead the EITI implementation process in Uganda;
    - b) Approve the annual work plan for the Secretariat to implement; and
    - c) Advise on policies and actions required to implement EITI.
  4. The members of the MSG needed to acquaint themselves with the relevant laws and policies including;
    - a) Public Finance Management Act, 2015;
    - b) National Oil and Gas Policy, 2008; and
    - c) Oil and Gas Revenue Management Policy, 2012.
  5. The Chairperson of the MSG would oversee the preparation of reports on progress in implementation of EITI and recommend policy actions to be undertaken.
  6. The Terms of Reference for the MSG would be drafted in the next meeting. Further, setting up of the EITI institutional framework would commence and application for candidature would be finalized by the end of 2019.
  7. Technical support from the European Union was welcomed as this would contribute towards drafting of the work plan and Terms of Reference of the MSG.
  8. The National EITI Secretariat would support the MSG in developing a detailed EITI work plan.
  9. Implementation of EITI would result in the following benefits;
    - a) Improvement in the business environment through transparency.
    - b) Attraction of foreign investment into the country;
    - c) Improvement in the extractive sector record keeping mechanism;
    - d) Improvement in efficiency in licensing for extractive industries; and
    - e) Better cooperation between Government, extractive companies and civil society.
  10. Discussions were ongoing to establish the secretariat. Members would be informed of the planned activities and estimated budget at their next meeting.

#### **4.0 WAY FORWARD;**

##### 4.1 The Meeting agreed as follows;

1. The minutes would be circulated through email to all members of the MSG for review and adoption.
2. A brief on EITI would be circulated to the MSG members for their information in the next MSG meeting.

3. Appointment letters of the other members of the MSG would be circulated the following week.
4. Terms of Reference for the MSG would be reviewed in the next meeting.
5. The date for the next MSG meeting would be communicated in due course.

**Signed:**

**MSG Chairperson:** Muayanya Date: 30/05/2019

**Secretary** [Signature] Date: 30/05/2019

**MINUTES OF THE MEETING OF THE MULTI-STAKEHOLDER GROUP OF THE EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (EITI) HELD ON 30<sup>TH</sup> MAY, 2019 AT 9:00 A.M. PROTEA HOTEL KAMPALA.**

**ATTENDANCE LIST**

<b>No.</b>	<b>Name</b>	<b>Institution</b>
<b>GOVERNMENT</b>		
1.	Mr. Moses Kaggwa	Ministry of Finance, Planning & Economic Development ( <b>MSG Chairperson</b> )
2.	Mr. Robert Tugume	Ministry of Energy & Mineral Development
3.	Ms. Allen Bucyana	Ministry of Justice & Constitutional Affairs
4.	Eng. Timothy Tibesigwa	Ministry of Works & Transport
5.	Mr. Phillip Wabulya	Bank of Uganda
6.	Mr. Mucurezi Godfrey (Proxy)	Uganda Revenue Authority
7.	Ms. Sara Aijuka (Proxy)	National Environment Management Authority
<b>CIVIL SOCIETY ORGANISATIONS</b>		
8.	Ms. Winfred Ngabiirwe	Global Rights Alert
9.	Mr. Magara Siragi	Civil Society Budget Advocacy Group
10.	Mr. Gard Benda	World Voices Uganda
11.	Ms. Margaret Lomoyang	Karamoja Women Umbrella Organisation
<b>INDUSTRY</b>		
12.	Dr. Tom Buringuriza	Amour Energy Limited
13.	Mr. Elly Karuhanga	Uganda Chamber of Mines & Petroleum
14.	Mr. Obad Noah	Oranto Petroleum
15.	Mr. Nathan Morgan	TOTAL E&P
16.	Mr. Likun Kuang	China National Offshore Oil Corporation (Proxy)
17.	Ms. Emilly Nakamya	Uganda National Oil Company (Proxy)
<b>OBSERVERS</b>		
18.	Ms. Clara Mira	International Monetary Fund
19.	Mr. Christian Raitz Frenzt	European Union
20.	Mr. Thomas Tiedmann	European Union
21.	Mr. Lavis Frederic	Belgium Embassy
22.	Mr. James Muhindo	ACODE
23.	Mr. Richard Ssewakiryanga	Uganda National NGO Forum
24.	Mr. Kush Amir	Ministry of Finance, Planning & Economic Development
25.	Ms. Fiona Akullo	Uganda Revenue Authority
26.	Mr. Innocent Kayiza	Kampala Capital City Authority
27.	Mr. Olekwa Abdunassar	Ministry of Lands Housing & Urban Development

28.	Ms. Mary Namakula	Ministry of Lands Housing & Urban Development
	<b>OTHERS</b>	
1.	Mr. Saul Ongaria	UGEITI National Coordinator / Ministry of Finance, Planning & Economic Development <b>(Secretary)</b>
2.	Mr. Edwin Kanakulya Kavuma	Ministry of Finance, Planning & Economic Development
3.	Ms. Sandra Kobugarure	Ministry of Finance, Planning & Economic Development

### **AGENDA**

1. Opening remarks
2. Communication from the Chairperson
3. Reactions to the Chairperson's communication
4. Presentation on the status of EITI in Uganda
5. Review of the Draft Terms of Reference of the MSG
6. Way Forward

#### **MIN 1. OPENING REMARKS FROM THE CHAIRPERSON**

The Chairperson welcomed the members of the Multi Stakeholder Group and requested all members to introduce themselves.

#### **MIN 2. COMMUNICATION FROM THE CHAIRPERSON**

The Chairperson made the following remarks;

- 2.1 In January 2019, Cabinet approved Uganda to join the EITI. In that regard, the Government issued a public statement to express its intention to join and implement EITI.
- 2.2 Uganda had made significant progress in the EITI process with the following steps that had been taken:
  - a) A Senior Government Official had been appointed to lead EITI; and
  - b) The Multi-Stakeholder Group (MSG) had been established and constituted to oversee its implementation.
- 2.3 Uganda's petroleum industry was developing and attracting more foreign investment and this had resulted in increased revenue collections from the sector.
- 2.4 Further, a petroleum revenue investment advisory committee had been set up by the Government to oversee the investment of the revenue in the petroleum fund.

- 2.5 The minerals industry had also shown a strong potential to grow if well organised.
- 2.6 The Government aimed to submit the EITI candidature application in the financial year 2019/2020.
- 2.7 Various development partners had expressed interest to support Uganda in the EITI implementation process. The European Union and the EITI international Secretariat had provided the initial technical support.
- 2.8 The Civil Society group had selected its representatives to the MSG and these were formally appointed to the MSG by the Honourable Minister of Finance Planning and Economic Development.
- 2.9 Invited the representative of the European Union Office to make a few remarks on behalf of all the observers that were present during the meeting.

### **MIN 3. REACTIONS TO THE CHAIRPERSON'S REMARKS**

The representative of the European Union Office made the following remarks:

- 3.1 The European Union office representative was pleased to be invited to speak as well as to observe the EITI process.
- 3.2 The Development Partners would continue to participate as observers in other meetings of the Multi-Stakeholder Group.
- 3.3 Commended the progress made by Government in fulfilling the sign up steps to join EITI, and participation of Civil Society in the Multi-Stakeholder Group.
- 3.4 Reiterated that, technical support would soon be provided by the European Union to assist the National Secretariat in the implementation of EITI.
- 3.5 Envisioned substantial workload in terms of reporting on extractive industries and in particular, the minerals sector which is faced by various challenges.

### **MIN 4. REVIEW OF THE MINUTES OF THE PREVIOUS MEETING**

- 4.1 The members REVIEWED and ADOPTED the minutes of the previous meeting.

### **MIN 5. PRESENTATION ON THE STATUS OF EITI IN UGANDA**

The presentation on the status of EITI in Uganda highlighted the following:

- 5.1 The outline of the presentation included an introduction, the sign-up steps taken, institutional set up, EITI International Secretariat mission, next steps to be taken, candidature application and concluding remarks.



- 5.2 Noted that, Government approval for Uganda to join EITI was granted on 28<sup>th</sup> January 2019 by Cabinet and the sign-up steps had been completed.
- 5.3 The Ministry of Finance Planning and Economic Development would spearhead the EITI implementation process, and a secretariat would be established under that Ministry to carry out the day to day operational and technical work involved in the process.
- 5.4 The next step was for the MSG to finalise and approve the Terms of Reference.
- 5.5 The Government hosted an EITI mission that involved experts from the EITI International Secretariat between 6<sup>th</sup> and 7<sup>th</sup> May 2019. The objectives of the mission were;
  - a) To discuss the developments in Uganda's EITI process;
  - b) Prepare Uganda to submit its candidature application;
  - c) To provide guidance to Uganda in developing a work plan and timelines for implementing EITI; and
  - d) To provide guidance on setting up the institutional framework of EITI.
- 5.6 Several steps would be taken before submission of Uganda's EITI candidature application. The steps included:
  - a) Approval of the MSG Terms of Reference;
  - b) Development of a detailed work plan for the MSG;
  - c) Establishment of a National Secretariat;
  - d) Submission of Uganda's candidature application;
  - e) Approval of Uganda's membership to EITI; and
  - f) Preparation of the EITI report.
- 5.7 The key factors that could enable Uganda to succeed in EITI include:
  - a) The need to work closely with the EITI International Secretariat;
  - b) The need to build collaboration between the civil society, the private sector and the government;
  - c) Sensitization of the public on EITI developments;
  - d) The need to involve the political leadership in Government; and
  - e) The need to define Uganda's expectations from EITI.
- 5.9 Members' reactions to the presentation were as follows:
  - a) Uganda's EITI process was mainly skewed to the oil and gas industry. A lot of works needed to be done to improve the institutional and regulatory capacity of the mining sector.
  - b) The EITI would not be implemented in a holistic manner and would include the oil, gas and mining industry.
  - c) There was need for the interim secretariat to take note of the issues raised concerning the mining sector by members of the MSG.

- d) There was need for the MSG to understand the EITI process and to define the expectations and objectives of Uganda in joining EITI.

**MIN 6. REVIEW OF THE DRAFT TERMS OF REFERENCE**

- 6.1 Reviewed the draft Terms of Reference and agreed that a smaller Technical Working Group of the MSG be constituted to study the drafted Terms of Reference.
- 6.2 The members selected to Technical Working Group included:
- a) Dr. Tom Buringuriza of Armour Energy Limited;
  - b) Ms. Allen Bucyana of Ministry of Justice and Constitutional Affairs;
  - c) Ms. Winfred Ngabiirwe from the Civil Society fraternity; and
- 6.3 The Technical Working Group would work with the interim secretariat to finalise the report.
- 6.4 The reviewed draft Terms of Reference would be presented to the MSG for approval.
- 6.5 The meeting deferred the discussion of implementing the EITI in phases by first adopting on the oil and gas sector and involving the mining sector at a later period.
- 6.6 The meeting deferred the discussion of creating a high-level steering committee of EITI.
- 6.7 Recommended that the secretariat should further study the proposition of adopting the Office of the Auditor General as the independent auditor for the EITI report.

**MIN 7. ANY OTHER BUSINESS**

- 7.1 The meeting agreed that the next meeting would take place on 10<sup>th</sup> June 2019.
- 7.2 There being no other business to discuss, the meeting adjourned at 11:30am.

**Signed:**

**MSG Chairperson:** Al Mayanja Date: 10/6/2019

**Secretary:** Opikul Date: 10/06/2019

**MINUTES OF THE 3<sup>RD</sup> MEETING OF THE MULTI-STAKEHOLDER GROUP (MSG) OF THE EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (EITI) HELD ON 10<sup>th</sup> JUNE 2019 AT PROTEA HOTEL, KAMPALA.**

**Attendance List**

No.	Name	Institution
	<b>GOVERNMENT</b>	
1.	Mr. Moses Kaggwa	Ministry of Finance, Planning & Economic Development ( <b>MSG Chairperson</b> )
2.	Ms. Allen Bucyana	Ministry of Justice and Constitutional Affairs
3.	Mrs. Gloria T. Akatuhurira	Uganda Revenue Authority
4.	Mr. Jonan Kandwanaho	National Planning Authority
5.	Mr. Jackson Mayanja	Ministry of Energy and Mineral Development
	<b>CIVIL SOCIETY</b>	
6.	Ms. Winfred Ngabiirwe	Global Rights Alert
7.	Mr. Gard Benda	World Voices Uganda
8.	Mr. Magara Siragi	Civil Society Budget Advocacy Group
9.	Mr. Mugenyi Onesmus	Advocacy Coalition for Development and Environment.
	<b>INDUSTRY</b>	
10.	Dr. Tom Buringuriza	Amour Energy Limited
11.	Mr. Obad Noah	Oranto Petroleum
	<b>OBSERVERS</b>	
12.	Mr. Joseph Hirya	Office of the Auditor General
13.	Ms. Fiona Akullo	Uganda Revenue Authority
	<b>OTHERS</b>	
1.	Mr. Saul Ongaria	Ministry of Finance, Planning & Economic Development
2.	Ms. Vanessa Ihunde	Ministry of Finance, Planning & Economic Development

3.	Ms. Sandra Kobugarure	Ministry of Finance, Planning & Economic Development
4.	Mr. Kavuma Edwin Kanakulya	Ministry of Finance, Planning & Economic Development

## **AGENDA**

1. Communication from the Chairperson.
2. Discussion of the draft Terms of Reference of the MSG.
3. Way Forward.

### **MIN 1.0: OPENING REMARKS FROM THE CHAIRPERSON**

1. The Chairperson welcomed the members of the Multi Stakeholder Group that were present to the meeting.
2. He noted that there was a low turn up for the meeting. The low turn up was attributed to an error in communication as some members had not received their invitation to the meeting in time.

### **MIN 2.0: REACTIONS TO THE CHAIRPERSON'S REMARKS**

- 2.1 A participant then advised that in addition to a physical invitation letter; it was good practice to follow-up with a telephone call or text message to the MSG members and observers to prevent a lapse in communication.

### **MIN 3.0: REVIEW OF THE DRAFT TERMS OF REFERENCE OF THE MSG**

- 3.1 The members present reviewed the entire draft MSG Terms of Reference, clause by clause.
- 3.2 A Technical Working Group of the MSG was created to incorporate the comments and changes made to the draft Terms of Reference for the MSG. The Technical Working Committee comprised of the following;

1. Mrs. Gloria T. Akatuhurira (Government Representative)
  2. Mr. Onesmus Mugenyi (Civil Society Representative)
  3. Dr. Tom Buringuriza (Industry Representative)
- 3.2 The Members of the Technical Working Group informed the meeting that they would submit the final draft of the reviewed MSG Terms of Reference at the next MSG meeting.

**MIN 4. ANY OTHER BUSINESS**

There being no other business, the meeting was closed at 12:30 pm.

**Signed:**

Chairperson: Muayanya Date: 13/9/2019

Secretary: [Signature] Date: 13/09/2019

**MINUTES OF THE 4<sup>TH</sup> MEETING OF THE MULTI-STAKEHOLDER GROUP  
OF THE EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (EITI)  
HELD ON 13<sup>TH</sup> SEPTEMBER 2019 AT 9:00 A.M. PROTEA HOTEL.**

**Attendance List**

No.	Name	Institution
<b>GOVERNMENT</b>		
1	Mr. Moses Kaggwa	Ministry of Finance, Planning & Economic Development ( <b>MSG Chairperson</b> )
2	Mr. Jonan Kandwanaho	National Planning Authority
3	Mr. Robert Tugume	Ministry of Energy & Mineral Development
4	Eng. Timothy Tibesigwa	Ministry of Works & Transport
5	Mr. Phillip Wabulya	Bank of Uganda
6	Mrs. Gloria T. Akatuhurira	Uganda Revenue Authority
7	Ms. Sara Aijuka (Proxy)	National Environment Management Authority
8	Mr. Kosia Kasibayo	Petroleum Authority of Uganda
9	Mr. Clovice Bright Irumba	Petroleum Authority of Uganda
<b>CIVIL SOCIETY ORGANISATIONS</b>		
10	Ms. Winfred Ngabiirwe	Global Rights Alert
11	Mr. Magara Siragi	Civil Society Budget Advocacy Group
12	Mr. Gard Benda	World Voices Uganda
13	Mr. Mugenyi Onesmus	Advocacy Coalition on Development and Environment
<b>INDUSTRY</b>		
14	Dr. Tom Buringuriza	Amour Energy Limited
15	Mr. Obad Noah	Oranto Petroleum
16	Mr. Nathan Morgan	Total E & P
<b>OBSERVERS &amp; OTHERS</b>		
17	Ms. Tina H. Oulie	Embassy of Norway
18	Mr. Faustine Mugisha	Total E & P
19	Ms. Annet Bazalilaki	Uganda Revenue Authority
20	Ms. Emilly Nakamya	Uganda National Oil Company
21	Mr. Edwin Kanakulya Kavuma	Ministry of Finance, Planning & Economic Development
22	Mr. Saul Ongaria	UGEITI National Coordinator/ Ministry of Finance, Planning & Economic Development ( <b>Secretary</b> )

<b>ABSENT WITH APOLOGIES</b>		
1	Mr. Elly Karuhanga	Uganda Chamber of Mines and Petroleum
2	Ms. Allen Bucyana	Ministry of Justice and Constitutional Affairs
3	Mr. Emmanuel Mugagga	Uganda National Oil Company
4	Ms. Lomonyang Margaret	Karamoja Women Umbrella Organisation

## **Agenda**

1. Opening remarks from the Chairperson
2. Remarks from the EITI Expert
3. Tabling of the Terms of Reference for adoption
4. A.O.B

### **MIN 1: OPENING REMARKS FROM THE CHAIRPERSON**

- 1.1 The Chairperson welcomed the members of the Multi-Stakeholder Group (MSG) of the Extractive Industries Transparency Initiative (EITI) to the meeting.
- 1.2 The Chairperson informed the meeting as follows;
  - a) Government of Uganda would host a mission of the EITI International Secretariat from 23<sup>rd</sup> to 24<sup>th</sup> September 2019. The team from the International Secretariat would meet various stakeholders including members of the MSG of UGEITI.
  - b) A presentation on the progress on the EITI process in Uganda was made to the Sustainable Resource Mobilization Cluster meeting under the Resource Enhancement and Accountability Programme, and at the Budget Conference.
  - c) Members of the MSG were notified of the need to frequently hold MSG meetings in order to expedite the candidature application process.
  - d) The European Union (EU) Office extended technical assistance to the Government of Uganda by providing an EITI Expert to support the process in Uganda.
  - e) The Chairperson specially recognized the Observers present and welcomed the envoy from the Embassy of Norway to make a few remarks.
  - f) He introduced Mr. Mark Essex, EITI Expert for Uganda, and requested him to make some remarks regarding his role.
  - g) The EITI International Board would hold its next meeting in Addis Ababa, Ethiopia from 15<sup>th</sup> to 16<sup>th</sup> October 2019. The Chairperson of the MSG and National Coordinator were invited to attend the Board meeting as Observers.

- h) In the previous meeting of the MSG, a Technical Working Committee had been constituted to review the draft Terms of Reference of the MSG.
- i) The Technical Working Committee had reviewed the draft Terms of Reference of the MSG and submitted them for consideration and approval by the MSG.
- j) The main purpose therefore, of this meeting was to consider and approve the Terms of Reference of the MSG.

**MIN 2: REMARKS FROM THE EU EITI EXPERT AND THE NORWEGIAN EMBASSY DELEGATE**

- 2.1 The EU EITI Expert informed the meeting that he had been contracted on a part-time basis to support the EITI process in Uganda.
- 2.2 The expert explained that he had worked in various countries including Nigeria, Kenya and Papua New Guinea.
- 2.3 He had contacted some potential financiers to identify some additional resources for UGEITI. And, while stakeholders were asking for a work plan, he explained that the work plan; which was not an easy task, was the fourth and last in the process of applying for EITI.
- 2.4 The Norwegian Embassy delegate informed the meeting that the Embassy of Norway was pleased and ready to work together with Uganda to promote EITI in Uganda. The envoy stated that going forward, the Embassy would participate in the MSG meetings as an Observer.

**MIN 3: REVIEW AND APPROVAL OF THE TERMS OF REFERENCE OF THE MSG**

- 3.1 The members reviewed the Terms of Reference of the MSG and made necessary changes.
- 3.2 The Chairperson asked the members of the MSG who are lawyers to convene briefly to re-draft the sections discussed in order to come up with a final document.
- 3.3 The team of lawyers presented the reviewed Terms of Reference of the MSG which were approved and duly adopted by the members of the MSG.

**MIN 4: ANY OTHER BUSINESS**

- 4.1 A Civil Society representative to the MSG, Ms. Winfred Ngabiirwe, from Global Rights Alert invited members of the MSG members to attend the seminar on the mining sector of Uganda that would take place from 19<sup>th</sup> to 20<sup>th</sup> September 2019, at Hotel Africana.
- 4.2 The meeting agreed that there was need to sensitize all MSG members about the EITI Standard. The Chairperson requested the Interim



National Secretariat to make the necessary arrangements and notify members of the dates when the sensitization workshops would be held.

**ACTION MATRIX**

No	Action	Responsible Institution	Timeline
1	Organise a sensitization workshop to educate all MSG members about the EITI Standard.	Interim Secretariat	To be done in the next MSG meeting.

**Signed:**

MSG Chairperson: Muayanga Date: 05/12/19

Secretary: [Signature] Date: 05/12/2019

**MINUTES OF THE 5<sup>TH</sup> MEETING OF THE MULTI-STAKEHOLDER GROUP (MSG) OF THE UGANDA EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (UGEITI) HELD ON THURSDAY, 5<sup>TH</sup> DECEMBER 2019 AT THE IMPERIAL ROYALE HOTEL, KAMPALA STARTING AT 9:00 A.M.**

**Attendance List**

NO.	MSG MEMBERS	INSTITUTION
	<b>GOVERNMENT</b>	
1	Mr. Robert Tugume	Ministry of Energy and Mineral Development
2	Eng. Timothy Tibesigwa	Ministry of Works and Transport
3	Ms. Sarah Aijuka (Proxy)	National Environmental Management Authority
4	Ms. Nakawuma Juliet Magala	Ministry of Foreign Affairs
5	Mr. Philip Andrew Wabulya	Bank of Uganda
6	Mrs. Gloria T. Akatuhurira	Uganda Revenue Authority (URA)
7	Mr. Clovice Bright Irumba	Petroleum Authority of Uganda (Interim Chairperson)
	<b>CIVIL SOCIETY</b>	
8	Ms. Ngabirwe Winfred	Global Rights Alert
9	Mr. Mugenyi Onesmus	Advocates Coalition for Development and Environment (ACODE)
10	Mr. Gard Benda	World Voices Uganda
11	Mr. Magara Siragi Luyima	Civil Society Budget Advocacy Group
12	Ms. Lomonyang Margaret	Karamoja Women Umbrella Group
	<b>INDUSTRY</b>	
13	Mr. Obad Noah	Oranto Petroleum
14	Dr. Tom Buringuriza	Armour Energy
15	Ms. Ann Bakashaba (Proxy)	China National Offshore Oil Company
16	Mr. Faustine Mugisha (Proxy)	Total E&P Uganda
17	Mr. Allan Joel Kyeyune. (Proxy)	Uganda National Oil Company (UNOC)
	<b>OBSERVERS</b>	
18	Ms. Magdalene Babirye	Office of the Auditor General
19	Mr. Miljan Sladoje	Department for International Development (DFID)
20	Ms. Mbabazi Annet	Strengthening Uganda's Anti-Corruption and Accountability Regime (SUGAR TAF) (DFID/EU Anti-corruption Project)
21	Ms. Robinah Manoba	Democratic Governance Facility (DGF)
22	Ms. Enora Marenne	European Union
23	Mr. Francis Elungat	Ministry of Energy and Mineral Development
24	Mr. Evans Mwesigye	Uganda Revenue Authority (URA)
25	Mr. Robert Mukobi	GIZ
26	Mr. Kosia Kasibayo	Petroleum Authority of Uganda (PAU)
27	Mr. Vincent Kedi	Ministry of Energy and Mineral Development
	<b>OTHERS</b>	

1	Mr. Saul Ongaria	National Coordinator / Secretary
2	Mrs. Gloria Mugambe	Head of Secretariat, UGEITI
3	Mr. Mark Essex	EITI Expert, IBF/European Union
4	Mr. Pablo Valverde	Director – Outreach, Middle East & Governance, EITI International Secretariat
5	Mr. Christoffer Claussen	Technical Manager, EITI International Secretariat
6	Mr. Kanakulya Edwin Kavuma	Compliance Officer, UGEITI
7	Mr. Edgar Mutungi	Finance Officer, UGEITI
8	Ms. Gertrude Angom	Administration Officer, UGEITI
	<b>MSG MEMBERS ABSENT WITH APOLOGIES</b>	
1	Mr. Moses Kaggwa	MSG Chairperson
2	Mr. Eilly Karuhanga	Uganda Chamber of Mines and Petroleum
3	Ms. Allen Bucyana	Ministry of Justice and Constitutional Affairs
4.	Mr. Emmanuel Mugagga	Uganda National Oil Company (UNOC)

## AGENDA

1. Opening Remarks
2. Review and Adoption of the previous Minutes
3. Presentation by the Team from the International Secretariat on the EITI 2019 Standard
4. A Review of Requirements 1 – 7 for Member Countries
5. Review of the Challenges facing each Constituency
6. Overview of the Work Plan
7. Recommendations of the visiting team from the EITI International Secretariat
8. Closing remarks and A.O.B

### MIN 1.0: OPENING REMARKS

- 1.1 The National Coordinator, Mr. Saul Ongaria, welcomed everyone to the 5<sup>th</sup> meeting of the MSG, and thanked them for honouring their invitations to attend the meeting.
- 1.2 He notified the participants that the Chairperson of the MSG, Mr. Moses Kaggwa had been delayed by other official duties, and had requested the National Coordinator to preside over the meeting pending his arrival.
- 1.3 He also informed the meeting that the UGEITI Secretariat was now in place, and would be supporting the MSG in their work going forward. Members from the Secretariat were present at the meeting, and introduced themselves as part of the general introductions.
- 1.4 1. He further informed members of the presence of a two-person visiting team from the EITI International Secretariat in Oslo, Norway. They were in the country

to attend the MSG meeting and to conduct candidature application training for the members of the Uganda EITI Secretariat. These visitors were:

- a) Mr. Pablo Valverde, Director – Outreach, Middle East & Governance
- b) Mr. Christoffer Claussen, Technical Manager – Disclosures

2. He invited the visiting colleagues to make brief remarks, whereupon Mr. Pablo Valverde applauded members for their commitment and achievements already registered in the implementation of the EITI. These included:

- a) The setting up of the Multi-Stakeholder Group (MSG).
- b) Approval of the MSG Terms of Reference; although they required some minor adjustments.
- c) The constitution of the National Secretariat. He reiterated that the International Secretariat would support Uganda at every step to ensure that successful accreditation to EITI was achieved.

## **MIN 2.0: REVIEW AND ADOPTION OF THE PREVIOUS MINUTES**

2.1 Deferred to the next meeting of the MSG.

## **MIN 3.0: PRESENTATION BY THE TEAM FROM THE INTERNATIONAL SECRETARIAT ON THE EITI 2019 STANDARD: A REVIEW OF REQUIREMENTS 1 – 7 FOR MEMBER COUNTRIES**

3.1 The team from the International Secretariat INFORMED members that the EITI 2019 Standard contained three (3) core aspects:

1. Multi-Stakeholder oversight.
2. Disclosure of information through mainstreaming.
3. Dissemination, debate and action on EITI recommendations.

3.2 They went on to elaborate the 7 Requirements of the Standard as follows:

1. Oversight by the MSG, through;
  - a) Government engagement
  - b) Company engagement
  - c) Civil Society engagement
  - d) The creation of a Multi-stakeholder group
  - e) The preparation of a Work Plan
2. Legal and Institutional Framework, including allocation of contracts and licenses
3. Exploration and Production
4. Revenue collection
5. Revenue allocations
6. Social and economic spending

7. Outcomes and impact

- 3.3 The experts advised members that the efficiency of the EITI process would benefit from continued review of existing systems through regular consultation of stakeholder constituencies.
- 3.4 They presented an illustration of the functioning of EITI processes through the following Value Chain;



- 3.5 They informed the meeting that once Uganda had completed Requirement 1 sub-sections (a – e) of the EITI Standard, a Candidature Application could be submitted to the International Secretariat. They noted that the outstanding requirement for Uganda was currently the work-plan; however, in addition to this, the MSG ToRs also required some adjustments, specifically on the issue of the process for nominating constituency members, and the importance of constituency representation on MSG sub-committees as and when they were formed.
- 3.6 They cautioned that non-documentation would be assessed as lack of evidence that an activity or process had been undertaken. This would negatively affect the candidature application.
- 3.7 They added that proper documentation of discussions leading to decisions would demonstrate open and inclusive participation by all the MSG constituencies.

~ BIC

### 3.8 **Presentation Conclusion and Recommendations**

1. MSG Constituencies were required to document each step in their decision-making processes, including conversations, in order to demonstrate participatory transparency and involvement.
2. Guidelines needed to be developed on the process of members' nomination for each constituency.
3. Representation from the mining sector was required as part of the Industry constituency.
4. The Secretariat would follow up with members of the civil society constituency to ensure that the process of member selection that they underwent was documented and shared with the International Secretariat.

#### **MIN 4.0: REVIEW OF THE PRIORITIES AND CHALLENGES FACING EACH CONSTITUENCY**

- 4.1 As a preamble to the main exercise, worksheets depicting the value chain illustrated in 3.4 above were distributed amongst the participants, and they were asked to rank the individual processes in order of importance. This exercise was intended to get a sense of what members considered to be their most important process along the EITI value chain. From this exercise, the priorities for each constituency were realized as:
  1. Revenue collection (government)
  2. Contracts and licenses (civil society)
  3. Production (companies)
- 4.2 The team from the International Secretariat then facilitated a group exercise to review the main challenges facing each constituency. The following were the main challenges identified from each constituency. (Annex A contains the full list of challenges identified).
  1. Sub-optimal Revenue collection (government)
  2. Limited disclosure of information regarding contracts, licenses and payments (civil society)
  3. Lack of clarity concerning the legal regime and the framework for contracts and licenses (companies)

### 4.3 **Recommendation**

The meeting agreed that national priorities for EITI implementation would be developed based on the challenges identified by each constituency during the session.

**MIN 5.0: OVERVIEW OF THE WORK PLAN**

- 5.1 The team from the International Secretariat led the meeting in an exercise to demonstrate how to begin populating the Work plan template using the priorities/ challenges distilled from the earlier group exercise.
- 5.2 *Optimisation of Revenue Collection* was sampled as an Objective, and possible ensuing activities and recommendations discussed to demonstrate the steps involved in preparing the work-plan.
- 5.3 Following this exercise, it was proposed that a sub-committee constituting a member from each constituency to develop the work plan be formed. The sub-committee would be chaired by the National Coordinator of UGEITI. The process was overseen by the Director Exploration, Petroleum Authority of Uganda, who was elected to preside over the meeting as Interim Chairperson.
- 5.4 The following members were nominated to the Work-Plan Sub-Committee:

No.	MSG Member	Constituency
1.	Magara Siragi Luyima	Civil Society Organisations
2.	Gloria T. Akatuhurira	Government
3.	Mugisha Faustine	Industry

**MIN 6.0: RECOMMENDATIONS OF THE INTERNATIONAL SECRETARIAT**

- 6.1 The team from EITI Norway then outlined a number of key issues as next steps;
  - 1. The MSG, supported by the National Secretariat, needed to begin developing a draft costed work plan i.e. by convening a meeting of the work-plan sub-committee and consulting with constituencies.
  - 2. Documentation needed to be detailed for all the EITI processes in order to demonstrate transparency.
  - 3. The MSG Terms of Reference required amendment according to the comments to be provided in writing from the EITI International Secretariat Team.
  - 4. The Secretariat also needed to embark on a scoping analysis that detailed the status of each sector along the value chain presented in 3.5 above.
  - 5. The National Secretariat needed to commence with the Candidature Application.

**MIN 7.0: CLOSING REMARKS**

- 7.1 The Interim Chairperson thanked the members for their interactive participation and commitment towards the development of the extractive sector through EITI.

In addition, the Chairperson thanked the team from the International Secretariat for successfully facilitating the meeting.

- 7.2 The National Coordinator thanked the visiting team from Norway for their contributions towards the meeting. The team in turn expressed their appreciation to their Ugandan hosts for their warm welcome, and indicated that they looked forward to receiving Uganda's EITI candidature application.
- 7.3 The meeting was closed at 3:23 pm.




**ACTION MATRIX**

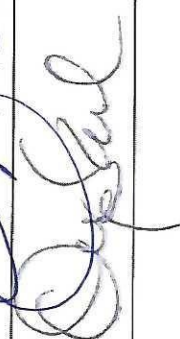
Min No.	Action Point	Responsible Institution	Timeline
4.0	Develop national priorities for EITI implementation based on the challenges identified by each constituency	MSG sub-committee and Secretariat	Before next MSG meeting in Feb 2020
6.1 (1)	The MSG, supported by the National Secretariat, to develop a draft costed work plan	MSG and National Secretariat	Before next MSG meeting in Feb 2020
3.8 (3)	Include representation from the mining sector on the MSG as part of the Industry constituency	Secretariat	Before next MSG meeting in Feb 2020
5.5	Undertake a scoping study to analyze the status of the Extractives Sector in Uganda	Secretariat & MEMD	Continuous
3.8 (4)	Civil society constituency to document the selection process undertaken for MSG membership	Civil Society Constituency	Before next MSG meeting in Feb 2020
6.1 (3)	Provide comments on areas for review regarding the MSG Terms of Reference	International Secretariat	Before end December 2019
6.1 (5)	Embark on Candidature Application process	Secretariat	December 2019

Signed:

MSG Chairperson:

 20/02/2020

Secretary/National Coordinator:

 20/02/2020

## **ANNEX A. CHALLENGES/ CONCERNS FACING THE EXTRACTIVE INDUSTRY IDENTIFIED BY THE THREE CONSTITUENCIES**

### **Civil Society:**

1. Limited information concerning the contracting process and disclosure of contracts
2. Limited information disclosure leading to ineffective citizens' participation
3. (Limited) payment disclosure (Payments & Receipts)
4. Allocation and spending of revenues
5. Social, health and environmental safeguards.

### **Industry:**

1. Legal Regime /Framework governing contracts and licenses.
  - Lack of Clarity regarding Tax
  - Unstable Regime (PSA/TA)
2. Conflict between Business (What is good for business) & Sovereignty (What is good for the country)
3. Raising Money/Funds e.g. through Capital Markets/International Financing vs Prevailing Investment Climate
4. Managing Society Expectations (Social And Economic Spending)
5. Excessive Regulation by Government on implementation Issues e.g. Approval of Work Programs & Budgets.

### **Government:**

1. Difficulty in maximizing revenue collection due to:
  - Limited knowledge of Industry
  - Low compliance by industry players
  - Lack of Interagency coordination;
2. Effective allocation of revenues:
  - Increasing budget deficit;
  - Intergenerational equity/Future generation;
  - Identification of priority sectors.

3. Possibility of asset stranding; Energy transition may affect economic viability;
4. National participation of citizens to benefit economically. (National Content is Low).
5. Contracts (licenses)
6. Conducive Investment environment