

Uganda EITI Candidature application form

Candidature application form

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List of Abbreviations

ACODE	: Advocates Coalition for Development and Environment
AFIEGO	: Africa Institute for Energy Governance
ASM	: Artisanal and Small-Scale Mining
CSBAG	: Civil Society Budget Advocacy Group
CSCO	: Civil Society Coalition on Oil and Gas
CSO	: Civil Society Organisation
EITI	: Extractive Industries Transparency Initiative
GRA	: Global Rights Alert
KAWUO	: Karamoja Women Umbrella Organization
MEMD	: Ministry of Energy and Mineral Development
MOFPED	: Ministry of Finance, Planning and Economic Development
MSG	: Multi Stakeholder Group
NRGI	: Natural Resource Governance Institute
OAG	: Office of the Auditor General
PAU	: Petroleum Authority of Uganda
PSA	: Production Sharing Agreement
TOR	: Terms of Reference
UGEITI	: Uganda National Extractive Industries Transparency Initiative
UNOC	: Uganda National Oil Company
WVU	: World Voices - Uganda

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Introduction

A country intending to implement the EITI is required to undertake a number of steps before applying to become an EITI country. These steps relate to government commitment (1.1), company engagement (1.2), civil society engagement (1.3), the establishment of a multi-stakeholder group (1.4) and agreement on an EITI work plan (1.5).

When the country has completed the sign-up steps and wishes to be recognised as an EITI implementing country, the government should submit an EITI Application, endorsed by the multi-stakeholder group. The application should describe the activities undertaken to date and provide evidence demonstrating that each of the sign-up steps have been completed. The application should include contact details for government, civil society and private sector stakeholders involved in the EITI.

Once submitted, the application will be made publicly available on the EITI website. The EITI Board will review the application and assess whether the sign-up steps have been completed. The International Secretariat will work closely with the senior individual appointed by the government to lead on EITI implementation in order to clarify any outstanding issues. Based on this and any other available information, the EITI Board's Outreach and Candidature Committee will make a recommendation, within a reasonable time period, to the EITI Board on whether a country's application should be accepted. The EITI Board will make the final decision.

The EITI Board aims to process applications within eight weeks of receiving the application. The EITI Board prefers to make decisions on admitting an EITI country during EITI Board meetings, although may consider taking a decision via Board circular between meetings where appropriate.

When the EITI Board admits an EITI implementing country, it will also establish deadlines for publishing the first EITI Report and undertaking Validation. An implementing country's first EITI disclosures must be made available within 18 months from the date that the country was admitted. Validation will commence within two and a half years of becoming an EITI implementing country. Further information on reporting and Validation deadlines – and the scope for extensions of these deadlines – is outlined in section 4 on EITI Board oversight of EITI implementation. Countries preparing to join the EITI are encouraged to identify potential barriers to systematic disclosures from the outset, for instance by conducting a systematic disclosure feasibility study or addressing opportunities for systematic disclosures as part of the preparations for becoming an EITI implementing country.

Table 1. Main steps in the candidature application process

1. **The country submits a candidature application to the EITI.** The government should submit a formal written request, with the support of the multi-stakeholder group, to the EITI Chair through the EITI International Secretariat.
2. **The EITI Board, through its Outreach and Candidature Committee, will review the request and assess whether the sign-up criteria are met.** The International Secretariat will ensure that the application is complete and will be in touch with national and international stakeholders to understand their views and gather their opinions. The International Secretariat will publish the candidature application on the EITI website.
3. **The Outreach and Candidature Committee will make a recommendation to the EITI Board.** The recommendation will be whether or not to accept the candidature application.
4. **The EITI Board will make a decision on whether or not to accept the country as an Implementing Country,** in accordance with the EITI Standard.

Information about the candidate country

Please fill in the fields in blue

Candidate	Republic of Uganda
Government point of contact	Mr Moses Kaggwa Chairperson of the Uganda EITI Multi-Stakeholder Group and Director Economic Affairs Ministry of Finance, Planning and Economic Development Plot 2/12 Apollo Kaggwa Road P.O. Box 8147, Kampala Uganda moses.kaggwa@finance.go.ug
Date of application	7 th July 2020

Criteria for joining the EITI

EITI Requirement 1.1

Government engagement

- a) *The government is required to issue an unequivocal public statement of its intention to implement the EITI. The statement must be made by the head of state or government, or an appropriately delegated government representative.*

The Government of Uganda took the decision for the country to apply to join the EITI on 28 January 2019 during a Cabinet meeting, and tasked the Minister of Finance, Planning and Economic Development (MOFPED), Honourable Matia Kasaija, to oversee the process.¹ In a press statement released on January 29, 2019 he made the following public statement:

"We believe that initiatives such as the EITI that emphasise transparency have the potential to strengthen the efforts of the Government in ensuring overall transparency in the sector, strengthen tax collection, improve the investment climate, build trust and create a lasting value of petroleum resources". The Minister also stated: ***"The decision to join EITI was informed by the appreciation of the values that EITI promotes with regard to disclosure of information about the whole extractive governance chain."***²

In making the public announcement to the Ugandan press, government spokesperson Mr Ofwono Opondo reaffirmed this commitment and explained in detail that Cabinet's objectives for the EITI are multi-faceted. They include the EITI's potential to improve revenue collection processes in Uganda, boost public finances and minimise the risk of oil, gas and mining revenues being mismanaged or lost to corruption, strengthen licensing and record keeping, improve corporate risk management and governance, and promote accountability.

In adding to the Minister's statement, Mr. Ofwono Opondo said: ***"The country will benefit through improved investment climate by giving a clear signal to investors and international financial institutions that the government is committed to improving transparency, which in turn can lead to increased investment in the country."***³

The Press Statement on Uganda deciding to join the EITI issued by Hon. Matia Kasaija was widely covered in the media. An excerpt from the New Vision newspaper is included in Annex 1.

¹ <https://www.finance.go.ug/press/uganda-prepares-join-extractive-industries-transparency-initiative-eiti-0>

² <https://www.theeastafrian.co.ke/business/Uganda-joins-lobby-to-enhance-transparency-in-oil-deals/2560-5010370-l9x9gjz/index.html>

³ www.monitor.co.ug/News/National/Uganda-cleared-join-extractive-initiative/688334-4960686-t0khtq/index.html

- b) *The government is required to appoint a senior individual to lead the implementation of the EITI. The appointee should have the confidence of all stakeholders, the authority and freedom to coordinate action on the EITI across relevant ministries and agencies, and be able to mobilise resources for EITI implementation.*

The Honourable Matia Kasaija, through the Office of the Permanent Secretary/Secretary to the Treasury, appointed Mr Moses Kaggwa (Director of Economic Affairs in MOFPED)⁴ as Chairperson of the Multi Stakeholder Group (MSG). He was tasked with spearheading the EITI process and ensuring that Uganda submits the Candidature Application.

The choice of Director of Economic Affairs as MSG Chairperson was optimal because he is a senior official, respected in both the MOFPED and the government as a whole. He has a deep understanding and practical experience of extractive industry revenue policy issues. As the Director of Economic Affairs he oversees the Tax Policy, Macro Economic and Financial Services Departments, all closely related to petroleum revenue management and governance; as well as the Uganda Revenue Authority and Central Bank (responsible for collection and management of petroleum revenues). It is envisaged that the Uganda EITI work plan will primarily be funded through the national budget. As such, the Director of Economic Affairs as a member of Senior Management within MOFPED is well positioned to secure core funding for EITI implementation.

Further, by virtue of his position as the Director of Economic Affairs, the Chairperson regularly meets with high level representatives of non-governmental organisations including civil society and private sector players on matters of the economy. This regular interaction has ensured strong confidence in the Chairperson and will be key in fostering the confidence of all stakeholders in the Chairperson.

The Uganda EITI will mobilise support across Ministries, Departments and Agencies that are not represented on the MSG by holding periodic engagements every quarter with non-MSG institutions to update them on the progress, findings and recommendations of the EITI process and to get their input where necessary. Fortunately, Government Ministries, Departments and Agencies enjoy a good inter-working relationship and therefore substantial cooperation is expected in the implementation of EITI.

- c) *The government must be fully, actively and effectively engaged in the EITI process.*

The Permanent Secretary/Secretary to the Treasury ensured that funds for EITI start-up and operational costs were included in the 2019/2020 budget, as detailed in the Ministerial Policy Statement for that financial year.⁵ He also appointed a National Coordinator, Mr. Saul Ongaria, and an Assistant National Coordinator, Ms. Vanessa Ihunde, to begin preparing the necessary inputs for joining the EITI, which included the process of constituting an MSG.

First, under the guidance of the MSG Chairperson, they developed an initial list of potential people and organisations that warranted membership of the government constituency based on their relevance and potential contribution to EITI implementation. These included the Ministry of Energy and Mineral Development, the Petroleum Authority of Uganda, MOFPED and the Ministry of Justice and Constitutional Affairs. The Office of the Auditor General was also involved from the beginning, in

⁴ <https://www.finance.go.ug/mofped/top-management>

⁵ https://www.finance.go.ug/sites/default/files/Publications/MPS%202019_20%20Final.pdf

order to engage them from the onset regarding the possibility of them fulfilling the role of the Independent Administrator for EITI.

Second, a number of study tours were undertaken by delegations from the Ugandan government to other EITI implementing countries, in order to gain a better understanding of how the process worked, and what was required in order to secure EITI membership. These included trips to Ethiopia, France, Ghana, Ukraine and Zambia. Participants in these study tours included key officials from MOFPED, the Ministry of Justice and Constitutional Affairs, the Ministry of Foreign Affairs, and the Office of the Auditor General. EITI implementing countries were also invited to Kampala to share their implementation experiences, and help in identifying potential pitfalls.

Third, in November 2019, a full-time Secretariat was appointed to support the Chairperson and the MSG with day-to-day EITI operations. It comprises a Head of Secretariat and five technical and operational staff all based in Ministry of Finance office in Crested Towers, Kampala. Following their appointment, the Secretariat underwent a two-day induction (25 - 26 November 2019) facilitated by senior government officials, including MSG members, partners from civil society and a technical advisor provided by the European Union.

From the government side, presenters at the Secretariat induction included:

- Director of Audit, Office of the Auditor General;
- Director, Exploration, Petroleum Authority of Uganda;
- Coordinator, Oil and Gas, Petroleum Directorate, Ministry of Energy and Mineral Development (MEMD);
- Director, Geological Surveys & Mines, MEMD; and
- Manager, Mining and Petroleum, Uganda Revenue Authority.

In addition to senior government officials, facilitators from civil society included a consultant to the Natural Resource Governance Institute (NRGI) and the Deputy Executive Director in charge of Environmental Democracy from 'Advocates Coalition for Development and Environment' (ACODE). The report of the induction meeting is attached to this application as Annex 2.

d) The government must ensure that senior government officials are represented on the multi-stakeholder group.

The MSG has five ministries and four government authorities represented by Senior Government representatives, at the level of Director and Commissioner. (A Director is the next level below a Permanent Secretary, the highest administrative grade in government). The Central Bank and the Uganda National Oil Company (UNOC) also have high level representation on the MSG – the Central Bank representative is the Executive Director of the Petroleum Investment Fund while the UNOC representative is the Chief Financial Officer.

Government representatives have attended and actively participated in all of the six MSG meetings held to date, as well as the Committee meetings that included a drafting committee for the MSG Terms of Reference and a work plan committee for the development of the Uganda National EITI work plan. The full list of MSG members is attached as Annex 3.

EITI Requirement 1.2

Company engagement

a) *Companies must be fully, actively and effectively engaged in the EITI process.*

During the initial stages of the MSG formulation, the Ministry of Finance Planning and Economic Development, as the lead Ministry in the EITI process in Uganda, sent out a general letter, dated 11th February 2019 to all the stakeholders that had been initially considered as directly relevant to EITI in Uganda. This letter addressed all five companies⁶ currently licensed to operate in the oil and gas sector in Uganda informing them of the government's decision to apply to join the EITI and requesting them to nominate members to the MSG. They all responded positively by each sending a representative to be part of the industry constituency of the MSG, and have consistently attended all the MSG meetings. They have also been active in all discussions and deliberations at the committee level, including in the development of the MSG TOR and the EITI work plan. The key email exchanges between company representatives discussing MSG business are attached as Annex 4.

At a meeting between the companies and the MSG Chairperson, held on the 27th February 2020, all the companies reiterated their support and commitment to the EITI process, and pledged to work with the government in their roles as MSG members to ensure that Uganda secures EITI candidature (see Annex 5 for the minutes of this meeting). Furthermore, referencing a letter to the previous Minister of Energy and Mineral Development, Total reiterated its public statements in support of the EITI process and their support for contract transparency (see Annex 6).

On the mining side, until relatively recently, the small-scale and informal nature of mining in Uganda had made regulation and oversight of the sector by government a major challenge. Currently, an estimated 90% of the metallic and industrial minerals produced in Uganda come from Artisanal and Small-scale Miners.⁷ However, with the resurgence in mineral commodity prices and investor interest in Uganda over the past few years, particularly in gold, the government, civil society and larger investors have been trying to increase regulatory oversight of the sector. It was therefore agreed at the time of MSG formation that the mining sector would best be represented by the Uganda Chamber of Mines and Petroleum, whose membership includes large scale mining representation, and which also works to support harmonisation between ASM and large-scale mining.⁸

Following the visit and advice from the technical team of the International EITI Secretariat in December 2019, it was resolved that in spite of the currently limited formal role and revenue contribution from mining in Uganda, the MSG would benefit from greater representation by

⁶ Total, E&P, China National Offshore Oil Corporation, Tullow Uganda Operations Pty Ltd, Armour Energy Uganda and Oranto Petroleum Uganda

⁷ https://www.responsiblemines.org/wp-content/uploads/2018/03/Uganda_case_study.pdf

⁸ "Miners hoping EITI will be good for business, promote transparency" reported at Citizens Convention on Mining: <https://earthfinds.co.ug/index.php/mining/item/2544-miners-hoping-eiti-will-be-good-for-business-promote-transparency>

mining companies. Therefore, a concerted effort to engage the mining sector commenced from early 2020. To this end, from the 6th MSG, held on 20th February 2020, the MSG has benefited from the attendance and active participation of the Country Representative of Jervois Mining, a Canadian mining company with exploration interests in Uganda, who is also the Chairperson of the Mining Sub-sector at the Uganda Chamber of Mines and Petroleum. The process to have a formally elected representative from the mining companies is in its advanced stages. All the major registered mining companies in Uganda are members of the Chamber hence the MSG, through the National Secretariat, is in the process of engaging with them so that they coordinate the process of nominating a representative to the MSG. It is expected that a formally nominated member will be elected as soon as possible notwithstanding the prevailing COVID situation.

- b) *The government must ensure that there is an enabling environment for company participation with regard to relevant laws, regulations, and administrative rules as well as actual practice in implementation of the EITI. The fundamental rights of company representatives substantively engaged in the EITI, including but not restricted to members of the multi-stakeholder group, must be respected.*

There are currently no legal or regulatory hindrances to company participation in the EITI process. Furthermore, existing laws and regulations encourage transparency and accountability and provide an enabling environment for companies to engage in and practice EITI implementation. EITI is mentioned explicitly and referred to directly in a number of government policy documents. The key ones are listed below:

- 1) **The Third National Development Plan (NDP III) 2020/21 – 2024/25 June 2020** highlights the government’s intention to manage the extractives sector following EITI standards and principles.
- 2) **‘National Oil and Gas Policy for Uganda’** published in February 2008 by the Ministry of Energy and Mineral Development is clearly aligned with EITI principles. Its policy goal is *‘to use the country’s oil and gas resources to contribute to early achievement of poverty eradication and create lasting value to society’*. It explicitly references participation in the EITI under Objective 6 – *‘To ensure collection of the right revenues and use them to create lasting value for the entire nation’*.
- 3) **The Mining and Mineral Policy for Uganda** published in 2018 emphasises the importance of transparency, accountability and public participation in the management of mineral revenues
- 4) **The February 2012 Oil and Gas Revenue Management Policy** explicitly states the benefits of joining the EITI (page 37) in Chapter 6 (on Governance) sub-section 6.5 (Transparency).
- 5) **Upstream law – the Petroleum (Exploration, Development and Production) Act 2013**, Section 151, states that: The Minister may, in accordance with the Access to Information Act, 2005, make available to the public – (a) details of all agreements, licences and any amendments to the licences or agreements whether or not terminated or valid; (b) details of exemptions from, or variations or suspensions of, the conditions of a licence; (c) approved field development plan; and (d) all assignments and other approved

arrangements in respect of a licence.⁹

- 6) **The Domestic Resource Mobilisation Strategy (October 2019)** discusses the importance of developing a strong extractive industry taxation regime. One of its proposed interventions in this regard is *'to fully implement the practices of EITI for enhanced transparency and scrutiny of the extractives sector'*.¹⁰
- c) *The government must ensure that there are no obstacles to company participation in the EITI process.*

One of the main aims of government for increasing transparency and accountability within the sector, through EITI implementation, is that it will improve the investment environment. Its intends to do this by maximally optimising private sector involvement in the EITI - the Minister of Finance, Planning and Economic Development made this point during his announcement of Uganda's intention to join EITI:

"The implementation of EITI will involve multi-stakeholder participation comprising representatives from government, civil society and the private sector. This approach helps foster fact based dialogue and understanding of natural resource governance issues".

To this end, all of the oil companies as well as the Uganda Chamber of Mines and Petroleum were included in the invitation to participate in the EITI process and nominate members to the MSG. The government remains keen to ensure that any existing or new investor is free to participate in the EITI process if interested, and there are open channels to the Chairperson, MSG and Secretariat if they want to contribute and participate.

⁹ This allows access to information with permission from the Minister, and provides the legal basis for sharing information with the public on licences and other relevant information.

¹⁰ Ministry of Finance, Planning and Economic Development, 'Domestic Resource Mobilisation Strategy 2019/20 - 2023/24', October 2019: Page 74.

EITI Requirement 1.3

Civil society engagement

a) *Civil society must be fully, actively and effectively engaged in the EITI process.*

Civil society organisations (CSOs) are actively involved in extractives governance and operate at both the national (mainly Kampala based) and sub-national level. The majority of CSOs engage through coalitions although they also operate as individual entities. There are three main CSO coalitions in the extractives sector that include national as well as community based CSOs: Civil Society Coalition on Oil and Gas (CSCO)¹¹; Publish What You Pay (PWYP)¹²; and Civil Society Budget Advocacy Group (CSBAG)¹³. Sub-national CSOs have also formed coalitions to engage in advocacy on extractives. These include the Bunyoro Albertine Petroleum Network on Environment and Conservation (BAPENCO)¹⁴, and the Albertine Region Land Platform¹⁵ among others.

CSOs are involved in all thematic areas related to implementation of the EITI and have particularly keen interests in social and environmental issues, contract transparency, revenue management, budget implementation and monitoring.

CSOs have been particularly active in advocating for EITI in Uganda over the past nine years. Prior to the government's public announcement in January 2019, they had engaged government on several occasions on the importance of ensuring transparency and accountability in the extractives sector. This interaction was mainly through meetings and workshops. The push for EITI adoption was most intense during the process leading to the enactment of the three oil related laws¹⁶, and again more recently around proposed mining sector reforms. CSOs have consistently presented the benefits of implementing EITI to both government and the private sector.¹⁷

As a result, the Cabinet decision in January 2019 to apply to join the EITI was seen by many as the culmination of years of successful advocacy and lobbying by a wide range of CSOs dedicated to improving the governance of extractive industries in Uganda. Immediately following the government's announcement, CSOs held a press conference on 31st January 2019, during which they congratulated government for committing to join the EITI, and highlighted the benefits of joining, emphasising the need for effective participation of CSOs in the EITI process and pledging their support to government in implementing EITI. Over 15 media outlets participated and covered the press conference.

The local press reported:¹⁸ *"(the news of Cabinet's commitment to join the EITI) has been received well by civil society and public. In an ecstatic statement released shortly after government announcing the decision for Uganda to join EITI, the Civil Society Coalition on Oil and Gas in Uganda (CSCO) and Advocates Coalition for Development and Environment (ACODE) described accession of Uganda to EITI as a milestone towards achieving transparency and accountability in the oil, gas and*

¹¹ <http://cSCO.ug/>

¹² https://www.pwyp.org/pwyp_members/uganda/; <https://www.afiego.org/pwyp-uganda/>

¹³ <https://csbag.org/>

¹⁴ <https://www.facebook.com/Bapeneco/>;

¹⁵ <https://oilinuganda.org/features/land/csos-launch-albertine-region-land-platform/> and <https://www.facebook.com/Albertine-Region-Land-Platform-1427744850865616/>

¹⁶ Upstream law, midstream law and downstream law

¹⁷ <http://www.acode-u.org/uploadedFiles/infosheet12.pdf> <http://www.acode-u.org/uploadedFiles/EITI.pdf>

¹⁸ <http://earthfinds.co.ug/index.php/oil-and-gas/item/2200-why-stakeholders-are-ecstatic-about-uganda-s-eiti-ambition>

mining sectors - “Efforts such as the EITI mechanism which are geared towards transparency and accountability in the extractives industry will go a long way in ensuring that Ugandans optimize the benefits from these natural resources,” the CSOs said in a joint statement.

Following the public statement of intent by the government, CSOs held a meeting in Kampala on February 13th 2019 to strategise on how they could most effectively participate and support the EITI process in Uganda through their coalition organisations Publish What You Pay and the Civil Society Coalition on Oil and Gas. Over 20 influential CSO representatives working on extractives attended the meeting. Development partners such as the European Union and donor-funded programs (the Democratic Governance Facility) were also present. One of the decisions coming out of the meeting was to form a CSO Forum on EITI, to be known as the ‘Committee of the Whole House’ with a core team established to lead engagement on the EITI process. The core team included ACODE, Publish What You Pay, CSBAG, Global Rights Alert (GRA) and the Civil Society Coalition on Oil and Gas.

The MSG Chairperson was initially not aware that civil society had established this core team, and had formally reached out to CSOs through the more traditional route of the Uganda National NGO Forum¹⁹, requesting for the nomination of three representative members to the MSG. However, on 24th April 2019 the civil society core team members held a meeting with the MSG Chairperson at the MOFPED and requested for two additional seats on the MSG in order to ensure adequate representation. This request was agreed to by the MSG Chairperson. The minutes of the meeting are attached as Annex 7.

The nomination process that then began for the CSO constituency representatives to the MSG was extremely thorough, consultative and conducted in a participatory manner. The details of the approach are contained in Annex 8 - “*Documentation of Civil Society’s Participation in the Formative Stages of EITI at National Level*”. The end result was noted in a letter from the Uganda National NGO Forum to the Chairperson of the MSG, dated 7 May 2019, an excerpt of which is reproduced below:

“Following an elaborate, inclusive and democratic process, the civil society in Uganda nominated their five representatives to the Extractives Industry Transparency Initiative (EITI) Multi-Stakeholder Group on Friday 3rd May, 2019. The process of nomination started with a public call for expression of interest by members of the civil society fraternity, after which the shortlisted candidates were subjected to a voting exercise that was attended by over 30 civil society organisations working in extractive sector across the country.”

The names of the five representatives were submitted to the MSG Chairperson, who then issued them with appointment letters. The MSG CSO representatives are listed together with the rest of the MSG members in Annex 3.

Since then, and at a more operational level, the CSO coalition bodies²⁰ have held numerous meetings with the Uganda EITI Secretariat to ensure that their EITI and broader extractives related advocacy activities are aligned with the MSG’s own work plan. Their planned activities for 2020 include a large number of consultations and engagements (see CSOs 2020 Annual Work Plan - Annex 9) that primarily aim to increase the understanding and capacity of stakeholders to more actively and effectively engage in the EITI process. In a collaborative spirit of co-operation with the MSG, some of these activities will be delivered jointly.

¹⁹ www.ngoforum.or.ug

²⁰ Publish what you Pay, CSCO and CSBAG

Since becoming members of the MSG, CSOs interested in the potential benefits of EITI membership have in partnership with government reached out to other components of their constituency to ensure that they too are informed about the EITI process, building on years of engaging a wide variety of stakeholders on the laws, regulations and administrative rules that have shaped extractives governance. Often, these engagements have taken place, with financial support from development partners and technical and political support from the government who have sent representatives as participants and speakers. The key civil society events that have taken place in 2019 and 2020 include (in most recent chronological order):

- i. **‘Youth Inclusion for better governance in Uganda’s extractive industries’** – Organised by Transparency International Uganda in Kampala on 31 January 2020. As part of the Annual Youth Extractives Summit, which included presentations by government and the EITI Secretariat, organised with financial support from the donor’s basket-funded ‘Democratic Governance Facility’;²¹
- ii. **‘Emerging tax issues and extractives’** – Organised by an MSG member ‘Publish What You Pay Uganda’ in Kampala on 24 January 2020 and attended by EITI Secretariat Staff and policy makers from government, with financial support from the Finland government and Publish What You Pay International.
- iii. **‘CSOs platform/ roadmap on EITI processes’** – Again organised by Publish What You Pay Uganda in Kampala on 18 December 2019 as part of the General Annual Meeting and attended by EITI Secretariat Staff and policy makers from government, with support from the Finland government and Publish What You Pay International.
- iv. **‘Legislating for Sustainable Exploitation of Uganda’s Petroleum Resources’** – Organised by the World Wildlife Fund and an MSG member ‘Advocates Coalition for Development and Environment’ (ACODE), in Kampala 14-15 November 2019. A Parliamentary Symposium and training event for Parliamentarians and their Parliamentary Assistants and Researchers, on the petroleum sector’s impacts on people and the environment; featuring a presentation on the EITI by the MSG Chairperson.²²
- v. **‘Amplifying citizens’ voices, harnessing mineral wealth opportunities for Uganda’** – Organised by MSG members Global Rights Alert and Advocates Coalition for Development and Environment (ACODE), the 3rd Annual ‘Citizen’s Convention on Mining’ on 19–20 September 2019 brought together civil society and government. The main counterpart from government was the Ministry of Energy and Mineral Development but the EITI National Coordinator made a presentation on ‘EITI as a reform tool’ and joined a workshop on the key policy issues affecting the sector (with a particular focus on Artisanal and Small scale Mining).²³
- vi. **National Multi-Stakeholder Dialogue on the EITI** – Organised by MSG member Advocates Coalition for Development and Environment (ACODE) in Kampala on 18 July 2019 with presentations by the MOFPED on the EITI, organised with financial support from the ‘Democratic Governance Facility’ and the ‘Governance, Accountability Participation and Performance Program’.²⁴
- vii. **Peer learning workshop with support from EITI Zambia** – 16 – 17 April 2019, as part of building the capacity of civil society in understanding their roles in the EITI process, Publish What You Pay Uganda, Civil Society Coalition on Oil and Gas and Global Rights Alert organized

²¹ www.dgf.ug/news/youth-encouraged-prepare-job-opportunities-oil-sector

²² www.acode-u.org/parliamentary-symposium

²³ <https://earthfinds.co.ug/index.php/mining/item/2544-miners-hoping-eiti-will-be-good-for-business-promote-transparency>

²⁴ www.dgf.ug/events/national-multi-stakeholders-oil-and-gas-dialogue

a two-day training in Kampala. Experts from Zambia EITI and Natural Resource Governance Institute trained the participants and shared lessons and experiences from other EITI implementing countries.

- b) *The government must ensure that there is an enabling environment for civil society participation with regard to relevant laws, regulations, and administrative rules as well as actual practice in implementation of the EITI. The fundamental rights of civil society substantively engaged in the EITI, including but not restricted to members of the multi-stakeholder group, must be respected.*

The government of Uganda has a comprehensive legal and institutional framework for CSO engagement in policy dialogue on several aspects of economic development, including extractives governance that will encompass EITI implementation. This is enshrined in the Constitution of the Republic of Uganda 1995 and in subsequent legislation such as the Local Government (Amendment Act) 1997. The Constitution spells out the mandate of CSOs to participate and influence policy formulation on behalf of the citizens. Article 38(1) provides that *“Every citizen has a right to participate in the affairs of Government, individually or through his or her representative in accordance with the law.”* Article 38(2) further provides that *“Every Ugandan has a right to participate in peaceful activities to influence the policies of Government through civic organisations”*. The Constitution sets out the obligations of citizens in holding government accountable. Article 17(i) of the Constitution provides that *“It is the duty of every citizen of Uganda to combat corruption, misuse and abuse of public office.”*

Article 176(2) of the Constitution and 35(1) of the Local Government (Amendment) Act 1997 provides for consultation with citizens; and Article 35(1) of the Local Government (Amendment) Act 1997 provides that: *“The District Council shall be the planning authority of the District, and shall consult with citizens in the preparation of comprehensive and integrated development plans for submission to the National Planning Authority (NPA)”*.

In 2005 Parliament enacted the ‘Access to Public Information Act’ whose purpose inter alia is to:

- a) promote an efficient, effective, transparent and accountable government;
- b) promote transparency and accountability in all organs of the state by providing the public with timely, accessible and accurate information; and
- c) empower the public to effectively scrutinise and participate in government decisions that affect them.

Article 41(1) provides that *“Every citizen has a right to access information in the possession of the state or any other organ or agency of the State except where the release of the information is likely to prejudice the security or sovereignty of the State or interfere with the right to the privacy of any person.”*

In 2008, the Uganda government, through the Office of the Prime Minister (OPM) and with the support of the European Union embarked on developing an NGO Policy. The policy was approved by Cabinet and became operational in 2010. The broad aim of the NGO Policy is *“to set a framework that strengthens the relationship between the NGO sector and Government, and enhance capacities and the effectiveness in the areas of service delivery, advocacy and empowerment...ultimately, a stronger NGO sector should contribute to the institutionalisation of a culture of civic inclusiveness and participation as well as mutual accountability by all stakeholders in the important processes that*

*affect the lives of citizens at different levels”.*²⁵

In the extractives sector, government and CSOs see their roles as collaborative rather than confrontational. The government recognises the important representative role of civil society, and has set up mechanisms for collaboration with CSOs on extractives governance. This includes an informal partnership between government, Joint Venture partners²⁶ and CSOs (represented by CSCO and CSBAG). In addition, ACODE has an active MoU with MOFPED to organize high level dialogues on transparency and accountability including on EITI. Furthermore, CSBAG was appointed as a member of the Ministry of Energy and Mineral Development ‘Energy Working Group’ and is a member of the MOFPED Budget Working Group.

c) The government must ensure that there are no obstacles to civil society participation in the EITI process.

In general there are no obstacles to the participation of civil society in the EITI process, and an enabling legal, regulatory and administrative environment is in place to ensure this (as described above). The main risk to effective participation by a wider group within civil society is the limited knowledge about extractives and the EITI that exists in Uganda, compared to the number of existing CSOs, which increased dramatically from 200 in 1986 to 13,000 in 2019. As a result, only a relatively limited number of directly interested CSOs will probably be active participants in the implementation of EITI, and even these face a number of challenges that the MSG’s work plan will address. They include:

- **Limited practical knowledge and capacity among many CSOs** to understand the role of the MSG and the broader EITI implementation process. While many CSOs such as Advocates Coalition for Development and Environment (ACODE), Africa Institute for Energy Governance (AFIEGO)²⁷, Global Rights Alert²⁸, CSBAG and others have a good understanding of extractives governance issues, the vast majority of CSOs that they then need to interact with have an extremely limited understanding regarding the sector. Efforts to date to address this capacity gap include training events and awareness raising activities on the EITI that have been held for various CSOs with support from development partners (including, Finland, Germany, Norway, United States of America, and United Kingdom).
- **Limited own funding and development partner support for CSO EITI activities.** CSOs compete quite aggressively for the relatively limited donor funding for participating in EITI implementation. The more established CSOs and coalitions are experienced in tendering for and delivering donor funded projects, however, for others, funding gaps exist.

d) The government must refrain from actions that result in narrowing or restricting public debate in relation to implementation of the EITI.

²⁵ <https://www.mia.go.ug/sites/default/files/download/National%20NGO%20Policy%202010.pdf>

²⁶ Oil companies – TOTAL, CNOOC and Tullow

²⁷ <https://www.afiego.org/extractives-governance/>

²⁸ <https://www.globalrightsalert.org/what-we-do/corporate-accountability-and-transparency>

During recent years, the government enacted legislation that has been criticized by a number of CSOs for reducing civic and political space, namely, the Public Order Act 2013, and the NGO Act 2016. The latter in particular, raised concerns regarding the registration of CSOs in Uganda.²⁹ However, it is important to note that while the operating environment for organisations that are overtly engaged in political activities has been affected by these regulations, those working on extractive industry issues have not experienced the same kind of restrictions.

Furthermore, as a new and economically important emerging sector for Uganda, the government recognizes that constructive public debate around improving outcomes from extractive industries is important, and that the quality and breadth of debate is improved with the participation of relevant stakeholders. Therefore, in setting up the MSG, the government took the time and made extensive efforts to ensure that an open, independent and transparent process was observed for the nomination of the CSO representatives to the MSG. They nominated their members without undue influence, and with the participation and acceptance of all CSOs involved. This process is detailed in Section (a) above, and in Annex 8.

More generally, the government has participated in and supported a wide range of events that encourage debate on extractives industry governance issues with civil society and the private sector; and regularly concedes to the constructive criticism levelled at it. For example, the Civil Society Coalition on Oil and Gas and AFIEGO have publicly raised numerous concerns with government, about the environmental issues and social risks arising from the crude oil pipeline.³⁰

e) Stakeholders, including but not limited to members of the multi-stakeholder group must: Be able to speak freely on transparency and natural resource governance issues; Be substantially engaged in the design, implementation, monitoring and evaluation of the EITI process, and ensure that it contributes to public debate; Have the right to communicate and cooperate with each other; and Be able to operate freely and express opinions about the EITI without restraint, coercion or reprisal.

At the highest level, the Constitution of the Republic of Uganda 1995 Article 29 (1) protects the fundamental rights and freedoms of individuals and businesses. Most CSOs are involved in implementing development activities co-funded by and in partnership with government, although this is not yet the case in the extractive sector.

The media is the main avenue for ensuring that issues related to extractives governance are debated publicly. The government of Uganda strives for an open Uganda with press freedom and access to information as enshrined in Article 41 of the Constitution. Nonetheless, Uganda has experienced a drop in its rankings of the Reporter's Without Borders Survey, to 125th in 2019 from 117th in 2018. This has been attributed to restrictions on press reporting related to political issues in the country; but again, there has been no incident of curtailing of press freedom on reporting related to extractives issues. Generally, journalists are free to provide information and create a platform for public debate regarding extractives.

The Ministry of Energy and Mineral Development has a communication strategy to inform communication and engagement with the public on extractives governance. Under this strategy, government has organized a number of press briefings and dialogues on extractives governance involving CSOs, the private sector and other stakeholders.

²⁹ <https://www.monitor.co.ug/OpEd/Commentary/Civil-society-FIABannk-of-Uganda-shrinking-political-space/689364-5258114-2atots/index.html>

³⁰ <https://www.facebook.com/AfricalnstituteForEnergyGovernance/>

Similarly, CSOs are free to organize multi-stakeholder dialogues on extractives governance and there are various platforms that enable CSOs to express their views and engage stakeholders on extractives issues. CSOs have been involved in several government working committees. They have representation on key government sectoral and thematic technical working groups including:

1. The environment and natural resources working group;
2. Expanding social protection working group; and
3. Renewable energy working group.³¹

At the sub-national level, CSOs participate in the planning and budgeting processes of both technical and sub county planning committees. They also maintain formal and informal relations with Community Development Officers, Chief Administrative Officers, and Resident District Commissioners, and also join other platforms that build mutual relationships and cooperation between the government and CSOs. It is through such fora that CSOs influence the implementation of government policies and are actively engaged in monitoring government programs at both national and sub national levels. These engagements have fostered respectful, beneficial and collaborative partnership and engagements between civil society and government.

³¹ <https://www.mwe.go.ug/mwe/institutional-framework-water-and-environment>

EITI Requirement 1.4

Multi-stakeholder group

a) *The government is required to commit to work with civil society and companies, and establish a multi-stakeholder group to oversee the implementation of the EITI. In establishing the multi-stakeholder group, the government must:*

i. *Ensure that the invitation to participate in the group is open and transparent.*

On 11th February 2019, the Chairperson of the MSG sent out invitation letters to 12 key institutions within government, informing them of the Cabinet decision to apply to join the EITI, and requesting them to nominate members to the MSG. The government agencies were selectively chosen on the basis of their potential contribution to EITI implementation (see invitation letters in Annex 10).

The Chairperson also wrote to a civil society coalition with a membership of 585 CSOs, the Uganda National NGO Forum,³² inviting it to consult with members and send proposed nominees to the Chairperson. All the petroleum companies in the sector were invited to nominate members to the MSG. It was decided at the time that the mining sub-sector would be represented by the Uganda National Chamber of Mines and Petroleum and a letter requesting appointment of a member from that institution was sent out.

Following the invitations and subsequent nominations, appointment letters were dispatched, and 22 eminent individuals were appointed for an initial three-year period (that is renewable once). The first meeting of the MSG was held on 22 March 2019. As at the end of February 2020 there have been six MSG meetings.

In addition to constituency nominated MSG members, the MSG TORs allow for MSG members to invite other participants as 'Observers' to attend MSG meetings (Section 5.6 of the TOR) by giving advance notice to the Uganda EITI Secretariat. They can be either '*Permanent Observers who may be nominated and approved by the MSG*' or '*Standing Observers who may be invited by the MSG from time to time as the MSG deems fit*'. To date this has primarily comprised experts from various institutions that are already represented on the MSG, but whose additional technical competencies in specialized areas add value to and enrich MSG discussions, and development partners who are supporters of the Uganda EITI. One very important observer to the MSG has been the Office of the Auditor General, who it is hoped will provide 'Independent Administrator' services to the MSG in preparing the EITI Reports (specifically Requirement 4 - Revenue collection).

ii. *Ensure that stakeholders are adequately represented. This does not mean that they need to be equally represented numerically. The multi-stakeholder group must comprise appropriate stakeholders, including but not necessarily limited to: the private sector; civil society, including independent civil society groups and other civil society such as the media and unions; and relevant government entities which can also include parliamentarians. Each stakeholder group must have the right to appoint its own representatives, bearing in mind the desirability of pluralistic and diverse representation. The nomination process must be independent and free from any suggestion of coercion.*

³² www.ngoforum.or.ug

The multi-stakeholder group and each constituency should consider gender balance in their representation to progress towards gender parity.

The MSG is comprised of three constituencies – government, private sector and civil society - as provided for in the guidelines for setting up of MSGs. In order to ensure that no relevant institution within each constituency was left out, the Chairperson of the MSG opted for an all-encompassing approach, so as to guarantee universal inclusion from the onset. This principle applied mainly to the government and private sector constituencies, to whom the Chairperson wrote inviting them to nominate members to the MSG. The letter went out to the Uganda Chamber of Mines and Petroleum and all the petroleum companies. This was because since there were only five petroleum companies operating in Uganda at that time, it was resolved that all of them should be invited to participate, so as not to leave any one out. Concurrently, the Uganda Chamber of Mines and Petroleum was considered to be the most appropriate representative of the mining sector in Uganda at the time, because all the major mining companies were Chamber members. Civil society underwent its own comprehensive selection and voting process for MSG members as outlined in Section 1.3 above, and in Annex 8 (Documentation of Civil Society’s participation in the Formative Stages of EITI at National Level).

Efforts to encourage gender balance within the constituencies have been largely heeded and within the constituencies two of the five CSO MSG representatives are women, two of the six industry representatives are women, and five of the 12 government representatives are women.

Looking beyond the three constituencies, the ‘Parliamentary Forum on Oil and Gas’ are key allies of the MSG. They regularly hold discussion forums at which the MSG Chairperson is invited to provide updates on key extractives issues and progress on joining the EITI. The Parliamentary Committee on Natural Resources is also interested in and engaged with the national EITI agenda. Currently, the only known workers’ unions on extractives are not active (Uganda Mines, Metals, Oil, Gas and Allied Workers’ Union and the Uganda Chemicals, Petroleum and Allied Workers Union). It is expected that with the growth of the sector, a number of unions will be set up or revived as has been seen to happen in other countries. As part of its initial two-year work plan, the MSG intends to conduct more sensitisation and further outreach activities to a wider span of stakeholders, including media associations and workers’ unions.

iii. Consider establishing the legal basis of the group.

This issue is currently under consideration and will be decided upon by the MSG once they have carried out a detailed study on identifying possible obstacles to EITI implementation and associated risk mitigation strategies. One of the areas to be explored as part of this study will be the potential benefits of establishing a law (a ‘Uganda EITI Act’) that provides the legal basis for EITI and its implementation, including the MSG and its oversight of the EITI process in Uganda.

b) The multi-stakeholder group is required to agree clear public Terms of Reference (TOR) for its work. The TOR should, at a minimum, include provisions on:

The role, responsibilities and rights of the multi-stakeholder group:

i. Members of the multi-stakeholder group should have the capacity to carry out their duties.

The members of the MSG have been selected based on their capacity, competence and ability to fulfil their representative roles. They are each experts in their professional fields, and bring a wealth of knowledge and experience to extractive industry discussions during MSG meetings. Building on this, as part of the proposed two-year work plan, a number of team building and EITI specific training activities have been identified to harness potential synergies in order to build a more cohesive MSG that is collectively focused on the same key results and outcomes.

- ii. *The multi-stakeholder group should undertake effective outreach activities with civil society groups and companies, including through communication such as media, website and letters, informing stakeholders of the government's commitment to implement the EITI, and the central role of companies and civil society. The multi-stakeholder group should also widely disseminate the public information that results from the EITI process.*

To date, the CSO constituency of the MSG has undertaken extensive outreach activities publicising EITI and its importance to the development of the extractives sector. These activities are discussed under Section 1.3 which details civil society engagement in the EITI process.

The government has also been vocal in its commitment to EITI, and its importance to the country's development, as documented in Section 1.1 c) above. In addition to this, there has been wide media coverage on EITI. The Petroleum Authority of Uganda, which is represented on the MSG sponsors a weekly pull-out in one of the leading local daily newspapers called the 'Oil and Gas Journal', which runs every Tuesday. This pull-out has covered EITI extensively.³³

As the development of the Uganda EITI website is operationalised, the institutions and organisations represented on the MSG will continue to use their websites and communication channels to disseminate events, activities and developments along Uganda's EITI journey. Other outreach activities including dissemination and dialogue fora are some of the actions that will be undertaken as part of the work-plan, both at national and sub-national level.

- iii. *Members of the multi-stakeholder group should liaise with their constituency groups.*

This has been an ongoing process, particularly in the discussions around the work plan development. Each constituency was represented on the work plan committee and MSG members had the opportunity to consult with their constituencies on what they considered to be the key challenges facing the extractive sector in Uganda, as well as on developing priority areas that needed to be addressed in the work plan. The minutes of constituency consultations are attached in Annex 11. With regard to selection of members to represent the mining sub-sector on the MSG, the Chamber of Mines and Petroleum was considered the most appropriate because all the major formal mining companies in Uganda are affiliated with it. The Chamber is coordinating the process of nominating a representative to the MSG and has written to the MSG Chairperson submitting a candidate for appointment (Annex 12). It is expected that a representative member will be appointed very soon.

The CSO constituency in particular has been extremely active in ensuring that constituency consultations take place. As stated in Section 1.3 above, the CSO extractives coalition had already developed a work plan for 2020 whose activities mainly centred on EITI outreach activities to the public and other CSOs, as well as capacity building. It is intended that some of these activities will be carried out in collaboration with the MSG, to ensure effective targeting of all potential stakeholders.

- iv. *Members of the multi-stakeholder group are expected to abide by the EITI Association code of conduct.*

The MSG adopted the EITI Association Code of Conduct as an Annex to their own TOR (see Schedule One of the TOR – Annex 16). To date there have been no reported incidences of MSG

³³ See Annex 17 – Oil and Gas Journal coverage of EITI

members not abiding by the EITI Association code of conduct that the Chairperson and Secretariat has had to deal with.

Approval of work plans and oversight of implementation:

v. The multi-stakeholder group is required to approve annual work plans in accordance with Requirement 1.5.

The MSG has actively participated in the development and approval of the two-year costed work plan over the first half of 2020. An MSG committee on the work plan was created with representation from each constituency. This committee guided the preparation of the work plan, and ensured the MSG's active participation in its development, through regular constituency consultations. The draft work plan, following constituency consultations, was presented to the MSG by one of the committee members at the 6th MSG meeting held on 20th February 2020. Comments from the MSG members at this meeting were then incorporated into a new improved draft. This process is laid out in detail in Section 1.5b) below. Minutes from the work plan committee meetings are attached as Annex 13.

The development of the MSG's work plan has therefore been an iterative process between the MSG, the work plan committee and the Secretariat, with the committee reporting back to the whole MSG and presenting different drafts of the work plan at various stages of its development. The MSG has been at the centre of work plan discussions, and see the work plan as their statement of intent when it comes to EITI implementation.

vi. The multi-stakeholder group should oversee the EITI reporting process and engage in Validation.

Uganda is at the very beginning of the EITI implementation process and therefore validation is a minimum of two years away. However, the MSG has overseen the detailed process involved in preparing the application, including the development of the work plan, as mandated in their TOR which emphasise the MSG's role in overseeing the EITI reporting process.

The MSG is briefed by the Secretariat at regular intervals on progress of EITI implementation, and a specific committee on preparing for Validation will be agreed closer to the time.

Internal governance rules and procedures:

vii. The EITI requires an inclusive decision-making process throughout implementation, with each constituency being treated as a partner. Any member of the multi-stakeholder group has the right to table an issue for discussion. The multi-stakeholder group should agree and publish its procedures for nominating and changing multi-stakeholder group representatives, decision-making, the duration of the mandate and the frequency of meetings. This should include ensuring that there is a process for changing group members that respects the principles set out in Requirement 1.4(a). Where the multi-stakeholder group has a practice of per diems for attending EITI meetings, or other payments its members, this practice should be transparent and should not create conflicts of interest.

The operations of the MSG are governed by the MSG TORs which were discussed at the 2nd and 3rd MSGs and finally approved by them at the 4th MSG meeting. The TOR provide for the nomination of representatives, decision making processes, the duration of the mandate and the frequency of meetings. Article 6 of the TOR details the operations and proceedings of the MSG. Clause (a) states that 'MSG Meetings will occur on a quarterly basis or may be called by the Chairperson where need arises and shall be organized by the UGEITI National Secretariat'.

Furthermore, Clause (c) states that 'Any member of the MSG has the right to table an issue to the UGEITI Secretariat for discussion in the MSG meeting' making explicit that members have

the right to table any issue of concern that they may wish to raise.

MSG procedures for nominating and changing MSG representatives are also clearly outlined in the TOR:

- Article 5 Clause 1d of their TOR states that each constituency has the right to nominate its own members through the procedures that they choose, taking into consideration the need to ensure that procedures are transparent, open and representative.
- Article 5 Clause 2 states that members shall be appointed for an initial term of three-years, renewable once.

Article 7 of the TOR lays out the MSG's position on how decisions are made. The position is premised on the foundation of consensus building. Clause 7a) states that *'the MSG Meeting shall make every effort to adopt resolutions by consensus'*. It also emphasises the issue of quorum – Clause 7c) states that the quorum of an MSG Meeting shall be a minimum of half of the MSG members, and must include at least one third of the MSG members from each constituency.

The International Secretariat, following their December 2019 mission to Uganda, proposed alternative wording to this section of the TORs, so as to pre-empt any risk that two constituencies could veto the opinion of the third. The proposal was that if a vote was required, any resolution should be adopted by a majority, and must include the support of at least one third of the votes from each constituency. This clause was discussed extensively at the 6th MSG meeting held on 20th February 2020. During the discussion, MSG members raised the following objections to changing it:

- 1) The issue of quorum as stipulated in the TORs would ensure that all constituencies were present at all meetings, thereby minimising the opportunity for vetoing any single constituency.
- 2) Clause 7a) emphasised the precondition that every effort would be made to ensure that resolutions were adopted by consensus.
- 3) The possibility that any one constituency would be vetoed was therefore considered highly unlikely in the face of the above two considerations.
- 4) Even with the adoption of the alternative proposal, it was still possible for two constituencies to veto the third because the constituencies were not evenly numbered – government had 10 members, CSOs had 5 members and industry 7 members. Therefore, members were of the view that stating that at least one third of a constituency must be part of a majority vote was not a deterrent to collusion by any two constituencies.
- 5) Members reiterated that the spirit of the MSG was contained in Clause 7a of the TORs, that every effort must be made to build consensus, and that the MSG would strive to maintain this spirit.

Following the above MSG discussion, it was agreed to maintain the current provision, and immediately revisit it if and when the need arose. MSG members preferred to be optimistic about consensual decision making while explicitly providing for the clause's review if dictated by circumstances.

The issue of per diems and allowances is covered under Schedule One, which also contains the MSG Code of Conduct. Article 8b) states that MSG Members may receive an allowance in the course of fulfilment of their duties. This is mainly to cater for members' travel expenses, recognising the fact that some of them travel long distances to attend MSG meetings.

viii. There should be sufficient advance notice of meetings and timely circulation of documents prior to their debate and proposed adoption

The MSG has held six meetings since inception. The dates for notice of meetings and the meetings themselves are shown below:

	<u>Notice of meeting</u>	<u>Meeting date</u>
1 st meeting	19 th March 2019	22 nd March 2019
2 nd meeting	17 th May 2019	30 th May 2019
3 rd meeting	30 th May 2019	10 th June 2019
4 th meeting	3 rd September 2019	13 th September 2019
5 th meeting	18 th November 2019	5 th December 2019
6 th meeting	10 th February 2020	20 th February 2019

There has been a marked improvement in the timeliness of meeting notices, circulation of documents and organisation of meetings. Except for the first meeting, which was agreed through phone calls and emails before the final formal invitation went out, MSG members have received not less than 10 days' advance notice of intended meeting dates. The date for the 3rd meeting was agreed during the 2nd meeting, because it took place ten days later, and its main business was finalising the MSG TORs. This notwithstanding, the Secretariat recognises that there is still considerable progress required to improve the organisation of MSG meetings, not least ensuring timely circulation of minutes and proposed agenda items for discussion. Email notifications of MSG meetings are available for discussion and verification.

ix. The multi-stakeholder group must keep written records of its discussions and decisions.

There are recorded minutes of all MSG meetings. These are attached in Annex 14. The MSG is working to ensure that UGEITI sets up and maintains a website for sharing information as soon as possible. As and when it is operational, all MSG minutes and decisions will be published on the UGEITI website. This decision is also anchored in the MSG TORs (Annex 16), which will also be published on the UGEITI website.

EITI Requirement 1.5

Work plan

The multi-stakeholder group is required to maintain a current work plan, fully costed and aligned with the reporting and Validation deadlines established by the EITI Board. The work plan must:

a) Set EITI implementation objectives that are linked to the EITI Principles and reflect national priorities for the extractive industries. The MSG should address the steps needed to mainstream EITI implementation in company and government systems. MSGs are encouraged to explore innovative approaches to extending EITI implementation to inform public debate about natural resource governance and encourage high standards of transparency and accountability in public life, government operations and in business.

The current MSG work plan covers the period July 2020 to June 2022 (See Annex 15). It is fully costed and aligned with both the Government of Uganda's financial year, as well as the anticipated reporting and validation guidelines likely to be stipulated by the EITI Board.

Uganda's EITI operational costs are currently fully funded from the national budget – this in itself is a significant indication of the government's commitment to the EITI process. Government has committed 1.5 billion Uganda shillings to EITI in its Budget for the fiscal year 2020/ 2021. (This is equivalent to almost 400,000 US dollars). Indicative timelines suggest that Uganda's validation process will happen at the end of 2022, depending on when EITI candidature is secured (between June and October 2020). The work plan therefore runs up to June 2022 to allow alignment with the validation dates.

The objectives of the work plan as developed by the MSG are anchored in national priorities – specifically, the Uganda National Oil and Gas Policy (2008) and the October 2019 Domestic Revenue Mobilisation Strategy 2019/20 – 2023/24.³⁴

- Objective 6 of the Uganda National Oil and Gas Policy is to ensure collection of the right revenues and use them to create lasting value for the entire nation. One of the actions to operationalize this objective is to **'participate in the processes of the Extractive Industries Transparency Initiative (EITI)'**.
- Similarly, the Domestic Resource Mobilisation Strategy discusses the importance of developing a strong extractive industry taxation regime. One of its proposed interventions in this regard is **'to fully implement the practices of EITI for enhanced transparency and scrutiny of the extractives sector'**.

The work plan was developed by the MSG through a consultative and participatory process that began in early December 2019. It continued during the first half of 2020 in a series of meetings organised and spearheaded by the work plan committee of the MSG, guided and supported administratively by the Secretariat.

The overall work plan goal is: **'Improving the Governance of Extractive Industries in Uganda for the Benefit of Present and Future Generations'**. The work plan has three Objectives, namely to:

1. Enhance transparency in the extractive sector;

³⁴ <https://www.finance.go.ug/publication/domestic-revenue-mobilisation-strategy-uganda-201920-202324>

2. Strengthen revenue management and accountability; and
3. Build the operational and technical capacity of the MSG and Secretariat to ensure that EITI is effectively implemented.

Under the first objective, transparency, the MSG has planned a series of activities to foster and facilitate public debate on natural resource governance. This includes the development of a communications strategy that will detail the MSG's plan for public and sector-specific engagements, at national and sub-national levels. The MSG also intends to hold national meetings and strategic dialogues with key stakeholders on how to improve extractives governance, in order to encourage high level buy-in and public commitment to high standards of transparency and accountability in the sector. The communications strategy will detail the set-up and maintenance of the Uganda EITI website.

The MSG work plan intends to prioritise reforms that address social and environmental challenges arising from the operations of extractive industries in Uganda, following guidance provided in the EITI Standard under Requirement 6.4. Over and above the EITI Requirements and as part of its effort to give more attention to social challenges, the MSG intends to focus on women's participation in extractives governance (Requirement 6.3d). A key activity in this regard will be a scoping study to consider how the EITI Standard can be used to improve women's participation and gender equity in how benefits and costs from extractives are shared. The MSG has specific expertise in this area from its civil society constituency – a member who has written extensively on the subject, including the well-known publication: 'Assessing Gender Sensitivity in Uganda's Extractive Industry'.³⁵

b) Reflect the results of consultations with key stakeholders, and be endorsed by the multi-stakeholder group.

Discussions on developing the work plan kicked off at the 5th MSG meeting held on 5th December 2019. At this meeting, an initial objective setting exercise was facilitated by the International Secretariat, and a work plan committee constituted to take forward the process of developing a fully costed time-bound work plan. The committee's composition reflected membership from each MSG constituency. The committee held a series of meetings and consultations with stakeholders in the process of developing the work plan. The time line below documents these meetings and consultations.

- 13th January 2020 – First work plan committee meeting at which it is agreed to hold consultations with constituencies on priorities and objectives.
- 22nd January 2020 – The government constituency held its consultative meeting to identify and agree on the priorities and challenges facing the extractives sector.
- 27th January 2020 – The CSO constituency held its consultative meeting to agree on what it considers to be the priorities and challenges facing the extractive sector.

The industry consultation was done by email due to time constraints and other pressing engagements that did not allow for them to meet physically (see email discussion in Annex 4).

- 5th February 2020 – Second work plan committee meeting; members convened to report back on consultations and confirm agreed individual constituency priorities and challenges.

The work plan committee in consultation with the National Secretariat then developed the first draft

³⁵<https://www.globalrightsalert.org/sites/default/files/Assessing%20Gender%20Sensitivity%20in%20Uganda%E2%80%99s%20Extractive%20Industry.pdf>

of the work plan based on feedback from constituencies on challenges and objectives.

- 20th February 2020 – 6th MSG meeting to discuss first draft of work plan. Members discuss work plan and provide feedback and comments.

Work plan committee in consultation with Secretariat incorporates comments and feedback, including email feedback from individual MSG members. 2nd draft of work plan produced.

- 6th March 2020 – Third work plan committee meeting to discuss 2nd draft of work plan.

Committee and Secretariat work together to improve second draft, and develop detailed itemised costing for each activity.

- 21st April 2020 – Fourth work plan committee meeting (held via Zoom) to discuss 3rd draft of work plan that contained itemised costing for each activity.
- 19th June 2020 – Fifth work plan committee meeting held to consider final work plan, with alternative scenario costing taking into account the Covid pandemic.

The records of the MSG Work Plan Committee meetings are in Annex 13.

c) Include measurable and time bound activities to achieve the agreed objectives. The scope of EITI implementation should be tailored to contribute to the desired objectives that have been identified during the consultation process. The work plan must:

i. Assess and outline plans to address any potential capacity constraints in government agencies, companies and civil society that may be an obstacle to effective EITI implementation.

The Uganda EITI Work plan contains 37 discrete and time-bound activities that will lead to the achievement of the MSG's three objectives. Many of these activities will be delivered by agencies within government, civil society and the private sector; and the MSG recognises that this will be a learning process for all.

To this end, Objective 3 of the work plan is aimed at building the operational and technical capacity of the MSG and the Secretariat to ensure that they can adequately oversee and effectively guide EITI implementation. Activities under Objective 3 are therefore targeting capacity constraints within the MSG constituencies. A specific activity to identify potential constraints or gaps within the three MSG constituencies also exists under this Objective. The output from this activity will be a capacity gap analysis and the findings will contain risk mitigation strategies. The adoption of these strategies will be part of the process of ensuring smooth delivery of work plan activities.

Development partners also provide support to CSOs to help build their capacity and support their efforts in implementing EITI. CSOs are engaged in a diverse range of activities that include (1) Consultative meetings, (2) Dialogues and stakeholder engagements on EITI, (3) Capacity building trainings, (4) Research and studies, (5) Media engagement, and (6) Other strategic activities. These activities are documented in Annex 8, 'Civil Society work plan for EITI in 2020'.

ii. Address the scope of EITI implementation, including plans for strengthening systematic disclosures and addressing technical aspects of reporting, such as comprehensiveness and data reliability (4.1 and 4.9).

MSG meetings have discussed the scope of EITI implementation in great depth and detail, and consider the question of incorporating Uganda's emerging informal mining sector within EITI implementation as one of the major challenges facing the MSG. Owing to the paucity of data and information on the Ugandan mining sector, the MSG decided that one of the first scoping studies needed was one that would provide a clear understanding of the current and potential contribution of Artisanal and Small-Scale Mining (ASM) to revenues, as well as their social and environmental

impacts.

The issue of systematic disclosure has also been at the forefront of discussions from the onset. To this end, the Uganda EITI Secretariat has received significant guidance and practical information from:

1. The Uganda Revenue Authority, and the Ministry of Energy and Mineral Development, in particular the Directorate of Geological Survey and Mines, in regard to ‘Comprehensive disclosure of taxes and revenues’ (Requirement 4.1);
2. The Office of the Auditor General (OAG), who as the Supreme Audit Institution in Uganda is best placed to provide the ‘data quality and assurance’ as required by Requirement 4.9. It is hoped that the OAG will provide ‘Independent Administrator’ services to the MSG at the required time. In pursuit of this approach, the work plan has outlined a number of activities related to helping the OAG better understand what will be required of them as the Independent Administrator. This includes further developing the terms of reference for the Independent Administrator, a discussion that has been ongoing since mid-2019;
3. The Natural Resource Governance Institute (NRGI) have provided briefings and trainings to the Secretariat and have agreed to train the MSG and Secretariat on mainstreaming.

iii. Identify and outline plans to address any potential legal or regulatory obstacles to EITI implementation, including, if applicable, any plans to incorporate the EITI Requirements within national legislation or regulation.

Planning the extensive exercise of identifying and outlining plans to address legal and regulatory obstacles to EITI implementation will begin in July 2020. One of the major policy issues already under discussion is how to handle the ‘confidentiality clauses’ that currently prevent contract disclosure in existing production sharing contracts. Three key activities that the MSG intend to complete as part of the scoping study that are relevant to this issue, are captured in the work plan. From them the following outputs are expected:

1. Gap analysis report identifying possible obstacles to EITI implementation and risk mitigation strategies;
2. Two research briefs on the legal and fiscal regime for both mining and petroleum; and
3. Two fact sheets on contract and licence allocations.

The exercise to assess the key pieces of legislation against the EITI Requirements will be conducted as part of the ‘gap analysis’ referred to above, and as part of considering the need to establish the legal basis of the EITI in Uganda (discussed in Section 1.4 a (iii) of this application).

d) Outline the multi-stakeholder group’s plans for implementing the recommendations from EITI implementation and Validation.

The issue of implementing the recommendations from EITI implementation and Validation will be addressed explicitly in the ‘Monitoring, Evaluation and Learning Framework’, which is currently under development by the Secretariat. Uganda is at the threshold of EITI accreditation, and validation is over two and a half years away. This notwithstanding, the MSG has ensured that the work plan is a rolling one, and will be updated regularly to reflect the status of implementation. As such, the MSG will set aside time during its quarterly meetings and annual learning events to consider and plan for validation as it approaches.

e) Outline plans for disclosing contracts in accordance with Requirement 2.4(b) and beneficial ownership information in accordance with Requirement 2.5(c)-(f), including milestones and deadlines.

The MSG intends to undertake a study that documents the government’s policy on contract

disclosure. The Secretariat will then use this analysis to support the MSG in preparing and publishing a plan for disclosing contracts and licences as per Requirement 2.4 of the EITI Standard 2019.

A similar approach of documenting the government's position and preparing a disclosure plan for the MSG will be undertaken for beneficial ownership (Requirement 2.5). These preparatory documents will feed into the production of the first 'EITI report' during the second year of implementation (July 2021 to June 2022 in the work plan), which is in accordance with the 18-month deadline specified for the first EITI report.

These scoping studies on disclosure and beneficial ownership will build upon the guidance and analysis that the Secretariat has been using to improve their understanding of these issues, written by two civil society members of the MSG.³⁶ This useful research, 'Contract Transparency in Uganda's Petroleum and Mining Sectors' (ACODE Policy Research Paper Series No. 94, 2019)³⁷, considered key areas of contract transparency, and ranked the performance for the petroleum and mining sectors separately. The findings revealed that out of a possible maximum score of 100%, petroleum contract transparency scored 45% and mining 35% - indicating that there is considerable scope for Uganda to make meaningful progress in this area.

- f) *Identify domestic and external sources of funding and technical assistance where appropriate in order to ensure timely implementation of the agreed work plan.*

Funding for the Uganda EITI Secretariat and delivery of the work plan comes primarily through the national budget; within this funding, a proportion comes from the European Union's budget support programme to Uganda focused on justice and accountability reform.³⁸ Additional support from other development partners, to fill the funding gaps, is currently under consideration.

- g) *Be made widely available to the public, for example published on the national EITI website and/or other relevant ministry and agency websites, in print media or in places that are easily accessible to the public.*

As the National Secretariat continues to set up, establish itself, and prepare for initial activities such as developing a communications strategy, the main means of external communication on EITI continues to be through the MSG members and their constituencies. The work plan will be made available to the public through press releases and announcements, and captured on the following websites:

- Ministry of Finance, Planning and Economic Development - www.finance.go.ug
- Petroleum Authority of Uganda - <http://www.pau.go.ug/>
- Uganda National Oil Company - www.unoc.co.ug
- Advocates Coalition for Development and Environment - <https://www.acode-u.org/>
- Natural Resource Governance Institute - <https://resourcegovernance.org/>

The Uganda EITI Secretariat is in the process of finalising a TOR for developing a communications strategy. Once this exercise is complete the National EITI Secretariat's website will go live.

- h) *Be reviewed and updated annually. In reviewing the work plan, the multi-stakeholder group should consider extending the detail and scope of EITI implementation. In accordance with*

³⁶Onesmus Mugenyi and Siragi Magara of the 'Advocates Coalition for Development and Environment' (ACODE) and 'Civil Society Budget Advocacy Group' (CSBAG).

³⁷ : <https://www.acode-u.org/PRS94>

³⁸ https://eeas.europa.eu/delegations/uganda/36559/european-union-supports-justice-and-accountability-reform-uganda-ugx-285-billion-eur-66_en

Requirement 1.4 (b), the multi-stakeholder group is required to document its discussions and decisions.

This is the first work plan to be produced by the Uganda MSG. Its development is detailed in Section 1.4 (i) above. It is a rolling two-year work plan, which means that its detail and scope will be under continual review, reflecting the priorities and work programme of the MSG, as well as the status and ongoing developments in the extractive sector. One of the key areas that the MSG has specified as a priority for the next few years is the need to ensure that the social dimensions and challenges that accompany extractives development are adequately covered alongside environmental concerns (extending the scope of Requirement 6.4).

All the discussions and decisions related to the work plan are recorded in the meeting notes.

- i) Include a timetable for implementation that is aligned with the deadlines established by the EITI Board (section 4 - EITI Board oversight of EITI implementation) and that takes into account administrative requirements such as procurement processes and funding.*

The implementation period for each activity is clearly stipulated in the work plan. The original intention was that most of the activities relating to scoping would be conducted in Year 1 (July 2020 – June 2021), because their findings would form the basis of the response strategy to solving identified challenges. However, the onset of the Covid pandemic has necessitated an alternative scenario review of the work plan, to take into consideration the ramifications that the pandemic may have on activities and their funding. This notwithstanding, the MSG intends to ensure that the planning and where needed procurement processes for most of the studies are initiated in the first quarter of the first year of implementation. Work is already ongoing to ensure that TOR for scoping studies are drafted in order to avoid delays to securing the right consultants if Secretariat staff are not able to do the work.

Preparation of Uganda's first EITI Report will commence at the end of Year 1. It will be completed during Year 2, in line with the deadlines likely to be established by the EITI board for preparing the first 'EITI report' i.e. within 18 months of securing candidature. Validation will be completed 12 months after this.