

**MINUTES FOR THE ZAMBIA EITI COUNCIL MEETING HELD ON 1
DECEMBER 2023 AT THE GEOLOGICAL SURVEY DEPARTMENT**

PRESENT

1. Mr. Edmond Kangamungazi - (Caritas Zambia)Member/V. Chairperson
2. Mr. Kayula Chimfwembe - Government (MoFNP) Member
3. Mr. Billy Chewe - Government (MMMD) Proxy
4. Ms. Sylvia Kasungami Masabo - Government (MoLG) Member
5. Mr. Obert Kangwa - Government (ZRA) Member
6. Mr. Edward Lange - Civil Society (SARW)
7. Ms. Musonda Kapena - Civil Society (Namfumu) Member
8. Mr. Musonda Kabinga - Civil Society (YAD) Member
9. Mr. Hugh Carruthers - Mining Industry (FQM) Member
10. Mr. Martford Mumba - Mining Industry (FSSMAZ) Proxy
11. Mr. Talent Ngandwe - Mining Industry (ZCM) Proxy

IN ATTENDANCE

1. Mr. Ian Mwiinga - Head ZEITI Secretariat
2. Ms. Mutinta Hadunka - ZEITI- Communications Officer
3. Mr. Kennedy Sinkala - ZEITI- Accountant
4. Ms. Violet Mukanda - ZEITI- Secretary
5. Mr. Chomba Chileshe - ZEITI-Intern
6. Mr. Barack Kalima - BDO Zambia
7. Mr. Mubanga Lengwe - BDO Zambia

ABSENT WITH APOLOGY

1. Mr. Felix Nkulukusa - Government(MoF-ZEC Chairperson)
2. Dr. Hapenga M. Kabeta - Government (MMMD) Member
3. Mr. Francis Chilunga - Government (MoJ) Member
4. Mr. Peter Zgambo - Government (Boz) Member
5. Mr. Sokwani Chilembo - Mining Industry (ZCM) Member
6. Mr. Nsama Chikwanka - Civil Society (PWYP) Member
7. Ms. Edah Chimya - Civil Society (ZAW) Member

1. OPENING REMARKS BY THE CHAIRPERSON

The meeting commenced at 10:13hrs and it was Chaired by the Zambia EITI Council (ZEC) Vice Chairperson Mr. Edmond Kangamungazi. The substantive Chairperson could not attend the meeting as he had to attend to another equally important meeting at Cabinet Office.

In his opening remarks, the Chairperson, noted the achievements that the EITI had accomplished during the year and encouraged members to continue participating in ZEC meetings in the coming year.

The Chairperson also reiterated the need to have the substantive Chairperson to attend the ZEC meetings as the country draws closer to its next validation under the new standard.

2. ADOPTION OF THE AGENDA

The agenda was adopted without any changes. The proposal to adopt the agenda was made by Mr. Talent Ngandwe and seconded by Mr Edward Lange.

3. APOLOGIES

A list of apologies is given on page 1.

4. CONFIRMATION OF MINUTES FOR THE PREVIOUS ZEC MEETING

The minutes of the previous meeting were adopted after the following corrections:

- Mr Edward Lange stated that his name was omitted from those present even though he was in attendance.
- Write abbreviations in full in the minutes.

The minutes were proposed by Mr. Edward Lange and seconded by Mr. Kayula Chimfwembe.

5. MATTERS ARISING

As part of the matters arising, the following matters were discussed by the ZEC as follows:

- i. The meeting discussed on various options that the ZEC can take to facilitate the availability of the Secretary to the Treasury (ST) to chair the ZEC meetings.
- ii. The meetings also discussed the need to have another ZEC training due to the unavailability of most of the ZEC members and the Directors from the Ministry of Mines and Minerals Development during the Extraordinary ZEC meeting.
- iii. The meeting also discussed the support by the Chamber of Mines towards Mainstreaming implementation of EITI in Zambia. The meeting was informed that out of the USD70,000

USD pledged by the Zambia Chamber of Mines to the ZEITI Secretariat, a total of USD 37,000 had been secured to date; and,

- iv. The meeting also discussed the Membership fee that is payable to the EITI International Secretariat annually. The meeting was informed that Zambia is required to pay an annual Membership fee for the implementation support towards the EITI implementation in Zambia. The total outstanding amount is USD 30,000.

RESOLUTIONS

- a. The meeting resolved to pay a courtesy call on the ST to explore ways of how his office will be adequately represented at ZEC meetings.
- b. The meeting noted that the Extraordinary meeting failed to achieve the intended purpose. It was resolved that efforts should be made to re-engage the Ministry on various issues that were raised during the Extraordinary meeting. Notably, the CSOs could organise a meeting with P.S and his Directors during the Mining Indaba in Cape Town.
- c. It was agreed that Mopani's new equity partner International Resources Holding Limited (IRH) should be requested to disclosed contracts it has signed with the government;
- d. There is need to find an alternative to EITI funding as the industry players indicated that it is unsustainable for them to fund the Secretariat; and,
- e. Government may consider requesting the ZCCM-IH to support the payment of the USD 10,000 towards EITI implementation.

The rest of the matters arising below were drawn from the previous ZEC Minutes as follows:

I. 2022 ZEITI Report

The meeting was informed that the process of producing the 2022 ZEITI had been completed and the draft report will be circulated to the members for comments. The draft 2022 ZEITI report was circulated to all members for their input and comments.

II. Mainstreaming

The members present were informed that the funding for the construction of the ZEITI Mainstreaming portal was secured through the Zambia Chamber of Mines. The contract with the Revenue Development Foundation (RDF) was also signed. An initial payment for the commencement of works was being prepared by the Zambia Chamber of Mines.

III. Data Collection for the disclosure of the G-Factor

The meeting was informed that the data collection for the disclosure of the G-factor metric. The scope of companies included in the G-Factor data disclosure is similar to the scope for EITI reporting. The G-Factor data highlights the revenue contribution of companies towards three revenue streams, i.e, Corporate Income Tax, Mineral Royalty, and Dividends.

6. Draft 2022 ZEITI Report presentation by BDO

The draft 2022 ZEITI report was presented by the consultant (BDO) for comments and approval by the ZEC. The key highlights that were noted in the report are listed below:

- a) Revenue generated from the extractive sector totalled ZMW 40.13 billion against ZMW 38.98 billion in 2021.
- b) Decline in export due to decline in volume and prices.
- c) Decline in production of copper due to low copper grades, repairs in fleet etc.
- d) The only notable change that happened in 2022 was the introduction of deductibility of the mineral royalties. The mineral royalty fees are now deductible for income tax purposes.
- e) There were no major changes in the regulatory and fiscal framework under which the extractive sector operated.
- f) The only notable change that happened in 2022 was the introduction of the deductibility of the mineral royalties. The mineral royalty fees are now deductible for income tax purposes.

RESOLUTIONS

- The ZEC resolved to pursue the disclosure of various agreements in the mining sector in 2024. This is part of an effort to consolidate the gains around contract disclosure as provided under requirement 2.4 of the EITI Standard;
- The ZEC also resolved to pursue environmental related issues especially in light of the Lobito Corridor which has the potential to disturb the Bird Sanctuary and also the source of the Zambezi River;
- The ZEC resolved to follow in detail regarding the 3 million copper strategy that has been drafted by the Ministry of Mines; and,

- The ZEC through the Zambia Revenue Authority (ZRA) resolved to pursue the auditing of the MOSES to ensure production data that is reported in the system is accurate.
- The new EITI Standard introduced in 2023 needs to be adopted before its commencement date of 2025, in readiness for validation.

7. PRESENTATION OF THE 2024 ZEITI WORK PLAN

The draft 2024 ZEITI work plan was presented to the ZEC for consideration and approval. The work plan has four objectives for the year 2024 and fourteen activities planned from January to December 2024.

The meeting was informed that the funding from the government has remained at ZMW 3 million for 2024.

RESOLUTIONS

- The meeting resolved to engage the Permanent Secretary and the Secretary to the Treasury regarding the funding deficit. This is premised on the fact that the new EITI Standard is expansionary and will require a lot of resources to fully implement the standard ahead of the Validation scheduled for the first quarter of 2025. A copy of the 2024 ZEITI work plan is attached in the annex.
- The members present wanted an update on the mainstreaming Technical Working Group. It was agreed that there is need to expand the current membership to include reporting entities that are vital in the running of the mainstreaming portal such as ZCCM-IH.

8. BRIEF UPDATES ON GLOBAL EITI IMPLEMENTATION

The meeting was informed that the EITI international secretariat had commenced plans for technical support to implementing countries for the implementation of the 2023 EITI standard. This is in line with support given to implementing countries in readiness for the validation.

In terms of funding, the meeting was informed that the EITI International Secretariat shared the preliminary findings of its analysis of the cost of EITI reports. Recent developments in collaboration with the World Bank for technical assistance were highlighted.

On Validation, the meeting was informed that a draft schedule for Validations under the 2023 Standard has been shared with the Validation Committee. In drafting this updated schedule, the EITI International Secretariat aims to enhance the consistency and predictability of validation processes for all countries and ensure that countries experience a relatively similar timeframe between validations.

On EITI Membership fee, the meeting was informed that all EITI implementing countries are required to pay an annual Membership fee of USD 10,000.

9. CLOSING REMARKS

In closing the meeting, the chairperson thanked everyone for their participation and also encouraged the members to read all documents circulated to them. The meeting ended at 13:00.

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CHAIRPERSON

DATE

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SECRETARY

DATE

ACTION TAKEN REPORT

S/N	ISSUE	ACTION NEEDED	STATUS	BY WHOM
1	Data collection of the G-Factor	Data collection from reporting entities	Done	ZEITI
2	ZEITI Mainstreaming Portal	Update on progress	WIP	ZEITI/FQML and Chamber of Mines
3	Data collection for the 2023 ZEITI report	Data collection in line with the 2023 Standard	WIP	ZEITI
4	ZCCM-IH being part of the MSG-Mainstreaming Technical Working Group	ZCCM-IH has provided a senior officer to be part of the Mainstreaming Technical Working Group	Done	ZEITI
5	Membership fee to EITI International Secretariat	Mobilise funds to make the payment	WIP	ZEITI/GRZ