

MINUTES FOR THE VIRTUAL ZAMBIA EITI COUNCIL MEETING HELD ON THURSDAY 7 APRIL 2022

PRESENT

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| 1. Mr. Spyton Phiri | - | Government (ZRA) Member |
| 2. Mr. Charles Chivweta | - | Government (MoF) Proxy |
| 3. Mr. Peter Zgambo | - | Bank of Zambia Member |
| 4. Mr. Hugh Carruthers | - | Mining Industry (FQML) Member |
| 5. Mr. Talent Ngandwe | - | Mining Industry (ZCM) Proxy |
| 6. Mr. Martford Mumba | - | Mining Industry (FSSMAZ) Proxy |
| 7. Mr. Edward Lange | - | Civil Society (SARW) Member |
| 8. Ms. Petronella Phiri | - | Civil Society (YAD) Member |
| 9. Mrs. Pauline Mundia
Member | - | Mining Industry (FSSMAZ) |
| 10. Mr. Francis Chilunga | - | Government (MoJ) Member |
| 11. Mr. Andisen Zulu | - | Civil Society (CCZ) Member |
| 12. Mrs. Sylvia Masabo | - | Government (MLGH) |
| 13. Mr. Evans Kanche
Member | - | Mining Industry (AZMEC) |

IN ATTENDANCE

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| 1. Mr. Ian Mwiinga | - | Head - ZEITI Secretariat |
| 2. Ms. Mutinta Hadunka | - | ZEITI- Communications Officer |
| 3. Mr. Lupinda Chimwasu | - | ZEITI- Economist |
| 4. Mando Chiundaponde | - | Oxfam- Observer |

ABSENT WITH APOLOGY

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| 1. Mr. Felix Nkulukusa
Chairperson) | - | Government(MoF-ZEC |
| 2. Mr. Sakwiba Musiwa | - | Government (MMMD) Member |
| 3. Mr. Edgar Siakacoma | - | Civil Society (NEF) Member |
| 4. Mr. Sokwani Chilembo | - | Mining Industry (ZCM) Member |
| 5. Mr. Chikusi Banda | - | Mining Industry (Mopani) |
| 6. Mr. Hambani Ngwenya | - | Mining Industry (LCM) Member |
| 7. Mr. Kayula Chimfwembe | - | Government (MoF) Member |
| 8. Mr. Edmond Kangamungazi
Chairperson | - | Civil Society (PWYP) Member/V. |

1.0 Opening remarks

In the absence of the Chairperson and the Vice Chairperson, the meeting was chaired by Mr. Edward Lange, a member from the Civil Society constituency. In his opening remarks, the Chairperson welcomed all the members to the virtual Zambia EITI Council (ZEC) meeting.

The meeting commenced at 10: 10hrs.

2.0 Adoption of the Agenda

The agenda was adopted without any changes. The proposal to adopt the agenda was made by Ms. Petronella Phiri and seconded by Ms. Pauline Mundia after an amendment to the numbering sequence.

3.0 Apologies

A list of apologies is given on page 1.

4.0 Confirmation of Minutes for the previous ZEC meeting

The minutes were adopted by the members as a true record of the deliberations of the previous meeting. The proposal to adopt the minutes was made by Mr. Spyton Phiri and seconded by Mr. Hugh Carruthers.

5.0 Matters Arising (Action Taken Report)

a. Beneficial Ownership Transparency

The ZEC members were informed that during the quarter under review, there was a Beneficial Ownership (BO) Transparency roadmap formulation workshop that was organised by the Open Ownership in collaboration with the ZEITI Secretariat. The roadmap was drafted by participants drawn from the Patents and Companies Registration Agency (PACRA), Drug Enforcement Commission (DEC), Zambia Development Agency (ZDA), Anti-Corruption Commission (ACC), Financial Intelligence Centre (FIC), Zambia Revenue Authority, and Ministry of Mines and Minerals Development Department of Planning and the Mining Cadastre Department. A final copy of the roadmap will be presented to the ZEC for approval after incorporation of comments and input from various stakeholders.

b. Production of the 2021 ZEITI Report

The Secretariat informed the meeting that the production of the 2021 ZEITI report is on course and data collection letters were awaiting approval by the Permanent Secretary. Further, the meeting was also informed that the

procurement process for the Independent Administrator who will be hired to produce the 2021 ZEITI report had commenced.

The meeting encouraged the ZEITI Secretariat to pay particular attention to the reported cobalt data and clarify any identified discrepancies. The meeting also advised the ZEITI Secretariat to engage the ZCCM-IH regarding the publication of the 2020 and 2021 Annual operations reports for its investee companies.

c. Mainstreaming

The meeting was informed that plans were underway aimed at seeking financial support for the mainstreaming of EITI implementation in Zambia. The First Quantum Minerals Limited (FQML) had shown interest in supporting the process.

6.0 Presentation of the Quarter One Implementation Report

a. Beneficial ownership

During the period under review, a workshop on beneficial ownership transparency for government agencies was convened. The purpose of the workshop was to develop an implementation road map with the support of the Opening Extractives programme. The meeting was informed that plans were underway to convene a capacity building workshop on data use for civil society and investigative journalists.

b. 2020 Zambia EITI Report

During the period under review, the 2020 ZEITI report was published on the ZEITI website. The report indicated that the mining sector contributed **(79.5%)** of the total exports and Government revenues at **(31.4%)**. According to the data collected from the Government Agencies, the extractive companies and ZCCM-IH, the payments generated by the extractive sector totalled ZMW **25,853.86 million** in 2020 against ZMW **18,348.94 million in 2019**. The payments to Government Agencies amounted to ZMW **25,167.75 million, representing 97.34%** of the total payments made by the extractive companies and ZCCM-IH in 2020.

c. Mainstreaming

During the period under review, progress was made in sourcing for financial support towards the mainstreaming of EITI implementation in Zambia. The fundraising efforts were geared towards sourcing for funding that would be used for building an online data disclosure platform and also training for the ZEC and reporting agencies in data reporting.

d. Contract/License Transparency

During the period under review, the study on contract transparency was completed. The objective of the study was to conduct a comprehensive mapping of licences and related documents in Zambia's mining sector.

The study was undertaken to assess opportunities for addressing the corrective action on contract transparency from the EITI Validation in line with the EITI Standard which requires that implementing countries need to disclose any contracts and licenses that are granted, entered into or amended after 1 January 2021 (Requirement 2.4.a). Further, EITI implementing countries are encouraged to publicly disclose any contracts and licenses that provide the terms attached to the exploitation of oil, gas and minerals. In addition, implementing countries are also required to document the government's policy on disclosure of contracts and licenses that govern the exploration and exploitation of oil, gas and minerals (Requirement 2.4.c).

The study revealed that Zambia is in partial compliance with the Requirement. A limited amount of information on licences is available, including a list of all current active licences for exploitation of minerals. The gap is mainly on the lack of an explicit provision in the legislation that encourages disclosure of documents associated with the granting of the mining rights. The study provides a roadmap and recommendations for the ZEC to consider going forward when addressing the recommendations from the EITI Validation.

7. Presentation from the Mainstreaming Technical Working Group

The chairperson informed the ZEC meeting that the Mainstreaming Technical Working Group (TWG) has met four times since its creation. The Chairperson presented to the ZEC the progress made towards sourcing support for the mainstreaming of EITI in Zambia. The meeting was informed the First Quantum Mining Limited (FQML) had shown interesting in providing financial support towards mainstreaming.

In terms of the support, the Chairperson indicated that the support will be two-fold as follows:

i. Online data disclosure platform

- Initial high level scope would be to design a platform that can be updated easily like a website.
- The updates would be done through ZEITI-sourced GRZ data and direct updates from mining companies as information becomes available.
- The initiative would initially aim to achieve bi-annual (6 months) updates for GRZ sourced data and company sourced data could be quarterly from the outset.
- Estimated cost US\$25,000.

ii. Capacity building

- Training for ZEITI on the technical aspects of the entire system
- Training for the ZEC on methods of accessing data and basic audit techniques.
- Training for reporting companies and government agencies on correct use of reporting templates.
- Estimated cost US\$10,000-15,000

Based on the recommendation of the TWG to approve the support from the FQML, the approval was endorsed by the ZEC.

8. Closing Remarks

In his closing remarks, the Chairperson commended the members for exhibiting objectivity and actively participating in the deliberations during the meeting. He encouraged the respective constituencies serving on the ZEC to play their respective roles by ensuring that the ZEC plays its rightful role. Specifically, the Chairperson encouraged the ZEC to continue providing technical input and comments on various reforms being undertaken by the government.

The meeting ended at 12:30hrs.

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CHAIRPERSON

DATE

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SECRETARY

DATE

ACTION TAKEN REPORT

S/N	ISSUE	ACTION NEEDED	STATUS	BY WHOM
1	Beneficial ownership Transparency	Hold roadmap formulation meeting with key Government Agencies	Done	ZEITI/ Consultant
2	2020 Zambia EITI Report	Publication on ZEITI website	Done	ZEITI
3	Mainstreaming	Source funding and follow up on pledged support from the First Quantum Minerals Limited (FQML)	Approved	ZEC Mainstreaming TWG/ ZEITI
4	Mainstreaming presentation	Engage the Revenue Development Foundation (RDF) to share insights with the ZEC on their mainstreaming work in Senegal	Done	ZEITI
5	Contract/License Transparency	Mapping exercise on contract/License transparency in Zambia'	Done	ZEITI/Int. Secretariat
6	Mines and Minerals Development Policy review process	Share contact details of the Director Planning at the Ministry of Mines and Minerals Development with ZEC members	Done	ZEITI Secretariat
7	Draft Local Content Statutory Instrument (SI)	Share the draft SI with ZEC members for their input and comments.	Done	ZEITI Secretariat