

MINUTES FOR THE VIRUAL ZEC MEETING HELD ON THURSDAY 8 JULY 2021 AT 10:00HRS

PRESENT

- | | | |
|----------------------------|---|----------------------------------|
| 1. Mr. Edmond Kangamungazi | - | Civil Society (PWYP) Chairperson |
| 2. Mr. Spyton Phiri | - | Government (ZRA) Proxy |
| 3. Mrs. Sylvia Masabo | - | Government (MLGH) Proxy |
| 4. Mr. Peter Zyambo | - | Bank of Zambia Member |
| 5. Mr. Hugh Carruthers | - | Mining Industry (FQML) Member |
| 6. Mr. Chikusi Banda | - | Mining Industry (MCM) Proxy |
| 7. Mr. Hambani Ngwenya | - | Mining Industry (LCM) |
| 8. Ms. Petronella Phiri | - | Civil Society (YAD) Member |
| 9. Mr. Andisen Zulu | - | Civil Society (CCZ) Member |
| 10. Mr. Sokwani Chilembo | - | Mining Industry (ZCM) |

IN ATTENDANCE

- | | | |
|---------------------------|---|------------------------|
| 1. Mr. Ian Mwiinga | - | Head ZEITI Secretariat |
| 2. Ms. Pamela Mwanza | - | MMMD- Accountant |
| 3. Mr. Lupinda Chimwasu | - | ZEITI- Economist |
| 4. Ms. Mando Chiundaponde | - | Observer OxFam Zambia |

ABSENT WITH APOLOGY

- | | | |
|---------------------------|---|---------------------------------|
| 1. Mr. Fredson Yamba | - | Government(ZEC Chairperson) |
| 2. Mr. Barnaby B. Mulenga | - | Government (MMMD – PS) |
| 3. Mr. Joseph Nonde | - | Government (MoF) |
| 4. Mr. Francis Chilunga | - | Government (MoJ) Member |
| 5. Mrs. Pauline Mundia | - | Mining Industry (FSSMAZ) Member |
| 6. Mr. Edward Lange | - | Civil Society (SARW) Member |

1.0 Opening remarks

In his welcome remarks, the Chairperson welcomed all the members to the virtual Zambia EITI Council (ZEC) meeting. The Chairperson apologized to the members for starting the meeting late due to technical issues around call connectivity. Further, the Chairperson thanked members for their patience as the IT technician worked through the technical glitch.

2.0 Adoption of the Agenda

There was one amendment to the agenda. The Chairperson proposed to include a discussion on the vetting by government of Civil Society members who are nominated to serve on the Zambia EITI Council.

The agenda was approved with a proposal from Mr. Hugh Carruthers and seconded by Ms. Petronella Phiri.

3.0 Introductions

The introductions were undertaken by all members.

4.0 Apologies

A list of apologies is given on Page 1.

5.0 Confirmation of Minutes for the Previous ZEC Meetings

There were no corrections to the Minutes of the previous ZEC meeting.

6.0 Matters Arising (Action Taken Report)

- i) The meeting was informed that the production of the 2020 ZEITI report was underway. The report is being produced by the ZEITI Secretariat with support from the EITI International Secretariat. An option of including the Office of the Auditor General to comment on requirement 4.9.b. is being pursued. However, the requirement to have the OAG attest requirement 4.9. b. is not required under the current flexible reporting mechanism;

- ii) The meeting was informed that submissions on the ZEITI Bill are currently being compiled. The ZEITI Bill Technical Working Group have met to consider the preliminary issues. The proposed next steps will be discussed at the next ZEC meeting on 7 October, 2021;
- iii) The meeting was informed that the Mainstreaming Feasibility study has been completed. The ZEITI Secretariat was making arrangements for the consultant to present the final report to the Mainstreaming Technical Working Group for consideration. A brief report will be given by the Chairperson of the Mainstreaming Technical Group on the next steps;
- iv) The meeting was informed that Validation of EITI implementation in Zambia had commenced on 1 July, 2021. The ZEITI Secretariat was in the process of providing information and data to the Validations to demonstrate progress in three areas of implementation. These areas are Transparency, Governance and Sustainability/impact. A progress report would be provided at the next ZEC meeting on 7 October 2021.

7.0 Vetting of Civil Society members elected to serve on the Zambia EITI Council (ZEC)

The meeting was informed that the Civil Society sector was concerned with the vetting process of members who are elected to serve on the Zambia EITI Council. The Civil Society members contended that the vetting of its members infringes on requirement 1.3 of the EITI Standard. In accordance with the civil society protocol:

- a. Civil society must be fully, actively and effectively engaged in the EITI process.
- 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.
- c. The government must ensure that there are no obstacles to civil society participation in the EITI process.
- d. The government must refrain from actions which result in narrowing or restricting public debate in relation to implementation of the EITI.

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

In view of the above submission, the meeting unanimously agreed to scrap off the vetting process for members elected to serve on the Zambia EITI Council. In place of the government vetting process, the meeting agreed to uphold the implementation of the EITI code of conduct on any member who breaches the ZEC Terms of Reference. The proposal was made by Mr. Sokwani Chilembo and seconded by Mr. Andisen Zulu.

7.0 Presentation of the Second Quarter Progress Report

The ZEITI Secretariat presented the key highlights of the second quarter implementation report as indicated below:

The implementation of the EITI during the quarter under review faced a lot of challenges.

In terms of the Covid pandemic, the Government instituted some measures to mitigate the spread of the pandemic. The staff rotation led to a half capacity of the workforce being available at any given time within the Government establishment. To this end, activities related to the production of the 2020 ZEITI report especially data collection were greatly affected.

In terms of financing, the disbursement of funds to the ZEITI Secretariat continued to be erratic. This led to some adjustments on the implementation plan to manage the cash flow risk.

Despite the constraints highlighted above, the ZEITI has been able to implement some activities during the quarter under review. The details are provided below as follows:

a) 2020 ZEITI report

During the quarter under review, the production of the 2020 ZEITI report commenced. The data collection and the initial data sorting is being

undertaken by the ZEITI Secretariat with support from some stakeholders. As indicated at the previous ZEC meeting, the 2020 ZEITI report will be produced using the flexible reporting approach. Under the flexible reporting mechanism, implementing countries are not obliged to reconcile the data. The prime focus for the flexible reporting mechanism is disclosure of timely and forward looking information in a cost effective manner.

Further, the [flexible approach](#) to EITI reporting enables countries to focus on recent sector developments and the outlook for the industry, such as changes in exploration, production, licensing, employment, revenue projections, fiscal regimes or incentives granted to companies.

b) ZEITI Bill – 2021

During the quarter under review, the ZEC approved the formation of the ZEITI Bill Technical Working Group (TWG). The ZEITI Bill - TWG elected Mr. Francis Chilunga as its Chairperson.

The ZEITI Bill - TWG will review all the submissions made by the various stakeholders and make a recommendation to the ZEC on the next steps regarding the ZEITI Bill.

c) Mainstreaming feasibility study

During the quarter under review, the ZEC approved the establishment of the Mainstreaming Technical Working Group (TWG).

The Mainstreaming - TWG has elected Mr. Hugh Carruthers as its Chairperson.

The Mainstreaming - TWG will review the Mainstreaming Feasibility study report as submitted by the Consultant. The Mainstreaming - TWG will make recommendations to the ZEC on the next steps regarding the mainstreaming of EITI implementation in Zambia.

d) Validation

During the quarter under review, the ZEITI Secretariat submitted an initial set of information to the EITI International Secretariat in preparation for the validation for Zambia. The Validation for Zambia commenced on 1 July 2021.

As indicated in the first quarter Zambia EITI Council (ZEC) report, the changes agreed by the EITI Board to the validation model aim to strengthen the role of national multi-stakeholder groups (MSGs) in Validation. They also support the integration of EITI disclosures into existing government and company reporting systems.

e) Beneficial Ownership

During the quarter under review, the Government agreed to be part of the newly launched Opening Extractives programme aimed at supporting a select partner countries on reforms to disclose the ownership of extractives companies.

The programme is intended to enable the Ministry of Mines and Minerals Development, the Mining Cadastre Department and the Patents and Companies Registration Agency (PACRA) to access technical assistance to implement beneficial ownership transparency as required by the Extractive Industries Transparency Initiative (EITI) Standard in a way that can contribute to strengthen natural resource governance in Zambia.

The programme focuses on deepening beneficial ownership transparency reform in a group of 13 EITI implementing countries – Argentina, Armenia, Colombia, Ghana, Indonesia, Liberia, Mexico, Mongolia, Nigeria, Philippines, Senegal, Ukraine and Zambia.

f) Second quarter activities

The meeting was provided with a list of proposed second quarter activities as indicated below:

- i. Production of the 2020 ZEITI report;
- ii. Validation of EITI implementation in Zambia;
- iii. Review of the Mainstreaming feasibility study report;
- iv. Review of the submissions to the ZEITI Bill.

8.0 Closing Remarks

In closing the Chairperson commended the participation of members in the meeting despite the challenges of posed by the Covid Pandemic.

The meeting was closed at 13:40 hrs.

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CHAIRPERSON

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SECRETARY

DATE

DATE

ACTION TAKEN REPORT

S/N	ISSUE	ACTION NEEDED	STATUS	BY WHOM
1	2020 Report	Production of the 2020 ZEITI	WIP	ZEITI
2	ZEITI Bill	Proposal to ZEC compiled	Done	ZEITI
3	Mainstreaming Feasibility Study report	Feasibility Study report presented to the Technical Working Group	Done	ZEC & ZEITI
4	Validation	Draft report submitted to ZEC for comments	WIP	ZEC & ZEITI