

4.0

MINUTES OF THE ZEC MEETING HELD ON THURSDAY 11 JULY 2019 IN THE BOARD ROOM AT THE GEOLOGICAL SURVEY DEPARTMENT AT 10:00 HOURS

PRESENT

- | | | |
|-----------------------------|---|--|
| 1. Mr. Edward Lange | - | Civil Society (SARW), Member/Vice- Chairperson |
| 2. Dr. Agatha Siwale | - | Civil Society (EITA) Proxy |
| 3. Mr. Mtwalo Msoni | - | Civil Society (PWYPZ) Member |
| 4. Mr. Edgar Siakacoma | - | Civil Society (NEF) Member |
| 5. Mr. Jeston Lunda | - | Civil Society (Action Aid Zambia) Proxy |
| 6. Mr. Andisen Zulu | - | Civil Society (CCZ) Member |
| 7. Mr. Martford Mumba | - | Mining Industry (FSSMAZ) Proxy |
| 8. Mr. Mwaanga Shilambwe | - | Government (MOF) Member |
| 9. Mr. Talent Ng'andwe | - | Mining Industry (CMZ) Proxy |
| 10. Mr. Sokwani Chilembo | - | Mining Industry (CMZ) Member |
| 11. Mr. Mubiana Akakandelwa | - | Mining Industry (KCM/CMZ) Member |
| 12. Mr. Peter Zyambo | - | Government (BOZ) Member |
| 13. Mr. Kayula Chimfwembe | - | Government (MOF) Member |
| 14. Mr. Adrian Zulu | - | Government (MLG) Proxy |
| 15. Mr. Wilmont Sinyangwe | - | Government (MMMD) Proxy |
| 16. Mr. Spyton Phiri | - | Government (ZRA) Proxy |

IN ATTENDANCE

- | | | |
|-------------------------|---|---------------------|
| 1. Mr. Ernest Mwape | - | Head (ZEITI) |
| 2. Mr. Lupinda Chimwasu | - | Secretariat (ZEITI) |
| 3. Mr. Emmanuel Sibongo | - | Secretariat (ZEITI) |

ABSENT WITH APOLOGY

- | | | |
|----------------------|---|----------------------------------|
| 1. Mr. Fredson Yamba | - | Government (MOF) ZEC Chairperson |
| 2. Mr. Paul Chanda | - | Government (MMMD) Member |
| 3. Mr. Kamwi Mulele | - | Bank of Zambia (BOZ) Proxy |
| 4. Mr. Ian Mwiinga | - | Secretariat (ZEITI) |

1.0 OPENING REMARKS

In the absence of the Chairperson, the ZEC Vice Chairperson presided over the proceedings of the meeting. The meeting was quorate at 10.15hrs

In his opening remarks, the Chairperson welcomed the members, including the new ZEC members from Ministry of Finance, Mr. Shilambwe Mwaanga and Dr. Agatha Siwale from Extractive Industries Transparency Alliance (EITA).

The Chairperson also welcomed the new employees at ZEITI Secretariat, Mr. Ernest Mwape – Head of ZEITI Secretariat and Mr. Lupinda Chimwasu – ZEITI Economist.

The Chairperson further congratulated Mr. Mtwalo Msoni and Mr. Ian Mwiinga for being elected to the Global EITI Board.

The Chairperson cautioned EITA to follow laid down procedure when changing / replacing a ZEC member. It was observed that Ministry of Finance followed procedure when replacing its representative.

At the beginning of the meeting, a minute silence was observed in honour of the late Mr. Jackson Sikamo who had served on the ZEC representing the mining sector.

2.0 ADOPTION OF THE AGENDA

The agenda was adopted without any changes as proposed Mr. Talent Ng'andwe and seconded by Mr. Adrian Zulu.

3.0 APOLOGIES

The list of apologies is given on page 1.

4.0 CORRECTION, CONSIDERATION AND ADOPTION OF THE PREVIOUS MINUTES

The minutes of the ZEC meeting that was held on 11th April, 2019 were adopted after the following corrections were made:

- i. Under those Present at the previous meeting,

- a. the name “kangamungazi” should start with capital letter “K”
- b. The “Proxy” on Mr. Edward Lange should be changed to “Member.”
- c. The organization Mr. Edmond Kangamungazi is representing on the ZEC to change from Caritas Zambia to PWYP Zambia.
- ii. Under those who were absent with apology, Mr. Adrian Zulu and Mr. Chimfwembe Kayula should be included.
- iii. Page 2 under item 4.0, insert “as” after the word “adopted” in the first line.
- iv. Page 3 under item 5.0, in the third paragraph second line, the word “issued” should be replaced with “issues”. Insert “Mineral Development (MMMD)” after “and Ministry of Mines”; and before the acronym “ZRA” insert the full term, “Zambia Revenue Authority.”
- v. In the last line of paragraph 4 of item 5.0, replace “Officer” with “Manager”.
- vi. Page 3 under item 6.0, the acronym “FACT” should be preceded by the words “Fostering Accountability and Transparency”
- vii. Page 5 under item 9.4, insert the word “after” immediately after the word “communicated”.
- viii. Page 5 it was indicated that under Secretary, Mr. Siforiano Banda should be replaced with Mr. Ian Mwiinga.

After the corrections were done, the minutes were adopted as a true record of the meeting held on 11th April 2019. The adoption of the minutes was proposed by Mr. Andisen Zulu and seconded by Mr. Edgar Siakacoma.

5.0 MATTERS ARISING FROM PREVIOUS MINUTES

5.1 TORs for Observers during ZEC Meetings

The meeting was informed that the Terms of Reference (TORs) for observers were not prepared, and therefore not sent to Fostering Accountability and Transparency (FACT) Project. The ZEC requested the ZEITI Secretariat to urgently prepare the TORs and share with FACT project. It was suggested that Secretariat could quickly do this by removing certain rights and responsibilities from the current ZEC TORs.

5.2 Changes to ZEITI Staff Conditions of Service

The office of Permanent Secretary (PS) wrote to ZEC justifying the upward adjustment of salaries of two Secretariat officers by 15 percent, namely the Communication Officer and the Accountant. As for the Office Assistant it was indicated that her case was not dealt with because her contract was coming to an end in August 2019.

Mr. Talent Ng'andwe proposed the adoption of PS justification for upward adjustment of salaries and seconded by Mr. Mubiana Akakandelwa.

5.3 Follow up Validation Mission

The meeting was informed that some officers from the International Secretariat visited Zambia from 29 April to 3 May, 2019. They followed up on the four recommendations that were raised in the previous assessment that needed some corrective actions. The ZEC was informed that feedback on this follow up validation exercise will be provided after the EITI Board meeting in October 2019.

6.0 CONSIDERATION AND APPROVAL OF ZEC DOCUMENTS

6.1 TORs for Independent Administrator

The meeting approved the TORs for the Independent Administrator (IA) to provide consultancy services to support the ZEC produce the 2017 and 2018 EITI Reports subject to changes being effected as guided by ZEC. The proposal to approve TORs was made by Mr. Ng'andwe and seconded by Mr. Spyton Phiri.

The ZEITI secretariat was requested to send the approved TORs to the World Bank Task Team Leader, Mr. Javier Aguilar for "No Objection" to pave way for local procurement process to begin.

However, the meeting was concerned that Zambia might be suspended as there was very little time left before the deadline of 31st December 2019 for ZEITI to publish and disseminate the 2017 report. Therefore, the meeting resolved to consider a *closed tender* to quicken the pace of procuring the Independent Administrator. The decision

to go with “closed tender” was proposed by Mr. Sokwani Chilembo and seconded by Mr. Mubiana Akakandelwa.

The issue of which EITI Standards would apply was raised following the possibility that the IA will first work on the 2017 Report first (to beat the 31st December 2019 deadline), then work on the 2018 Report later using data that was already being collected. The discussion was not conclusive as to how that eventuality would be handled.

The ZEC also deliberated on the draft validation report. The ZEC resolved that the IA should issue a comprehensive statement on data quality and the discrepancy in accordance with requirement 4.9 in the 2016 EITI Standard. In the absence of such a statement, the ZEC further resolved to request the Office of the Auditor General (OAG) to follow up on the discrepancy of the 2016 ZEITI report and also ascertain the reliability of the data that was provided during the production of the ZEITI report.

The ZEC affirmed its decision to rely on a management sign off for a templates from the mining companies because the majority of the companies that were reconciled are listed companies. This is because the ZEC observed that the source of the discrepancy was not as a result of the poor data quality but mainly due to the following two reasons listed here below:

1. Most of the companies did not have enough time to address the IA requests and to comply with the assurance procedure agreed initially. This is attested by the fact that 99, 99% of discrepancies is due to payments not declared by companies;
2. Most of the companies selected in the reconciliation scope are publicly listed or are wholly-owned subsidiary of a publicly listed company which are already publishing their audited financial statements/annual reports and are subject to strict scrutiny by market authorities.

6.2 TORs for the Mainstreaming Study Consultant

The ZEC deferred the consideration and approval of TORs for a consultant to undertake the Mainstreaming Study to the next ZEC meeting as members needed ample time to study the document.

6.3 Concept Note on Awareness Raising On EITI and TORs for Media Consultant

It was felt that ZEITI should not engage a media consultant to undertake work that should ordinarily be done by the Communications Officer. The Secretariat was reminded about recommendations made in the Zambia EITI Impact Assessment report that was prepared by Dr Beene, and thus harmonise the objectives of the Concept Note and improve on the implementation of the current ZEITI Communication Strategy.

ZEC decided to defer consideration of the Concept Note on EITI Awareness Raising as proposed by Dr. Agatha Siwale and seconded by Mr. Talent Ng'andwe.

7.0 MID-TERM REVIEW OF THE 2019 WORK PLAN

The meeting appreciated the revised format of the 2019/20 Work Plan as it will enhance easy monitoring of implementation of planned activities. However, the meeting demanded that ZEITI provide more details under the Status column of the Work Plan to measure implementation of the planned activities. The ZEITI was also requested to include a column in the work plan that highlights some implementation challenges and delays. The ZEC resolved that the ZEITI should provide a quarterly implementation plan at each of the ZEC meetings.

The resolution to provide an implementation progress report at each ZEC meeting was proposed by Mr. Mtwalo Msoni and seconded by Mr. Jeston Lunda.

8.0 2019 BUDGET AND RESOURCE MOBILISATION

The 2019 Budget analysis of Income against Expenditure was presented. The Board encouraged the secretariat to develop a robust resource mobilization strategy considering the inadequate resources available to execute all the work plan activities. It was noted that the current World Bank funding only runs up to March 2020.

9.0 BRIEF UPDATE ON THE 2019 EITI GLOBAL CONFERENCE

The delegation informed the meeting that Zambia received a prestigious EITI Chairs Award in Africa Region for its efforts to enhance disclosure of licences/contracts issued

in the mineral sector. The Minister of Mines and Mineral development, Hon. Richard Musukwa was on hand to receive the award and restated Zambia's commitment to open governance in the extractives sector.

The ZEC was informed that 2019 EITI Standards was launched with some new changes and inclusions under the following thematic areas: Contracts Disclosure, Gender Balance, Environmental reporting, State-Owned Enterprises Participation and Commodity Trading, and Project Level Reporting among others.

The meeting was also informed that EITI had a new Board installed in Paris at the Global Conference.

The ZEC appreciated the briefing, but urged future delegates to convene pre-departure meetings so that each delegate is assigned some roles and responsibilities, and most importantly be aware about Zambia's position on some pertinent issues.

10.0 DISSEMINATION OF THE 2016 ZEITI REPORT

The ZEC was informed that the printing of the 2016 EITI report was in progress and the Report will be launched at the end of July in Solwezi District. There after the report would be disseminated in all 10 provinces.

11.0 ANY OTHER BUSINESS

11.1 The ZEC resolved to organise a farewell party for the former Head of the ZEITI Secretariat, Mr. Siforiano Banda. This occasion would be used to acknowledge his contribution to the growth of the EITI in Zambia.

11.2 The ZEC was informed that Mr. Banda's June 2019 salary would be paid together with his gratuity and unused leave days.

11.3 The Chairperson indicated that the Ministry of Mines and Minerals Development was going to communicate some administrative decisions to Secretariat.

12.0 CLOSING REMARKS

The Chairperson thanked all the members for attending the meeting, and closed the meeting at 2: 15 pm.

.....

Mr. Edward Lange

CHAIRPERSON

.....

ZEITI Secretariat

SECRETARY

DATE.....

DATE.....

ACTION-TAKEN REPORT

	ISSUE	ACTIONS NEEDED	STATUS	WHO
1	TORs for Observers and share with FACT Project.	Prepare TORs for observers and share with FACT Project.	Done	ZEITI
2	TORs for Independent Administrator	Seek No Objection from the World Bank, approval of TORs.	Done	ZEITI
4	Launch and Dissemination of the 2016 ZEITI Report	Launch the report in Solwezi and disseminate the same in all 10 provinces.	Done	ZEITI
5	2019 Work Plan Implementation Review	Present implementation progress report to ZEC each quarter.	Second revised Work-plan will be presented during October ZEC meeting	ZEITI
6	Resource Mobilisation Strategy.	Engage cooperating partners on possible support towards implementation of EITI in Zambia	WIP	ZEITI & ZEC
7	Capacity building needs for ZEC	Organise BO training for ZEC and also a mainstreaming training for ZEC	BO training done. Mainstreaming training awaiting preliminary findings from the consultant.	ZEITI