

## MINUTES FOR THE VIRTUAL ZAMBIA EITI COUNCIL MEETING HELD ON 13 JULY 2023

### PRESENT

- |                            |                                   |
|----------------------------|-----------------------------------|
| 1. Ms. Edah Chimya         | - Civil Society (ZAW) Member      |
| 2. Mr. Obert Kangwa        | - Government (ZRA) Member         |
| 3. Ms. Pamela Nakombe      | - Government (MMMD) Proxy         |
| 4. Mr. Hugh Carruthers     | - Mining Industry (FQML) Member   |
| 5. Mr. Singambe Makandwa   | - Government (MOJ)                |
| 6. Mr. Sokwani Chilemba    | - Mining Industry (COM)           |
| 7. Ms. Pamela Nakombe      | - Government (MMMD)               |
| 8. Mr. Nsama Chikwanka     | - Civil Society (PAYP) Member     |
| 9. Mr. Ackim Njobvu        | - Civil Society (Namfumu)         |
| 10. Mr. Lewis Miyanda      | - Civil Society (Caritas Solwezi) |
| 11. Mr. Ucizi Ngulube      | - Civil Society (Action Aid)      |
| 12. Mr. Fletcher Mushimbwa | - Civil Society (MUZ)             |
| 13. Ms. Penelope Kambita   | - Government (MOF)                |

### IN ATTENDANCE

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|------------------------|--|
| 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. Ms. Molly Ngoma     | - ZEITI- Intern                        |
| 7. Ms. Daisy Mwilima   | - Oxfam Zambia-Observer                |
| 8. Norman Mukwakwami   | - Mining Industry (TRAFIGURA) Observer |
| 9. Tamika Halwiindi    | - Civil Society (TIZ) Observer         |

### ABSENT WITH APOLOGY

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|----------------------------|---|
| 1. Mr. Felix Nkulukusa     | - Government (MoF-ZEC Chairperson)              |
| 2. Dr. Hapenga M. Kabeta   | - Government (MMMD) Member                      |
| 3. Mr. Edmond Kangamungazi | - Civil Society (Caritas) Member/V. Chairperson |
| 4. Ms. Isabel Mukelebai    | - Civil Society (NCA) Member                    |
| 5. Mr. Evans Kanche        | - Mining Industry (AZMEC) Member                |
| 6. Mr. Martford Mumba      | - Mining Industry (FSSMAZ) Proxy                |
| 7. Mr. Chikusi Banda       | - Mining Industry (Mopani) Member               |
| 8. Mrs. Pauline Mundia     | - Mining Industry (FSSMAZ) Member               |
| 9. Mr. Francis Chilunga    | - Government (MoJ) Member                       |
| 10. Mr. Kayula Chimfwembe  | - Government (MoF) Member                       |
| 11. Mr. Peter Zyambo       | - Government (BOZ) Member                       |
| 12. Ms. Musonda Kapena     | - Civil Society (Namfumu) Member                |

## **1. WELCOME REMARKS**

In the absence of the Chairperson and Vice Chairperson the meeting was chaired by the Co-Vice Chairperson from industry, Mr. Sokwani Chilemba.

## **2. ADOPTION OF AGENDA**

The agenda was adopted with an addition of an item in relation to the introduction of the observer from Transparency International Zambia (TIZ) Ms Tamika Halwindi.

## **APOLOGIES**

A list of apologies is given on page 1.

## **3. CONFIRMATION OF MINUTES OF THE PREVIOUS ZEC MEETING**

The minutes were confirmed as a true and accurate record of the previous ZEC meeting. The proposal to adopt the minutes was made by Mr. Obert Kangwa and seconded by Mr. Hugh Carruthers.

## **4. MATTERS ARISING (ACTION TAKEN REPORT)**

The matters arising were presented based on the action taken report. The following below were the key discussion points as presented in the action taken report.

### **a. Data Collection**

The Secretariat informed the members that the data collection process for the production of the 2022 ZEITI report was underway with a few challenges in reporting. In addition, the meeting was informed that the new requirements in the 2023 EITI Standard will need to be tested through an expanded data collection scope to ascertain the viability of meeting the requirements after the transition period to a new standard. Notably, the requirements related to State Owned Enterprises (SOEs) and Emissions including an expanded scope covering Beneficial ownership and the scenarios in the energy transition.

In relation to the Ministry of Mines and Minerals Development (MMMD) the members were informed that the Ministry has challenges in validating production figures especially production values as the ministry doesn't assign values to production figures. Furthermore, the license database is incomplete raising the potential of huge discrepancies between other data sets.

The ZEC advised the Secretariat to engage the Permanent Secretary on the various findings with a view to mitigating the challenges. The ZRA informed the meeting that plans were underway to engage the Independent Administrator (BDO) to reconcile the differences that have so far been identified.

### **b. Mainstreaming Support**

The Chairperson of the Mainstreaming committee, Mr Hugh Carruthers informed the meeting that the commitment by the First Quantum Minerals (FQML) to fund the development of a mainstreaming portal is still under consideration. The FQML has pledged to support the development of the portal with funding amounting to USD 50,000. The Chairperson indicated that an update on the progress will be provided at the next ZEC meeting in October.

## **5. Brief updates on the second quarter activities**

### **i. Publishing contracts – Requirement 2.4 of the EITI Standard**

The meeting was informed that efforts were made to collect any contracts and agreements that were entered into between ZCCM-IH and Mining companies. A case in point is the Royalty Agreement between Kansanshi and ZCCM-IH. The meeting was further informed the scope of requirement 2.4 on contract disclosure has expanded to also include aspects related to disclosure of due diligence procedures and anti-corruption policies undertaken by SOEs and companies.

The ZEC encouraged the Secretariat to request the office of the Permanent Secretary to facilitate the collection of the data. The Civil Society organisations were also encouraged to have bilateral engagements with the government to emphasise the importance of disclosing this information, inter alia.

### **ii. Beneficial Ownership - Requirement 2.5 of the EITI Standard**

The meeting was informed that the new EITI Standard has proposed a reduction to the reporting threshold of Beneficial Ownership (BO) information to 10 percent and a zero threshold for Politically Exposed Persons (PEPs). The current threshold as provided for under the companies' legislation is 25 percent. The meeting was further informed that submission to amend the companies' legislation to include the proposed threshold of 10 percent were made under the Opening Extractives Programme (OEP), a programme which is currently being implemented jointly by the EITI and the Open Ownership.

The meeting affirmed the initiative to submit the proposal for a reduced threshold through the OEP programme.

## **6. Update on the EITI Global conference and new EITI Standard**

The conference was held in Dakar Senegal at the Centre International de Conférences Abdou Diouf, Diamniadio from 13<sup>th</sup> to 14<sup>th</sup> June 2023. The conference was preceded by a stakeholder meeting on 12 June 2023 and a Peer Learning meeting on 15<sup>th</sup> June 2023.

The key changes to the EITI standard are as follows:

### **I. Energy transition:**

Countries are encouraged to: disclose their parameters for awarding fast tracked licences; disclose their proven oil, gas and mineral reserves; make and disclose forecasts of their future expected revenues in the sector; increase public understanding of the impact of government policy on the energy transition and subsidies that are relevant to the mining sector; and encouraging companies to disclose disaggregated greenhouse gas emissions.

### **II. Anti-corruption:**

Mining companies are encouraged to: disclosing their anti-corruption policies and practices; reduce the threshold for reporting beneficial ownership to 10% and disclosing politically influenced persons; and incorporating anti-corruption into EITI objectives and multi-stakeholder group's work (MSG).

### **III. Gender, social and environmental issues:**

Countries and companies are expected to disclose the consultation process they undertook with the community to undertake the mining activity in their disclosures; company's social benefits expenditure should be disaggregated by gender with and how women and marginalised groups are benefiting from mining revenue; companies should disclose employment by gender; including positions that the women hold in the extractive industry and countries and companies are encouraged to disclose social, environmental and gender impact assessments.

### **IV. Revenue collection:**

Production and export data must be disaggregated by project and countries must disclose how they monitor and verify this data; countries and companies are required to disclose revenue received by the government and expenditures incurred by companies since commencement of the project, and countries are encouraged to disclose how they monitor company costs and publish at minimum, final tax and cost audits.

The meeting recommended that the ZEITI needs to establish a plan how to incorporate these new EITI standards into implementation.

In response to the recommendation, the meeting was informed that capacity building programmes are currently being implemented. Notably, a training workshop on Open Ownership was planned for the 16<sup>th</sup>- 18<sup>th</sup> August, 2023. The training drew participants from PACRA and the Ministry of Mines and Minerals Development.

## **7. Application for Observer status**

The meeting was informed that Transparency International Zambia (TIIZ) had made an application to have Ms Tamika Halwindi serve as an observer on the ZEC. Ms Halwindi was recently elected as an alternate member of the EITI International Board representing the Civil Society Constituency. The proposal to admit Ms Halwindi as an observer on the ZEC was unanimously approved. The approval was proposed by Mr. Makandwa and secondment by Ms. Edah Chimya.

## 8. CLOSING REMARKS

In closing the chairperson thanked the members for their active participation in the meeting.

The next meeting will be held on 26 October, 2023.

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CHAIRPERSON

SECRETARY

DATE .....

DATE .....

### **ACTION TAKEN REPORT**

<b>S/N</b>	<b>ISSUE</b>	<b>ACTION NEEDED</b>	<b>STATUS</b>	<b>BY WHOM</b>
1	2022 ZEIT Report	Data collection from reporting entities	WIP	ZEITI
2	Mainstreaming support	Update on progress	WIP	ZEITI/FQML and Chamber of Mines
3	Opening Extractives Programme (OEP)	Update on next phase of support	Done	ZEITI