

## **MINUTES FOR THE VIRTUAL ZAMBIA EITI COUNCIL MEETING HELD ON THURSDAY 14 JULY 2022**

### **PRESENT**

- |                            |   |                                 |
|----------------------------|---|---------------------------------|
| 1. Mr. Edmond Kangamungazi | - | Civil Society (PWYP) V.         |
| Chairperson                |   |                                 |
| 2. Mr. Spyton Phiri        | - | Government (ZRA) Member         |
| 3. Mr. Kayula Chimfwembwe  | - | Government (MoF) Proxy          |
| 4. Mr. Emmanuel Chokwe     | - | Bank of Zambia Member           |
| 5. Mr. Mooya Lumamba       | - | Government (MMMD) Proxy         |
| 6. Mr. Francis Chilunga    | - | Government (MoJ) Member         |
| 7. Mrs. Pauline Mundia     | - | Mining Industry (FSSMAZ) Member |
| 8. Mr. Hugh Carruthers     | - | Mining Industry (FQM) Member    |
| 9. Mr. Chikusi Banda       | - | Mining Industry (Mopani) Member |
| 10. Mr. Talent Ngandwe     | - | Mining Industry (ZCM) Proxy     |
| 11. Mr. Nsama Chikwanka    | - | Civil Society (PWYP) Member     |
| 12. Ms. Musonda Kapena     | - | Civil Society (Namfumu) Member  |
| 13. Ms. Edah Chimya        | - | Civil Society (ZAW) Member      |
| 14. Mr. John Silungwe      | - | Civil Society (MWUZ) Member     |
| 15. Mr. Musonda Kabinga    | - | Civil Society (YAD) Member      |
| 16. Mr. Edward Lange       | - | Civil Society (SARW) Member     |

### **IN ATTENDANCE**

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

### **ABSENT WITH APOLOGY**

- |                        |   |                          |
|------------------------|---|--------------------------|
| 1. Mr. Felix Nkulukusa | - | Government (MoF-ZEC      |
| Chairperson)           |   |                          |
| 2. Mr. Sakwiba Musiwa  | - | Government (MMMD) Member |

## **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 and co-chaired by Mr. Talent Ngandwe, a member from the Zambia Chamber of Mines due to the erratic internet connection.

In his opening remarks, Mr. Lange, welcomed all the members to the virtual Zambia EITI Council (ZEC) meeting. The Chairperson further welcomed new members from the Civil Society Constituency who had just been elected to the MSG to serve for the next three (3) years.

The meeting commenced at 10: 18hrs.

## **2.0 ADOPTION OF THE AGENDA**

The agenda was adopted without any changes. The proposal to adopt was made by Mr. Hugh Carruthers and seconded by Mrs. Pauline Mundia

## **3.0 APOLOGIES**

The list of apologies is given on page.

## **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. Emmanuel Chokwe and seconded by Mr. Spyton Phiri.

## **5.0 MATTERS ARISING (ACTION TAKEN REPORT)**

### *i. Beneficial Ownership*

The ZEITI Secretariat informed the members that the implementation of the Beneficial Ownership programme which is supported by the Opening Extractives program had made a lot of strides. The meeting was informed that apart from the technical support that is currently being provided to the Patents and Companies Registration Agency (PACRA), the programme also undertook a peer learning visit to Ghana. The Director for the Mining Cadastre was part of the entourage. This is in line with the aspirations of the programme to extend the technical support to the Mining Cadastre department. The support to the mining cadastre will involve reviewing and updating the licence application forms to incorporate a data collection requirement for the collection of beneficial ownership data and information.

## *ii. 2020 ZEITI Report*

The ZEITI Secretariat informed the meeting that copies of the 2020 ZEITI report have been printed and are available to stakeholders for dissemination. However, the ZEITI Secretariat bemoaned the high cost involved in printing the reports. An appeal was made to members to consider providing support towards future printing of the report and dissemination of the report.

## *iii. Mainstreaming*

The ZEITI Secretariat informed the members that the requirement to mainstream EITI implementation is still a requirement under the 2019 EITI Standard. The meeting was further informed that the efforts towards creating an online disclosure platform for the ZEITI data were underway with possible support from the First Quantum Minerals Limited (FQML). An initial engagement was conducted with a prospective developer for the platform. The meeting was informed that updates would be provided at each subsequent ZEC meeting.

## *iv. Contract Transparency*

The ZEITI Secretariat informed the meeting that the final study report on contract transparency was submitted by the Consultant. The meeting was informed that the ZEITI Secretariat will facilitate the implementation of the recommendations in line with the corrective actions that were highlighted during the EITI Validation for Zambia.

# **6.0 PRESENTATION OF THE ZEITI SECOND QUARTER REPORT**

## **1. Production of the 2021 ZEITI report**

The meeting was informed that the collection of data for the production of the 2021 ZEITI report had continued. The ZEITI Secretariat noted that so far there is compliance levels in relation to set deadlines. Notably, the Municipal Councils have demonstrated a high level of adherence to set reporting deadlines. In terms of data reporting quality, the reporting agencies have provided most of the requested data with exceptions from the ZCCM-IH and the Mining Cadastre. The ZEITI Secretariat is engaging the agencies to ensure the data is submitted as required.

In terms of procurement of the Independent Administrator, the procurement department at the Ministry of Mines and Minerals Development has issued a request for Expression of Interest (EOI). An update of the procurement process will be provided at the third quarter ZEC meeting.

## *2. Participation at the Investing in Africa Mining Indaba in Cape Town*

The ZEITI Secretariat informed the meeting that the ZEITI participated at the Investing in Africa Mining Indaba in Cape Town with support from the EITI International Secretariat.

At the same event, the EITI International Secretariat together with the ZEITI met His Excellency the President of the Republic of Zambia Mr Hakainde Hichilema. The delegation from the EITI International Secretariat was led by the Executive Director, Mr Mark Robinson on behalf of the EITI International Board Chairperson Rt. Hon. Helen Clark.

At the meeting with the President, the Executive Director for the EITI International affirmed the important role that the EITI mechanism could play in identifying and supporting the implementation of reforms that will contribute to ensuring that the mining sector brings real benefits to the people of Zambia. The discussion was held within the context of the energy transition and the elevated demand for critical minerals such as copper and cobalt.

During the meeting, the President requested the EITI Board to support Zambia in its quest to enhance transparency and accountability in the Mining sector. A formal letter requesting the support has been sent to the EITI Board Chairperson for her consideration.

## *3. Civil Society Constituency election of new MSG members*

The ZEITI Secretariat informed the meeting that the Civil Society Constituency had elected new representatives who will serve on the Zambia EITI Multi-Stakeholder Council (ZEC) for the next three (3) years. A formal letter indicating the principal members and their alternates has since been submitted to the ZEC Chairperson for his attention.

## *4. Data use training workshop*

The ZEITI Secretariat informed the meeting that the ZEITI in collaboration with the Patents and Companies Registration Agency (PACRA), and Publish What You Pay (PWYP) Zambia conducted a training workshop for civil society organisations and Journalists.

The workshop was convened to raise awareness on the importance of quality and timely beneficial ownership data, and share skills, tools and methodologies to analyse and use the data. The training was also intend to strengthen the capabilities of participants to analyse and utilise BO data in order to enhance the advocacy efforts related to the beneficial ownership transparency and governance in Zambia.

The workshop was graced by the Permanent Secretary at the Ministry of Mines and Minerals Development.

#### *5. Peer learning meeting in Accra, Ghana*

The ZEITI Secretariat informed the meeting that the ZEITI participated in a joint Regional Peer Exchange & Learning Event from 5 to 8 July 2022 in Accra, Ghana. Zambia was also represented by participants from the Mining Cadastre, the Patents and Companies Registration Agency (PACRA), and the Financial Intelligence Centre (FIC).

The event brought together all Anglophone Africa countries implementing the Opening Extractives (OE) programme. The countries that participated at the peer learning event are Ghana, Liberia, Nigeria, and Zambia. The aim of the peer learning event was to create a platform for implementing agencies across the four countries to share their experiences on specific areas of BO implementation and engage in technical sessions aimed at building the participants' capacity to effectively address and mitigate implementation challenges and risks.

#### *6. Global trends on Mainstreaming EITI implementation*

The ZEITI Secretariat informed the meeting that in February 2020, the EITI Board tasked the International Secretariat to work with selected EITI implementing countries to develop alternative approaches to EITI reporting based on collating and analysing systematically disclosed data. The broad objective was to encourage MSGs to become active agents in the use of extractive data and facilitate evidence-based policy and decision making.

The pilot has two objectives. Firstly, to establish an alternative, more cost-effective method to reconciliation to assure the quality of systematically disclosed revenue data (in line with requirement 4.9). Secondly, the pilot is to strengthen the oversight role of the MSG on disclosures. As one of the pioneer countries in systematic disclosures, Mauritania sought to capitalize on its progress in that domain and to deepen the use of EITI data.

The pilot has only been fully implemented by Germany to date. By adopting an audit-based approach of analysing payment processes and internal controls of government entities, the German MSG has gained a better understanding of the payment ecosystems for payments related to the extractive industry. There is agreement between the independent administrator and the MSG that the two-step approach allows for greater confidence in the quality of the information disclosed by companies.

## *7. Review of lessons from the new EITI Validations model: global view*

The ZEITI Secretariat informed the meeting that the main goal of the new Validation model is to support sustainable and impactful EITI implementation, while accommodating the diverse national contexts and to help MSGs maintain a regular oversight of EITI implementation. The review found that there is greater focus on the impact of EITI implementation and a more systematic review of the underlining objectives of each EITI Requirement. However, there is limited evidence MSGs utilising the Validation templates to strengthen their regular oversight on EITI disclosures.

The new Validation model introduced a numerical model (0-100) based on three components: stakeholder engagement, transparency and outcomes and impact. The review found the new scoring system is well received by stakeholders and helps communicate the results and elicits emulation to better performing countries. However, calls for more nuanced scoring and challenges related to countries being demotivated when receiving a fairly low or low overall score were raised.

## *8. Possible refinements to the EITI Standard*

The ZEITI Secretariat informed the meeting that the EITI International Board has commenced the process of refining the EITI Standard. An update on the requirements to be refined and clarified will be provided in due course after deliberations from the working group.

### **7.0 PRESENTATION AND APPROVAL OF THE BENEFICIAL OWNERSHIP ROADMAP**

The implementation roadmap for the Beneficial Ownership programme support by the Opening Extractives programme and the EITI International Secretariat was approved and adopted by the meeting. The approval and adoption of the road map was proposed by Mr. Chikusi Banda and seconded by Mrs. Pauline Mundia.

### **8.0 CONSIDERATION AND APPROVAL NEW ZEC VICE CHAIRPERSON**

The meeting approved the election of Mr Edmond Kangamungazi as the Vice Chairperson for the ZEC for a further three (3) year term. It was also proposed to have a co-vice chairperson to share the task of Chairing meetings and also to effectively support the substantive Chairperson of the MSG. In this view, the ZEC unanimously endorsed the Chamber of Mines as the co-Vice Chairperson for the ZEC.

## **9.0 CONSIDERATION AND APPROVAL OF REQUESTS TO SERVE AS OBSERVERS ON THE ZEC**

### *a. Trafigura*

The meeting resolved and recommended that Trafigura should be encouraged to join the Chamber of Mines since it's a mining company involved in Commodity Trading. Thereafter the Chamber of Mines would explore ways of facilitating Trafigura to serve on the ZEC as a member.

### *b. British High Commission*

The meeting approved the request from the British High Commission to serve as an observer on the Zambia EITI Council. The members further requested the ZEITI Secretariat to share the Terms of Reference (TORs) for observers on the ZEC with the British High Commission.

The meeting recommended that observers on the ZEC should emulate the efforts of Oxfam which has rendered support towards the implementation of some of the activities for the ZEC.

On a separate note, the ZEC requested the ZEITI Secretariat to provide a financial report at the third quarter meeting indicating the status of the budget support to the ZEITI Secretariat for 2022.

## **10. CLOSING REMARKS**

In his closing remarks, the Chairperson thanked the members for attending the meeting and actively participating in the deliberations. The members were encouraged to effectively support the implementation of the EITI within their constituencies.

The next ZEC meeting is scheduled for Thursday 20 October 2022. The Chamber of Mines offered to host the in-person meeting.

The meeting closed at 12:15hrs.

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**CHAIRPERSON**

**DATE** .....

.....

**SECRETARY**

**DATE** .....

## **ACTION TAKEN REPORT**

<b>S/ N</b>	<b>ISSUE</b>	<b>ACTION NEEDED</b>	<b>STATUS</b>	<b>BY WHOM</b>
1	Procurement of Independent Administrator	Evaluate EOI	Done	ZEITI/ZEC/Ministry
2	2021 Zambia EITI Report	Data collection	WIP	ZEITI
3	Mainstreaming	Update on support from FQML	WIP	ZEC Mainstreaming TWG/ ZEITI
4	Implementation of the Beneficial Ownership road map	Awareness raising meetings with stakeholders	WIP	ZEITI/Ministry
5	Orientation training for new ZEC members from CSO constituency	Engage Oxfam to support training	WIP	ZEITI