

**MINUTES FOR THE VIRTUAL ZAMBIA EITI COUNCIL MEETING HELD ON
27TH MARCH 2024**

PRESENT

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|--------------------------|---|---------------------------------|
| 1. Mr. Obert Kangwa | - | Government (ZRA) Member |
| 2. Ms. Sylvia Masabo | - | Government (MoLGH) Member |
| 3. Mr. Hugh Carruthers | - | Mining Industry (FQML) Member |
| 4. Mr. Chikusi Banda | - | Mining Industry (Mopani) Member |
| 5. Mr. Sokwani Chilembo | - | Mining Industry (CoM) Member |
| 6. Mr. Evans Kanche | - | Mining Industry (AZMEC) Member |
| 7. Mr. Francis Chilunga | - | Government (MoJ) Member |
| 8. Mr. Kayula Chimfwembe | - | Government (MoF) Member |
| 9. Mr. Peter Zyambo | - | Government (BOZ) Member |
| 10. Mr. Martford Mumba | - | Mining Industry (FSSMAZ) Proxy |
| 11. Mr. Nsama Chikwanka | - | Civil Society (PWYP) Member |
| 12. Mr. John Silungwe | - | CSO - MWUZ |
| 13. Ms. Isabel Mukelabai | - | Civil Society – (JCP) Member |
| 14. Mr. Namo Chuma | - | Civil Society (Proxy) |
| 15. Ms. Musonda Kapena | - | Civil Society (Namfumu) Member |
| 16. Ms. Edah Chimya | - | Civil Society (ZAW) Member |

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 |

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. Mrs. Pauline Mundia | - | Mining Industry (FSSMAZ) Member |

1. OPENING REMARKS BY THE CHAIRPERSON

The meeting commenced at 10:20hrs. The meeting was Chaired by the CEO for the Chamber of Mines Mr. Sokwani Chilembo. The Chamber of Mines is Co-Chair of the Zambia EITI Council (ZEC).

In his opening remarks, the Chairperson provided a reflection of the state of play in the mining sector emphasizing the need for the ZEC to take a keen interest in the various reforms currently underway in the mining sector.

2. ADOPTION OF THE AGENDA

The agenda was adopted without any changes. The proposal to adopt the agenda was made by Mr. Hugh Carruthers and seconded by Mr. Peter Zyambo

3. APOLOGIES

A list of apologies are provided at page 1.

4. CONFIRMATION OF MINUTES FOR THE PREVIOUS ZEC MEETING

The discussion on the previous minutes did not result in any amendments or changes to the previous minutes. The discussion mainly focused on clarifications and updates of various issues that were discussed in the previous meeting. It was however proposed to adopt the Minutes in the state they were presented without any changes or amendments. The proposal to adopt the minutes was made by Mr. Hugh Carruthers and seconded by Ms. Sylvia Kasungami Masabo.

6. MATTERS ARISING (Action Taken Points)

The session on matters arising was based on the action taken report prepared by the ZEITI Secretariat. The following below were the issues discussed under this segment as follows:

- a. The meeting was informed that the collection of the G-factor Data was completed and ready for disclosure to the public. The G-factor data consists of three (3) revenue data streams namely; Mineral Royalties, Dividends, and Cooperation Income Tax (CIT).
In this case, only 13 mining companies were requested to report under this exercise. The 13 Mining companies contribute about 80% of the taxes from the mining sector.

At the end of the data collection process, only 2 did not submit their data. The average G-Factor was 16.9 % with the lowest being at 1.2% to a high of 37.5% by FQM.

The G-Factor for Natural Resources is intended to be an uncomplicated indicator of the percentage of a natural resource company's revenue that is paid to the host country government in primary and direct taxes, plus - where the host government is a shareholder - dividends. As such, it is an indicator of the share of natural resource wealth paid to a host country's government. The GFactor for Natural Resources takes its name from the "g's" in "government", "governance" and "good practice".

- b. The meeting was informed that the collection of data for the production of the 2023 report was underway. The 2023 report will be partially mainstreamed on the portal as part of the transition to online reporting. However, it is imperative that the ZEC pays particular attention to the requirements of the 2023 EITI Standard. The ZEC were further informed that the Ministry of Mines IT department was currently developing various databases and systems integration that will result in various online portals to be linked to the Government Online system. Notably, the data relating to environmental payments (EPF) will also be digitised .
- c. The meeting was informed that following the resolution by the ZEC to invite the ZCCM-IH to be part of the ZEC, the office of the Permanent Secretary wrote a letter to the CEO of ZCCM-IH for consideration of the request. A response is still being awaited in this regard.
- d. The ZEC also deliberated on the possibility of inviting the Anti-Corruption Commission on the ZEC as an observer. This is in response to the new requirement on Anti-Corruption which the 2023 EITI Standard is supposed to cover.

Discussions from the matters arising

Following the presentation of the matters arising, the ZEC briefly discussed options for enhancing the sustainability of implementing EITI in Zambia. The ZEC resolved to explore opportunities of monetising the EITI online data portal to ensure the sustainability of the portal. The ZEC were

The discussion further focused on the need to continuously engage the office of Secretary to the Treasury regarding his presence at future ZEC meetings. This is more imperative now as Zambia has commenced preparations for its upcoming validation scheduled for the first quarter of 2025.

On a separate note, the ZEC discussed discrepancies that have been observed in the data disclosed in the 2022 ZEITI report. The meeting noted that despite marked reduction in production figures for copper, there is an increase in revenue collection by the Zambia Revenue Authority (ZRA).

Resolution

The meeting resolved that an appeal should be made to the Ministry of Mines and also the Office of the Auditor General regarding the auditing of the Mineral Output Statistical Evaluation System (MOSES). This will help in ascertaining the relationship between the data reported on production and the revenue collected by the ZRA.

6. Presentation of the ZEITI activities implemented in the first quarter

The ZEITI participated in various meetings and engagements at the Mining Indaba in Cape Town. Notably, the ZEITI participated in a multi-stakeholder group meeting on commodity trading which was convened by Trafigura. The meeting provided insights on the role of commodity traders in the mining value chain especially in relation to pre-financing of various mining operations.

The ZEITI participated on a tour to Berlin and Brussels which was organised by the Konrad Adenauer Stiftung (KAS). The tour involved visiting manufacturing companies in Germany that use Critical materials (Minerals) imported from Africa. Notably, the visit to BASF revealed that most companies in Germany are inclined towards recycling of minerals from e-waste as opposed to buying minerals from producer countries such as Zambia. Furthermore, the tour also exposed the ZEITI to issues related to ESG which are a key consideration in risk analysis models that buyers of minerals such as car manufacturers employ. The Germany Chamber of Commerce indicated that they are risk averse to materials and minerals that originate from sub-Saharan Africa due to concerns around ESG. Furthermore, the Chamber indicated that most manufacturers prefer using Nickel over cobalt in their EV Battery combination due to the risk associated with cobalt mined from DRC.

The report on the external Audit for the Zambia EITI Secretariat was issued by the Office of the Auditor General (OAG). The outcome of the audit was unqualified. The financial reports have since been signed off by the Auditor General.

The ZEITI has been nominated by the Financial Intelligence Centre (FIC) to serve on the National Risk Assessment Committee. The NRA is a national process undertaken conducted periodically by the FIC to identify risky sectors that require particular attention by the agency. The ZEITI will serve on the Legal and Environmental sub-committees respectively.

Brief updates from each constituency on upcoming second quarter activities

The segment was intended to provide a diary of upcoming activities in each of the three constituencies on the ZEC. The following are list of activities that were indicated per sector.

A. Government

- i. The implementation of the export tracking mechanism under the Bank of Zambia
- ii. Undertaking of engagement meetings with stakeholders especially the ASM players by the Zambia Revenue Authority

B. Mining sector

- i. Preparations of submissions to the 2025 budget consultation process
- ii. Participation in the CAMINEX in Kitwe and the Trade Fair in Ndola.

C. Civil society

- i. Undertake the analysis of the ZEITI report with CSOs in North western Province
- ii. Hosting of the Accountability Lab in collaboration with the BHP Billiton in Lusaka
- iii. Capacity buiding workshops in EITI

Closing remarks

The closed the meeting by reiterating his opening remarks on the need for the ZEC to acitively participate in the affairs of the mining sector. He further thanked the Chamber of Mines for supporting the construction of the ZEITI Online Portal through the Revenue Development Foundation (RDF). He appealed to members to attend the launch of the Portal which was scheduled in a couple of weeks ahead. The meeting ended at 11.55hrs.

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CHAIRPERSON

DATE

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SECRETARY

DATE

ACTION TAKEN REPORT

S/N	ISSUE	ACTION NEEDED	STATUS	BY WHOM
1	ZEITI Online Portal	Launch of the Portal	Done	ZEITI/RDF/ZEC
2	Letter to ZCCM-IH	Invite ZCCM-IH to be part of the ZEC	Done	ZEITI
3	Data Collection for the 2023 ZEITI report	Contact reporting entities to submit data	WIP	ZEITI
4	BHP Billiton Learning Lab	Convene a meeting in collaboration with the BHP Billiton Foundation	Done	PWYP