

MWEITI/MIN/MSG/2017/09

**9TH EXTRAORDINARY MEETING OF
THE MWEITI MULTI-STAKEHOLDER
GROUP (MSG)**

29th July, 2016

**Main Conference Room, Ministry of Finance,
Economic Planning and Development, Capital
Hill, Lilongwe**

Malawi EITI National Secretariat
Revenue Policy Division
Ministry of Finance, Economic Planning and Development.
P.O. Box 30049,
Capital Hill,
Lilongwe 3.



REF: MWEITI/MIN/MSG/2016/9

OF THE MALAWI EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE MINUTES OF THE 9TH MEETING OF THE MULTI-STAKEHOLDERGROUP (MSG) (MWEITI) HELD IN THE MINISTRY OF FINANCE, ECONOMIC PLANNING AND DEVELOPMENT MAIN CONFERENCE ROOM ON 29 JULY 2016

PRESENT

Mr. George Harawa	Ministry of Finance	Chairing
Mr. Grain Malunga	Paladin (Africa) Ltd	Member
Mr. Misheck Munthali	Bwanje Cement Co. Ltd.	Member
Ms. Dina Longwe	Bwanje Cement Co. Ltd.	Alternate
Mr. Success Sikwese	CCJP	Member
Mr. KossamMunthali	FOCUS	Member
Mr. ChikondiMcheka	Mkango Resources Ltd.	Member
Mr. ChrispineNgwena	Global Metals & Mining	Member
Ms. RebeccaMwale	Reserve Bank of Malawi	Member
Mr. George Chikwana	National Audit Office	Member
Mrs. Rachel Etter- Phoya	Citizens for Justice	Alternate

OBSERVER

Mr. Kingsley Chibwana	Malawi Revenue Authority	Permanent
Mr. Davie Khonje	Malawi Revenue Authority	Permanent
Mrs. Evelyn Chawinga	Oxfam Malawi	Application

IN ATTENDANCE

Mr. David Nungu	MWEITI Secretariat	Secretary
Mr. Leonard Mushani	MWEITI Secretariat	Officer

MINUTE/MWEITI/MSG/2016/9/1 : QUORUM

The Chairperson of the meeting, Mr. George Harawa, moved the members of the MSG available to confirm if the Quorum had been established. Members noted that, apart from members representing Reserve Bank and Department of Mines who confirmed to attend the meeting but requested to report late, all the other members were present. Subsequently, members confirmed that the Quorum had been established and agreed that meeting should commence.

MINUTE/MWEITI/MSG/2016/9/2 : OPENING PRAYER

The Chairperson called the meeting to order at 09:18 and requested Mrs. Rachel Etter-Phoya to say an Opening Prayer.

MINUTE/MWEITI/MSG/2016/9/3 : OPENING REMARKS

The Chairperson informed the meeting that the substantive MSG Chairperson, Mr. Chrispine Kulemeka, had sent an apology as he was on a short leave and had requested him to chair the meeting on his behalf.

Having said this, Mr. Harawa welcomed all the members and observers to the 9th Meeting of the MSG. He thanked them for sparing time to attend the meeting and noted that their presence at the meeting signified their commitment to the matters of MWEITI. The Chairperson noted that meetings of the MSG were scheduled every three months and that the 9th MSG meeting was, therefore, convened as scheduled. In view of this, he urged members to deliberate effectively and openly in order to provide oversight and direction to the secretariat in the implementation of the MWEITI Workplan.

Meanwhile, the Chairperson informed members that towards or at the end of the meeting, there would be a presentation by the Extractive Industries Transparency Initiative (EITI) International Secretariat on Beneficial Ownership Disclosure (BOD). That being the case, he advised members to be focussed in their deliberations in order to effectively manage time and ensure that the meeting was transacted within the available time. He also requested members for their patience in the event that the meeting took a little longer than planned because of the additional item of the presentation.

Having said his Welcoming Remarks, the Chairperson declared the 9th Meeting of the MSG opened at 09:26.

MINUTE/MWEITI/MSG/2016/9/5 : ADOPTION OF THE AGENDA

The Alternate Member from Bwanje Cement Co. Ltd., Mrs. Dina Longwe, proposed that the Agenda be adopted and Mr. Success Sikwese of the Catholic Commission for Justice and Peace (CCJP), seconded the proposal. Subsequently, the Agenda was adopted.

MINUTE/MWEITI/MSG/2016/9/6 : ADOPTION OF PREVIOUS MINUTES: MINUTES OF THE 7TH MEETING OF THE MSG HELD ON 29TH APRIL 2016 AND MINUTES OF THE 8TH EXTRAORDINARY MEETING OF THE MSG HELD ON 3D JUNE 2016

The Chairperson requested Mrs. Rachel Etter-Phoya to take members through the Minutes of the 7th Meeting and 8th Extraordinary Meeting of the MSG held on 29 April 2016 and 3rd June 2016, respectively. Taking members through, Mrs. Etter-Phoya invited those members to make observations on each page of the minutes and make corrections as stated below.

MINUTE/MWEITI/MSG/2016/9/6/1: MINUTES OF THE 7TH MEETING OF THE MSG HELD ON 29TH APRIL 2016

- (a) Members made the following corrections to the minutes:
- (i) Minute 8 (a)(iv): Scoping Study Recommendation Discussion and Adoption
- The words "Global Metal Ltd" were replaced with the words "Global Metals & Mining Ltd."
- (ii) Minute 11(g): EITI Global Conference LIMA, PERU, 24-25th February 2016 Report
- The minute was recast to read "The Secretariat should ensure that the delegates are well balanced to ensure equitable representation".
- (iii) Minute 12 (a)(i): MWEITI Secretariat Activities Report by the Secretariat
- The minute was recast to read "The World Bank stopped using a Multi-Donor Trust fund approach in supporting EITI" by replacing the word "Multi-Donor" with the word "Multi-Donor".
- (b) Having made the forgoing corrections, Mr. Grain Malunga proposed that Minutes of the 7th Meeting of the MSG held on 29th April 2016 be adopted as a true reflection of the deliberations of the MSG and Mr. Chrispine Ngwena seconded this proposal. Subsequently, members adopted the Minutes.

MINUTE/MWEITI/MSG/2016/9/6/2: MINUTES OF THE 8TH EXTRAORDINARY MEETING OF THE MSG HELD ON 3D JUNE 2016

Apologies

- (a) Members noted that Mr. George Harawa was an Alternate Member of the MSG representing the Ministry of Finance, Economic Planning and Development which was represented at the meeting by the substantive member of the MSG, Mr. C. Kulemeka and Mr. B. Chingoli was a member of the MSG representing the Reserve Bank of Malawi which was represented by the Alternate member of the MSG, Ms Rebecca Mwale. In view of this, members agreed that both Reserve Bank of Malawi and the Ministry of Finance, Economic and Development were present at the meeting and, as such, acknowledged apologies from FOCUS and ActionAid only.
- (b) Having made this correction, Mr. Chrispine Ngwena proposed that the Minutes of the 8th Extraordinary Meeting of the MSG held on 3rd June 2016 be adopted as a true reflection of the deliberations of the MSG

and Mr. Success Sikwese seconded the proposal. Subsequently, members adopted the Minutes.

MINUTE/MWEITI/MSG/2016/9/7 : MATTERS ARISING FROM PREVIOUS MINUTES

Mrs. Rachel Etter-Phoya presented a Report of Matters Arising from Previous Minutes of the 7th Meeting of the MSG held on 29th April 2016 and the 8th Extraordinary Meeting of the MSG held on 3rd June 2016 as follows:

MINUTE/MWEITI/MSG/2016/9/7/1: MATTERS ARISING FROM THE MINUTES OF THE 7TH MEETING OF THE MSG HELD ON 29TH APRIL 2016

- (i) Resolution 7(f): That the Department of Mines should supply the Natural Resources Justice Network (NRJN) with the Production Sharing Agreement (PSA)

This was not done and the Secretariat undertook to continue following matter up with the Department of Mines and report feedback to the MSG and NRJN.

- (ii) Resolution 8 (b): That the Sub-Committee on Independent Administrator should conclude development of the Terms of Reference (TORs) and circulate those TORs to members of the MSG

TORs were developed and circulated to all members of the MSG as resolved.

- (iii) Resolution 9 (a & b): That the Sub-Committee should review the TORs for engaging an Independent Administrator by incorporating Scoping Study Recommendations

This was done as resolved.

- (iv) Resolution 9 (c): That an Extraordinary Meeting of the MSG should be convened to consider and adopt the TORs for engaging an Independent Administrator and Recommendations from the Scoping Study

This was done as resolved and both TORs and Scoping Study Recommendations were adopted.

- (v) Resolution 10 (c): That the approved MSG MWEITI Annual Workplan should be circulated to members of the MSG for their appreciation

This was done as resolved. The Workplan was circulated to members who made comments which were duly incorporated. The ensuing final Annual Workplan was produced and circulated.

- (vi) Resolution 11 (h): That the Lima Global Conference Report of participation by MWEITI represented by Mr. Grain Malunga, Mr. George Harawa and Mr. Leonard Mushani should be circulated to the MSG members

This was done as resolved.

- (vii) Resolution 13 (d): That the Report on the Recruitment of Secretariat officers should be circulated to members of the MSG for information

This was done as resolved.

- (viii) Resolution 14 (c): That the Secretariat should organise an Extraordinary Meeting of the MSG

This was done as resolved and the meeting deliberated the TORs for engaging an Independent Administrator and Scoping Study Recommendations.

MINUTE/MWEITI/MSG/2016/9/7/2: MATTERS ARISING FROM THE MINUTES OF THE 8TH EXTRAORDINARY MEETING OF THE MSG HELD ON 3RD JUNE 2016

- (i) Resolution 4 (vi) : That comments on the Draft ToRs for engaging an Independent Administrator and recommendations of the Scoping Study be incorporated in the final ToRS.

Comments were incorporated by the Sub-Committee chairperson.

- (ii) Resolution 6 (a) : That the approved ToRs should be circulated to members of the MSG

This was done as resolved.

- (iii) Resolution 6 (b) : That the MSG should convene another meeting on 29 July 2016 where GIZ shall be in attendance and update Members of the MSG on the progress of recruiting an Independent Administrator

The MSG meeting had been convened. However, GIZ was not available.

MINUTE/MWEITI/MSG/2016/9/8: RECRUITMENT OF AN INDEPENDENT ADMINISTRATOR

- (a) GIZ was expected to make a report on this agenda item. However, as they were not present at the meeting, the Secretariat informed the members that an Independent Administrator had not yet been recruited as GIZ was meeting some challenges in that there had been changes regarding the Team Leaders. This notwithstanding, members were assured that the Independent Administrator would soon be procured and that the reconciliation would be done and a Report submitted by April 2017.

- (b) Members **noted** this report.

MINUTE/MWEITI/MSG/2016/9/9: REPORT ON THE RECUITMENT OF MEMBERS OF STAFF OF THE SECRETARIAT

- (a) The Chairperson of the MSG Recruitment Sub-Committee, Mr. Grain Malunga, presented a report to the MSG. In his report, Mr. Malunga informed the members that the competition for the positions was very stiff for all positions. He further informed members that the recruitment process was based on Government procedures and comprised a short listing process and interviewing of selected candidates. Short listing of candidates was led by the Deputy Director of Human Resources in the Ministry of Finance, Economic Planning and Development while interviews were chaired by the Chairperson of the Civil Service Commission and the Sub-Committee herein and the Department of Human Resources Management and Development participated in the interviews.

Mr. Malunga reported that for the position of National Technical Expert and Manager, 12 applications were received out of which 4 were shortlisted for interviews; the position of Project Accountant, 70 applications were received out of which 6 were shortlisted for interviews and; on the position of Communications and Engagement Expert, 82 applications were received out of which 6 were shortlisted for interviews.

The Sub-Committee Chairperson then reported that following the interviews, Mr. David Nungu was successful on the position of National Technical Expert and Manager, was offered the job and had since reported for duties; Mr. Abudulrahman Chiwalo succeeded in the position of Project Accountant and would report for duties on 1 August 2016 and; Ms Sylvia Thawani was successful in the position of Communications and Engagement Expert and would report for duties on 1 August 2016.

- (b) Members **adopted** the report and congratulated Mr. David Nungu who was available in the meeting.
- (c) Meanwhile, Mr. Kossam Munthali of FOCUS observed overlaps in the role of Mr. George Harawa as National Coordinator and his role of Alternate Member of the MSG representing the Ministry of Finance, Economic Planning and Development. To that effect, Mr. Munthali proposed that the status of Mr. Harawa as National Coordinator be reviewed and the position of National Coordinator be advertised as the other secretariat positions were in order to comply with good corporate governance and EITI standards, noting that Mr. Harawa could not occupy positions in both the secretariat and MSG.
- (d) Reacting to this, the MSG **noted** that the matter was already discussed and settled at its earlier meeting where it was noted and recorded that Mr. Harawa was appointed by the Ministry of Finance, Economic

Planning and Development as a National Coordinator of MWEITI. In addition, the MSG **noted** that the situation did not violate the EITI Standard or its requirements. This notwithstanding, the MSG **noted** and **took** the observation of FOCUS.

MINUTE/MWEITI/MSG/2016/9/10 : CONSIDERATION OF THE MWEITI QUARTERLY PROGRESS REPORT FOR THE PERIOD APRIL TO JULY 2016

- (a) The Senior Revenue Economist, Mr. Leonard Mushani, presented the report on behalf of the Secretariat. He informed the meeting that during the reporting period, MWEITI had planned to undertake the following activities: establish and operationalise a national secretariat; engage and pledge around with development partners including World Bank, African Development Bank, European Union, BMZ/GIZ, DFID, Royal Norwegian Embassy and private foundations; Finalise development of the Terms of Reference (ToRs) for recruiting an Independent Administrator; procure an Independent Administrators; attend and facilitate at a CEPA workshop in Salima.
- (b) The meeting was then **informed** that:
- i. three officers for the positions of national Technical Expert and Manager, Project Accountant and Communications and Engagement Expert had been identified and that the former had reported for duties while the other two had undertaken to report on 1 August 2016; MWEITI/DP financing Agreement had been initiated and was waiting conclusion; MWEITI initial Budget was prepared and discussed with Development Partners (DPs); MWEITI Bank Account had been opened and that equipment for the secretariat had been procured;
 - ii. the Interim Secretariat had engaged GIZ on the secretariat budget and financing agreement;
 - iii. the Sub-Committee on the Procurement of an Independent Administrator met and finalised the development of the ToRs which were later circulated to all members of the MSG for approval;
 - iv. the Sub-Committee on the Procurement of an Independent Administrator, through the Interim Secretariat, submitted the ToRs to GIZ to inform the selection of three CVs of consultants and;
 - v. a member of the Interim Secretariat, Mr. Leonard Mushani, attended and made a presentation at workshop organised by the Centre for Environmental Policy Advocacy (CEPA).
- (c) The meeting commended the Interim Secretariat for the impressive volume of work.
- (d) Having made the said observation, the MSG **adopted the** report.

MINUTE/MWEITI/MSG/2016/9/11: CONSIDERATION OF THE MWEITI ANNUAL PROGRESS REPORT FOR THE PERIOD JANUARY TO DECEMBER 2015

- (a) The Senior Revenue Economist, Mr. Leonard Mushani, informed the meeting that the Annual Report was drafted and circulated to members of the MSG who made some comments which were then incorporated in the final Report. He also said that the final report was approved and that it had since been submitted to the International Secretariat.
- (b) The MSG **noted** this.

MINUTE/MWEITI/MSG/2016/9/12: CONSIDERATION OF THE MWEITI PROGRESS EVALUATION REPORT FOR THE PERIOD JANUARY TO JULY 2016

- (a) FOCUS was tasked to undertake evaluation of the implementation of the Annual MWEITI Workplan and Mr. Kossam Munthali of FOCUS made the presentation. However, members noted that Mr. Munthali based the evaluation on an old Workplan instead of the revised and prevailing one.
- (b) Resultantly, the MSG **resolved** that Mr. Munthali should re-do the evaluation based on the revised Workplan and make a fresh presentation at the next MSG meeting. Meanwhile, the MSG **directed** the Secretariat to send to FOCUS the revised Workplan.

MINUTE/MWEITI/MSG/2016/9/13: PRESENTATION ON BENEFICIAL OWNERSHIP DISCLOSURE

- (a) The presentation was made by the EITI International Secretariat by Skype. It covered a few areas including requirements and benefits of Beneficial Ownership Disclosures. In addition, the presentation provided guidance on developing Beneficial Ownership Road Map, among other aspects.
- (b) Considering that the presentation faced a lot of challenges, it was not clear and audible enough such that members had not fully understood on how they could draw a road map for Malawi. Subsequently, the MSG **resolved** that a thorough presentation and orientation be conducted by the Secretariat after digesting and tailoring the presentation to the Malawi situation whereby policies and legislation obtaining therein would be applied relating to application of Beneficial Ownership Disclosure.

MINUTE/MWEITI/MSG/2016/9/14: WAYFORWARD

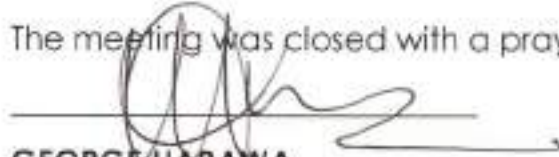
- (a) Members agreed that the next ordinary MSG meeting would be held during the fifth week of October 2016. However, members also noted that adhoc meetings may be convened as necessary.
- (b) The meeting was informed that the Secretariat would organise a Study Tour to the Federal Republic of Tanzania and that three MSG members would participated.
- (c) Noting this study tour, the MSG **resolved** that in nominating members of the delegation from the Companies and Civil Society Organisations, the Secretariat must communicate to the Chairpersons of those constituencies who would in turn nominate the delegates.

MINUTE/MWEITI/MSG/2016/9/15: CLOSING REMARKS


- (a) The Chairperson thanked the members for turning up for and actively participating in the meeting. He particularly appreciated the participation of the Mkango Resources Ltd, FOCUS and Malawi Revenue Authority whose representatives travelled all the way from Zomba, Karonga and Blantyre, respectively. Mr. Harawa noted that their commitment was for the betterment of the extractive industry in Malawi.
- (b) Having made these remarks, the Chairperson closed the 8th MSG Meeting at 12:17.

MINUTE/MWEITI/MSG/2016/9/16 : CLOSING PRAYER

The meeting was closed with a prayer said by Mr. Leonard Mushani.



GEORGE HARAWA
CHAIRPERSON



DAVID NUNGU
SECRETARY