

MWEITI/MIN/MSG/2017/06

**6TH ORDINARY MEETING OF THE
MWEITI MULTI-STAKEHOLDER
GROUP (MSG)**

28th January, 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,
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Lilongwe 3,



Participants			
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Mr. Davie Khonje (Permanent Observer)	Malawi Revenue Authority	dkhonje@mra.mw	0999925027
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Mr. C.C. Kulemeka (MSG Chairperson)	MoFEP&D	cckulemenka@finance.mw	0999952116
Mr. Alan Cumming	Paladin (Africa) Ltd	Alan.cumming@paladinafrica.com	

ABSENT			
	National Audit Office		
OBSERVER			
Dr. Hannock Kumwenda	Scoping Study Consultant	hmkumwenda@outlook.com	0999935270
Mr. Christian Kansichi	Excelon Ltd	MWEITI Video Producer	0991575335
IN ATTENDANCE			
Mr. Leonard Mushani	MoF- Secretariat	mushanileonard@yahoo.co.uk	0999374071
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Mr. Vitima Mkandawire	GIZ/MOF	Vitima.mkandawire@giz.de	0888589777

Item	Discussion	Action
1. Agenda	<p>The agenda included the following:</p> <ul style="list-style-type: none"> a. Opening Prayer b. Opening Remarks (Chairperson) c. Adoption of Agenda d. Adoption of Previous Minutes e. Matters Arising from Previous Minutes. f. Adoption of draft Scoping Study Report (Dr. Kumwenda) g. Update on EITI Global Conference h. Election of EITI Board (For noting) i. Way forward j. Closing Remarks k. Closing Prayer 	
2. Starting time and Opening Prayer	The meeting started at around 9:30 am and was opened with a prayer.	
3. Opening Remarks	<ul style="list-style-type: none"> a. The meeting was chaired by Mr. Harawa the EITI Coordinator, who stated that the Chairperson Mr. Kulemeka was caught up in another important meeting and would join the meeting later. b. He then welcomed all the members and introduced the new members who were attending the MSG meeting for the first time; Mr. Chisomo Manthalu the Governance Officer from ActionAid replacing Martha Khonje a member of MSG as an alternate and Mr. Martin Chiphwanya the Acting National Secretary for CCJP replacing Mr. Chris Chisoni an alternate member of MSG. c. The chairperson briefly explained the main reason for the meeting was to adopt the scoping study report and discuss the final preparation for EITI Lima Global conference among others. 	

4. Adoption of Agenda	<p>a. The agenda was adopted with the following amendments:</p> <ol style="list-style-type: none">i. Adding the subject "Roles of MWEITI MSG Committee in conflict management" on the agenda.ii. Changing the sequencing of the flow of numbers by exchanging item number 4 to be number 6 and item number 6 to be number 4, in order to allow the consultant to present first and leave before other issues were discussed in the meeting.	
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5. Adoption of scoping study report (Presentation of final scoping study report)

- a. One of the scoping study consultants (Dr. Kumwenda) presented to the members a 15 minutes PowerPoint presentation on the final scoping study report. The presentation mainly covered the recommendations of the report; policy reforms; outstanding challenges; methodologies and acknowledgement.
- b. The members made comments which included:
 - i. Need not to exclude the Forestry Sector in the first MWEITI Report by digging for more district data or reporting where data was available like Chikangawa and Mulanje rather than ignore the entire forestry in the first report.
 - ii. Some members asked about Nyala data which was not available in the report.
 - iii. Requested the consultant to review the recommendations of the study accordingly. Especially to remove from the report one of the specific statement which stated that increasing the share of GDP from 1% to 20% by 2020 on page number 6 and any other place where it was mentioned.
 - iv. Need for the legislative framework to be well highlighted.
 - v. Members noted the need for the MSG to have a special session to review and analyse the issues and recommendations that were raised in the scoping study report and to make a decision based on this for inclusion in the first MWEITI report.
 - vi. The members observed through the report that there was no law that forces companies to disaggregate the reporting of taxes, i.e. disaggregating taxes from mining activities from construction or other activities. This is particularly relevant for companies such as Terrastone and Mota-Engil that are primarily or registered as construction companies but also operate quarries and mine.

Secretariat to include this on the agenda for next meeting

This to be taken up by the Secretariat with the government (Ministry of Finance Revenue Policy Division and MRA) The Secretariat to report progress in the subsequent meetings. This to form part of matters arising in the next meeting. 6

	<p>vii. The members also observed through the study report that the Government Monitoring systems through Department of Mines is very weak as companies move from non-mining to mining activities without Authority's knowledge and approval. It was agreed that MRA should zero in as far as due activities and tax reporting should be treated to avoid the current situation.</p> <p>c. The MSG were left with the task of making a concrete decision/resolution for EITI report on the following issues:</p> <ol style="list-style-type: none"> i. Beneficial ownership disclosure of companies ii. Areas and companies to be included in the EITI report iii. License fees and ground rent iv. Inclusion of oil, gas and forestry in the Report v. To guide on the legal impediment study to further highlight any legal bottlenecks. <p>d. The presentation also highlighted on the need for capacity building activities for institutions generating the data. The EITI Secretariat will have to build the capacity and train institutions which will be providing data for EITI report, namely:</p> <ol style="list-style-type: none"> i. Mines Department - Mineral Rights and Accounts Section ii. Malawi Revenue Authority (MRA)- Mining section, Domestic Tax Department, Customs Department, etc. iii. Forestry Department: District Office accounts section and Forestry officers; Headquarters for reconciliation and Chikangawa Forest. iv. Reserve Bank of Malawi (RBM). 	<p>Department of Mines and MRA to Work on this. Secretariat to encourage and remind the institutions.</p> <p>The Secretariat to come up with a proper plan on capacity building program. The plans should include awareness campaigns on EITI standard data requirements and capturing. The plan to be circulated to members. To be part of matters arising in subsequent meeting</p>
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	<p>c. The full list of members of the recruitment subcommittee were:</p> <ol style="list-style-type: none"> i. Grain Malunga (Paladin) ii. Peter Chilumanga (DoM) iii. George Harawa (MoFEP&D) iv. Rachel Phoya (CiJ) v. Success Sikwese (CCJP) vi. Vitima Mkandawire (GIZ-DP Rep) <p>d. Item No 4 from Minute No 5 7 iv. Report on recruitment. The Secretariat informed the meeting that the recruitment process is underway. The Secretariat had a meeting with the Development Partners Coordinator, GIZ PFEM Project Team Leader Dr. B. Dutzler who assured that the resources were already available between January 2016 and end June 2017 for employment.</p> <p>e. The Secretariat further informed the meeting of the government position that the current EITI Coordinator will continue.</p> <p>f. The Secretariat further informed the MSG that only three posts will be advertised namely:</p> <ol style="list-style-type: none"> i. Technical Expert and Manager ii. Communications and Engagement Officer iii. Project Accountant <p>g. It was furthermore stated that the post for Administrative secretary and Messenger/Driver as in the approved work plan will be recruited later.</p> <p>r. It was reported and agreed that the recruitment will start in February, 2016.</p>	<p>The recruitment subcommittee to report on recruitment</p>
<p>8. Update on EITI Global Conference LIMA, PERU, 24-25th February 2016</p>	<p>The Secretariat made brief update on EITI Global Conference preparation to the members with issues which included the following:</p> <ol style="list-style-type: none"> a. The list of names and passport copies the participants had been submitted to EITI International Secretariat. b. It was not yet clear if funds would be found for all selected participants but the Secretariat was looking for support elsewhere. However, members were still welcome to find their own 	


	<p>support and there was already others who were going to attend by themselves i.e Oxfam and GIZ sponsored delegates.</p> <p>c. The Secretariat was preparing some materials for Malawi to use at National Booth Expo with the support of GIZ and World Bank.</p>	
9. Election of EITI Board (For Noting)	<p>The Chairperson informed the meeting that just for the sake of information, The National Coordinator voted for Nigeria Candidate, Ms. Zainab Ahmed, Federal Minister of State Ministry of Budget and National Planning, Nigeria, for EITI International Board. She was the former EITI National Coordinator for Nigeria.</p>	
10. Roles of MWEITI MSG committee on conflict management	<p>It was noted that through sharing of information on MSG mailing list Paladin complained that some members of MSG (FOCUS) were reported as making negative comments about companies in the press.</p> <p>a. Paladin complained of negative comments by FOCUS as reported in the press which was shared on email.</p> <p>b. FOCUS, expressed apology to Paladin and members and accepted the responsibility though informed the meeting that the journalist might had his own interest on the issue as what was written is not what he exactly meant or said.</p> <p>c. In explanation, FOCUS referred to the 2012 report by Bruno Chareyron on uranium and radiation monitoring and members requested that FOCUS should circulate the report through email for members to appreciate the content.</p> <p>d. Mkango Resources limited also complained of negative publicity by CFJ's blog. The negative publications brought about bad image and loss of investors.</p> <p>e. The members requested Mkango Resources</p>	

	<p>Limited (Mr. Chikondi Mcheka) to circulate through email the alleged publication mentioned for the members to know and appreciate the nature of the publication.</p> <p>f. Further, members requested Mr. Chisomo Manthalu from ActionAid to follow up and report in the next meeting on the allegation by Mkango Resources Limited on negative publication.</p> <p>g. The Meeting reaction and way forward on the on the issues:</p> <ol style="list-style-type: none"> i. The National Coordinator said that these examples do not reflect the spirit of EITI and the MSG. ii. It was agreed that a public statement should be issued against any incorrect reporting. iii. MSG need to be careful how they handle journalists as sometimes journalists are not well informed on EITI and their organizations. iv. MWEITI Secretariat should engage in some training/sensitization with media houses on the extractives sector and negative reporting. v. MSG through the CSOs members should intensify teaching journalists on balanced reporting. 	ActionAid to report
<p>11. Way Forward and Resolutions</p>	<ol style="list-style-type: none"> i. FOCUS to be reporting on MSG progress in line with benchmarks as part of work plan implementation in every MSG meeting. ii. The MWEITI Secretariat has to make a brief report on MWEITI activities done and progress in every MSG meeting. iii. The Chairperson through Secretariat to circulate final scoping study report, Annual MWEITI report and Annual work plan to 	

	<p>MSG for comments and approval online.</p> <p>iv. Annual Work plan report should be prepared for progress made by MWEITI which will also be shared with EITI International Secretariat.</p> <p>v. The members agreed to meet again in March, 2016.</p>	
<p>1. Closing Remarks and Prayer</p>	<p>i. The Chairperson thanked everyone for participation.</p> <p>ii. The meeting was closed with a prayer.</p>	



Mr. George C. Harawa
CHAIRPERSON



Mr. Leonard A. Mushani
MWEITI SECRETARIAT