

REPORT FOR THE MULTI STAKEHOLDER GROUP INTERFACE WITH STAKEHOLDERS IN MUBENDE KASANDA SUB REGION.

27th to 28th May, 2021



Promoting Harmonised Management of Extractives in Uganda

List of Symbols and Abbreviations

CSO	: Civil Society Organisation
EITI	: Extractive Industries Transparency Initiative
GRA	: Global Rights Alert
MEMD	: Ministry of Energy and Mineral Development
MOFPED	: Ministry of Finance, Planning and Economic Development
ASM	: Artisanal and small-scale Miners
UGASM	: Uganda Artisanal and small-scale Miners
MSG	: Multi-Stakeholder Group
MUMA	: Mubende United Miners Assembly
SACCO	: Savings and Credit Co-operatives
PSA	: Production Sharing Agreement
UGEITI	: Uganda Extractive Industries Transparency Initiative

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Summary of Engagement's Intent

On May 27, 2021, the Uganda Extractives Industry Transparency Initiative (UGEITI) in partnership with Global Rights Alert (GRA) and OXFAM organised a meeting of Civil Society Organisations (CSO), grassroots groups and cooperatives and community representatives from Mubende and adjacent districts at Joyce Hotel, Mubende. The point of it was to share knowledge and viewpoints regarding Uganda's admission to the Extractives Industry Transparency Initiative (EITI) fraternity in August 2020, to share reviews of the progress that had thus far been made, to listen and identify concerns specific to the mining sector that were possible to integrate in the UGEITI work plan, and to enhance the Multi Stakeholders Group (MSG) understanding of the mining sector.

Introductory Remarks

In his opening remarks, **Chris Emanzi, the Director of Programmes at GRA**, welcomed and thanked participants for demonstrating interest in transparency and accountability in the extractives sector. He also welcomed and thanked the heads of UGEITI for their close association with GRA, which, he noted, vigorously advocated for Uganda to join the EITI. He noted as part of GRA's advocacy, the government had approved the new mining and minerals bill that was now ready for presentation to parliament. He thus reiterated GRA's commitment to continue its engagements with all interest parties when consultation about the bill begin so that ordinary people too can have their concerns catered for in the new law. He also added GRA will stay the course and ensure the principles underlined in EITI are incorporated in the new law in order to give them additional weight. He expressed GRA's hope that UGEITI will make a significant contribution towards further organising the sector so that it is mutually beneficial to government and Ugandan citizens who survive off it.

Introduction/Elaboration of EITI

Saul Ongaria, the Coordinator of UGEITI, opened his elaboration of what EITI meant for Uganda by highlighting the vital importance of artisanal and small-scale mining (ASM) within the mining sector. While the categorisation has stuck, he noted, small-scale miners are not exactly small as many people might think of them and therefore, they need more recognition, better organisation and to be well resourced in order to exploit their full potential within the sector. UGEITI, he noted, was keen to learn from and understand their setup and to bring them on board since it recognises them as a

vital stakeholder not worth leaving by the wayside. Information within their possession, he noted, is crucial to advance the core mission of UGEITI, which is to enhance transparency and accountability in the extractives sector. **“At UGEITI, we want to keep everyone informed and to involve everyone from the biggest companies to the small-scale players.”** Such scale of engagement, he said, had the potential to enable Ugandans benefit from their country’s natural endowments as opposed to existing situations in other countries where such endowments benefit only a few. This is the primary reason Uganda voluntarily joined EITI and was fully admitted in August 2020. **“If we implement EITI’s requirements –Disclosure of the legal frameworks and contracts, all activities regarding licencing, exploration and production, revenues and expenditures from the extractives sector, how much local governments are entitled to – this will help reduce or completely eliminate waste or misappropriation of resources.”** He thus urged small scale miners, who formed the bulk of participants, to look at EITI positively and establish strong linkages with its Ugandan secretariat. In turn, UGEITI will find a mechanism to incorporate ASM into the MSG, which currently comprises membership from the government, extractives companies and CSO.

Gloria Mugambe, who heads the UGEITI Secretariat, reiterated Mr Ongaria’s remarks about the importance of ASM as a large informal sector in the economy employing many people especially women whom UGEITI has identified as a key to a well-managed extractives sector. “UGEITI is passionate about women because there is abundant international evidence backed up by robust research that women empowerment is exponentially beneficial to communities. And so, as a Secretariat we want to identify and understand better issues and concerns that women in particular face in the extractives sector so that we can find ways in which they can be supported to be better empowered so that they can prosper. This will form part of the report we are required to compile and disseminate widely across the country to ensure these issues are acted upon to improve the sector.”

A sharp focus on gender is among the new requirements the EITI Board agreed to in the changes to the EITI Standard in 2019 to boost the participation of women and other marginalised groups in the extractives sector. The MSG, which oversees the overall implementation of EITI in member countries, is required to ensure gender balance in their composition, report on employment figures that clearly show where women are working (project and role), identify challenges women have to access and information, and work towards improving gender equality. To popularise these and other EITI requirements overall, Ms Mugambe informed participants that the Secretariat intends to produce, translate and disseminate information in small packs (leaflets and brochures)

about them in as many Ugandan languages as is financially possible. She, like Ongaria, invited participants to embrace UGEITI as their own and to fully collaborate in information sharing as this is mutually beneficial to all interest parties. **“There is a lot of curiosity about the extractives sector and UGEITI is keen to satisfy it by making information about the sector public knowledge so that everyone has access to and can express themselves better when they are more informed.”**

In a short plenary that followed the first session, the key concerns raised focused on whether it was possible to make room for an ASM representative on the Uganda MSG, to support the mining sector in the same way, say, like agriculture is supported with extension workers (the equivalent to ASM would be geologists), and to establish sources of real capital injection into women’s empowerment.

In response, Ongaria noted EITI is a continuing process unless or until the government withdraws from it. As such, it is possible to work towards incorporating a representative from ASM into the MSG. In terms of both technical and financial support to the ASM, he noted the new mining/minerals bill is still at a stage where it presents the best opportunity yet to incorporate these needs. He thus urged ASM representatives to further engage the Ministry of Energy and Mineral Development (MEMD), being the line ministry overseeing it process, towards the incorporation of such support mechanisms as well as Parliament over the same when the bill is eventually presented to it. Besides the bill, he also urged them to organise themselves and look into existing government emancipation programmes that are currently under implementation such as support to Savings and Credit Co-operatives (SACCO).

State of Mining

In his presentation, John Bosco Bukya, the national chair of the Uganda Artisanal and Small-scale Miners (UGASM), restricted his remarks to ASM noting the group had taken wide steps to organise themselves as demanded by the government in order to attain their recognition. UGASM is full proof testimony to how they are transforming themselves and their engagement in the mining sector. Formalisation and registration – which has been slow in part because of the government’s delay in kick starting its biometric registration process of all ASM – has helped them stave off the displacement, loss of property and lives as well as other injustices ASM have suffered before (notably in 2017 when thousands of them were abruptly evicted from their mining sites in Mubende). **“With the formation of UGASM, we have been recognised by government although not quite fully. A few tugs of war remain but we are happy that it now acknowledges we exist and are very much interested in our work, in doing business. We are hopeful even the remaining issues will be resolved amicably.”**

As a result of the formation of UGASM, he noted, the government proceeded to allocate miners in Mubende – under their umbrella Mubende Miners Association (MUMA), which Mr Bosco leads as well – one square mile of land to operate from. While he said miners very much appreciate this gesture, the area remains rather too small for expansion and so they hope to further engage the MEMD towards acquisition of additional area from which to operate. UGASM, he noted, has established functional representation at regional level and collectively have impacted the mining legal framework that is presently under consideration (i.e. the Mining and Minerals Bill, 2019).

He said although ASM retain some negative perceptions particularly among some government sections, they on their part take themselves seriously and are committed to iron out sticking challenges that give them a bad rap such as improving health, safety and working conditions, being open and transparent about their operations, adhering to inspection, registration requirements because mining is their primary economic activity, which supports nearly three million people directly and indirectly. He appealed to government officials present to revise their perceptions of them and extend support to them as a critical component of the mining sector. He said whereas the government has a very enticing outlook on foreign investors and extends enormous support to them, it does not seem to view nationals, and ASM in particular, as investors too. That, he said, needs to change because they are committed and have potential to grow and expand the sector if extended the same support as is availed to foreign investors.

Clarifying issues emerging both from the previous session and the presentation from UGASM/MUMA.

David Sebagala, a Senior Inspector of Mines at the Directorate of Geological Surveys and Mines (DGSM), devoted his time to clarifying issues emerging both from the previous session and the presentation from UGASM/MUMA. First, he noted, transparency and accountability has got to be two-way; as the government opens up the information in its possession so ought mining operations, including ASM about whom complaints have been registered about noncompliance. The demand for information on mining has become all the more important because the price of gold on the world market (apparently, an ounce presently sells at \$1850) has tickled the curiosity of a lot more people than cared for gold mining in Uganda before.

He pushed back claims that government held negative perceptions against ASM noting that it was in the interest of both the government and ASM for the latter to organise and

formalise and that government was more than ready to recognise organised operations as it indeed did by allocating MUMA a mining licence. He cautioned ASM against resting on their laurels now that they had a licence since it was not an end in itself. They required much more discipline to ably fulfil the expectations of formalisation. They need to conduct themselves within the bounds of the advocacy that propelled them to acquisition of the licence they hold.

He warned ASM against creating or engineering feuds with other, mostly foreign, companies (by, for instance, demanding a slice of their operating acreage) since that might be counterproductive in a sense that it creates a negative perception about the state of doing business in Uganda. Yet ASM might at some point find they need to liaise with these companies to raise financing for their own operations. As licence holders, the government has an obligation to protect them unless they are in serious default or non-performance. **“You need to be compliant because compliance ensures security of tenure i.e., the government’s ability to protect the licence holder.”**

Mr. Sebagala urged the miners to endeavour to understand why certain principles are put in place instead of investing all their efforts in bypassing them. He, for instance, cited under-declaring what has been mined as a double-edged sword which is beneficial in the short run but costly in the long run during instances of capital mobilisation. **“You would have no way to verify the potential of your mining operation if you have been reporting less than what it actually produces.”**

Last but not least, he challenged ASM to invest in exploration by hiring geologists to test their soil samples and record on a regular basis as such accurate data about their operations would ease their work, including capital mobilisation.

In the plenary that followed, Emmanuel Kibirige, the general secretary of MUMA, deplored the lack of coordination among local government officials regarding mines inspections to which he attributed their, sometimes, lack of cooperation. “Everyone wants to come any time they want to inspect and this disrupts our work a lot. For us, it also shows a lack of respect for ASM including those of us who are bona fide legal entities.” In response, Mr. Sebagala said the current Mining Act prescribes persons/offices with whom information on mining activities should be shared. He urged miners to familiarise themselves with those provisions and operate within the law. In case that proves difficult, he advised them to formally raise the matter with the

Ministry for further management. As for CSO, they need to improve coordination among themselves so that there is less overlaps in their interactions with miners.

To the issue of mobilising financing to funding mining activities, Sebagala advised miners to ensure they have bankable feasibility studies that can assure financial institutions that their money will be recouped. While the MEMD can and will facilitate linkages between financial institutions and ASM as a way of supporting local investment/entrepreneurship, still proper documentation cannot be bypassed. An official from Bank of Uganda pledged to link with the MEMD to cause a meeting with banking institutions to that there is a formal interaction with ASM about the matter of raising funding into mining work.

Kibirige also revealed the government has produced a lot of geological information that is freely available and that miners should utilise to improve their work instead of focusing only on that which requires them to pay a minimal fee that they might find cumbersome to pat with.

Conclusion/Vote of Thanks

The Mayor of Bukuya Town Council Benjamin Ekodoit, which hosts the mines in Kassanda District, expressed thanks that UGEITI had extended itself to their jurisdiction and enlightened miners about EITI. He expressed particular delight at the revelation that the Town Council was entitled to revenue generated from mining and he pledged its cooperation to UGEITI's work.

The representative of the LC V Kassanda District also expressed appreciation to UGEITI for organising the meeting and involving the district leadership noting that it aligned with plans that are underway to make it a model in terms of organising and promoting mining so that it accords with both existing laws and best practises and is beneficial to everyone. He also pledged the district leadership will harmonise its officials with regards to mines inspections to ensure better performance at both ends since such access is important for better service delivery.

Visit to Kagaba Hills ASM Mines

On May 28, 2021, non-mining participants, particularly members from UGEITI Secretariat, were taken on a guided tour of ASM operations at Kagaba Hills in Bukuya Town Council. The point of it was to gain an understanding of the complete process of

gold mining and in so doing familiarise themselves further with the challenges and prospects of the sector.

Mining at Kagaba Hills is administered by MUMA, who secured a mining licence covering one square mile of land following their formalisation of organisation and registration as required by MEMD. The site has 52 active pits that are run either individually or through the 22 member associations under MUMA.

The visiting team reached two active pits where they were informed pits normally run downwards a length of over 400 feet following the geological formations in the earth crust that signal the presence of gold (that is, patterns of gold that appear like veins on the rocks). Teams that descend underground to cut and lift out the rocks out of which the gold will be sorted are equipped with headlights and walkie-talkies to ease communication and are as well supplied with oxygen since oxygen levels drop the deeper one descends into the earth.

After the pits, the team was taken to one of the four established processing centres where they were walked through every step from drying the rocks, grinding them in ball mills, washing the soil at the Z-line and further in the sorting pit until gold is cleaned out; a laborious process fraught with enormous health and safety hazards (i.e. hardly anyone at the processing centre wore any protective gear apart from gumboots) that require urgent attention either by requiring MUMA to improve working conditions or supporting it to do so.

That said, the team was overall impressed by how MUMA has set up itself and the industry of its people to improve their lives. As Ms Gloria Mugambe noted, the MUMA model was empowering a lot of people including especially women who have not been left by the wayside. Mr Ongaria added that the development of the mining sector ought to be a collective effort and, therefore, UGEITI will extend itself in this regard to ensure ASM have a place in their setup. **“We appreciate the limitations in financing and acquisition of equipment you require. The solution I can give you is to strengthen relations and collaborations with relevant bodies, especially the Ministry of Energy, that will in turn help build bridges for you with financing institutions.”**



Members of the UGEITI MSG pose for a picture with miners at the mines on Kagaba Hill in Kasanda District.

List of Participants.

1. Sam Mucunguzi – Citizens’ Concern Africa.
2. Jonan kandwanaho – National Planning Authority
3. David Sebagala – Ministry of Energy and Mineral Development
4. Philip Andrew Wabulya – Bank of Uganda
5. Jesse Musinguzi – Ministry of Foreign Affairs
6. Isaac Ntujju – National Environment management Authority
7. Paul Mulindwa – Kitara Civil Society Organizations’ Network
8. Paul Twebaze – Pro-biodiversity Conservationist in Uganda.
9. Obad Noah – Oranto Petroleum Limited
10. Emilly Nakamya – Uganda National Oil Company
11. Mina Horace – UGEITI/EU Consultant
12. Susan Nakagolo – Ministry of Finance, Planning and Economic Development.
13. Saul Ongaria – UGEITI
14. Gloria Mugambe – UGEITI
15. Kanakulya Edwin Kavuma – UGEITI
16. Dan Denis Agaba – UGEITI
17. Arinda Bronia – UGEITI
18. Gertrude Angom – UGEITI
19. Edgar Mutungi – UGEITI
20. Abbey Gitta – UGEITI

21. Acom Angella Susan - UGEITI
22. Chris Emanzi - Global Rights Alert
23. Jimmy Muhangi - Global Rights Alert
24. Gaaki Kigambo - Rapporteur
25. Bukya John Bosco - UGAASM
26. Emmanuel Kibirige - UGAASM
27. Nabbale Hellen - UGAASM
28. Zubedah Shabana - UGAASM
29. Namubiru Veronica - UGAASM
30. Night Hasifah - UGAASM
31. Fatuma Shaban - UGAASM
32. Bayiga Jackson - UGAASM
33. Katalwa Robert - MUMA
34. Lubega Fazil - MUMA
35. Ekodit Benjamin - UGAASM
36. Namukwaya Winfred - UGAASM
37. Katimbo Henry - UGAASM
38. Kajoba Saadi - MUMA
39. Baliruno Fred - MUMA
40. Kusiima Adam - MUMA
41. Ssewajje Fred - Journalist - NBS TV
42. Ssentamu Isaac - Journalist - NBS TV
43. Dan Scot Kakembo - BLKS ASM LTD
44. Namatovu Zabibu Jalia - UGAASM
45. Nkanyi Mathias - UGAASM
46. Nandawula Margret - UGAASM
47. Nyangoma Janeter - UGAASM
48. Nakyogana Sarah - UGAASM
49. Nalweele Rehema - UGAASM
50. Kasibante Yoronimu - UGAASM
51. Wanyana Harriet - UGAASM