

FY 2020/2021 REPORT RECOMMENDATIONS

1. Updating data on the contribution of the informal mining sector (EITI Requirement 6.3)

ASM's contribution to the employment proved to be significant during 2018 with an estimated number of workers at over 1 million direct and indirect jobs during that year as detailed in Section 4.13.4 of this report. The ASM contribution to employment was not included in the extractive sector's employment for FY 2020-21 because of lack of updated estimation as detailed in Section 2.2 of this report.

Further studies be conducted to document the contribution of the informal mining sector in the country's economy. This would support DGSM and MEMD to better control of the mining sector.

2. Production details and export data of gold (EITI Requirements 3.2 and 3.3)

The balance of commercial balance of gold shows that imported gold in the country is higher than gold exports as detailed this Section 4.12.2 of this report.

The analysis of gold quantities traded in the country would need to be completed in future by undertaking a study to generate information on quantities of gold production, refining and export in order to minimize variations in the value chain.

3. Awarding licenses (EITI Requirement 2.2)

The existing shortcomings are not significant deviations from the applicable legal and regulatory framework governing license awards. However, their existence demonstrates that there is a risk that companies with limited capacity could still be awarded mining licenses.

An independent audit of the mining license awards be conducted to improve the licensing process.

4. Mainstreaming and systematic disclosure of EITI data in accordance with EITI Requirement 7.2

The EITI data disclosed in this report has been collected from different sources including Government Agencies selected in the UGEITI reporting process. The contextual information on the extractive sector data on revenues collected and budget allocations are not systematically published on a centralised platform.

The UGEITI Multi Stakeholder Group is encouraged to put in place a roadmap for the implementation of an open data platform that centralises all EITI data.

5. Public disclosure of the full text of the mining licenses on the Ministry website

EITI Requirement 2.4 expects implementing countries to disclose the full text of any license lease title or permit by which a government confers on a company or individual rights to exploit oil gas and/or mineral resources. Hard copies of licenses are accessible through payment of administrative fees as detailed in Section 4.5.2 of this report.

Make the full text of the licenses publicly accessible online through the Ministry website.

6. Make the full text of the licenses publicly accessible online through the Ministry website.

Public disclosure of contracts and licenses in Petroleum and Mining sectors in accordance with Requirement 2.4 (a) of the 2019 Standard countries implementing EITI are required to disclose all contracts and licenses that have been granted entered into or amended as of 1 January 2021. Currently Production Sharing Agreements are not publicly available.

The UGEITI MSG should set out a short-term work plan for the publication of all agreements in the extractive sector.

7. Data quality and assurance

EITI Requirement 4.9 requires an assessment of whether the payments and revenues are subject to credible independent audit following international auditing standards. EITI Requirement 4.1.e warrants companies to publicly disclose their audited financial statements or the main items where financial statements are not available.

A number of reporting entities did not comply with this assurance process agreed by the UGEITI MSG as detailed in Section 2.5 of the report.

The UGEITI MSG should engage with reporting entities and emphasize the importance of complying with this provision of proper signature and certification of templates by auditors for future reports. It is also recommended to put in place an assurance process of the Government reporting templates to allow its reconciliation with the audited accounts.

8. Public disclosure of beneficial ownership information

EITI Requirement 2.5 stipulates that: 'As of 1 January 2020 it is required that implementing countries request and companies publicly disclose beneficial ownership information. To date there is no comprehensive register of data on beneficial owners of all companies operating in the mining oil and gas sectors.

Uganda Registration Services Bureau should expedite the BO register and to put in place:

- an assurance process of information and due diligence procedures to ensure reliability of the information declared; and**
- plans for developing a database that would be filled in by reporting entities systematically online rather than manually through hard copies of the required forms.**