



Remarks for the Hon. Minister of State for Energy and Mineral Development & Champion of the Uganda Extractive Industries Transparency Initiative, 13th July 2023, Kabira Country Club.

Representatives of Government,

Members of the Private Sector,

Development Partners,

Distinguished guests,

Ladies and Gentlemen.

Allow me welcome you to this engagement that is aimed at informing and creating awareness about the Extractive Industries Transparency Initiative (EITI) and its benefits to the private sector and country at large.

First, I would like to thank you for sparing the time to attend this exercise. The prompt response shown through your participation demonstrates the level of commitment and interest you hold in developing Uganda's extractive industries.

As you are aware, Uganda is set to become one of the large oil producers in East Africa. This follows the discovery of commercial

quantities of oil reserves estimated to be 6.5 billion barrels. The oil production is expected to commence in 2025 and to that end, a number of infrastructure developments are ongoing in the Albertine Grabe region. These include among others, the development of the East African Crude Oil Pipeline (EACOP), Kabale industrial park, Kabalega international Airport and oil drilling activities. These are all good steps that show Uganda is on the right track in terms of developing its oil resources.

On the mining side, a number of developments are also underway. According to the current National Development Plan (NDP), Uganda has a vast potential of metallic deposits, which is under exploited. This includes: Gold, Iron Ore, Zinc, Tin, Copper, Cobalt, and Lithium. In addition, the country is also endowed with various non-metallic minerals that include limestone, marble, vermiculite, gypsum and phosphates.

These resources are all useful in the industrial and economic development of the country. Proper development of these resources can generate revenue, drive industrialisation and to create direct and indirect employment for Ugandans.

To develop these resources, government has undertaken various steps to promote investment in discovery and exploration for more mineral resources in the country.

First, government is currently conducting an airborne geophysical survey and geological mapping of the Karamoja region. This is

intended to carry out nationwide discovery of investible mineral resources.

Second, government has approved the commercial production of rare earth minerals in Busoga Sub-region which is expected to start in 2024. The Makuutu Rare Earth Project stretches about 37kms across Bugweri, Mayuga, Bugiri and Iganga Districts in Eastern Uganda. This project is one of the few clay deposits that contain high concentrations of heavy and critical metals necessary for strong magnets and other modern technology.

Third, in order to support the small scale miners, government has facilitated the formalization of Artisanal and Small-scale Miners (ASMs) through formation of associations and cooperatives. Formalisation of this sector will create more jobs for Ugandans and increase Government's revenue.

Further, in a bid to create a fair and favourable business environment, Government has strengthened the legal and regulatory framework as well as the human and institutional capacity at the central and local government level through enacting relevant laws such as the Mining and Minerals Act, 2022.

To complement legal and institutional set up, Government has committed to implement the EITI Standard. The EITI is a global organisation that promotes transparency, accountability and other best practices to strengthen the management of extractive industries.

Uganda's joining of EITI followed the approval of Cabinet based on **Objective 6 of the National Oil and Gas Policy, 2008** and **Objective 4 of the Mineral Development Programme** under the current National Development Plan.

To date, Uganda has produced two (2) EITI Reports since joining the organization in August 2020. The first report was published in May 2022 while the second report was recently published in June 2023.

The EITI report has increasingly generated useful information on the status and developments in the extractive sector. The report highlights issues and shortcomings related to natural resource governance and provides recommendations on how to improve.

Without pre-empting the presentations ahead, I would like to highlight that this engagement is intended to equip you with a better of EITI and point out the role of the private sector in the process.

I therefore urge you to freely participate and exchange ideas and knowledge on how best we can localize the EITI to benefit us and the country at large.

Finally, I take this opportunity to thank you all for participating. I also take the opportunity to thank the **Uganda Chamber of Mines and Petroleum, Uganda EITI Secretariat, ACODE and other development partners** for organising this event.

I wish you all fruitful discussions and deliberations.