



**REPORT OF THE LAUNCH OF UGANDA'S
SECOND EITI REPORT
for Fiscal Year 2020-21**

15 SEPTEMBER 2023



TABLE OF CONTENTS

1.	INTRODUCTION	1
2.	OBJECTIVES OF THE LAUNCH	1
3.	PARTICIPATION.....	1
4.	PROGRAMME	2
5.	SPEECHES.....	3
6.	PRESENTATION OF THE FY 2020/21 REPORT	5
7.	PANEL DISCUSSION ON EITI IMPLEMENTATION IN UGANDA	6
8.	PLENARY DISCUSSION	8
	ANNEX 1. LIST OF PARTICIPANTS	10
	ANNEX 2. SPEECHES PRESENTED AT LAUNCH.....	14
	ANNEX 3A: INDEPENDENT ADMINISTRATOR'S PRESENTATION: UGANDA'S 2ND EITI REPORT.....	22
	ANNEX 3B: UGEITI SECRETARIAT PERSPECTIVE ON UGANDA'S SECOND EITI REPORT	31

1. Introduction

The publication of Uganda's second EITI report on June 30th, 2023, is a continued demonstration of the country's commitment to improving the governance of its extractive sector as a member of the Extractive Industries Transparency Initiative (EITI).

The EITI is an international initiative that promotes the transparent and accountable management of countries' natural resources through adherence to the EITI Standard, a set of requirements that defines international best practice in the management of extractives along the entire extractive value chain, from the legal and regulatory framework, to production, resource collection and allocation, and ultimately, to the outcome and impact that the resource has on the welfare of its citizens.

The goal of Uganda's EITI membership is to support efforts to ensure sector-wide transparency, improve tax collection, foster public debate, enhance the environment for investment, build trust amongst stakeholders, and generate long-term value from petroleum and mineral resources.

The Multi-Stakeholder Group (MSG) charged with implementing EITI in Uganda was therefore delighted to announce the publication of Uganda's second EITI report, in a specific event to mark the occasion, held at the Sheraton Hotel in Kampala on Friday 15th September 2023. The MSG is comprised of members from government, industry, and civil society who represent the broader constituencies of stakeholders involved in the extractive sector.

The launch event provided an opportunity to present valuable insights and key findings from the report and raise the visibility of the EITI amongst key stakeholders in the process.

2. Objectives of the Launch

The objective of the launch was to present the findings of the second EITI report for Uganda, and to stimulate debate among the key sector players. Specifically, the launch of the report intended to:

- increase public understanding of the nature of the extractive industry and offer a clear outlook on it;
- offer a forum for public discussion of the report's content;
- inform the public about the state of the EITI's implementation in Uganda; and
- bring in prospective financiers and investors to the industry.

3. Participation

The launch event took place at the Sheraton Hotel, Kampala on 15th September 2023, bringing together government officials, industry representatives, civil society organisations, and international partners. This event allowed stakeholders to discuss the report's recommendations and collaborate on strategies to promote transparency and accountability in Uganda's extractive industry.

The audience included the Minister of State for Finance, Planning and Economic Development, the State Minister of Energy and Mineral Development, the Ambassador of the European Union to Uganda as well as other key government agencies represented on the MSG, including: the Petroleum Authority of Uganda (PAU), and the National Environment Management Authority (NEMA). Other key stakeholders present included the Office of the Auditor General, the Environment and Natural Resources Committee of Parliament, Members of Parliament from extractive regions and representatives from the mining, and oil and gas sectors.

The detailed list of participants is presented in Annex 1 of this report.

4. Programme

The programme for the launch of Uganda's second EITI report was conducted as planned. The order of proceedings was as detailed in the below table:

Time	Topic	Comments / Responsibility Head
8:00 A.M. - 9:30 A.M.	Welcome breakfast / registration	All
9:30 A.M. - 09:40 A.M.	Welcome Remarks & Anthems	National Coordinator, UGEITI Secretariat
9:40 A.M. - 10:00 A.M.	Opening Remarks	Chairperson, UGEITI MSG
10:00 A.M. - 10:45 A.M.	Speeches	<ul style="list-style-type: none"> ➤ Hon. Minister, MOFPED ➤ Hon. Minister, MEMD ➤ EU Ambassador
10:45 A.M. - 11:15 A.M.	Video Clip Key Highlights of EITI Importance and achievements of EITI implementation for Uganda	<ul style="list-style-type: none"> ➤ UGEITI Secretariat ➤ EITI International Secretariat ➤ DT Global / BDO
11:15 A.M. - 11:45 A.M.	Official Launch of the Uganda EITI Report & Photo Opportunity	<ul style="list-style-type: none"> ➤ Hon. Minister, MOFPED ➤ Hon. Minister, MEMD ➤ EU Ambassador
11:45 A.M. - 12:15 A.M.	Presentation of the UGEITI Report	<ul style="list-style-type: none"> ➤ DT Global / BDO ➤ UGEITI Secretariat
12:15 A.M. - 12:45 P.M.	Panel discussions (EITI Implementation in Uganda)	<ul style="list-style-type: none"> ➤ Civil Society ➤ Industry (Mining) & Industry (Oil & Gas) ➤ Government
12:45 P.M. - 13:30 P.M.	Plenary Session	All
13:30 P.M.	Close	All

5. Speeches

I. Welcome Remarks by the National Co-ordinator UGEITI

The National Coordinator welcomed all participants to the Uganda's second EITI report launch. Following the singing of the national anthem, he invited one of the MSG members from Civil society Mr. Siragi Magara to give opening remarks on behalf of the Chairperson. The remarks are contained in Appendix 2.

II. Speech by Hon. State Minister, MOFPED

Following the MSG Chairperson's remarks, Hon. Amos Lugolobi, the State Minister for Finance in charge of Planning, made a speech on behalf of his Ministry. The full speech is contained in Appendix 2. In his speech, he highlighted the following:

- a) The Government of Uganda had developed legal, policy, and institutional framework, to ensure proper management of the country's extractive resources. These include among others, the Oil and Gas Revenue Management Policy, 2012, the Public Finance Management Act, 2016, and the Charter of Fiscal Responsibility.
- b) Regarding the mining sector, the newly enacted Mining and Minerals Act, 2022 provided for responsible management of the mineral revenues collected including the distribution criteria of royalty payments to the areas where the mining activities take place to benefit the mining communities.
- c) To complement the existing frameworks, Government adopted the EITI to enhance transparency, accountability and good governance and enhance the benefits that come with EITI to avoid practices that undermine accountability, increase domestic revenue mobilization, improve business performance and policy making.
- d) The government would take into consideration the recommendations of the report which aim to identify the gaps and challenges that need to be addressed, to strengthen the management of Uganda's extractive sector.

III. Speech by the Hon. Minister of State MEMD.

The State Minister in charge of Minerals Hon. Peter Lokeris spoke on behalf of the Ministry of Energy and Mineral Development, His remarks are contained in Appendix 2. He highlighted the major achievements as follows:

- a) The tremendous progress made in setting up the oil related infrastructure including the East African Crude Oil Pipeline, Kabalega Industrial Park and International Airport, and the oil drilling equipment in the Albertine Graben region. The Government had also discovered vast deposits of metallic minerals that are currently under exploration. These include over 15 million tonnes of gold in Busia, approximately 350 million tonnes of indicated iron ore reserves, over a billion tonnes of marble in Karamoja, and an estimated 3 billion tonnes of kaolin and bentonite in Kaiso Tonya.
- b) The signing of FID in the oil and gas sector had resulted in huge capital inflows amounting to over US\$15 billion, making it the most valuable project not only in Uganda but in the entire East African region. This had created employment opportunities and technology transfer.
- c) The National Development Plan (NDP III) underscores the importance of transparency, accountability and good governance in the management and development of extractive industries. The NDP recognizes the EITI framework as an appropriate mechanism that can help to enhance transparency and accountability in the extractive sector.
- d) Lastly, he encouraged stakeholders to embrace the initiative and appreciate its relevance and findings, and make use of the forum to align efforts with the principles of transparency, accountability, and sustainable development.

IV. Remarks by EU Ambassador:

H E Mr Jan Sadek, Ambassador of the European Union to Uganda delivered the following remarks, which are contained in Appendix 2

- a) The EU Delegation was pleased to have accompanied Uganda on its EITI journey through its technical support to the Uganda EITI Secretariat in the production of the first and second EITI progress reports.
- b) Uganda's participation in the EITI process was still only at its beginning, and there remained challenges and outstanding areas of work under the EITI process including full and systematic public disclosure of contracts and licenses in the sector, improvements in the completeness and accuracy of data concerning the artisanal and small-scale mining sector, streamlining the processes for awarding mining licenses and public disclosure of beneficial ownership information.
- c) Compliance with the requirements of the EITI Standard calls for information on the real owners of companies operating in the extractive sector (Beneficial Ownership Transparency).
- d) Lastly, he noted that transparency wasn't enough and there was need to accompany it with effective dissemination, dialogue, and debate on the findings of Uganda's EITI report. He emphasized the role of media in promoting debate in the governance of the sector as a vital player.

Following the speeches from the Honourable ministers and the EU Ambassador to Uganda, the EITI International Secretariat shared the key highlights and achievements of EITI implementation for Uganda through online remarks made by Mr. Gilbert Makore, the Regional Director for Anglophone and Lusophone Africa at the EITI International Secretariat. A member of the IA team also presented brief highlights from his perspective on the progress that Uganda had made in its three years of EITI implementation. The Report was then officially launched by the Hon. State Minister, MOFPED, Hon. State Minister, MEMD, EU Ambassador, the Auditor General, Members of Parliament, MSG members, and the UGEITI Secretariat team.



Official Launch of the FY 2020/2021 UGEITI Report

6. Presentation of the FY 2020/21 Report

The report was discussed in two presentations; one by the IA and the other by the Head of the UGEITI Secretariat. Their presentations are attached as Annex 3(A) and (B) respectively. The following were the key highlights from their presentations:

- a) Whereas the first EITI report had reconciled oil and gas companies only, the second report had included mining companies in the reconciliation scope.
- b) The second EITI report included the top eight revenue-paying mining companies with active mining licenses for FY 2020/2021, namely Tororo Cement, Hima Cement, National Cement Company Uganda, Kampala Cement Company, Goodwill Ceramic Co. Ltd, Wagagai Mining (U) Ltd, Mota Engil and Virat Alloys. These eight companies accounted for 71% of all mining revenues after reconciliation in 2020/ 2021.
- c) A total of 688 companies held active licenses during the reporting period of 2020/2021, compared to 434 companies in 2019/2020.
- d) Mining revenues were higher in 2019/2020 amounting to approximately UGX 375 billion, compared to UGX 61.08 billion in 2020/2021. This is due to the inclusion of revenues by companies not directly linked to extractive revenues in 2019/20. These were weaned out in 2020/2021, hence the lower figure.
- e) Oil revenues for 2020/2021 amounting to 180.26 billion are substantially higher than those recorded in 2019/2020 (UGX 61.414 bn) due to the inclusion of the capital gains tax of 54.085 billion Uganda shillings that was paid into the Petroleum Fund during that period (Tullow farm down to Total).
- f) Top Revenue streams in FY 2020/21 were Capital Gains tax - 22%, Withholding tax - 18%, Stamp duty - 13%, VAT - 10%, PAYE - 9%, and other tax flows - 27%.
- g) Local revenue royalties of about 2.369 billion were remitted to Local Governments out of a total of 7.040 billion, and 1.341 billion UGX remitted out of 8.705 billion for FY 2019/2020 and FY 2020/2021 respectively.
- h) The total value of minerals produced in FY 2019/2020 and 2020/2021 was 4.14 billion UGX and 19.92 billion UGX respectively.
- i) There was an increase in the number of annual mining licenses awarded from 2019/20 to 2020/21, rising from 103 to 158.
- j) The 2nd Uganda EITI report also contains an update on the context of the sector. The key contextual developments since the last report included:
 - New mining legislation, which, amongst other things, creates a national mining company, introduces a model mining agreement for large scale mining businesses, and revises the royalty sharing formula, with an increase for landowners from 3 to 5%.
 - Award of licenses under the 2nd licensing round for oil and gas - Kasuruban to UNOC, and Turaco to DGR Energy.
 - Developments in beneficial ownership legislation.

7. Panel discussion on EITI implementation in Uganda

The five-person panel comprised of MSG members representing the different constituencies - government, civil society and industry. It was moderated by Ms. Lydia Nabakooza from NBS TV.

- The moderator first asked the panellists what their key takeaways from the newly launch report were. Their responses were as follows:
 - 1) The Directorate of Geological Survey and Mines (DGSM) representative (Government constituency) Engineer David Sebagala noted that in line with the report recommendations, there was a need to further improve the process for the allocation of mineral rights in the country. He emphasized the need for the MSG to follow up and make improvements in this regard.
 - 2) The Uganda Chamber of Mines and Petroleum (UCMP) representative (industry constituency) Ms. Jennifer Hinton highly commended the progress made from the previous report and appreciated the efforts made by the MSG and the Secretariat. She emphasized the need to use the data collected to hold companies and the government accountable to the citizens of Uganda, as well as stakeholders globally, and to prioritize the recommendations on how to capture contributions from the ASM and consider local content and its multiplier effect as a trigger for economic development.
 - 3) The Civil society constituency representative Ms. Winfred Ngabiirwe appreciated the progress made in the current report compared to the previous report, and noted the need to ensure that companies were paying their appropriate dues.
 - 4) The Uganda Association of Small Scale and Artisanal Miners (UGAASM) representative (industry constituency) Mr. John Bosco Bukya noted that whereas the mining sector had initially been described as opaque, the report recognized the ASM sector as a key player recognized by the law.
 - 5) The Petroleum Authority of Uganda (PAU) representative (government constituency) Mr. Clovice Bright Irumba noted that the process of preparing the report presented an opportunity for both government and industry to be more systematic in terms of documenting the various transactions and processes taking place in the extractive sector.
- The moderator asked the PAU representative (government constituency) what steps were being taken to address transparency and disclosure of contracts, a gap that had been identified in the report recommendations.

In response, he noted that the government had voluntarily undertaken the initiative to join the EITI and was well aware of the attendant requirement for contract disclosure. He further observed that contract disclosure was a process not an event, and that the EITI Standard required a demonstration of process being followed and efforts being made in attaining contract disclosure.

- The moderator asked the civil society representative what impact would be faced if there was no access to or disclosure of contracts especially in the Oil and Gas sector?

In her response, the CSO constituency representative noted that it would be difficult for civil society to hold companies and government accountable if the contract signed between the two parties was not disclosed, because they would not have a basis for demanding accountability, since they were not privy to the details of the agreement.

- The moderator asked the UCMP industry representative for her take on the issue of contract transparency.

In response, the industry representative noted that globally and internationally the cause for transparency had become a norm, and that transparency attracted a greater number of more responsible and credible investor companies.

- The moderator then asked the UGAASM industry representative what steps were being taken to ensure that the UGEITI Secretariat and other government agencies had access to data?

In response, the UGAASM representative noted that although initially ASMs were not recognized, the legal framework in which they currently operated had eased access to data. Furthermore, the ongoing bio-metric registration of artisanal and small-scale miners within the country would also facilitate their recognition and identification as key stakeholders in the mining sector.

He went on to request that the Multi Stakeholder group and Government work jointly to have set up a desk at the Uganda Registration Services Bureau (URSB) to address issues concerning artisanal and small-scale miners. He explained that the ASMs were very interested in operating businesses but needed to be prioritized and supported in order to efficiently contribute to national economic development.

- The moderator asked the DGSM (government) representative what challenges artisanal miners faced in accessing employment data, and how these challenges could be addressed?

In response, the MSG member from DGSM noted that the Mining Act 2022 and the Mining Licensing Regulations 2023 had tried to address some of the challenges faced by artisanal miners. Their biggest challenges were informal due to their nature of operations and lack of data. Bio-metric registration would be a recurring activity within the DGSM going forward. Concerning access to employment data, he noted that there was a challenge with statistics of employment data in the mineral sector. However, this was being worked on by the relevant authorities.

- The moderator went on to ask the same MSG member how the issuing of permits to companies that lacked capacity affected the sector.

In response, the member noted that according to the new licensing regulations of 2023, there was more specification on the assessment of financial capacity. The regulations specified and detailed the exact requirements. For example, a bank statement alone was not sufficient for permit issuance - more information was required. When awarding a mining license, the procedure required an applicant to apply first for a prospecting license, followed by an exploration license. The company would then explore and if results were positive, this would show that a reserve had been established and could be mined at a profit. It is at this point that a mining license would be issued.

- The moderator asked the panelists to share their views on the positive impact that EITI had had on Uganda's extractive sector.

Responses:

- 1) Representative from Petroleum Authority of Uganda (PAU) - government constituency: EITI had provided a collaborative approach to dealing with transparency and accountability in the sector. It had created a platform that brought together government, civil society and companies through the Multi Stakeholder Group (MSG) arrangement thereby promoting transparency.
- 2) Representative from UGAASM (industry constituency): EITI had promoted inclusivity by bringing together different stakeholders to jointly discuss issues of transparency unlike in the past where artisanal stakeholders were excluded. He added that the artisanal and small-scale miners were now part of the Multi Stakeholder Group which enabled them to present their issues to the responsible parties and formulate practical solutions.
- 3) Civil society constituency representative: With the implementation of EITI, the MSG had collectively promoted the interests of the civil society, companies, and Ugandans at large. EITI had also promoted gender equality, and support greater participation by women in the mining sector. She further noted that EITI had supported inter - institutional collaboration through the MSG; this had led to reforms that promoted discussions and strategy development on contract transparency and disclosure.

- 4) Representative from Uganda Chamber of Mines and Petroleum (UCMP) - industry constituency: EITI had enhanced capacity building and promoted a shared understanding on the extractive sector. EITI was a platform for continuously improving, sharing, growing, and collaborating.
- 5) Representative from DGSM - government constituency: EITI had influenced the way work was done, for example at DGSM currently, changes could easily be implemented and overseen at the administration level.

➤ The moderator asked what obstacles existed (if any) to EITI implementation.

In response, the representative from DGSM (government constituency) noted that the biggest challenge currently being faced was that of lack of adequate funding. He added that the government should prioritise adequate funds for the Secretariat to effectively implement the EITI work plan, and that with limited funds, there was a likelihood of increased reliance on development partners, which was not sustainable. Insufficient funding limited the dissemination of the reports which in turn limited awareness amongst citizens.

➤ The moderator asked what challenges were faced by government agencies when implementing the standards required by EITI membership.

The government representative from PAU noted that the biggest challenge was public anxiety arising from limited awareness and knowledge of extractive industries. He emphasized that adequate funding for sensitization and awareness raising was key, and had been one of main challenges during the EITI implementation.

8. Plenary discussion

Mr. Samuel Wandera, Executive Director of the Financial Intelligence Authority (FIA), enquired what mechanisms had been put in place to address the risks of revenue loss, limited data, and the lack of accountability for exported gold and other minerals. In response, a representative from DGSM noted that they were working in collaboration with FIA on a project funded by the United Nations Office on Drugs and Crime (UNODC), and had developed working documents on risk monitoring of dealers in precious metals and stones. He further explained that the FIA Act identified dealers in precious metals and stones as the highest risk in the mining sector which is why a unit was being established to monitor them.

Mr. James Opito the National Coordinator for Civil Society Coalition on Oil and Gas in Uganda (CSCO) asked what was being done to monitor production volumes from all mining activities. In response, a representative from DGSM noted that information on production submitted by cement companies was crosschecked and that Government had procured weigh bridges, completed geo- technical studies on two sites in Northern Uganda and trained staff on how to use sophisticated surveying equipment to measure volumes of mining waste. He further stated that an average of 120 inspections were done every quarter, However, this was limited by funding, and was a work in progress. In addition, the representative from PAU noted that there was 24-hour monitoring in the field from PAU and that a real-time monitoring centre was being set up.

A member from the audience inquired about the difference between the 2019 and 2023 EITI Standard. In response the Independent Administrator explained that there were new provisions to promote gender, address anti-corruption, disclosure of costs on projects, public availability of reports, and the energy transition.

A Civil society MSG representative inquired how Parliament would utilize information from the report and what steps were being taken by the government to finance EITI. In response, the Member of Parliament from Kumi Municipality noted that the Environment and Natural Resources Committee would read and internalize the 2020/2021 report and its recommendations, and identify areas for

further action. He further acknowledged the importance of Uganda's EITI membership, and pledged that EITI would be prioritized in the Budget Committee to ensure increased funding.

Following the plenary session, the Acting MSG Chairperson presented closing remarks. He stated that EITI was a continuous process and that an important activity was due to begin in October - the EITI validation exercise. He requested all stakeholders to support the process by engaging actively with the validators, and providing the requested information if and when called upon. The UGEITI launch event was adjourned at 1:30 p.m. with all participants invited to lunch.

ANNEX 1. LIST OF PARTICIPANTS

No.	Name	Institution
MINISTERS		
1	Hon. Amos Lugoloobi	Ministry of Finance, Planning and Economic Development (State in charge of Planning)
2	Hon. Peter Lokeris	Ministry of Energy and Mineral Development (State in charge of Minerals)
MEMBERS OF PARLIAMENT		CONSTITUENCY
3	Dr. Otaala Emmanuel	West Budama (Chair, Environment and Natural Resources Committee)
4	Ms. Gorreth Namugga	Mawogola County
5	Mr. Apollo Yeri Ofwono	Tororo Municipality
6	Mr. Aogon Silas	Kumi Municipality
7	Mr. Magolo John Faith	Bungokho North, Mbale District
8	Ms. Juliet Agasha Bashiisha	Mitooma District
9	Mr. Tebandeke Charles	Bbaale
MULTI-STAKEHOLDER GROUP MEMBERS		
10	Mr. Siragi Magara Luyima (Acting MSG Chairperson)	Oxfam Uganda
11	Mr. Robert Tugume	Ministry of Energy and Mineral Development
12	Mr. David Sebagala	Directorate of Geological Survey and Mines, MEMD
13	Eng. Timothy Tibesigwa	Ministry of Works and Transport
14	Mr. Philip Andrew Wabulya	Bank of Uganda
15	Mr. Jonan Kandwanaho	National Planning Authority
16	Mr. Clovice Bright Irumba	Petroleum Authority of Uganda
17	Mr. Isaac Ntujju	National Environment and Management Authority
18	Mr. Jean Gavalda	Total Energies EP Uganda
19	Mr. John Bosco Bukya	Uganda Artisanal and Small-Scale Miners (UGAASM)
20	Mr. Obad Noah	Oranto Petroleum Limited
21	Dr. Tom Buringuriza	Armour Energy
22	Ms. Jennifer Hinton	Jervois Global
23	Mr. Faustine Mugisha	Total Energies EP Uganda
24	Ms. Sandra Mwesigye	China National Offshore Oil Company (CNOOC)
25	Ms. Ingrid Muhanguzi	China National Offshore Oil Company (CNOOC)
26	Mr. Humphrey Asiimwe	Uganda Chamber of Mines and Petroleum (UCMP)
27	Ms. Emilly Nakamya	Uganda National Oil Company (UNOC)
28	Mr. Emmanuel Kibirige	Uganda Artisanal and Small-Scale Miners (UGAASM)
29	Ms. Winfred Ngabiirwe	Global Rights Alert
30	Mr. Gard Benda	World Voices Uganda
31	Ms. Lomonyang Magret	Karamoja Women Umbrella Organisation (KWUO)
32	Mr. Bazira Henry Mugisha	Water Governance Institute (WGI)
33	Ms. Regina Navuga	Southern and Eastern Africa Trade Information and Negotiations (SEATINI)
34	Mr. Paul Twebaze	Advocates Coalition for Development and Environment

No.	Name	Institution
		(ACODE)
DEVELOPMENT PARTNERS		
35	H E Mr. Jan Sadek (Ambassador)	European Union Delegation to Uganda
36	Ms. Enora Marenne	European Union Delegation to Uganda
37	Mr. Evert Saver	Belgium Embassy
38	Ms. Izabela Karpowicz	International Monetary Fund (IMF)
39	Ms. Einr Fogh	GIZ
40	Mr. Samuel Kajoba	Norwegian Embassy
41	Ms. Kjersti Lindoe	Norwegian Embassy
42	Ms. Barbara Magezi Ndamira	World Bank
43	Ms. Belinda Annette Komuntale	Kreditanstalt für Wiederaufbau (KfW)
INDEPENDENT ADMINISTRATOR		
44	Rached Maalej	DT Global / BDO
45	Achraf Kanoun	DT Global / BDO
MINISTRIES, DEPARTMENTS & AGENCIES (MDAs)		
46	Mr. Ambrose Promise (Commissioner, Public Sector Accounts Department)	Ministry of Finance, Planning and Economic Development
47	Mr. Kyaligonza Aloysious	Ministry of Finance, Planning and Economic Development
48	Ms. Sandrah Nakabiri	Ministry of Finance, Planning and Economic Development
49	Ms. Gillian Mercy Lawino	Ministry of Finance, Planning and Economic Development
50	Ms. Komwani Specioza	Ministry of Finance, Planning and Economic Development
51	Mr. Honey Malinga (Commissioner)	Directorate of Petroleum
52	Mr. Anthony Kintu Mwanje (Head of Secretariat)	Private Sector Development/Secretariat (PSD)
53	Mr. Robert Muwanga	Private Sector Development/Secretariat (PSD)
54	Ms. Gorret Imakit	Private Sector Development/Secretariat (PSD)
55	Mr. Godfrey Kakala	Private Sector Development/Secretariat (PSD)
56	Mr. Ham Mubinga	Directorate of Geological Survey and Mines
57	Mr. Opiyo Kennedy	Directorate of Geological Survey and Mines
58	Mr. Muheirwe Morris Tabaaro	Directorate of Geological Survey and Mines
59	Ms. Sophie Luwano	Ministry of Water and Environment
60	Ms. Victoria Kinobe Nakatudde	Ministry of Water and Environment
61	Mr. Muhumuza Didas	Petroleum Authority Uganda
62	Mr. Bintu Peter Kenneth	Petroleum Authority Uganda
63	Mr. Ekaju Ambrose	Uganda Registration Service Bureau
64	Ms. Namuli Catherine Mugerwa	Uganda Registration Service Bureau
65	Mr. Muhairwe Polly	Inspectorate of Government (IG)
66	Mr. Godfrey Kata Mucurezi	Uganda Revenue Authority
67	Mr. Frederick Okiru	Ministry of Trade, Industry and Cooperatives
68	Mr. Echolan Sam	Uganda Bureau of Statistics
69	Mr. John Paul Olowo	National Information Technology Authority
70	Mr. Gilbert Malele	Ministry of Finance, Planning and Economic Development
71	Mr. Romulus Kintu	Ministry of Local Government
72	Mr. Emmanuel Mugabi	Ministry of Finance, Planning and Economic Development

No.	Name	Institution
73	Ms. Bawaya Hawa	Ministry of Finance, Planning and Economic Development
74	Ms. Grace Karuhanga	Ministry of Finance, Planning and Economic Development
75	Ms. Sabiiti Eunice Jacque	Ministry of Finance, Planning and Economic Development
76	Mr. Mukooza James	Ministry of Finance, Planning and Economic Development
OFFICE OF THE AUDITOR GENERAL		
77	Mr. Muwanga John	Auditor General
78	Mr. Aturai Richard Patrick	Assistant Director
79	Mr. Kasigwa Carlvin Jim	Audit Manager, Energy Sector
80	Mr. Frank Byaruhanga	Auditor
81	Mr. Robert Muhumuza	Auditor
82	Mr. Emilyn Kemanzi	Auditor
83	Ms. Babirye Magdalene	Auditor
PARLIAMENT		
84	Ms. Patricia Nakato	
85	Mr. Omosa Patrick	
86	Mr. Okurut Daniel	
OTHER GUESTS		
87	Mr. Elison Karuhanga	Kampala Associated Advocates
88	Mr. J. B Ssenkubuge	AB and David Advocates
89	Mr. Andrew Jjungo	Action For Climate Change and Environmental Conservation (ACCEC)
90	Mr. Agaba Marlon	Anti-Corruption Coalition Uganda (ACCU)
91	Mr. Asiiimwe Kenneth	Uganda Chamber of Mines and Petroleum
92	Dr. Arthur Bainomugisha	ACODE
93	Mr. Mwebaze Allan	ACODE
94	Mr. Opito James	ACODE
95	Mr. Andrew Mbigiti	CNOOC
96	Mr. Ma Jin	CNOOC (Head, Legal and Commercial)
97	Mr. Prakash Vikariya	Tororo Cement
98	Mr. Olupot Martin	Tororo Cement
99	Ms. Anying Irene Winnie	Avocats Sans Frontières (ASF)
100	Mr. Patrick Edema	Africa Institute for Energy Governance (AFIEGO)
101	Mr. Twesigye Bashir	Civic Response on Environment and Development (CRED)/CSOs
102	Mr. George Kibiike	Community Restoration Initiative Project (CRIP)
103	Mr. Mukunda Julius	Civil Society Budget Advocacy Group (CSBAG)
104	Ms. Peninah Atwine	Environmental Alert
105	Mr. Ivan Muhumuza	Economic Policy Research Centre (EPRC)
106	Ms. Florence Odong	Favored Investment Africa
107	Ms. Lynn Gitu	IMPACT
108	Mr. Seruwagi Geoffrey	PSR
109	Mr. Robert Tumwesigye Baganda	Publish What You Pay (PWYP)
110	Mr. Mugisha Rogers	Resource Rights Africa (RRA)
111	Mr. Julius Mucunguzi	The Communication Clinic
112	Ms. Veronica Mawanda	Total Energies EP Uganda

No.	Name	Institution
113	Mr. David Kizito. W	Transparency International Uganda
114	Mr. Atwine Abel	Uganda Millers Association
115	Ms. Owa Masumi	Chukyo University
116	Ms. Justine Nakintu	Consultant
117	Mr. Mulumya Mike	World Vision
118	Ms. Rene Mwanje	Uganda Local Government Association (ULGA)
119	Mr. Sentongo Livingstone	Uganda Forestry Working Group (UFWG)
120	Mr. Lokwii Arnold	Karamoja Women Cultural Group (KWCG)
121	Mr. Semanda Geofrey	Uganda Police
122	Mr. Oculo John	Uganda Police
123	Mr. Oloka Azurukamo	Driver
125	Mr. Masembe Joel	Farmer
MODERATORS		
126	Mr. James Muhindo	Consultant
127	Ms. Nabakooza Lydia	Next Media
UGEITI SECRETARIAT		
128	Mr. Saul Ongaria	National Co-ordinator, UGEITI Secretariat
129	Mrs. Gloria Mugambe	Head, UGEITI Secretariat
130	Mr. Kanakulya Edwin Kavuma	Compliance, UGEITI Secretariat
131	Ms. Gertrude Angom	M & E, UGEITI Secretariat
132	Ms. Arinda Bronia	UGEITI Secretariat
133	Mr. Edgar Mutungi	Finance, UGEITI Secretariat
134	Mr. Abbey Gitta	UGEITI Secretariat
135	Mr. Francis Okello. G.	UGEITI Secretariat
136	Mr. Ariho Ignatius	IT, UGEITI Secretariat
137	Ms. Anyait Stellah	UGEITI Secretariat
138	Ms. Kisakye Betty	UGEITI Secretariat
139	Mr. Bwoye Perez Ham	UGEITI Secretariat
140	Ms. Linda Stacy Nalumu	UGEITI Secretariat
141	Mr. Gordon Muhereza	UGEITI Secretariat

ANNEX 2. SPEECHES PRESENTED AT LAUNCH

1. OPENING REMARKS OF THE CHAIRPERSON OF THE MULTI STAKEHOLDER GROUP OF EITI AT THE LAUNCH OF THE SECOND EITI REPORT HELD ON FRIDAY 15TH SEPTEMBER 2023.

Honourable Ministers,
Hon. Members of Parliament,
Ambassadors and Commissioners,
Development Partners,
Heads of Ministries Departments and Agencies, Private Sector
Representatives,
Ladies and Gentlemen,

1. It gives me great pleasure to welcome you most cordially at the official launch of the second Extractive Industries Transparency Initiative (EITI) report.
2. This event is a culmination of an enormous effort which began in August 2020, when our country was admitted to the EITI becoming the 26th country in Africa to join the international transparency initiative. Currently, there are more than 56 countries implementing the EITI Standard across the world.
3. The EITI is a multi-stakeholder group that brings together institutions of government, companies and civil society to promote transparency, accountability and good governance in extractive sector. The EITI Standard is the tool that has been adopted for this purpose.
4. The Standard sets out the criteria for countries to follow which includes encouraging regular stakeholder engagement, public disclosure of the legal and institutional framework as well as the procedure of allocating contracts and licenses, disclosure of ongoing exploration activities, disclosure of commodity quantities produced and exported, disclosure of revenue collected from the extracted resources, disclosure of the revenue allocation process and disclosure of the social and economic expenditures incurred by players in the sector.
5. From 2020, various institutions of Government, civil society and the private sector in Uganda have worked tirelessly to fulfill the requirements of the EITI Standard. **I would therefore like to take this opportunity to express my appreciation to the Members of the Multi - Stakeholder Group of EITI for the effort, dedication and support they have rendered to the process. You may stand up for recognition wherever you are.**
6. Since the discovery of oil and gas resources in Uganda, Government has put in place several policies, laws and institutions to strengthen the management of the oil and gas industry. These laws and policies include, among others:
 - The National Oil and Gas Policy (2008)
 - Oil and Gas Revenue Management Act, 2012
 - Petroleum Industry National Content Regulations
 - Petroleum (Exploration and Production) Act, 2013
 - Public Finance Management Act, 2016
 - NEMA Act, 2018
7. With these policies and laws in place, we have been able to achieve a lot of developments in the

oil and gas industry. However, much as we have progressed well in the preparation for oil production, more needs to be done to ensure that the revenues that will be collected from the exploitation of the oil resources is well managed for the benefit of all citizens.

8. Ladies and Gentlemen, of late, we have witnessed an increase in calls for transparency and accountability in the extractive sector. The agitation for transparency comes in part from the research that has been conducted in other resource rich countries showing that in many instances, the benefits of the oil, gas and mining activities are not realized due to mismanagement and corruption.
9. It is against that background that transparency and accountability have been identified as the key tools to adopt in order for countries to avoid mismanagement and corruption. In that regard, the **third National Development Plan** recommends the adoption of the EITI Standard as an appropriate mechanism to enhance transparency and accountability in the extractive sector.
10. As Uganda embarks on the commercial exploitation of its petroleum and mineral resources, Government needs to embrace the principles of EITI in order to promote better understanding of the management of the country's natural resources, strengthen public and corporate governance, enhance accountability, and provide data to inform policy making.
11. Ladies and Gentlemen, as Multi-Stakeholder Group members, we are hopeful that Government will use the EITI process to enhance its revenue mobilization efforts through improving tax administration by identifying practices that undermine taxation, fostering dialogue about fiscal policies and reforms and mitigating revenue leakages through corruption and illicit financial flows.
12. The launch of the Second EITI report no doubt provides an excellent opportunity for all of us to exchange information and views on how to improve the management of Uganda's extractive industries. It also provides an opportunity to identify and resolve any existing problems that may be preventing the effective implementation of EITI.
13. While this launch is an important milestone, a lot remains to be done. Since the publication of the first EITI report, the Multi- Stakeholder Group (MSG) has held various engagements to sensitize the public and we intend to continue engaging different stakeholders to discuss the issues in the Second EITI report in order to promote public debate and better understanding of the findings.
14. Also, it is important to note that Uganda is scheduled to undergo Validation by the EITI International Secretariat from October to December 2023. The Validation process is an assessment that will be conducted to determine the country's level of compliance with the EITI Standard.
15. In addition, we are required to follow up and address the recommendations raised in the EITI report. On that note, I urge all the responsible parties to coordinate and work together in resolving the gaps highlighted in the report.
16. Last but not least, on behalf of the Multi-Stakeholder Group, I would like to express my thanks to the Government of Uganda, European Union Delegation and other development partners who have helped to provide the financial and technical support to enable EITI implementation in Uganda.
17. I also want to thank the Independent Administrator (the consortium of DT Global and BDO) for the technical assistance they have provided the Multi-Stakeholder Group in developing this report.
18. I would like to end by expressing my best wishes for the launch of the second EITI report and as the Multi Stakeholder Group, we await your feedback and recommendations with much interest, as this will contribute greatly to improving good governance in Uganda's extractive sector.
19. Once again, I welcome everyone for turning up to grace the launch of the second EITI report and I wish you fruitful deliberations. **Thank you.**



2. Remarks by the Hon. Minister of State for Finance at the Launch of Uganda's Second EITI Report held at Sheraton Hotel, on 15th September, 2023.

Honourable Ministers,
Hon. Members of Parliament,
Your Excellences, Ambassadors and Commissioners, Development Partners,
Permanent Secretaries Present,
Government Officials Present,
Private Sector Representatives,
Members of the Press,
Distinguished Ladies and Gentlemen.
Good morning to you all.

1. Let me start by thanking you for taking the time to attend the launch of Uganda's Second Extractive Industries Transparency Initiative (EITI) Report. This event is an important milestone that has brought us together to discuss and share knowledge on the state of our extractive industries at a critical time when we are preparing for first oil production.
2. In 2019, my Ministry was tasked by Cabinet to spearhead the EITI implementation process in Uganda. Following the Cabinet directive, we have been able to steer the process along with various stakeholders in Government, Civil Society and the Private Sector. I am happy to note that over the past three years since we joined, the EITI has proven to be an important forum for stakeholder engagement, accountability and policy dialogue.
3. As you are all aware, Uganda aspires to become a middle income country by 2040, through strengthening the competitiveness for business, employment, inclusive growth and domestic revenue generation. The current Domestic Revenue Mobilization Strategy of Uganda identifies the EITI as one of the tools that can be used to effectively promote transparency and accountability in the extractive sector.
4. Ladies and Gentlemen, you well know that natural resources have enormous potential to drive growth, development and poverty reduction. The extractive industries sector plays a strong economic role in many countries which face challenges such as resource dependency and under development.
5. Experience from elsewhere has shown that countries that are rich with natural resources transform best if they put in place certain measures to ensure proper utilization and management of their natural resources.
6. It is therefore important for the country to develop a robust legal and institutional framework for the extractive industries sector to thrive and have lasting impact for the current and future generations. Over the past few years, the Government of Uganda has developed various policies, legislations, institutions and mechanisms to ensure proper management of the

country's extractive resources. These include among others, the Oil and Gas Revenue Management Policy 2012, the Public Finance Management Act, 2015, and the Charter of Fiscal Responsibility and the Extractive Industries Transparency Initiative.

7. The Public Finance Management Act is clear on how Government should manage and utilize revenues from oil and gas exploitation. It provides for the creation of a Petroleum Fund, which has been established under the Central Bank.
8. The Charter of Fiscal Responsibility provides for a fiscal rule that Government should adhere to in the utilization of the oil and gas revenues. The fiscal rule restricts the maximum amount of oil revenue that can be transferred from the Petroleum Fund to the Consolidated Fund for budget operations at 0.8 percent of the previous year's estimated non-oil GDP outturn.
9. These are all prudent measures by Government aimed at bolstering the management of oil revenues to ensure that we achieve sustainable development from the exploitation of our resources.
10. Regarding the mining sector, we have a new law, the Mining and Minerals Act, 2022 that provides for responsible management of the mineral revenues collected including the distribution criteria of royalty payments to the areas where the mining activities take place in order to benefit the mining communities.
11. To complement the good policies and laws in place, Government has adopted the EITI to enhance transparency, accountability and good governance. The EITI will help us to ensure that we avoid practices that undermine accountability, domestic revenue mobilization, business performance and policy making.
12. Last but not least, as we launch Uganda's Second EITI report today, we ought to keep in mind the recommendations of the report which aim to enable us identify the gaps and challenges that need to be addressed in order to strengthen the management of our extractive industries sector.
13. **As I conclude, I would like to assure the general public of Government's commitment to the EITI process, and that indeed Uganda will continue to adhere to the principles of transparency and accountability in the management of its extractive industries.**
14. Once again allow me thank you for attending this important function. I wish you the very best of deliberations.

FOR GOD AND MY COUNTRY



3. REMARKS OF THE HON. MINISTER OF STATE FOR ENERGY AND MINERAL DEVELOPMENT AT THE LAUNCH OF UGANDA'S SECOND EITI REPORT HELD ON 15TH SEPTEMBER 2023, AT SHERATON HOTEL KAMPALA

Hon. Ministers,
Hon. Members of Parliament,
Your Excellences the Ambassadors and High Commissioners,
Development Partners,
Government Officials Present,
Members of the Private Sector,
Representatives of Civil Society,
Distinguished Guests,
Ladies and Gentlemen,

1. It is a pleasure for me to be here today as we gather to launch Uganda's Second Extractive Industries Transparency Initiative (EITI) Report. This event marks a significant milestone in our journey towards transparency, accountability, and good governance in the extractive sector.
2. I would like to extend my appreciation to all stakeholders and partners who have dedicated themselves to make this report a reality. As you are aware, the EITI process is a collaborative effort, and this accomplishment would not have been possible without the support and input of many of you as stakeholders.
3. Today's launch of the Second EITI report comes at a time when we have a good understanding of our oil and gas industry and at a time when Uganda's journey towards becoming a major oil producer in East Africa has reached a critical phase with major developments taking place in preparation for first oil production in 2025.
4. Ladies and Gentlemen, as you are aware, tremendous progress has been made in setting up the oil related infrastructure including the East African Crude Oil Pipeline, Kabalega Industrial Park and International Airport, and the oil drilling equipment in the Albertine Graben region.
5. On the mining side, Government has discovered vast deposits of metallic minerals that are under exploration. These include over 15 million tonnes of gold at in Busia, approximately 350 million tonnes of indicated iron ore reserves, over a billion tonnes of marble in Karamoja, and an estimated 3 billion tonnes of kaolin and bentonite in Kiso Tonya, among other valuable resources.
6. This wealth of natural resources presents enormous opportunities for revenue generation through taxes, royalties and other revenue payments. As you are aware, the signing of FID in the oil and gas sector has resulted in huge capital inflows amounting to over US\$15 billion, making it the most valuable project not only in Uganda but also in the entire East African region. That is not to mention the additional benefits that will follow including employment opportunities and technology sharing. Therefore, the extractive sector offers a very strong pillar for the country's development.
7. Ladies and Gentlemen, whereas it is true that some of the resource-rich countries grapple with challenges of the resource curse as a result of mismanagement of their extractive resources, I believe that Uganda has taken the right direction for the management of its extractive industries. I say this because of the strong policy, legal and institutional framework that is in place to ensure good governance of the sector.

8. The Government of Uganda has been at the forefront of ensuring transparency, accountability and good governance. We have various laws in place to develop and regulate the oil and gas, the minerals sector and ensure revenue management.
9. The third National Development Plan (NDP III) underscores the importance of transparency, accountability and good governance in the management and development of the extractive industries. The NDP recognizes the EITI framework as an appropriate mechanism that can help to enhance transparency and accountability in the extractive sector.
10. I want to express my confidence in the future of Uganda's extractive industries. I am confident that by continuing to work together, we can harness the potential of our natural resources for the benefit of all Ugandans and this will ensure that no one is left behind.
11. Initiatives such as the EITI help to build trust between the Government and relevant stakeholders, promote investor confidence and create a favourable environment to discuss and address the challenges identified.
12. Finally, as we launch this report, I encourage all of you as stakeholders to embrace this initiative and to appreciate its relevance and findings. Let us use this forum to align our efforts with the principles of transparency, accountability, and sustainable development.
13. With those remarks, I wish to commend all of you and our development partners for supporting the EITI process. I extend my gratitude to the Multi-Stakeholder Group of EITI for steering the EITI implementation process and organizing this important event.

Thank you. For God and My Country.



4. Remarks by H E Jan Sadek

Ambassador of the European Union to the Republic of Uganda 15th September 2023 at Sheraton Hotel, Kampala

Minister of State for Finance, Planning and Economic Development, Hon. Amos Lugoloobi,
Minister of State for Mineral Development, Hon. Peter Lokeris,
Chairperson of the Uganda Extractive Industries Transparency Initiative,
Development partners, private sector, civil society and media representatives here present,
Distinguished ladies and gentlemen,

It's a great pleasure for me to say a few words on the occasion of the launch of Uganda's second EITI report. First and foremost, allow me to congratulate the Uganda EITI Multi Stakeholder Group on the achievement of this important milestone. Around the globe, EITI membership is widely regarded as the hallmark of the sound management of natural resources.

As Uganda is gearing up to take advantage of new economic opportunities linked to oil production and mining activities, it is important that all Ugandans benefit from these dividends. Indeed, by making a high-level political commitment to join the EITI in February 2019, Uganda took a landmark step towards strengthening the foundation for transparent and accountable oil production and management, and for all Ugandans to benefit from the extraction and processing of mineral resources. EITI membership can improve the investment climate and boost the confidence of foreign investors in Uganda, while strengthening tax collection and public financial management, by building trust among stakeholders in the extractive sector. EITI membership can thus drive economic growth and job creation in Uganda.

Ladies and gentlemen, Uganda was admitted to the EITI just over three years ago, joining an exclusive but growing club of over 50 countries implementing the EITI Standard, worldwide. Significant progress has been made in this short time-span thanks to the Uganda EITI Multi-Stakeholder Group and its dynamic Secretariat. The EU Delegation is pleased to have been accompanying Uganda in this important journey through its technical support to the Uganda EITI Secretariat in the production of the first and second EITI progress reports.

Uganda's participation in the EITI process is still only in its beginnings, however. Allow me, therefore, to also highlight some of the challenges and outstanding areas of work under the EITI process. In addition to the full and systematic public disclosure of contracts and licences in the sector, the report calls for improvements in the completeness and accuracy of data concerning the artisanal and small-scale mining sector as well as streamlining the processes for awarding mining licenses. Another important work area relates to the public disclosure of beneficial ownership information. Compliance with the requirements of the EITI standard calls for information on the real owners of companies operating in the extractive sector.

Last but not least, transparency is not enough. It must be accompanied by effective dissemination, dialogue and debate on the findings of Uganda's EITI report. As we await the validation of the Uganda EITI report by the EITI Board in October this year, we hope that the

Government of Uganda will continue to champion the implementation of the EITI standard and engage broadly on the findings of the report with a view to promoting public debate on good governance for the sustainable management of Uganda's natural resources.

Earlier this year, a new EITI Standard was introduced with several new and strengthened provisions covering four thematic areas: (i) anti-corruption; (ii) energy transition and new requirement to support disclosures on green energy; (iii) gender, social and environmental concerns; and (iv) revenue collection. These topics are not only central to Uganda's development path, but also key priorities for the European Union's partnership with Uganda which is centred on a green and climate transition; sustainable jobs and growth; and governance and social inclusion. With growing experience in implementing EITI, Uganda can be in the vanguard of implementing these new changes to the EITI Standard and, as a result, ensure the continued sustainable management of Uganda's natural resources for the benefits of all citizen.

As I conclude my remarks, let me applaud once more the efforts of all stakeholders involved in Uganda's EITI journey, be it the national authorities, private sector, or civil society. The tripartite coalition is a testimony to the fruitfulness of joined-up efforts in the promotion of accountability and transparency in Uganda's extractive sector.

Finally, let me also recognise the vital role of the media in ensuring good communication and open dialogue on practices in the extractives sector. The successful implementation of the EITI process depends on it. As we are gathered for this launch event today, we hope that media participation in EITI implementation will help set the foundations for a corps of journalists who are equipped for regular and wide dissemination of EITI findings in Uganda and public information on this important but also complex process.

Thank you for your attention and I look forward to a successful event.

Annex 3a: Independent Administrator's Presentation: Uganda's 2nd EITI report



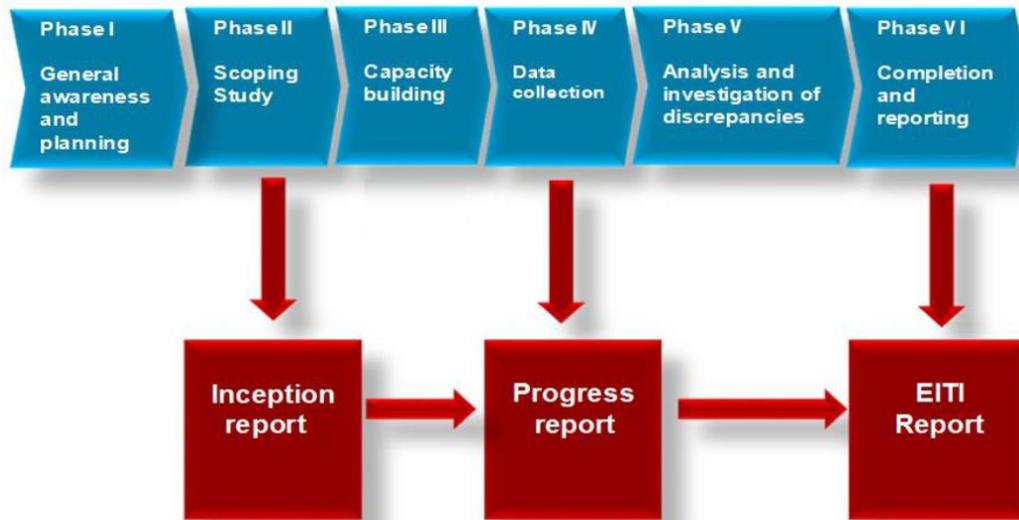
Funded by
the European Union



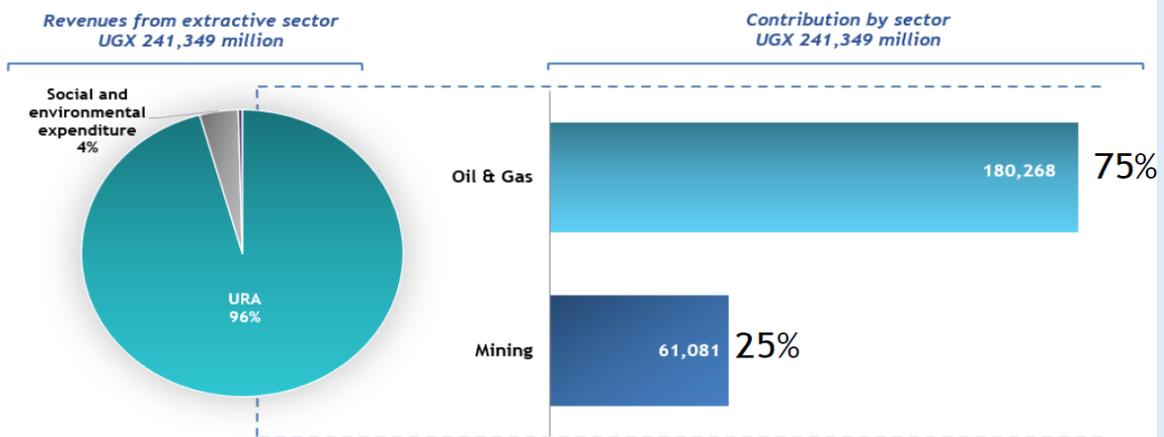
CONTENTS

- The UGEITI reporting process
- Revenues generated from Uganda extractive sector
- Reconciliation scope
- Contribution to the economy
- Production and export data
- Reconciliation results & recommendations

The reconciliation process



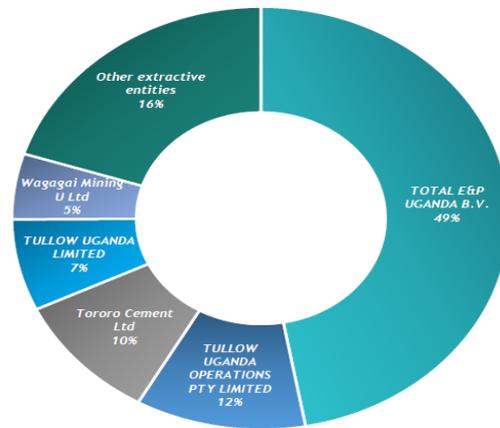
Revenue Generated from the Extractive Industries



Revenue Generated from the Extractive Industries

Top five companies

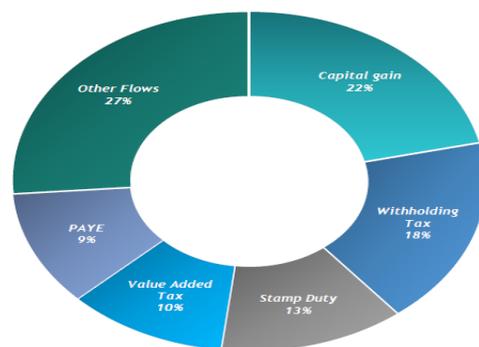
Extractive entity	Sector	FY 2020-21	
		(UGX)	%
TOTAL E&P UGANDA B.V.	Oil & Gas	119,358,980,345	49%
TULLOW UGANDA OPERATIONS PTY LIMITED	Oil & Gas	28,061,644,997	12%
Tororo Cement Ltd	Mining	24,209,067,706	10%
TULLOW UGANDA LIMITED	Oil & Gas	17,749,967,303	7%
Wagagai Mining U Ltd	Mining	12,704,045,383	5%
Other extractive entities	Oil & Gas and mining	39,265,351,755	16%
Total		241,349,057,489	100%



Revenue Generated from the Extractive Industries

Top five payment streams

Payment stream	Government revenue	
	(UGX)	%
Capital gain	54,085,300,963	22%
Withholding Tax	45,280,178,671	18%
Stamp Duty	32,058,902,915	13%
Value Added Tax	23,842,346,925	10%
PAYE	22,043,659,210	9%
Other Flows	66,038,668,805	27%
Total	241,349,057,489	100%



Reconciliation scope

Oil & Gas		Mining	
<ul style="list-style-type: none"> - Upstream activities - Mid-stream activity 		<ul style="list-style-type: none"> - Quarrying - Mining 	
			
<p>CNOOC Uganda Ltd (CUL) is the operator of the production licenses under the EA-3A PSA (the Kingfisher field)</p>	<p>TotalEnergies EP Uganda B.V. is the operator of the production licenses under the EA-1 PSA (Pakwach Basin)</p>	<p>Armour Energy Uganda Limited operates an exploration license (PSA-01/2017) over the Kanywataba block.</p>	<p>ORANTO Petroleum Ltd operates exploration licenses over the Ngassa-Deep block (PSA-02/2017) and Ngassa-Shallow block</p>
N° Company			
5	Tororo Cement Ltd		
6	Hima Cement Ltd		
7	National Cement Company Uganda Ltd		
8	Kampala Cement Co. Ltd		
9	Goodwill Ceramic Co.Ltd		
10	Wagagai Mining U Ltd		
11	Mota Engil Engenharia E Construcao Africa , Sa		
12	Virat Alloys Ltd		

Reconciliation scope

Comprehensiveness

Government Agencies

- All Government Agencies submitted their reporting templates.

Extractive entities

- All companies included in the reconciliation scope submitted their reporting templates.

Based on the above, we conclude that all significant contributions made by extractive entities to reported government revenues have been comprehensively covered in the UGEITI report.

Reconciliation scope

Data quality and assurance

Government Agencies

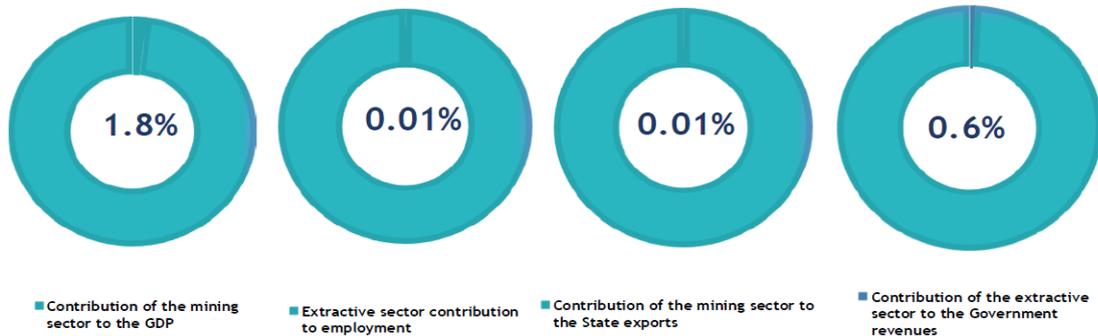
Reporting templates that were submitted by the Uganda Revenue Authority (URA) were signed by a senior official as agreed by the UGEITI MSG and certified by the Auditor General.

Extractive entities

32.70% of the total reconciled revenues were declared using non-certified reporting templates. However, 99,71% of payments have been reconciled with the government revenues that were subject to credible, independent audit, applying international auditing standards.

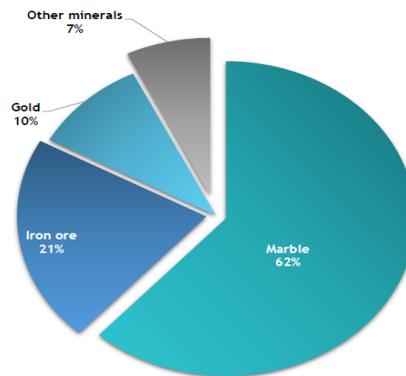
Based on the above, we can reasonably conclude that all payments included in this report were subject to credible, independent audit, applying international auditing standards.

Contribution to the economy



Production data

Mineral	Quantity (tones)	Value of the production (in UGX)
Marble	12,764.16	12,293,426,745
Iron ore	15,600.00	4,232,124,000
Gold	0.01(*)	1,960,212,839
Pozzolana	24,115.16	506,408,280
Granite	290.00	267,600,400
Cassiterite	6.77	230,410,180
Limestone	1,865.34	223,840,560
Volcanic ash	2,830.70	60,265,603
Feldspar	297.26	55,322,128
Diatomite	88.50	53,100,000
Dimension stone	268.00	18,650,120
Coltan	0.35	9,944,550
Kaolin	50.71	5,070,700
Precious stones, Niobium	0.03	2,722,680
Total		19,919,098,786



Exports data

- In accordance with the presidential guidance on minerals date 24 November 2011, it was deemed criminal to export minerals as unprocessed ore, while uranium should never be exported.
- Nevertheless, DGSM declaring the following mineral export data during FY 2020-21.

Company	Mineral	Destination	Quantity (tones)	Gross Value (UGX)
Kamuntu Investments Limited	Iron ore	Kenya	7,500.00	2,034,675,000
Total				2,034,675,000

Exports data

Exports of gold

TAXPAYER NAME	IMPORT 2020-2021		EXPORT 2020-2021		Variance (Imports - Exports)	
	QTY (KG)	VALUE IN UGX billion	QTY (KG)	VALUE IN UGX billion	QTY (KG)	VALUE IN UGX billion
AFRICAN GOLD REFINERY LIMITED	10,680	2,342	9,618	2,092	-1,062	-251
AURNISH TRADING LTD	13,079	569	2,549	554	-10,530	-15
BULLION REFINERY LIMITED	9,878	2,007	8,927	2,630	-951	622
METAL TESTING AND SMELTING CO. LTD	8,102	1,538	7,539	1,532	-563	-6
NURAN VENTURES-SMC LIMITED	-	0	102	20	102	20
SIMBA GOLD REFINERY LIMITED	-	0	10,570	2,142	10,570	2,142
Other	0.8	0	0.2	0	-0.5	0
Total export of the mining sector	41,740	6,456	39,304	8,969	-2,435	2,513

=> Total imported gold quantities exceed exported refined gold by Kg 2,435,

=> Three refineries show gold imported higher than gold exports value (AFRICAN GOLD REFINERY LIMITED; AURNISH TRADING LTD; METAL TESTING AND SMELTING CO. LTD).

=> SIMBA GOLD REFINERY LIMITED shows Kg 10,570 of exported gold without the corresponding imported quantities

Reconciliation results

Unreconciled discrepancies

No.	Company (in UGX million)	Templates originally lodged			Adjustments			Final amounts		
		company	Gover,	Diff,	company	Gover,	Diff,	company	Gover,	Diff,
		(a)	(b)	(c) = (a - b)	(d)	(e)	(f) = (c - d)	(g) = (a + d)	(h) = (b + e)	(i) = (g - h)
1	TOTAL E&P UGANDA B.V.	110,947	56,878	54,069	0	54,085	-54,085	110,947	110,963	-16
2	CNOOC UGANDA LTD	8,583	11,832	-3,249	3,050	0	3,050	11,634	11,832	-199
3	ORANTO PETROLEUM LTD	260	1,663	-1,403	1,410	7	1,403	1,670	1,670	0
4	ARMOUR ENERGY LTD	475	1,233	-758	778	0	778	1,253	1,233	20
5	Tororo Cement Ltd	253,712	273,032	-19,321	-229,808	-249,168	19,360	23,904	23,865	40
6	Hima Cement Ltd	59,460	70,028	-10,568	-53,503	-63,774	10,271	5,956	6,254	-297
7	National Cement Company Uganda Ltd	55,842	55,824	19	-55,775	-55,735	-39	68	88	-20
8	Kampala Cement Co. Ltd	28,273	28,830	-557	-27,533	-28,270	737	740	560	180
9	Goodwill Ceramic Co.Ltd	14,851	15,402	-551	-14,846	-15,290	444	4	111	-107
10	Wagagai Mining U Ltd	12,424	12,509	-84	0	0	0	12,424	12,509	-84
11	Mota Engil Engenharia E Construcao Africa , Sa	12,161	12,062	99	-12,039	-11,940	-100	122	122	-1
12	Virat Alloys Ltd	0	6,996	-6,996	0	-6,992	6,992	0	4	-4
Total		556,987	546,288	10,699	-388,265	-377,076	-11,189	168,722	169,212	-490

Reconciliation results

Adjustments to company payments

Adjustments to extractive company payments	Total Amount (in UGX million)
Tax related to activity other than extractive (a)	-413,264
Tax paid not reported	31,989
Tax amount incorrectly reported	-7,768
Tax incorrectly classified	778
Total added/deducted to amounts originally reported	-388,265

(a) Adjustments for Tax related to activity other than extractive by company

Company	Percentage of extractive activity	Amount (in UGX million)
Tororo Cement Ltd	7.78%	-249,568
National Cement Company Uganda Ltd	0.00%	-55,775
Hima Cement Ltd	3.15%	-53,503
Kampala Cement Co. Ltd	0.14%	-27,533
Goodwill Ceramic Co.Ltd	0.00%	-14,846
Mota Engil Engenharia E Construcao Africa , Sa	1.00%	-12,039
Total adjustments		-413,264

Reconciliation results

Adjustments to Government agency revenues

Adjustments to Government payments	Amount (in UGX million)
Tax related to activity other than extractive (a)	-431,168
Tax received on other identification number	54,085
Tax received not reported	7
Total added/deducted to amounts originally reported	-377,076

(a) Adjustments for Tax related to activity other than extractive by company

Company	Percentage of extractive activity	Amount (in UGX)
Tororo Cement Ltd	7.78%	-249,168
Hima Cement Ltd	3.15%	-63,774
National Cement Company Uganda Ltd	0.00%	-55,735
Kampala Cement Co. Ltd	0.14%	-28,270
Goodwill Ceramic Co.Ltd	0.00%	-15,290
Mota Engil Engenharia E Construcao Africa , Sa	1.00%	-11,940
Virat Alloys Ltd	0.00%	-6,992
Total adjustments		-431,168

Recommendations

N°	Recommendations
1	Updating data on the contribution of the informal sector activity (EITI Requirement 6.3)
2	Production details and export data of gold (EITI Requirements 3.2 and 3.3)
3	Strengthening the process of awarding licenses (EITI Requirement 2.2)
4	Mainstreaming and systematic disclosure of EITI data
5	Public disclosure of the full text of mining licenses
6	Public disclosure of contracts and licenses in Petroleum and Mining sectors
7	Data quality and assurance
8	Public disclosure of beneficial ownership information



UGANDA'S 2ND EITI REPORT: 2020/2021

UGEITI SECRETARIAT
SHERATON HOTEL
15TH SEPTEMBER 2023

Uganda's first two EITI reports – Lessons, challenges and future prospects

- ▶ What have we learnt?
- ▶ How do we use our new knowledge?
- ▶ How do we do better going forward?

- ▶ EITI is about data, disclosure and debate.
- ▶ Publish the data, disclose the information on revenue collection and expenditure, production, and the legal and regulatory framework, amongst other things.
- ▶ The disclosures then encourage debate on pertinent issues affecting the sector

What is new in Uganda's 2nd EITI report?

- ▶ Inclusion of mining companies in the reconciliation scope
- ▶ First EITI report – reconciliation of oil and gas companies only.
- ▶ Second EITI report – inclusion of top 8 revenue-paying mining companies with a mining license for 2020/2021 :
- ▶ Tororo Cement, Hima Cement, National Cement Company Uganda, Kampala Cement Company, Goodwill Ceramic Co. Ltd, Wagagai Mining (U) Ltd, Mota Engil and Virat Alloys.
- ▶ There were a total of 688 companies that held active licenses during the reporting period.
- ▶ These 8 companies accounted for 71% of all mining revenues after reconciliation in 2020/ 2021.

Revenues

	2019/2020	2020/2021
	(billions of UGX)	
Total revenues:	436.353	241.34
- Oil and gas	61.414	180.26
- Mining	374.939	61.08

- Mining revenues were higher in 2019/2020 due to the inclusion of revenues by companies not directly linked to extractives. These were weaned out in 2020/2021, hence the lower figure.

Oil revenues for 2020/2021 are substantially higher due to the inclusion of the capital gains tax of 54.085 billion Uganda shillings that was paid into the Petroleum Fund during that period (Tullow farm down to Total).

Top Revenue streams

- | | |
|-----------------------------|---------------------------|
| ▶ 2019/2020 | ▶ 2020/2021 |
| ▶ VAT – 33% | ▶ Capital Gains tax – 22% |
| ▶ Customs Payments – 27% | ▶ W/holding tax – 18% |
| ▶ PAYE – 11% | ▶ Stamp duty – 13% |
| ▶ Local Excise duty – 8% | ▶ VAT – 10% |
| ▶ W/holding tax – 8% | ▶ PAYE – 9% |
| ▶ Other revenue flows – 13% | ▶ Other flows – 27% |

Local revenue royalties:

2019/ 2020: 2.369 bn remitted to LGS out of 7.040 bn UGX.
2020/ 2021: 1.341 bn UGX remitted out of 8.705 bn total royalties.

Mineral production: Quantity and value

PRODUCTION

Total value of minerals produced in 2019/2020: 14.14 billion UGX

Total value of minerals produced in 2020/2021: 19.92 billion UGX

2019/2020		2020/2021	
By value	By quantity	By value	By quantity
Limestone	Pozollana	Marble	Pozollana
Pozollana	Limestone	Iron ore	Iron ore
Vermiculite	Vermiculite	Gold	Marble
Wolfram	Wolfram	Pozollana	Limestone
Gold	Gold	Granite	Volcanic Ash

Mining licenses

There was an increase in the number of active licenses awarded, to 158 from 103.

License type	2019/2020		2020/2021	
	Active	Awarded	Active	Awarded
Exploration	294	73	444	114
Location	92	24	186	37
Retention	3	1	49	4
Mining lease	45	5	9	3
	434	103	688	158

Updated contextual setting

The 2nd Uganda EITI report also contains an update on the context of the sector.

Key contextual developments since the last report include:

- New mining legislation, which, amongst other things, creates a national mining company, introduces a model mining agreement for large scale mining businesses, and revises the royalty sharing formula, with an increase for land owners from 3 to 5%.
- Award of licenses under the 2nd licensing round for oil and gas – Kasuruban to UNOC, and Turaco to DGR Energy.
- Developments in beneficial ownership legislation
- Launch of the fiscal rule to guide oil revenue expenditure: Under Objective 3 of the Charter for Fiscal Responsibility (allocation of Petroleum Fund transfers between the budget and the Petroleum Revenue Investment Reserve (PRIR)), a maximum of oil revenue worth 0.8% of the preceding year's estimated non-oil GDP outturn shall be transferred to the Consolidated Fund for budget operations. The balance shall be transferred to the Petroleum Revenue Investment Reserve (PRIR) for investment in accordance with the Public Finance Management Act (2015) as amended.

UGEITI REPORT RECOMMENDATIONS

2019/2020

2020/2021

- | | |
|---|---|
| <ol style="list-style-type: none"> 1. Mainstreaming and systematic disclosure of EITI data <ul style="list-style-type: none"> ▶ The UGEITI Main Stakeholder Group should set out a clear roadmap for the publication of all agreements in the extractive sector as detailed in Section 8.3 of the EITI report. 2. Public disclosure of the register of mining licenses <ul style="list-style-type: none"> ▶ The UGEITI Main Stakeholder Group should set out a clear roadmap for the publication of all agreements in the extractive sector as detailed in Section 8.3 of the EITI report. 3. Public disclosure of contracts and licenses in Petroleum and Mining sectors <ul style="list-style-type: none"> ▶ The UGEITI Main Stakeholder Group should set out a clear roadmap for the publication of all agreements in the extractive sector as detailed in Section 8.3 of the EITI report. 4. Data quality and assurance <ul style="list-style-type: none"> ▶ The UGEITI MSG should engage with reporting entities and emphasize the importance of complying with the provision of proper signatory and certification of templates by auditors for future reports, in order to meet EITI Requirement 4.6. 5. Accuracy of export data <ul style="list-style-type: none"> ▶ The Directorate of Geological Survey and Mines and Uganda Revenue Authority should implement automated controls to ensure the comprehensiveness of export data reported by extractive entities, and develop analytical tools to ensure better control of mineral trading as detailed in Section 8.5 of the EITI report. 6. Public disclosure of beneficial ownership information <ul style="list-style-type: none"> ▶ It is recommended that the UGEITI Main Stakeholder Group and Uganda Regulatory Services Company should place a greater focus on the disclosure of information on beneficial ownership. | <ol style="list-style-type: none"> 1. The informal mining sector's employment data for FY 2020-21 was not updated due to lack of recent information on the sector. It was recommended that a comprehensive study be conducted to quantify the size and contribution of this sector, so as to document its impact. 2. The country's commercial balance of gold showed that imports were higher than exports. It was recommended that future analysis of gold quantities traded should focus on production, refining, and export. 3. Existing shortcomings in mining license awards suggested a risk for companies with limited capacity to be awarded mining licenses. An independent audit was recommended to improve the licensing process to ensure that companies with limited capacity are not awarded these licenses. 4. The UGEITI Main Stakeholder Group should set out a clear roadmap for the publication of all agreements in the extractive sector as detailed in Section 8.3 of the EITI report. 5. The UGEITI Main Stakeholder Group should set out a clear roadmap for the publication of all agreements in the extractive sector as detailed in Section 8.3 of the EITI report. 6. The UGEITI Main Stakeholder Group should set out a clear roadmap for the publication of all agreements in the extractive sector as detailed in Section 8.3 of the EITI report. 7. The UGEITI Main Stakeholder Group should set out a clear roadmap for the publication of all agreements in the extractive sector as detailed in Section 8.3 of the EITI report. 8. The UGEITI Main Stakeholder Group should set out a clear roadmap for the publication of all agreements in the extractive sector as detailed in Section 8.3 of the EITI report. 9. The UGEITI Main Stakeholder Group should set out a clear roadmap for the publication of all agreements in the extractive sector as detailed in Section 8.3 of the EITI report. 10. The UGEITI Main Stakeholder Group should set out a clear roadmap for the publication of all agreements in the extractive sector as detailed in Section 8.3 of the EITI report. 11. The UGEITI Main Stakeholder Group should set out a clear roadmap for the publication of all agreements in the extractive sector as detailed in Section 8.3 of the EITI report. 12. The UGEITI Main Stakeholder Group should set out a clear roadmap for the publication of all agreements in the extractive sector as detailed in Section 8.3 of the EITI report. 13. The UGEITI Main Stakeholder Group should set out a clear roadmap for the publication of all agreements in the extractive sector as detailed in Section 8.3 of the EITI report. 14. The UGEITI Main Stakeholder Group should set out a clear roadmap for the publication of all agreements in the extractive sector as detailed in Section 8.3 of the EITI report. 15. The UGEITI Main Stakeholder Group should set out a clear roadmap for the publication of all agreements in the extractive sector as detailed in Section 8.3 of the EITI report. 16. The UGEITI Main Stakeholder Group should set out a clear roadmap for the publication of all agreements in the extractive sector as detailed in Section 8.3 of the EITI report. 17. The UGEITI Main Stakeholder Group should set out a clear roadmap for the publication of all agreements in the extractive sector as detailed in Section 8.3 of the EITI report. |
|---|---|

Benefits of EITI

- ▶ It has opened up the sector to scrutiny
- ▶ Discussions are now being held based on actual data from credible sources.
 - 1) A number of companies hold active licenses for gold exploitation in Karamoja. However, there are no recorded royalty transfers to local governments for gold. LGs in Karamoja earn royalties from marble, cement etc but not from gold. Further analysis is required to understand the flow of minerals from this region.
 - 2) Profits from the mining sector are classified as corporate income tax and royalties. What do the revenue streams tell us about the mining sector landscape in Uganda?
- ▶ The report stimulates debate on relevant issues.
- ▶ Through dissemination of the report, the local communities get involved and become more aware of the status of extractive activity in their locality. They can then hold duty bearers and companies to account based on facts.

Sector scrutiny – Beneficial Ownership

Opportunities for improved co-ordination:

- ▶ Discussion on Beneficial Ownership – there are currently 3 different definitions of BO being used: the Mining Act 2022, the Companies (Amendment) Act 2022, and the Partnership (Amendment) Act.
 - ▶ In the Companies Act, the owner or institution is the company, whereas in the Partnership Act, it is a partnership.
 - ▶ The Mining Act calls the institution a legal entity, and sets an ownership threshold of 5% share capital.
- ▶ EITI presents an opportunity to agree on one harmonized definition that can be used by all parties – Financial Intelligence Authority, URSB and EITI.

Benefits to UGEITI (the Secretariat and the MSG)

- ▶ We have been able to understand and appreciate international best practice in:
 - the management of extractive sectors (disclosure of data, openness and transparency about procedures for award of licenses, players in the sector, the legal and regulatory framework etc).
 - defining and ascertaining extractive revenues
- ▶ We have gained an improved and informed understanding of the extractive sector, especially the mining sector – the different types of licenses, and their roles in regulating sector participation.
- ▶ All this has been possible through the working of existing synergies, and benefiting from the knowledge and mandate of each institution represented on the MSG.

Areas for further progress

- ▶ The report is almost two financial years old. This is unavoidable due to the stringent data authenticity requirements contained in the Standard. (Data must be from audited financial statements – the latest available data in this regard at the onset of report preparation is the one for the previously ended financial year, and it gets presented after six months, making it almost 2 FYs old.
- ▶ 19/20 – 1st EITI report – published in June 2022
- ▶ 20/21 – 2nd EITI report – published in June 2023
- ▶ Forthcoming 3rd EITI report – 21/22; audited accounts published in Dec 2022, by which time work was already ongoing on preparation of the 2nd EITI report.
- ▶ A possibility could be to extend report publication date to Dec (begin work on report in March, using audited accounts of previous FY, and then publish in Dec of the same year).

A key recommendation contained in both reports is the creation of a one-stop EITI data platform, where all EITI data will be systematically disclosed so as to allow for the analysis of real time data, and guide impactful decision making that will improve the next reporting cycle.

Key issues for greater scrutiny and focus

Ongoing:

- ▶ Engaging companies to adhere to the strict data assurance standards of EITI
- ▶ Documenting receipt and use of royalties in local governments
- ▶ Rationalisation of gold figures

Forward looking:

- ▶ Preparation for oil money inflows: have we optimally calculated what is due to the government coffers?
- ▶ Is the revenue that we are receiving from extractives what we should be receiving?
- ▶ Capturing the size and contribution of the ASM sector (one of the recommendations)
- ▶ Highlighting local content opportunities for extractive communities and the wider business fraternity

Thank you for listening

QUESTIONS?
KEY ISSUES FOR GREATER SCRUTINY/ FOCUS CONTINUED....