



ADDENDUM TO UGEITI REPORT  
FY 2020/2021

MARCH 2024

## **Table of Contents**

1. Introduction.....	2
2. Ongoing Reforms in the Sector.....	2
3. Contract and License allocations.....	3
4. Contracts - MSG Position on Disclosure of Contracts.....	5
5. Beneficial Ownership Disclosure.....	5
6. State Participation - The Uganda National Oil Company (UNOC) and Kilembe Mines Ltd...8	
7. Production Data.....	8
8. Comprehensive disclosure of Taxes and Revenues.....	9
9. Sub-national payments.....	10
10. Sub-national Transfers.....	10
11. Social and Environmental expenditures by extractive companies.....	11
12. Civil Society Engagement.....	12
13. Conclusion.....	20
14. List of Annexes.....	21

## **1. Introduction**

This addendum to the FY 2020/2021 Uganda Extractive Industry Transparency Initiative (UGEITI) report is produced by the Multi-Stakeholder Group (MSG) and contains supplementary information to the report. It is intended to address gaps identified by the MSG through its review of the main report and feedback from key stakeholders, including the country team at the EITI International Secretariat.

The addendum provides clarity on the policy context of certain disclosures, to help stakeholders better appreciate the issues at stake. Furthermore, the addendum documents efforts by the MSG to address specific EITI implementation challenges to improve the quality and relevance of the initiative going into the future.

The Addendum is in two parts. Part One reflects responses to gaps raised before the draft validation assessment was shared. Part Two responds directly to the selected points of attention identified following the release of the draft validation assessment at the end of February 2024. These selected points of attention are attached as Appendix 7 to this report for ease of reference. Some of the responses to the corrective actions are included under the relevant section in Part One, and are therefore not repeated in Part Two.

### PART ONE.

## **2. Ongoing Reforms in the Sector**

The Uganda Energy Transition Plan<sup>1</sup> 2023 was formally launched by the Minister of Energy and Mineral Development during the COP23 meeting that took place in December 2023 in Dubai. The Ministry of Energy and Mineral Development (MEMD) is also developing various Regulations to operationalise the provisions of the Mining and Minerals Act 2022.<sup>2</sup> The National Oil and Gas Policy which was formulated in 2008, and highlighted the importance and relevance of the key principles of transparency and accountability is also currently under revision by the Ministry of

---

<sup>1</sup> <https://memd.go.ug/wp-content/uploads/2020/07/UgandaEnergyTransitionPlan-2023.pdf>

<sup>2</sup> <https://www.parliament.go.ug/cmisis/views/1050be8f-76a3-45bd-932b-0f60eb05a010%253B1.0>.

Energy and Mineral Development.

### 3. Contract and License allocations

EITI Requirement 2.2.iv requires countries to disclose material deviations from the applicable legal and regulatory framework and does not require to follow nor to disclosure any methodological approaches.

The 2020/2021 Uganda EITI report noted that there had been no significant deviations from statutory procedures, or from the legal and regulatory framework, in the award of licenses. Although it highlighted that non-material deviations had been noted in 2 licenses, these were not the only 2 licenses that were examined. A total of 158 licenses were recorded for the reporting period 2020/2021. The table below details the methodological analysis undertaken by the IA in examining these licenses, and the corresponding conclusions:

Methodological analysis of mining rights issued in the FY 2020/2021				
Type of license	Right	Total licenses granted	Sample	Deviation
Exploration license	No exploitation	114	5	No deviation from the applicable legal and regulatory framework governing license awards.
Location License	Exploitation (Small-scale)	37	6	No deviation from the applicable legal and regulatory framework governing license awards.
Mining Lease	Exploitation (Large-scale)	3	3	No significant deviations from the applicable legal and regulatory framework governing license awards.
Retention license	No exploitation	4	1	No deviation from the applicable legal and regulatory framework governing license awards.
<b>Total</b>		<b>158</b>	<b>15</b>	
Internal control risk based review				
Interviews with key officials involved in the management of the applications and documents' verification			No deviation from the applicable legal and regulatory framework governing license awards	
Walkthrough testing realised on the systematic controls and authorised accesses and approvals on the cadastral information system.			No deviation from the applicable legal and regulatory framework governing license awards.	
Third parties' conclusions review				
Review of DGSM FY2020/21 Performance Report			No deviation from the applicable legal and regulatory framework governing license awards.	

Review of Auditor General’s conclusions on DGSM in his audit report of Ministry of Energy and Mineral Development	No deviation from the applicable legal and regulatory framework governing license awards.	
---	---	--

All details for the licenses in the petroleum sector are available, and can be found at: <https://facts.pau.go.ug/facts/licensing/licenses/all>. This includes the effective (application) date for each license (Part 1 of Corrective Action 7 on the Register of Licenses). The Directorate of Petroleum in the Ministry of Energy and Mineral Development availed further information on the details of the second licensing round, including the names of the six bidders that participated in it. This information is attached as Annex 1, and responds directly to Corrective Action 6, which was requesting the full list of applicants for the 2<sup>nd</sup> licensing oil round.

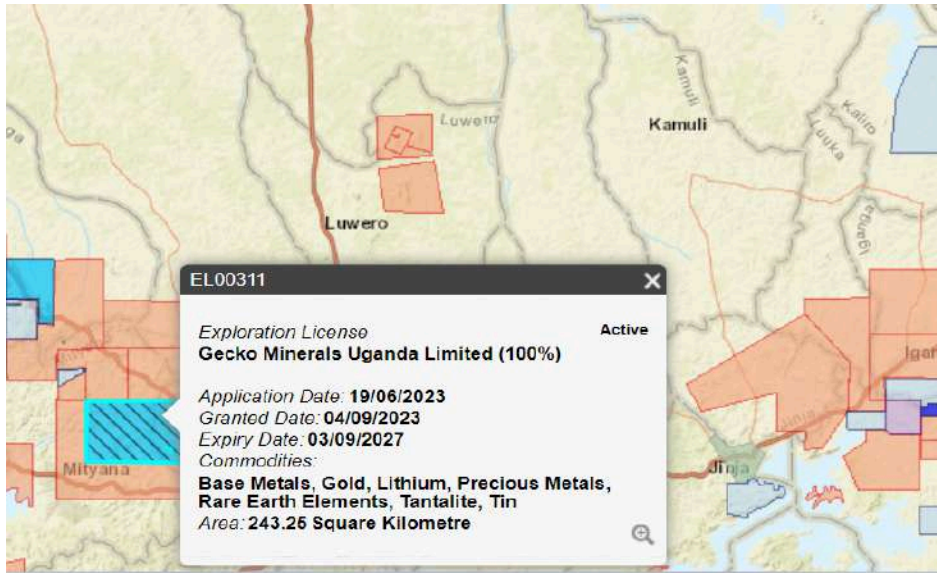
The Directorate of Geological Surveys and Mines provided further clarification on the award, transfers and deviations of mining licenses during the reporting period. This letter is attached as Annex 2.

### **3.1 On License categories being pro-forma and whether they have the same conditions**

The legal text for licenses is clearly defined in the regulations which are publicly available<sup>3</sup>. On clicking the Cadastre link <https://portals.landfolio.com/uganda/> and highlighting a licensed area, all the information contained in the license is displayed as shown in the example below. DGSM is not allowed nor mandated to change the licenses’ text.

---

<sup>3</sup><https://www.ugeiti.org/wp-content/uploads/2023/03/The-Mining-Licensing-Regulations-2019.pdf>



A fee of UGX 100,000 (approximately USD 25) is required to search and copy licenses from the Cadastre. The MSG agreed in their 30<sup>th</sup> meeting held on 9<sup>th</sup> November 2023<sup>4</sup>, that this fee was reasonable and did not present a barrier to access of such information.

Corrective Action 7 of the draft validation assessment proposes that the application dates and co-ordinates for mining licenses during the reporting period be added to the report to ensure comprehensive disclosure of all relevant information. Efforts are underway to add two additional columns to Annex 1 (licenses awarded during the reporting period) and Annex 5 (licenses that were active during the reporting period) of the EITI report, documenting both application dates and co-ordinates. A challenge has been encountered regarding co-ordinates since the latter may be up to 16 different geographical indications depending on the shape of the licensed area.

However, the relevant information for the mining licenses that were active in the reporting period 2020/2021 which had been identified with missing application dates have since been updated on the cadastre as below:

---

<sup>4</sup> <https://www.ugeiti.org/wp-content/uploads/2024/01/30th-MSG-Meeting-9th-November-2023.pdf>

LICENSE HOLDER	LICENSE NUMBER	APPLICATION DATE
TORORO CEMENT	ML 0061	14/07/2005
TORORO CEMENT	ML 0593	13/07/2009
TORORO CEMENT	ML 4474	15/10/1998
TORORO CEMENT	ML 4622	31/07/2002
HIMA CEMENT	ML 0248	23/07/2007
HIMA CEMENT	ML 0706	30/09/2010

#### **4. Contracts - MSG Position on Disclosure of Contracts**

Section 4.5 (page 87) of the 2<sup>nd</sup> Uganda EITI report details the status of contract disclosure in Uganda. The MSG has also developed a paper providing updates, status and documenting its efforts towards disclosure, including the proposed roadmap on contract disclosure. This document is attached as Annex 3.

As a next step, during the 31<sup>st</sup> MSG Meeting held on 7<sup>th</sup> December, 2023, the MSG resolved to escalate the issue of contract disclosure to Cabinet<sup>5</sup>. A Cabinet Memorandum is being prepared which, inter alia, includes the subject of disclosure of contracts.

#### **5. Beneficial Ownership Disclosure**

Regarding BO disclosure, there was a concern as to whether the presence of a specific disclosure threshold of 5% in the Mining and Minerals Act 2022, and its absence in supporting legislation (Companies Act), construed a contradiction in the legal and regulatory framework. There was also a query concerning the matter of Politically Exposed Persons (PEPS), and whether they were catered for under the existing BO legal and regulatory framework.

On the first concern relating to harmonized legislation, the MSG noted that as per paragraph 2 of Article 1 of the Companies Act, 2012, the provisions of the Companies Act apply to all companies without exception. The Companies Act therefore applies to companies operating in the extractive sector, and requires that they should report their BO information to URSB in accordance with the provisions of the Companies Act.

---

<sup>5</sup> Minute 3.2c of the 31<sup>st</sup> MSG meeting

The provisions of the Mining and Minerals Act, 2022 are applicable to companies operating in the mining sector, and require that they report BO information to DGSM as part of their license application process regardless of the level of participation that the beneficial owners may have. Mining companies therefore have to disclose information on all their beneficial owners even if these own less than 5% (directly or indirectly) of the capital share in accordance with paragraph 4 of Article 283 of the Mining and Minerals Act 2022<sup>6</sup>. In addition to the obligations listed above, mining companies are required to systematically disclose to DGSM information on any person who owns 5% or more of the legal entity.

The MSG therefore affirmed in its 30<sup>th</sup> meeting, that all legislation was mutually reinforcing; and covered all reporting aspects to ensure extractive companies' compliance with BO disclosure.

BO transparency relating to Politically Exposed Persons (PEPS) is covered in the Anti Money Laundering Act (AML)<sup>7</sup>, which is additional legislation supporting BO disclosure. Furthermore, the data collection reporting templates for the 2<sup>nd</sup> Uganda EITI report which were approved by the MSG contained a requirement for the reporting companies to disclose any PEPs in relation to their ownership and registration. This issue was emphasized during the training workshop that was conducted on 9<sup>th</sup> March 2023 by the IA to ensure that all reporting entities fully understood the reporting requirements and templates, and filled them in correctly.

Information on the legal owners and share of ownership is publicly available as required by the 2019 EITI Standard Requirement 2.5.g, and can be accessed by any person at a fee of 20000 UGX in line with the Access to Information Act. The MSG agreed during its 32<sup>nd</sup> meeting held on 1<sup>st</sup> February 2024 that this fee was not considered to be a deterrent, and was a safeguard for data integrity.

The process of searching for a company record (including legal owners) is as follows:

How to search a Company Record (including legal ownership information)

---

<sup>6</sup><https://globalrightsalert.org/sites/default/files/newdocs/Mining%20and%20Minerals%20Act%2C%202022.pdf>  
<sup>7</sup><https://www.parliament.go.ug/cmris/views/f7e975fe-0f4d-4286-9f84-34332cd338b4%253B1.0>



1. Login to your individual account at URSB User Portal ©
2. Click on “Search and Certification” from the left side menu
3. Enter BRN (Business Registration Number) of the company whose record you intend to search.

The BRN is provided by the system by searching using the name of the company.

4. Make payment (Summary Information about the company is displayed)
5. Click “Download Search Report” to view a detailed report
6. Click “Download” to have the report downloaded to your local storage.

The steps on how to create and log into a personal URSB account are explained at [frequently-asked-questions-about-the-online-business-registration-system-1674556354.pdf \(ursb.go.ug\)](#)

URSB provided information on legal and beneficial ownership of the companies that were reconciled in the UGEITI Report FY 2020/2021 (Annexes 3 and 4 of the report respectively). Annex 12 of the same report details the list of legal owners of the companies as declared by URSB. This information is publicly available through the UGEITI report, which is a public document, and freely accessible on the UGEITI website [www.ugeiti.org](http://www.ugeiti.org). It should be noted that the URSB register is not categorized according to sectors, and that it is therefore not possible to filter the information by sector at source (i.e. URSB).

The compilation of holistic BO information on all companies including extractive companies is ongoing. The register will be published upon completion of the URSB compilation process.

The MSG notes that the draft validation assessment reports only 3 companies as providing BO data (Pages 37 and 39). In fact, 4 companies provided BO data – Oranto Petroleum Ltd, Armour Energy Ltd, Kampala Cement Co Ltd and Tororo Cement Ltd. Furthermore, two of the material companies are publicly listed. The MSG requests that the narrative reflects this position.

## **6. State Participation - The Uganda National Oil Company (UNOC) and Kilembe Mines Ltd.**

Clarification was sought on the terms of the State's equity participation, and on the public availability of the SoEs' audited financial statements.

Section 4.6 of the Second UGEITI Report summarizes the terms of the State participation. The Auditor General's reports on the audited financial statements of the two SoEs in the extractive sector - UNOC<sup>8</sup> and Kilembe Mines Ltd<sup>9</sup> for the reporting period FY 2020/2021 are publicly available.

The Multi Stakeholder Group (MSG) affirmed that UNOC received its budgetary allocation from the government Consolidated Fund, in line with the statute of its establishment, and that this was its sole revenue source for the Fiscal Year 2020/2021.

Furthermore, in accordance with Requirement 2.6 of the 2019 EITI Standard, UNOC has provided written clarification on its upstream equity participation and the terms of its state equity participation. This letter is attached as Annex 4.

## **7. Production Data**

There was a query as to whether any credible estimates on ASM production (particularly for gold) exist. The MSG confirmed that the current estimates were outdated, as stated in Section 2.2 and 8.1 of Uganda's 2<sup>nd</sup> EITI report. It was agreed that the best way forward, as detailed in Section 8.1, was to conduct further studies so as to document the contribution of the informal mining sector.

The 2023/2024 Work Plan<sup>10</sup> contains a specific activity (Objective 1.0, Activity 1.3 (c) - Enhance Transparency in the Extractive sector) on conducting a comprehensive study that documents the size and contribution of ASMs to the economy. Discussions with the Planet Gold Project<sup>11</sup> are already underway on the modalities and logistics

---

<sup>8</sup><https://www.oag.go.ug/theagency/112>

<sup>9</sup> <https://www.oag.go.ug/theagency/30>

<sup>10</sup> <https://www.ugeiti.org/wp-content/uploads/2023/09/UGEITI-Work-Plan-2023-2024.pdf>

<sup>11</sup> <https://www.planetgold.org/uganda>

for implementing the study.

The MSG concluded therefore, at its 30<sup>th</sup> meeting<sup>12</sup>, that currently no credible estimates on ASM production were available. However, the issue would be addressed by implementing the first recommendation of the second UGEITI report.

Section 8.2 Pg. 163 of Uganda's second EITI report addresses production details and export data of gold. It recommends that a study be undertaken to generate information on gold production quantities, refining and export, so as to minimize variations in the value chain. This recommendation builds on the findings of the first UGEITI Report covering FY 2019/20. Section 8.5. Pg. 146 of this report discussed the accuracy of export data. It recommended that DGSM and URA implement automated controls to ensure the comprehensiveness of export data reported by extractive entities, and develop analytical tools to ensure better control of mineral trade. Since then, DGSM and URA have met to follow up on the issue, and charted out a way forward. The minutes of the meeting held in this regard between the two agencies are attached as Annex 5.

## **8. Comprehensive disclosure of Taxes and Revenues**

A concern was raised regarding the definition of revenue streams materiality used in the report, in accordance with Req. 4.1 of the 2019 EITI Standard.

The MSG, at its 25<sup>th</sup> Meeting held on 13<sup>th</sup> April 2023<sup>13</sup>, agreed to adopt the Scoping Report covering FY 2020/2021<sup>14</sup>. This report was prepared by the IA in consultation with the MSG. In this report, it was agreed that all revenue streams in the reconciliation scope of both the oil and gas and mining sectors for FY 2020-21 be included without applying any materiality threshold.

Section 5 of the 2<sup>nd</sup> UGEITI report defines the reconciliation scope of the report. The list of revenue flows included in the report are detailed in Table 70, in Sub-section

---

<sup>12</sup><https://www.ugeiti.org/wp-content/uploads/2024/01/30th-MSG-Meeting-9th-November-2023.pdf>

<sup>13</sup> <https://www.ugeiti.org/wp-content/uploads/2023/06/25th-MSG-Meeting-13th-April-2023.pdf>

<sup>14</sup> <https://www.ugeiti.org/wp-content/uploads/2024/01/Scoping-report-UGEITI-FY20-21-April-2023.pdf>

5.1. on Pg. 140. Sub-section 5.1.1. – 5.1.7, Pg. 140 – 142 shows the different payments and the MSG agreed position on each of them.

## **9. Sub-national payments**

There was a query raised concerning the rationale for the decision on unilateral companies' disclosure of subnational, environmental and social payments. The MSG included disclosure of subnational payments as part of the reporting process by companies to establish whether direct payments from companies to subnational government entities were material or not in accordance with EITI Requirement 4.5. The MSG agreed that these social and environmental payments should be disclosed unilaterally by companies as stated above, because there was no government counterpart entity receiving them implying that they couldn't be reconciled. Furthermore, records of these payments at sub-national level would be difficult to trace and the amounts were not so significant as to be considered material.

## **10. Sub-national Transfers**

Regarding sub-national transfers (royalties) in the mining sector, there was a query as to whether the revenue sharing formula (80:10:7:3)<sup>15</sup> was further clarified in the regulations, and a further query on how the aggregate sum was split across sub-national entities.

DGSM confirmed that Schedule 2 of the both Mining Acts (2003 and its successor, 2022) affirmed the split of mineral royalties as shown in Figure 34, Page 107 of the second UGEITI report. DGSM further confirmed that royalties are allocated based on the district where mining takes place – this confirmation is contained in email correspondence from DGSM attached as Annex 6.

The 2<sup>nd</sup> UGEITI report acknowledges that the sub-national remittances were below the statutory threshold of 20% (Page 107). This discrepancy is an ongoing concern that arises from disbursements that overlap financial years e.g. royalties recorded in June 2021 may be disbursed and reported in July 2022 causing a reporting shortfall for the previous financial year 2020/2021. At its 32<sup>nd</sup> meeting, the MSG resolved to include

---

<sup>15</sup> This formula relates to the Mining Act 2003 which was in force during the reporting period. The current revenue sharing formula is (70:15:10:5).

an agenda item on this matter at its next meeting during which both DGSM and URA would present the process and status of sub-national royalty transfers.

The draft validation assessment further elaborated on the discrepancies noted in sub-national transfers that seemed to reveal that the practice of royalty transfers differed both in terms of what is ought to be transferred to each level, and what in total should be transferred from the MEMD to the overall subnational entities.

Furthermore, it was noted that some entities received more frequent and higher amounts than others.

MEMD provided the following additional clarification:

1. The royalties are remitted about 1 month after they are received by the Revenue Authority due to the need to reconcile and remit accurate figures.
2. The figures that are provided indicate only the successful payments. The funds that are not remitted remain on the account and are paid out to the beneficiaries as and when they submit their bank information or when they resolve land wrangles which usually lead to delays in remittance of royalties. Consequently, some of the payments made include arrears of districts, sub-counties, and landowners who later provided accurate details.
3. The frequency of royalty payment is based on the level of activity in the mining areas where districts with more mining activity will have more royalty payouts. The payment of royalties is based on production which will inform their share, as depicted in the examples cited in the draft validation assessment of Busia and Buhweju districts.

## **11. Social and Environmental expenditures by extractive companies**

A query was raised concerning the classification of social and environmental expenditures by extractive companies, and the instrument which establishes them as such. The question of the materiality of these payments, and how it was arrived at was also tabled. This query was also included in the list of corrective actions shared by the validation team during the discussion of the draft validation assessment.

The MSG decision on the scope of mandatory and discretionary expenditure under the category of social and environmental expenditure is documented in Subsection 5.1.2, Page 141 of the second UGEITI report. The MSG agreed in its 25<sup>th</sup> meeting that companies within the agreed scope of the report should unilaterally disclose all payments in this category without any materiality threshold through the adoption of the UGEITI Scoping Report for the FY 2020/2021<sup>16</sup>.

The legal obligation for companies to remit mandatory expenditures is contained in the PSAs. Companies included in the scope of the 2<sup>nd</sup> UGEITI report disclosed this information through the reporting templates that they submitted as part of the data collection exercise for the 2<sup>nd</sup> UGEITI report.

## **12. Civil Society Engagement**

The 2019 EITI Standard requires the MSG to highlight how civic space issues from the reporting period were discussed by the constituency and the MSG (Req. 1.4). The MSG has discussed this issue at various meetings, and adopted a statement on civic space issues for the year 2021 at its 31<sup>st</sup> meeting held on 7<sup>th</sup> December 2023.

This statement is reproduced in full below:

### **MSG STATEMENT ON CIVIC SPACE OF CSOs REGARDING EITI IMPLEMENTATION IN UGANDA FY 2020-2021**

The NGO Act, 2016 and the attendant Regulations of 2017 provide the main legal framework for regulation of Civil Society Organizations (CSOs) in Uganda. Besides that, there are multiple requirements for CSOs to comply with in other legislation in the Country.

The operating environment for Civil Society Organisations in Uganda has faced some challenges in the recent past. In 2021, the Government enhanced the enforcement of the regulatory framework by subjecting CSOs to registration, licensing, and reporting obligations. As a result, in August 2021, the operations of 54 NGOs in Uganda were suspended by the NGO Bureau, most of these were working on governance areas, while some of them were working on the extractive sector. There have been arrests of

---

<sup>16</sup> <https://www.ugeiti.org/wp-content/uploads/2023/06/25th-MSG-Meeting-13th-April-2023.pdf>

human rights activists and protesters by the Government claiming that they contravene the law. In addition, there have also been arrests of civil society activists and human rights defenders, including arrests of EACOP protesters with the Government declaring that their activities contravene the law.

The suspension of Democratic Governance Facility (DGF) in 2021 which was later lifted, and subsequently led to the end of the facility in Uganda rendered many NGOs to witness a reduction in funding. This mainly affected CSOs that were working on areas related to governance and human rights, and quite a few that were working on extractives (accountability). Many NGOs have been left without funding and some had to lay off staff who were supported by the DGF.

Nevertheless, many Civil Society Organizations remain active in Uganda and have complied with the country's legal framework. It should be noted that the CSOs that have complied with the statutory requirements have not faced challenges operating in the country. This is attested to by the vibrant participation of Civil Society at the UGEITI MSG engagements and other fora regarding EITI Implementation.

#### MSG commentary on civil society engagement in the draft validation assessment.

A meeting was held on 14<sup>th</sup> March 2024 between members of the civil society constituency and the validation team to discuss the draft validation assessment that had been shared with the Uganda MSG. Civil society raised their concerns on a number of issues including the following:

Members were concerned that the written assessment of civil society engagement contained in the draft validation report was not an accurate reflection of the situation on the ground in the following ways:

- a) They did not agree that focus in CSO engagement had mostly been on oil and gas as opposed to mining, citing their intense engagement with the mining sector.
- b) They emphasized that the statement on Page 22 which reads ‘crucial and acute problems related to illegal gold mining in Central Africa in which Uganda’s opacity to deal with gold refining and exports have been widely exposed by international bodies such as Interpol have not received the same level of discussion as issues related to the oil and gas sector’ is not correct as there is substantial evidence to prove that issues of illicit gold trade have been discussed - see Appendix 10.

## PART TWO

This section of the Addendum responds to the remaining selected points of attention/ proposed corrective actions highlighted by the validation team in the draft assessment shared on 29<sup>th</sup> February 2024, that are not addressed in Part One.

### A. OUTCOMES AND IMPACT

**1a) Link national priorities as listed in the NDP of  
(1) the ASM fiscal and legal framework  
(2) Local content  
(3) Environmental safeguards  
to the Uganda National EITI Work-plan 2023/2024.**

**b) Update work-plan with funding sources.**

#### Response:

The MSG has identified and sequenced NDP III objectives in line with the development and implementation of its work-plans.

The MSG in its FY 2022/2023 work-plan undertook activities that were meant to improve the regulatory framework of the mining sector including Beneficial Ownership registration.

Activities 1.2 (a) to (c) of the 2022/2023 UGEITI work-plan saw the creation of a National Beneficial Ownership committee and the fast tracking of amendment of the Companies Act 2012 to the Companies Amendment Act of 2022. Collection of BO information by the URSB also commenced.

The importance of the ASM fiscal and legal framework was demonstrated by the enactment of the Mining and Minerals Act 2022. The MSG contributed to the development of this law by submitting written comments to the Natural Resources Committee of Parliament, and engaging through its member institutions of DGSM and the Ministry of Energy. The current workplan therefore intends to build on this achievement by undertaking a study on the ASM sector, which will gather accurate information on the size, scope and nature of the sector, and its contribution to the economy. This information will then be used to design relevant implementation strategies that will contribute to the sector's improvement and productivity.



Local content and environmental safeguards are not contained in the current workplan, with a view to sequencing priorities as not all relevant NDP objectives can be included in the work plan in one go. They are discussed within the MSG in the context of the responsible institutions (PAU and NEMA) that are mandated to oversee them, and status updates are included in each annual EITI report.

b) The UGEITI Work-plan FY2023/2024 is funded by the government of Uganda. Activity 2.1(e) on the study of the ASM sector is going to be funded by IMPACT.

**2. Data accessibility/ open data – add clear open data policy with a clear stance on contract transparency.**

Response: the UGEITI Open Data Policy, under Section 3.2, aims to make all EITI data and information publicly available - this includes contract and licenses, beneficial ownership data, and revenues.

Excerpt from Open Data Policy: Section 3.2 The Objective

The main objective of the Open Data Policy is to provide a framework for the transparent exchange of information and data among the various stakeholders. The policy is expected to result in:

1. Improved transparency among the stakeholders in relation to extractive activities.
2. Increased awareness about how the countries' natural resources are governed.
3. Enhanced public oversight and accountability for the resources derived from the extractive sector.

In order to fulfill this objective, the following specific activities shall be undertaken:

- i. Avail EITI data and information publicly.
- ii. Develop a framework for promotion and implementation of open data initiatives in the public sector.
- iii. Create a single point of access to Extractive sector open data.
- iv. Develop tools for enforcement of compliance with open data standards and legislation.
- v. Promote and drive uptake of the use of open data.
- vi. Promote the increase of open data skills.

Activity (1) underlined above demonstrates the MSG's intention to make all data public, including contracts.

**3. Recommendations from implementation (Req 7.3) – Add note on progress on following up on past recommendations, differentiating between internal and external, and describe mechanism for future follow-up process.**

Response:

The MSG continues to push for the implementation of the various recommendations from the 2 published UGEITI reports. Follow up mechanisms, classified as both internal and external, are listed below.

Internal interventions (MSG)

i. These include activities in the work plan specific to addressing recommendations. For example, in the current work plan, Uganda National EITI Work plan FY 2023/2024, Activity 2.1 (Monitor and track the progress made in addressing the recommendations of previous UGEITI reports) is specifically included for purposes of following up on recommendations.

ii. Setting up an MSG committee to follow up on recommendations - it has been the MSG's practice to set up committees to handle specific matters. A committee on following up on recommendations will ensure that there are specific MSG members actively working towards the follow up of the recommendations in the EITI reports.

iii. The MSG is developing a strategic plan that will contain a monitoring and evaluation tool. The monitoring and evaluation tool is expected to have tools that will be used to track progress made in implementing the recommendations in the EITI reports. The strategic plan is expected to be approved by the MSG by the close of FY 2023/2024 so that its implementation commences at the beginning of FY 2024/2025.

External interventions

i. Inter-government institutional collaboration on the recommendations is already ongoing especially between the Directorate of Geological Surveys and Mines and the Uganda Revenue Authority as mentioned in the outcomes and impacts

template concerning the recommendation from the first EITI report on the discrepancy in export data. Another example of inter-government institutional collaboration concerns beneficial ownership transparency where the Uganda Registration Services Bureau and the Ministry of Justice and Constitutional Affairs worked together to develop Beneficial Ownership Regulations.

ii. Key stakeholder engagements through Civil Society Organisations' advocacy on the recommendations. Several CSOs use recommendations in the EITI report during their advocacy with key stakeholders to raise awareness about key proposed undertakings that promote transparency and accountability. The recommendations on beneficial ownership transparency and contract disclosure are the main recommendations that CSOs have included in their advocacy work<sup>17</sup>.

#### **4. Req. 7.4. Review of outcomes and impact – Add note taking stock of impact of specific reforms in the context of broader impact**

##### Response:

The APR 2022-2023<sup>18</sup> documents a number of achievements and outcomes that were registered during the reporting period. They include the following:

- Increased transparency in the extractive sector
- Improved inter-agency coordination among stakeholders
- Increased sensitization among the local communities in extractive regions about the extractive sector
- Participation in the design of reforms in the legal framework such as the Mining and Minerals Act 2022 as well as the launch of the Charter of Fiscal Responsibility which sets out how oil revenues will be spent.

Specific reforms implemented during the reporting period are the following:

- 1) Beneficial ownership: Reform implementation in this area has been ongoing. URSB commenced the collection of BO information from all companies registered in Uganda. A decision was taken to modify the existing Companies Register to capture the BO information rather than develop a separate BO – specific register.

---

<sup>17</sup> Dissemination-of-EITI-Report-FY-2020-2021-and-awareness-creation-on-Beneficial-ownership.pdf (ugeiti.org)

<sup>18</sup> <https://www.ugeiti.org/wp-content/uploads/2024/02/UGEITI-Annual-Progress-Report-July-2022-June-2023.pdf>

Company BO information is now accessible through a formal request to URSB, accompanied by a search fee. It is not yet complete, and URSB continues to collect and compile BO information as submitted by companies.

- 2) Legal reforms: The key legal reform that took place during the reporting period was the enactment of the Mining and Minerals Act 2022. One of the key reforms introduced by this Act is the recognition/formalization of artisanal mining through the introduction of Artisanal Mining Licensing.

The 2020/2021 EITI Report describes these two key reforms in more detail.

The main impact of ongoing BO reforms has been their contribution to the removal of Uganda from the FATF grey list. On 23<sup>rd</sup> February 2024, the FATF plenary, at its meeting in Paris, concluded that Uganda has fully implemented its action plan and removed it from its list of countries under increased monitoring (grey list)<sup>19</sup>. Timely access to accurate basic legal and BO information had been one of the key conditionalities for Uganda's removal from the grey list, and Uganda was assessed by FATF as having progressed significantly in this regard.

The new Mining Law has had a positive impact on the ASM sector, by facilitating the registration of artisanal miners by the Ministry of Energy and Mineral Development. Formal recognition of ASMs has also improved the relations between ASMs and the Government. On 12<sup>th</sup> March 2024, an MoU was signed between the Uganda Association of Artisanal and Small-Scale Mining (UGAASM) and the Uganda National Chamber of Mines and Petroleum (UCMP). The occasion was officiated by the State Minister for Minerals in the Ministry of Energy. These developments serve to demonstrate the increased co-operation amongst the different stakeholders in the mining sector, and the strengthened synergies as a result of their working together on the Uganda EITI MSG<sup>20</sup>.

### C. TRANSPARENCY

#### **5. Req 4.1 – Comprehensive disclosure: Clarify the transfer fee – Tullow to Total.**

In the 2020-21 report, page 47, the explanation of the Revenue streams for Oil and Gas (Table 20, p.47), there is a stream called "Licenses fees" applicable for when

---

<sup>19</sup> The full details of the statement can be found at <https://www.fatf-gafi.org/en/publications/Fatfgeneral/outcomes-fatf-plenary-february-2024.html>

<sup>20</sup><https://twitter.com/UgandaChamber/status/1767496127903912288>

licenses are transferred. Please clarify if the "License fee" stipulated in Table 20 was applicable/not applicable and therefore reported/not reported.

Response: no license transfer fee was paid because the license was still valid at the time of transfer.

Table 20 in the 2020/ 2021 report (referred to earlier) at the top of Page 48 further breaks down the type of license fees paid by describing each category for which payment is required:

- fees to obtain scientific reports...; as well as the application or renewal of the different types of licenses (reconnaissance permits, exploration, production or facility licenses).

Since the license was still valid, and was simply transferred, none of the above fees was paid.

## **6. Quasi-fiscal expenditure – clarify/ agree on definition/ applicability, and UNOC participation in public works.**

Response: The MSG, at its 25<sup>th</sup> meeting held on 13<sup>th</sup> April 2023, agreed to adopt the Scoping Report prepared by the Independent Administrator in consultation with MSG for the 2<sup>nd</sup> EITI report. In this report, the MSG:

1) adopted the definition of quasi-fiscal expenditure from the one provided in the EITI Standard.

Under Section 4.3.3.h of the second UGEITI Scoping Report, published in April 2023, the second paragraph states that:

*“Quasi-fiscal expenditure includes arrangements whereby SOEs undertake public social expenditure such as payments for social services, public infrastructure, fuel subsidies and national debt servicing, etc. outside of the national budgetary process. Implementing countries and multi stakeholder groups may wish to take the IMF’s definition of quasi-fiscal expenditure into account when considering whether such expenditures are considered quasi-fiscal.”*

2) agreed to include information on Quasi Fiscal Expenditure (QFEs) during the FY 2020-21 through unilateral disclosure from SOEs.

In light of the use of the definition provided in the EITI Standard, and adopted by the MSG, the MSG was able to confirm that there were no quasi-fiscal expenditures for the Fiscal Year 2020 - 2021. However, in order to provide an adequate definition of QFEs based on the national context, the MSG intends to agree on a new definition for the country's next EITI report in accordance with guidance note on the EITI Requirement 6.2.

UNOC confirmed in its meeting with the validation team during the validation mission that they did not make any payments for social services, public infrastructure, fuel subsidies and national debt servicing (Minutes attached as Annex 8a). UNOC provided further clarification in a separate email (Annex 8b) on the issue of infrastructure related expenditure in Kabaale Industrial Park, which had been mentioned by the Auditor General in his report on UNOC for the reporting period 2020/2021. UNOC clarified that it was in the process of securing consultancy services for development of technical designs for the common facilities, which the Auditor General described as 'Phase 1 Roads, Fencing, Power Reticulation, Water and Wastewater, IT reticulation, UNOC site office and Master plan'. No expenditure on actual infrastructure was undertaken by UNOC in the reporting period.

Within the validation draft assessment report, the MSG noted the following statement on Page 42 under the section on Quasi-fiscal expenditure: 'The 2021 EITI report **copied** the definition of quasi-fiscal expenditures from the EITI Standard'. The MSG requests that the word **copied** in this sentence be replaced with **adopted**.

#### **7. Contribution to the economy – Make the consultancy report on ASM public.**

Response: The consultancy report on ASM was commissioned by UGEITI in an effort to collect reliable data and statistics on the ASM sector. This report was part of the reference material used by the IA in his preparation of the 2<sup>nd</sup> EITI report. However, during the review of the final draft of the report, the MSG in its 27<sup>th</sup> meeting resolved to get another reference to use in the report since the consultancy report had not been validated by all relevant stakeholders (See Min. 4(f) of the 27<sup>th</sup> MSG meeting minutes)<sup>21</sup>. However, the consultancy report is appended to this addendum as an Annex for the validation team's information.

---

<sup>21</sup> <https://www.ugeiti.org/wp-content/uploads/2023/10/27th-MSG-Meeting-29th-June-2023.pdf>

### **13. Conclusion**

This addendum is a response to issues raised in a Gaps Analysis review carried out by the International Secretariat in preparation for Uganda's first validation as an EITI member country, as well as related issues raised during the validation mission that took place from the 4<sup>th</sup> to the 8<sup>th</sup> of December 2023, and the 15 selected points of attention shared by the validation assessment team on 5<sup>th</sup> March 2024.

It has attempted to clarify and provide information on specific requirements in the 2019 EITI Standard that Uganda is expected to disclose and adhere to, which may previously have been unclear. It has done this by providing more information, added context and supplementary data.

It is hoped that its submission will elucidate all areas, and contribute towards the enhancement of transparency and accountability to all stakeholders, so that the knowledge of Uganda's extractive sector is enhanced, for the benefit of all Ugandans, to whom these resources ultimately belong.

## **14. List of Annexes**

1. Email correspondence from the Ministry of Energy providing additional information on the 2<sup>nd</sup> licensing round.
2. Letter from DGSM clarifying on the license award and transfer process.
3. Updated Status of Contract Disclosure in Uganda
4. Letter from UNOC providing clarification on its equity participation
5. Minutes of meeting held between DGSM and URA to discuss production export data and mineral trade controls
6. Email correspondence from DGSM affirming that the royalties' ratio is contained in the regulations.
7. Power point presentation containing list of selected points of attention identified by the International Secretariat to be addressed by MSG
8. Minutes from meeting held between UNOC and the International Secretariat validation team on 4<sup>th</sup> Dec 2023
9. Consultancy report on ASM
10. CSO evidence of engagement and debate on illicit gold trading
11. In-track comments by the MSG on the Civil Society Engagement Section of the Uganda's Draft IS Validation Report



ANNEX 1

## Fw: REQUEST FOR NAMES OF COMPANIES THAT PARTICIPATED IN LICENSING ROUND

From: ongaria saul (ongsaul@yahoo.com)

To: g\_mugambe@yahoo.co.uk

Date: Wednesday, 31 January 2024 at 10:04 GMT+3

Good morning Gloria

Please refer to the email below for details regarding the petroleum second licensing round.

Thanks

Saul

----- Forwarded Message -----

**From:** Saul <ongsaul@yahoo.com>

**To:** "g\_mugambe@yahoo.co.uk" <g\_mugambe@yahoo.co.uk>

**Sent:** Wednesday, January 31, 2024 at 09:23:19 AM GMT+3

**Subject:** Fwd: FW: REQUEST FOR NAMES OF COMPANIES THAT PARTICIPATED IN LICENSING ROUND

----- Forwarded message -----

**From:** Robert Tugume <r.tugume@petroleum.go.ug>

**Date:** 23 Jan 2024 11:26 am

**Subject:** FW: REQUEST FOR NAMES OF COMPANIES THAT PARTICIPATED IN LICENSING ROUND

**To:** ongsaul@yahoo.com," kanaks03@yahoo.com" <kanaks03@yahoo.com>

**Cc:**

Dear Saul

Please find the response below regarding the 2nd Licensing round for your information.

Regards

Robert Tugume

Sent from my Galaxy

----- Original message -----

**From:** Tonny Ddungu <t.ddungu@petroleum.go.ug>

**Date:** 22/01/2024 15:15 (GMT+03:00)

**To:** Robert Tugume <r.tugume@petroleum.go.ug>

**Cc:** Frank Mugisha <f.mugisha@petroleum.go.ug>

**Subject:** RE: REQUEST FOR NAMES OF COMPANIES THAT PARTICIPATED IN LICENSING ROUND

AC/DP,

I would like to resend the response I gave to be availed to the team and below is the summary.

A total of Six (06) potential applicants were registered upon payment of the requisite registration fees of US\$20,000 and later issued with the Request for Qualification Document. All the six applicants submitted the AfQ by the closing date of 30th September 2020.

These were;

- a. Total E & P Activites Petrolieres, France

- b. DGR Global Limited, Australia
- c. Uganda National Oil Company Limited (UNOC), Uganda, and
- d. Joint Venture of PetroAfrik Energy Resources East Africa Ltd, Uganda and Niger Delta Petroleum Resources Ltd, Nigeria.
- e. Foxhill Investments Ltd and Sarova Petroleum Resources Limited JV
- f. M/s Profile International Limited

The evaluation process of the AfQ was undertaken between October to December 2020 in which Government qualified four (4) applicants to participate in the Bidding stage. The qualified applicants were:

- a. Total E & P Activites Petrolieres, France
- b. DGR Global Limited, Australia
- c. Uganda National Oil Company Limited (UNOC), Uganda, and
- d. Joint Venture of PetroAfrik Energy Resources East Africa Ltd, Uganda and Niger Delta Petroleum Resources Ltd, Nigeria.

The companies were notified and given the Request for Proposals document on 5<sup>th</sup> January 2020 and submitted their Request for Proposals were on 30<sup>th</sup> June 2021.

Out of the four companies that were qualified at the Request for Proposals stage, two companies submitted their proposals by 30<sup>th</sup> June 2021. Each of the two companies submitted two bid proposals.

The two companies are;

- a. DGR Global Limited, Australia
- b. Uganda National Oil Company Limited (UNOC), Uganda

The. evaluation of the Request for proposals was undertaken between 30<sup>th</sup> June to 31<sup>st</sup> August 2021 and has been completed.

A final evaluation report of the Request for Proposals for the second licensing round has been forwarded to the Minister for approval and was approved.

The two companies namely UNOC and DGR Global have were invited for negotiations over Kasurubani and Turaco blocks respectively and subsequently awarded licenses in February and May 2023 respectively.

---

**Tonny Ddungu | Principal Geophysicist**

**|Directorate of Petroleum|**

|Petroleum House | Plot 21-29 End of Johnstone street, Entebbe - Uganda

| Direct line Tel: +256 417895531| mob: +256-782-698800

|Email: [t.ddungu@petroleum.go.ug](mailto:t.ddungu@petroleum.go.ug)

|Alternate: [tonnyddungu@yahoo.com](mailto:tonnyddungu@yahoo.com)

|Website: [www.petroleum.go.ug](http://www.petroleum.go.ug)

 *Lets go Green to save more trees and Money*

*Print this only if it's unavoidable*

**From:** Robert Tugume <[r.tugume@petroleum.go.ug](mailto:r.tugume@petroleum.go.ug)>

**Sent:** Monday, January 22, 2024 1:11 PM

**To:** Tonny Ddungu <[t.ddungu@petroleum.go.ug](mailto:t.ddungu@petroleum.go.ug)>

**Cc:** Frank Mugisha <[f.mugisha@petroleum.go.ug](mailto:f.mugisha@petroleum.go.ug)>

**Subject:** FW: REQUEST FOR NAMES OF COMPANIES THAT PARTICIPATED IN LICENSING ROUND

PGP

Kindly provide a clarification raised by UGEITI in their email below.

Regards

AC/DP

Sent from my Galaxy

----- Original message -----

**From:** [Saul.Ongaria@finance.go.ug](mailto:Saul.Ongaria@finance.go.ug)

**Date:** 22/01/2024 10:58 (GMT+03:00)

**To:** Robert Tugume <[r.tugume@petroleum.go.ug](mailto:r.tugume@petroleum.go.ug)>

**Cc:** [g\\_mugambe@yahoo.co.uk](mailto:g_mugambe@yahoo.co.uk), [Edwin.Kanakulya@finance.go.ug](mailto:Edwin.Kanakulya@finance.go.ug), Edgar Mutungi <[edgarmutungi@gmail.com](mailto:edgarmutungi@gmail.com)>, Uganda EITI <[ugeiti@gmail.com](mailto:ugeiti@gmail.com)>

**Subject:** REQUEST FOR NAMES OF COMPANIES THAT PARTICIPATED IN LICENSING ROUND

Dear Robert

Good morning.

Following the recent validation exercise conducted by the International Secretariat of EITI, we were requested to provide the names of all the six (6) companies that participated in the second licensing round.

The background to this is that - The information contained in the second EITI report (on page 70) indicates that six companies

expressed interest in the second licensing round. However, the EITI report only recognized the four companies that were

selected to participate in the bidding stage. The other two that were not selected are not named.

The purpose of this email is to request you to provide all the names of the six (6) companies that expressed interest

at the beginning of the second licensing round.

For your reference - please use the link below to access the EITI report.

<https://www.ugeiti.org/wp-content/uploads/2023/09/UGEITI-Report-FY-2020-2021.pdf>

For purposes of our records, please revert here with the names of all the six companies.

Saul Ongaria  
National Coordinator

Uganda Extractive Industries Transparency Initiative (EITI)  
Ministry of Finance Planning and Economic Development  
Mobile Telephone: +256774147869

**TELEPHONES:**

General: +256 414 344 414

Permanent Secretary +256 414 234 733

Email: [psmemd@energy.go.ug](mailto:psmemd@energy.go.ug)

Website: [www.energyandminerals.go.ug](http://www.energyandminerals.go.ug)

In any correspondence on

This subject please quote Ref. No.



**MINISTRY OF ENERGY AND  
MINERAL DEVELOPMENT**  
PLOT 29/33 AMBER HOUSE  
KAMPALA ROAD  
P. O. BOX 7270,  
KAMPALA.

**GSM/187/190/01**

26<sup>th</sup> March 2024

The Permanent Secretary  
Ministry of Finance, Planning &  
Economic Development  
P. O. Box 8147  
**KAMPALA**

## **Annex 2**

### **REQUEST FOR ADDITIONAL INFORMATION FOR PURPOSES OF UGANDA'S EITI VALIDATION EXERCISE OF 2023**

We refer to your communication vide: TPD79/167/09 VOL.6. dated 20<sup>th</sup> October, 2023 in which you requested for clarification on particular gaps identified within Uganda's second EITI report.

We clarify as here under; -

#### **Detail Required**

- i) Details of Mining Licenses transferred during the reporting period of FY2020/2021

#### **Response**

There were no Mining Licenses transferred during the Financial year 2020/2021, mainly because of the disruptions to the operations in the sector that were brought about by the onset of COVID-19 and the interventions by the Governments the world over.

#### **Detail Required**

- ii) If there were any transfers, clarify whether the transfer processes were based on the same criteria as the award process.

#### **Response**

There were no Mining Licenses transferred during the Financial Year 2020/2021. However, the license transfer process used evaluates the competence of the proposed license transferee using the same criteria used to assess an applicant for a mining license.

#### **Detail Required**

- iii) Clarify whether there is a weighting scheme and disclose the nature of the scheme.

## **Response**

There is no weighting scheme used during evaluation of the competence of a proposed license transferee or an applicant for a mining license. This is so because, the first come first serve licensing system, configured into the online mining cadaster system, does not accept competing license applications. Similarly, there hasn't been a case where a mining license holder has applied to transfer a mining license to more than one competing transferees.

## **Detail Required**

- iv) Confirm that the license categories are pro-forma.

## **Response**

The formats of the licenses issued are prescribed by the regulations and cannot be altered by DGSM unless a statutory instrument amending the gazzeted formats is issued by the Minister.

## **Detail Required**

- v) Confirm that the licensing regime is fully set out in the law and that there are no separate terms outside the law

## **Response**

The licensing regime is fully set out in the law and that there are no separate terms outside the law.

We hope the clarification given above serves your purpose. Your efforts in the development of Uganda's mineral sector is greatly appreciated.



Irene Bateebe

**PERMANENT SECRETARY**

**Copy to:** Commissioner/Mines Department, Ministry of Energy and Mineral Development

## Annex 3



Uganda Extractive Industries Transparency Initiative

### **UGEITI EFFORTS TOWARDS DISCLOSURE OF CONTRACTS IN UGANDA**

#### **1. INTRODUCTION**

Contracts, licences and associated agreements in the extractive industry are very important because they are the instruments used by Host Governments to award rights for the exploration and exploitation of a country's extractive resources including oil, gas and minerals. The instruments also specify the obligations of the parties to the agreement including Government as a signatory to the agreements and therefore by implication, the people that Government represents. Public disclosure of such agreements and licences is therefore an important element for the transparent and accountable management of a country's extractive resources.

Requirement 2.4 of the EITI Standard is to the effect that implementing countries are encouraged to publicly disclose any contracts and licences that provide the terms attached to the exploitation of oil, gas, and mineral resources.

Important to note is that the EITI Standard requires EITI implementing countries to disclose all contracts and licenses that are granted or amended from 1<sup>st</sup> January 2021.

#### **2. STEPS TAKEN BY UGEITI TOWARDS CONTRACT DISCLOSURE**

The MSG has taken some steps to facilitate contract disclosure, given the mandatory requirement of the EITI Standard to disclose all contracts that came into force on 1<sup>st</sup> January 2021. The steps taken in this regard are described in the following subsections.

**a. Establishment of an MSG Committee to lead the work on contract disclosure.**

This committee was tasked to study government policy on contract disclosure. The Committee has held three meetings where the members of the Committee extensively discussed contract disclosure. The Minutes of the meetings of the Committee are available and can be accessed at [MSG Minutes – UGEITI](#). At one of the meetings, a member from the Petroleum Authority of Uganda presented to the Committee the policies, legal, and contractual provisions relating to contract disclosure in Uganda's oil and gas sector.

The said presentation underscored Uganda's public policy on contract disclosure and helped to enlighten the UGEITI MSG on the country's legal framework in this regard as elaborated below.

Uganda's upstream oil and gas contractual framework is based on a Model Production Sharing Agreement (MPSA). The rights and obligations of licensees are governed principally by the terms and conditions of the PSA, the Petroleum (EDP) Act, 2013 and the Petroleum (EDP) Regulations 2016.

Section 151 of the Petroleum (EDP) Act, 2013 is to the effect that upon payment of the prescribed fees the Minister may in accordance with the Access to Information Act, 2005, make available to the public details of all agreements, licences and any amendments to the licences or agreements whether or not terminated or valid.

However, both the Model Production Sharing Agreement (MPSA) and the Petroleum (EDP) Act, 2013 include confidentiality provisions as follows:

Article 33 of the MPSA states that "Subject to the Constitution, the Access to Information Act, 2005, this Agreement and any confidential information of any Party hereto which becomes known to the other Party in connection with the performance of this Agreement shall not be published or disclosed to third parties without the former Party's written consent except as otherwise provided herein, and provided however that such other Party may communicate confidential information to legal counsel, accountants, other professional consultants, underwriters, lenders, agents, licensees or shipping companies to the extent necessary in connection with this Agreement, with the obligation of the parties receiving such information to maintain confidentiality, or to an agency of the government of the country of the licensee having authority to require such disclosure".

According to Section 152 of the Petroleum (EDP) Act, 2013 all data submitted to the Minister by a licensee shall be kept confidential and



shall not be reproduced or disclosed to third parties by any party under this Act except:

- i. in the case of disclosure by the licensee, with the prior written consent of the Minister; or
- ii. in the case of disclosure by the Authority prior to the relinquishment of the area to which they relate with the prior written consent of the licensee”.

Furthermore, Section 152 of the Petroleum (EDP) Act, 2013 provides that disclosure of information is possible only:

- i. to an agency or organ of or retained by the Government;
- ii. to a financial institution or person acting as a consultant or professional adviser to the Authority;
- iii. to arbitrators and experts appointed under this Act or under an agreement made under this Act;
- iv. for statistical purposes; or
- v. in connection with the award of new acreage.

Additionally, Section 153 of the Petroleum (EDP) Act, 2013 provides that information furnished or information in a report submitted under this Act by a licensee shall not be disclosed to any person who is not a Minister or an officer in the public service except with the consent of the licensee.

For the mining sector, Uganda had a licensing regime until the enactment of the Mining and Minerals Act of 2022 which introduced the aspect of Production Sharing Agreements (PSAs) in the sector. No PSAs have been signed in the mining sector.

Section 207 of the Mining and Mineral Act, 2022 states that the Minister shall publish on the Ministry website (a) all Mineral Agreements entered into by the Uganda National Mining Company (b) all mineral rights, licences and permits including current mineral rights, licences and permits that expired during the year.

Based on the above legal provisions and the fact that the Production Sharing Agreements were provided to Parliament, the Committee agreed that the government policy on contract disclosure is open albeit with specific conditions on how contracts may be disclosed.

## **b. Development of a Roadmap for Contract Disclosure**

The Committee held a training session on developing a Contract Disclosure Plan from 30<sup>th</sup> September to 1<sup>st</sup> October 2021. From this training session, the Committee developed a roadmap to the disclosure of contracts that emphasized the need for further engagement of the key stakeholders on this matter. This roadmap is attached as Annex A.

## **c. Key Stakeholder Engagements on Contract Disclosure**

- i. On 29<sup>th</sup> October 2020, a meeting was convened by the Permanent Secretary/Secretary to the Treasury (PS/ST) and Heads of Government Institutions in the Extractive Sector. The Solicitor General informed the meeting that there were no legal impediments to joining EITI and Uganda should be able to disclose the information to Parliament. The Executive Director of the Petroleum Authority of Uganda (PAU) suggested that Uganda should check and seek guidance from other EITI member countries that are complying with the contract disclosure requirements. The PS/ST noted that Uganda had already committed to implementing EITI and should strive to comply with the EITI Requirements. The PS/ST further noted that the Production Sharing Agreements were well developed and can be disclosed. A readout from this meeting is attached as Annex B.
- ii. A meeting between the MSG Committee on Contract Disclosure and Heads of Extractive Companies was held on 27<sup>th</sup> April 2021. The companies present i.e., TotalEnergies EP Uganda (Total), CNOOC Uganda Limited (CNOOC) and Oranto Petroleum Limited expressed no objection for their PSAs being disclosed. It was agreed that disclosure would commence with the contracts in the upstream operations. Total noted that it was ready to write a letter of comfort to government providing their no objection to their PSAs being disclosed. The Minutes of this meeting can be accessed at <https://www.ugeiti.org/wp-content/uploads/2023/10/3rd-Meeting-of-the-Contract-Disclosure-Committee-9th-July-2021.pdf>.

Following continuous engagements, two companies (TotalEnergies and CNOOC Uganda Ltd) indicated their commitment to disclose their PSAs by formally writing to the Minister of Energy and Mineral Development expressing their willingness to disclose the PSAs. Copies of these letters are attached as Annex C.

Furthermore, the UGEITI MSG, caused the Minister of Finance Planning and Economic Development to initiate efforts to have a high-level

engagement with the Minister of Energy and Mineral Development, Attorney General and Minister of Justice and Constitutional Affairs to discuss the issue of contract disclosure. A letter, by the Minister of Finance Planning and Economic Development, in this regard is attached as Annex D. The members of the MSG from the Ministry of Energy and Mineral Development are following up on this at the Ministry.

The Permanent Secretary/Secretary to the Treasury has written a letter to the Ministry of Energy and Mineral Development requesting for a meeting to appraise the Ministry top management on EITI implementation in Uganda including the disclosure of contracts. A copy of this letter is attached as Annex E. This meeting was held on 23<sup>rd</sup> November, 2023 where the Ministry officials appreciated the importance of the matter and agreed that it should be tabled to Cabinet.

UGEITI has acknowledged the need to escalate the discussion on the disclosure of contracts to Cabinet and a Cabinet Memorandum is being prepared for submission.

### **3. CONCLUSION**

EITI member countries are obliged by the EITI Standard to disclose all their contracts and licences that are granted or amended from 1<sup>st</sup> January 2021 in the extractive sector.

UGEITI has undertaken efforts towards the disclosure of contracts. The UGEITI MSG established a Committee to take lead on the matter. The Committee has held a number of activities in this regard, including the review of Uganda's legal framework in which the Committee concluded that the government policy on contract disclosure is open however it sets conditions on how contracts may be disclosed.

The MSG recognized the need to escalate the matter, on disclosure of contracts, to Cabinet during the 31<sup>st</sup> MSG Meeting held on 7<sup>th</sup> December, 2023. A Cabinet Memorandum is being prepared which, inter alia, includes the subject of disclosure of contracts.

## Annex A



### Uganda Extractive Industries Transparency Initiative

#### ROADMAP FOR CONTRACT DISCLOSURE

The Contract Disclosure Committee held a training session on developing a Contract Disclosure Plan from 30<sup>th</sup> September 2021 to 1st October 2021. From this training session, the Committee came up with a roadmap to contract disclosure for the MSG. It contains the following steps:

#### 1. Identification of objectives for contract disclosure

- This was guided by the challenges in Uganda's extractives sector that had been identified at the time of developing objectives for the UGEITI Work plan. In particular the following challenges were noted:
    - Mistrust and suspicion from the public that the government is hiding some information by not disclosing the contracts.
    - The public having unrealistic expectations about the exploitation of the oil.
- Objectives for contract disclosure for UGEITI
- Enhancing public trust in Government as the custodian of the country's natural resources.
  - To manage public expectations of the exploitation of the county's natural resources.
  - To ensure understanding of the roles and responsibilities of the parties to the contracts.
  - To ensure efficient monitoring of the sector based on the publicly available information.
  - To inform and promote public debate and awareness on the extractives sector.

#### 2. Engagement of key stakeholders

- The MSG held engagements with the following key stakeholders.
  - i. Meetings with Heads of Companies
  - ii. Meeting with Heads of Government Institutions to discuss efficient implementation of EITI.
  - iii. Key opinion leaders and groups in both the Mining and Petroleum areas, including the Kingfisher Development Area operated by CNOOC Uganda Ltd and ASM Associations in the greater Mubende mining belt.

## **Annex B**

### **FEEDBACK REPORT ON ENGAGEMENT MEETING BETWEEN PS/ST AND HEADS OF GOVERNMENT INSTITUTIONS MANAGING EXTRACTIVES HELD ON OCTOBER 29<sup>TH</sup> 2020, AT MINISTRY OF FINANCE, PLANNING AND ECONOMIC PLANNING OFFICES 7<sup>TH</sup> Floor AT 9:00 A.M., KAMPALA.**

#### **Agenda.**

1. Welcome and Introductions.
2. Opening remarks from PS / ST.
3. Presentation by Chairperson MSG.
4. Discussions.
5. Way forward.

The meeting was attended by the following Heads of Government Institutions:

- 1) PS Ministry of Energy
- 2) Executive Director, Petroleum Authority of Uganda
- 3) CEO UNOC
- 4) Solicitor General

They were accompanied by their MSG representatives and other government officials.

The PS welcomed them to the meeting and informed them that now that Uganda was an EITI signatory, it was important that compliance with all EITI requirements was ensured. He then invited the DEA to make a presentation on the implications of Uganda joining EITI.

DEA made the presentation, which was followed by a general discussion in which the following points were raised:

- 1) PSAs contain some fiscal framework issues for disclosure, which PS/ST believed were well developed and able to be disclosed.
- 2) The Solicitor General informed the meeting that there are no legal impediments to joining EITI and Uganda should be able to disclose this information to Parliament.
- 3) Executive Director (PAU) requested that Uganda as a member country should seek guidance from other member countries that are complying with the contract disclosures on how they were undertaking the process.
- 4) The PS/ST noted that Uganda had already committed to implementing EITI and we should therefore strive to comply with its requirements.

#### **Way forward.**

- 1) UGEITI Secretariat should provide information on which EITI member countries are complying with the disclosure requirements.
- 2) UGEITI Secretariat needs to identify the steps required for contract disclosure and inform the Heads of Institutions of what is required of them in order to achieve full disclosure, including setting a time frame for the exercise.

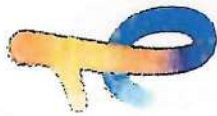
- The MSG intends to identify a champion for contract disclosure as advised by the EITI International Secretariat. The MSG is to benchmark from other EITI members countries on who their champions for contract disclosure are.
- Further engagements are to be carried out to bring newly appointed individuals amongst the key stakeholders on board with EITI generally and contract disclosure more specifically. Some of the key stakeholders include;
  - i. The Ministry of Energy and Mineral Development (i.e., the Minister and Permanent Secretary).
  - ii. The Parliament of Uganda (i.e., the Speaker and Natural Resources Committee).
  - iii. The Attorney General.

### **3. Publishing a list of all active contracts in the Country**

- The Committee compiled a list of all the active contracts in the petroleum sector, which it intends to make publicly available.
- For the mining sector, a mining cadastre exists with all the active mining licenses.

### **4. Current State of Contract Disclosure**

- The Committee noted that the legal framework was generally enabling for contract disclosure but there was need for some legal reforms to specifically cater for contract disclosure for the smoother implementation of EITI Requirements.
- However, there is a lack of clarity in the legal framework leading to extreme caution and fallback position on non-disclosure. There are exceptions to the right to access of information stipulated by the law. The exception as provided for in the law is that there is a right to access information “... *except where the release of the information is likely to prejudice the security or sovereignty of the State or interfere with the right to the privacy of any other person.*” These exceptions can hinder contract disclosure.
- The solutions to the limitations above could include:
  - Further engagement with the custodians (MEMD) of the contracts to appraise them about EITI generally and specifically Contract Disclosure.
  - Pushing for reforms to specifically cover contract disclosure.
  - Taking advantage of the existing viable options that can be implemented in the short term such as building on the existing mining cadastre to enhance its transparency and access.



**TotalEnergies**

## Annex C

Uganda

TotalEnergies EP Uganda B.V.

Of Ref: DG 2021/2-866

The Honourable Minister  
Ministry of Energy and Mineral Development  
4<sup>th</sup> Floor, Amber House  
Kampala, Uganda

**Subject: Extractive Industries Transparency Initiative - Contract Disclosure**

Kampala, November 18, 2021

Dear Madam,

Reference is made to EITI standard 2.4 on Disclosure Contracts.

The purpose of this letter is to confirm that TotalEnergies EP Uganda B.V has no objection to the disclosure of the Production Sharing Agreements for the purpose of fulfilling the requirements of the EITI Standard.

Yours faithfully,

**Philippe GROUEIX**  
General Manager

Copy: President, China National Offshore Oil Corporation Uganda  
Chief Executive Officer, Uganda National Oil Company  
The Attorney General, Ministry of Justice and Constitutional Affairs  
The Minister, Ministry of Finance, Planning and Economic Development  
The Minister, Ministry of Justice and Constitutional Affairs

Uganda Branch, Plot 21, Yusuf Lule Road, Postal address: P.O. Box 24007, Kampala, Uganda  
Telt: + 256 (0)204 975 000 - Fax: + 256 (0)204 975 000

TotalEnergies EP Uganda B.V. Registered office: 690,000  
Postbus 92280, 2575 AG, Ee: Haag, The Netherlands, Chamber of Commerce Registration: 27373395



中海石油乌干达有限公司  
CNOOC UGANDA LIMITED

Date: 29<sup>th</sup> November 2021

File Ref: CUL-PT-20211129-01

The Honourable Minister,  
Ministry of Energy & Mineral Development,  
4<sup>th</sup> Floor Amber House,  
Kampala, Uganda.

Dear Madam,

**Subject: Contract Disclosure Requirements under Extractive Industries Transparency Initiative (EITI).**

Reference is made to meetings held between representatives of IOCS and GOU on 27 April 2021 and 15 November 2021 at the Ministry of Finance Planning and Economic Development on the above subject. Further reference is made to EITI Standard 2.4 on Contract Disclosure.

The purpose of this letter is to confirm that CNOOC Uganda Limited has no objection to the disclosure of the Production Sharing Agreements for CA1, LA2 and CA3A in respect of the exploration, development and production of petroleum in the area of Albertine Graben for the purpose of fulfilling the requirements of EITI Standard 2.4 on Contracts Disclosure.

Sincerely yours;

**Chen Zhuobiao**  
President  
CNOOC Uganda Ltd.

**CC:** General Manager, TotalEnergies EP Uganda B.V.  
Chief Executive Officer, Uganda National Oil Company  
The Attorney General, Ministry of Justice and Constitutional Affairs  
The Minister Ministry of Finance, Planning and Economic Development  
The Minister, Ministry of Justice & Constitutional Affairs  
The Head of Secretariat, Uganda National Extractives Industries Transparency Initiative.



Telephone: 256 414707000/232095  
Fax : 256 41 4233524  
Email : [finance@finance.go.ug](mailto:finance@finance.go.ug)  
[treasury@finance.go.ug](mailto:treasury@finance.go.ug)

Website : [www.finance.go.ug](http://www.finance.go.ug)  
Plot No. 2-8 Apollo Kaggwa Road  
In any correspondence on TPD79/167/09 VOL 6.  
This subject please quote No.



Ministry of Finance, Planning &  
Economic Development,  
P.O. Box 8147  
Kampala, Uganda

17th March 2023

## Annex D

Hon. Ruth Nankabirwa Ssentamu  
Minister of Energy and Mineral Development  
Kampala



### **FOLLOW-UP MEETING REGARDING THE RECOMMENDATIONS OF UGANDA'S FIRST EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (EITI) REPORT**

Uganda is currently a member country of the Extractive Industries Transparency Initiative (EITI), a global standard that promotes transparency and accountability in the management of extractive industries.

EITI implementation is overseen by a Multi-Stakeholder Group comprised of members from the private sector, civil society and Government. All countries implementing EITI are required to produce an EITI report annually.

Uganda produced her first EITI report in May 2022. The Report is publicly available and can be accessed at <https://eiti.org/documents/uganda-2019-2020-eiti-report>. It has six key recommendations (attached). The third recommendation concerns the public disclosure of contracts and licenses.

EITI member countries regularly undergo a validation process, which is EITI's quality assurance mechanism for assessing member countries' compliance with the criteria outlined in the 2019 EITI Standard.

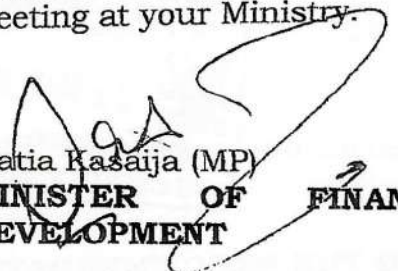
Uganda will undergo validation in October this year. Non-compliance with the EITI Standard could result in the country's suspension from the organization.

The purpose of this letter is to request you to meet with representatives from the Multi-Stakeholder Group to address the recommendations of the first UGEITI report and in particular, the

#### *Mission*

*"To formulate sound economic policies, maximize revenue mobilization, ensure efficient allocation and accountability for public resources so as to achieve the most rapid and sustainable economic growth and development"*

public disclosure of contracts. I request that you urgently convene the meeting at your Ministry.

  
Matia Kasaija (MP)

**MINISTER OF FINANCE PLANNING AND ECONOMIC DEVELOPMENT**

C.C. The Attorney General

Ministry of Justice and Constitutional Affairs  
**Kampala**

Hon. Minister of State for Minerals  
Ministry of Energy and Mineral Development  
**Kampala**

The Permanent Secretary  
Ministry of Energy and Mineral Development  
**Kampala**

The Executive Director  
Petroleum Authority of Uganda  
**Entebbe**

The Director Exploration  
Petroleum Authority of Uganda  
**Entebbe**

The Assistant Commissioner Development and Production  
Ministry of Energy and Mineral Development  
**Entebbe**

Telephone : 256 41 4232095/341286  
Fax : 256 41 4233524  
Email : [finance@finance.go.ug](mailto:finance@finance.go.ug)  
: [treasury@finance.go.ug](mailto:treasury@finance.go.ug)  
Website : [www.finance.go.ug](http://www.finance.go.ug)  
Plot No. 2-8 Apollo Kaggwa Road  
In any correspondence on  
This subject please quote No. TPD 79/167/09



Ministry of Finance,  
Planning & Economic  
Development,  
P.O Box 8147  
Kampala, Uganda

## Annex E

6<sup>th</sup> November, 2023

The Permanent Secretary  
Ministry of Energy and Mineral Development  
Kampala

### **MEETING TO DISCUSS THE EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE IMPLEMENTATION AND VALIDATION**

The International Secretariat of the Extractive Industries Transparency Initiative (EITI) is currently conducting a validation exercise to assess Uganda's performance against the EITI Standard requirements. The team from the International EITI Secretariat will be in Uganda for the mission from 4<sup>th</sup> to 8<sup>th</sup> December 2023.

The team is expected to hold meetings and engagements with various key stakeholders in Uganda's extractive sector including the Ministry of Energy and Mineral Development.

The purpose of this letter therefore, is to request you to meet with members of the UGEITI Multi-Stakeholder Group and Secretariat on **Thursday 16<sup>th</sup> November 2023**, to discuss the status of EITI implementation, the recommendations proposed in the last report and to prepare for the validation exercise.

A handwritten signature in black ink, appearing to be 'Ramathan Ggoobi', written over a horizontal line.

Ramathan Ggoobi  
**PERMANENT SECRETARY/SECRETARY TO THE TREASURY**

---

*Mission*

*"To formulate sound economic policies, maximize revenue mobilization, ensure efficient allocation and accountability for public resources so as to achieve the most rapid and sustainable economic growth and development"*



**Ref. FAD/01/101-51**

3<sup>rd</sup> November 2023

Permanent Secretary/Secretary to the Treasury,  
Ministry of Finance, Planning and Economic Development,  
**KAMPALA.**

**RE: SUBMISSION OF ADDITIONAL INFORMATION FOR PURPOSES OF UGANDA'S  
EITI VALIDATION EXERCISE OF 2023**

Reference is made to your letter ref. TPD79/167/09 requesting for additional information for EITI Validation process. The Uganda National Oil Company (UNOC) has provided the following additional information.

**Issue 1: Full disclosure of audited financial statements**

UNOC is a Limited Liability Company, not listed and as such not mandated to publish its Financial Statements. However, UNOC develops Annual Financial Statements which are audited by the Office of the Auditor General (OAG) who is mandated to audit Government Institutions including UNOC. Resultantly, the opinion and associated findings on UNOC's Financial Statement are included in the Auditor General's report to the Rt. Hon Speaker of Parliament.

**Issue 2: Upstream Equity participation**

UNOC's participation in the Upstream business is provided for in the Production Sharing Agreement (PSA). UNOC's participation in the Upstream is indicated below.

- |     |   |     |
|-----|---|-----|
| i.  | Tilenga Project & Exploration Area 2 North                | 15% |
| ii. | Kingfisher Development Project & Exploration Area 2 South | 15% |

**Issue 3: Terms of State Equity participation**

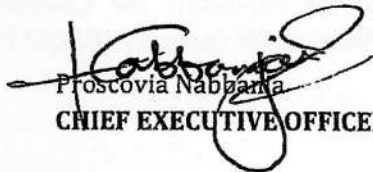
Government's State Equity participation in the Upstream is carried to First Oil by the International Oil Companies namely: TotalEnergies & CNOOC to First Oil. In addition, there are neither loans nor loan guarantees.

The Parties to the PSA are governed by the Joint Operating Agreement which stipulates the governance structures of the partners including procurement, work program and budget approvals. In addition, the Petroleum Authority of Uganda also monitors and approves the budgets and work programs for the licenses.



Annually, the license costs are audited by the Office of the Auditor General to determine their recoverability or to form part of the cost recovery pool.

The purpose of this communication is to submit the required additional information to support the validation process.

  
Proscovia Nabigama  
**CHIEF EXECUTIVE OFFICER**

C.c. The Chairman; Multistakeholder Group  
Uganda Extractives Industry Transparency Initiative.

Telephone: 256 414707000/232095

Fax : 256 41 4233524

Email : [finance@finance.go.ug](mailto:finance@finance.go.ug)  
[treasury@finance.go.ug](mailto:treasury@finance.go.ug)

Website : [www.finance.go.ug](http://www.finance.go.ug)

Plot No. 2-8 Apollo Kaggwa Road

In any correspondence on

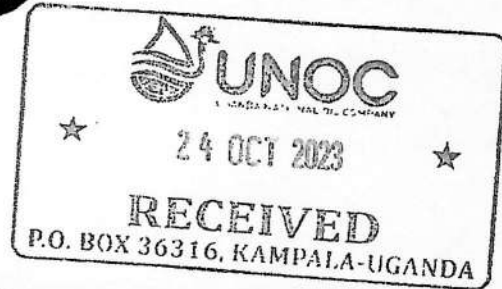
This subject please quote No. TPD79/167/09 VOL.6.



Ministry of Finance, Planning &  
Economic Development,  
P.O. Box 8147  
Kampala, Uganda

20<sup>th</sup> October, 2023

The Chief Executive Officer  
Uganda National Oil Company  
**Kampala**



**REQUEST FOR ADDITIONAL INFORMATION FOR PURPOSES OF  
UGANDA'S EITI VALIDATION EXERCISE OF 2023**

As you are aware, Uganda is a member country of the Extractive Industries Transparency Initiative (EITI), a global standard that promotes transparency and accountability in the management of extractive industries.

Following the publication of Uganda's second EITI Report for FY2020/2021 on 30<sup>th</sup> June, 2023, the EITI International Secretariat wrote to the Uganda National EITI Secretariat with feedback regarding the gaps identified in the report which need to be addressed to ensure a successful validation exercise for the country. The validation exercise commenced on 1<sup>st</sup> October 2023.

In that regard, the Uganda National Oil Company (UNOC) has been identified as one of the entities that is required to provide clarification on issues such as full public disclosure of audited financial statements, upstream equity participation, and proper recording of state equity participation terms, including loans and loan guarantees, in accordance with Requirement #2.5 of the EITI Standard.

The purpose of this letter is to request you to avail the Uganda EITI Secretariat with the above information by **27<sup>th</sup> October, 2023** to enable us to prepare for validation in time.

*Moses Kaggwa*

Moses Kaggwa

**FOR: PERMANENT SECRETARY/SECRETARY TO THE TREASURY**

**Mission**

*"To formulate sound economic policies, maximize revenue mobilization, ensure efficient allocation and accountability for public resources so as to achieve the most rapid and sustainable economic growth and development"*

## TELEPHONES:

General: +256 414 344 414

Permanent Secretary +256 414 234 733

Email: [psmemd@energy.go.ug](mailto:psmemd@energy.go.ug)Website: [www.energyandminerals.go.ug](http://www.energyandminerals.go.ug)

In any correspondence on

This subject please quote Ref. No.

ADM/167/01



MINISTRY OF ENERGY AND  
MINERAL DEVELOPMENT  
PLOT 29/33 AMBER HOUSE  
KAMPALA ROAD  
P. O. BOX 7270,  
KAMPALA.

18<sup>th</sup> November, 2022

The Commissioner General,  
Uganda Revenue Authority,  
**KAMPALA.**

**Attention:** Commissioner Customs Department

### REQUEST TO JOIN THE UGANDA ELECTRONIC SINGLE WINDOW

Reference is made to the first report of Uganda Extractive Industries Transparency Initiative (UGEITI) for the Fiscal Year 2019/20. The report is available at <https://www.ugeiti.org/wp-content/uploads/2022/05/UGEITI-Report-FY-2019-20-V19-final.pdf>.

The said report recommended that the Ministry of Energy and Mineral Development through the Directorate of Geological Survey and Mines and Uganda Revenue Authority (URA) should implement an automated controls system to ensure the comprehensiveness of export data reported by extractive entities and develop analytical tools for better control of mineral trading.

I also make reference to the Auditor General's report of FY 2020/21 and FY 2021/22, where it was noted that minerals are imported and exported into and from the country without the requisite import and export permits from the Ministry of Energy and Mineral Development.

I am aware that Uganda Revenue Authority has established an Electronic Single Window to ease transactions for business of imports into Uganda and exports from Uganda. It is therefore considered that this single window system will go a long way to harmonize imports and exports of minerals and increased revenue to the country.

The purpose of this letter therefore is to request that Ministry through the Directorate of Geological Survey and Mines should be incorporated in the Electronic Single Window System to harmonize and set up controls that will ensure that mineral imports and exports are accompanied with permits issued by the Ministry of Energy and Mineral Development.

I thank you for your continued cooperation.

Irene Bateebe

**PERMANENT SECRETARY**

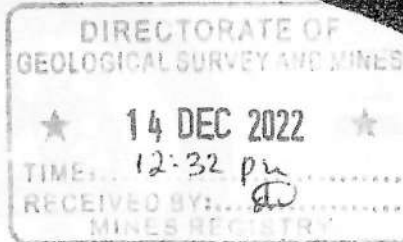
cc: Ag. Director, Directorate of Geological Survey and Mines, Ministry of Energy and Mineral Development.



Uganda Revenue Authority

URA/CUST/CCD/3/21

30



Head Office: Plot M193/M194 Nakawa Industrial Area  
P.O.Box 7279, Kampala Uganda  
Tel: +256417442097  
Fax: +256414334419  
Toll Free: 0800117000  
Email: info@ura.go.ug

07<sup>th</sup> December, 2022

**Permanent Secretary**

Ministry of Energy and Mineral Development  
Plot 29/33 Amber House  
P.O Box 7270  
Kampala

**REQUEST TO JOIN THE UGANDA ELECTRONIC SINGLE WINDOW**

Reference is made to the letter ref ADM/167/01 dated 18<sup>th</sup> November 2022 requesting that the Ministry through the Directorate of Geological Survey and Mines be incorporated in the Electronic Single Window System to harmonize and set up controls that will ensure mineral imports and exports are accompanied with permits issued by the Ministry of Energy and Mineral Development.

We appreciate and acknowledge the interest of the Ministry to join the Uganda Electronic Single Window (UESW) which is a digital platform developed to have a one-stop shop for all Ministries, Departments and Agencies in order to provide efficient and accessible services at convenience of citizens.

As rightly stated, the UESW will go a long way to harmonize imports and exports of minerals and increase revenue to the country.

It would be pertinent that our respective technical teams open communications to enable them further appreciate the technical processes involved and determine the feasibility.

The project overseeing the platform on URA part comprises our IT and Business Process team headed by Ms Peace Hadoto. She can be reached on email [phadoto@ura.go.ug](mailto:phadoto@ura.go.ug) for further engagement.

We look forward to working closely with you for seamless delivery of Government services.

“Developing Uganda Together”

Abel Kagumire

**COMMISSIONER CUSTOMS**

CC: Ag. Director, Directorate of Geological Survey and Mines, Ministry of Energy and Mineral Development.





**MINUTES OF MEETING BETWEEN DGSM & URA ON DISCUSSION ON JOINING THE ELECTRONIC  
SINGLE WINDOW HELD IN THE MAIN BOARDROOM ON 29/12/2022 AT DGSM**

**Attendees**

<b>NO</b>	<b>NAME</b>	<b>POSITION</b>	<b>INSTITUTION</b>
1	Mr. David Sebagala	Senior Inspector of Mines/ Chairperson	DGSM/MEMD
2	Ms. Lynn H Wamimbi	Business Lead/	URA
3	Ms. Nawe Barbra	STE/	URA
4	Mr. Nileyimana Christian	URA	URA
5	Mr. John Kennedy Okewling	Senior Engineer (Mining)	DGSM/MEMD
6	Mr. Morris Muheirwe Tabaaro	Inspector of Mines	DGSM/MEMD
7	Ms. Antonia Maria Nankinga	Inspector- Mineral Certification	DGSM/MEMD
8	Mr. Malik Ntale	Inspector- Mineral Certification	DGSM/MEMD
9	Ms. Jackline Nakirijja	Geologist	DGSM/MEMD
10	Ms. Amina Kiiza Bakulimya	Inspector of Mines	DGSM/MEMD
11	Mr. Mugere Mathias	Senior Assistant Inspector of Mines	DGSM/MEMD
12	Ms. Olivia Nimusiima	Information Technology Officer	DGSM/MEMD
13	Ms. Stella Pule	Ag. Senior Geoscientist	DGSM/MEMD
14	Mr. Allen Ndyanabo	Inspector- Mineral Certification	DGSM/MEMD

## Agenda

1. Opening prayer
2. Self-introduction
3. Opening remarks from the chairperson
4. Remarks from Uganda Revenue Authority
5. Discussion and way forward

Minute	Remarks
1.	<p><b>Opening Prayer</b> An opening prayer was led by Mr. Ntale Mansoor Ntale at 11:26 am.</p>
2.	<p><b>Self-Introduction:</b> All members introduced themselves stating name, designation and institution.</p>
3.	<p><b>Opening remarks from the chairperson</b> The chairperson of the meeting, Mr. David Ssebagala welcomed the Uganda Revenue Authority (URA) officials to DGSM. He informed members present that the purpose of the meeting was to follow up on DGSM's need to join the Single Window System and mainstream discrepancies in export and import data. He gave a background on why DGSM needed to join this system and the main reasons highlighted were complaints by the Office of the Auditor General stemming from the un-matching figures of mineral production between DGSM &amp; URA and additionally could provide a solution to the recommendation from the Uganda Extractive Initiation Transparency Initiative (EITI) on harmonization of these figures. Another issue raised was the number of people who were exporting minerals without the knowledge of the Directorate of Geological Survey and Mines. An inquiry on the requirements to join the Single Window System was made as the chairperson concluded his remarks.</p>
4.	<p><b>Remarks from Uganda Revenue Authority</b> The business lead at URA, Ms. Lynn Wabimbi commenced by informing the meeting that the Single Window Project was established in 2016 and the project was coming to a close. She then went on and explained that for DGSM to join, URA needed to know the scope i.e. is there any electronic system already in place. She elaborated that if a system was already in place, then the main requirement would be to link its interface with that of the electronic single window system. It was added the Electronic Single Window System belonged to the Ministry of Trade, Industry and Cooperatives and URA was only implementing it.</p>

She highlighted that the Ministry of Energy and Mineral Development had been engaged in 2016 but focus was put on the Directorate of Petroleum and was mainly for scoping purposes.

5.

**Discussion and way forward**

An inquiry was made on the purpose of the Electronic Single Window System and additionally if DGSM would be able to get information before the export of any mineral once DGSM joined the system. It was clarified that the electronic single window served two purposes i.e. facilitation of business and ensuring compliance. The URA officials encouraged DGSM to probe further on the issue of un-matching mineral statistics especially since URA normally has higher figures. They added that the single window could not only help clear this as it will ensure fast verification of documents to export.

Clarity was sought on the nature of the electronic system at DGSM and it was communicated that the Mining Cadastre and Registry System was an online web based system that was already partially integrated with URA.

After deliberations, the meeting was concluded with the following way-forwards;

- a) DGSM to confirmation on whether the Mining Cadastre system is open and the need for developing an API for linkage.
- b) DGSM to provide the detailed content/ workflow/ dataset of the application for export and import permits
- c) DGSM to provide requirements/ business conditions for submission of applications for export and import permits.
- d) Ministry of Energy and Mineral Development to request for an engagement with Ministry of Trade, Industry and Cooperatives and copy URA in the communication. A Regulation had been enacted to giving Ministry of Trade to regulate export of minerals.
- e) DGSM and URA to map codes for the minerals (HS code) and provide detailed classification of the refined products.
- f) A team comprising of Mr. John Kennedy Okewling (Senior Engineer - Mining), Ms. Jaqueline Nakirijja (Geologist), and Mr. Allen Ndyanabo (Inspector – Mineral Certification) was formed at the DGSM to handle URA matters in the Directorate.

The meeting was adjourned at 1:00 pm.

ANNEX 6

Re: Clarification request on LG royalties

From: Ham Masiko (ham.masiko@minerals.go.ug)

To: g\_mugambe@yahoo.co.uk

Date: Thursday, 23 November 2023 at 21:32 GMT+3

The Mining Act 2003 in Schedule 2 provided the required clarification on the split of the mineral royalties, the subsequent legislation which is the Mining and Minerals Act 2022 also provides the breakdown of the split in Schedule 2. This royalty is allocated depending on the district where the mining is taking place. On this note the split of royalties is not region based but specific to districts.

Regards  
Ham

---

**From:** "Gloria Mugambe" <g\_mugambe@yahoo.co.uk>  
**To:** "ham masiko" <ham.masiko@minerals.go.ug>  
**Cc:** "Jackie Nakirijja" <nakirijjackie89@gmail.com>, "Ssebagala David" <sebDavds@googlemail.com>, "Edgar Mutungi" <edgarmutungi@gmail.com>, "Saul Ongaria" <saul.ongaria@finance.go.ug>  
**Sent:** Thursday, 16 November, 2023 14:06:25  
**Subject:** Clarification request on LG royalties

Good afternoon Ham,

I hope you are well.

We had a query from the International Secretariat following the submission of the 2nd EITI report.

It is outlined below:

"For the mining sector, it is not clear whether the 80%, 10%, 7% and 3% revenue sharing formula is further clarified in regulations. How is the aggregate sum split across subnational entities? If the split is dependent on royalties generated from the region - the discrepancies disaggregated by sub-region are not disclosed in Annex 2."

Are you able to respond to the above query?

We will be grateful for your response. We are happy to have a follow-up meeting to discuss if necessary.

Best wishes

Gloria Mugambe  
HEAD,  
UGANDA NATIONAL EITI SECRETARIAT

Act *Mining and Minerals Act* 2022

SCHEDULE 2

*Sections 180 (4)*

SHARING OF ROYALTY

Royalty from minerals shall be shared as follows—

Government	...	...	...	...	...	...	...	...	70%
Local Governments	...	...	...	...	...	...	...	...	15%
Sub county or Town Council	...	...	...	...	...	...	...	...	10%
Owners, lawful occupants or bonafide occupants of land subject to mineral rights	...	...	...	...	...	...	...	...	5%

On Thursday, November 30, 2023, 9:38 AM, Gloria Mugambe <g\_mugambe@yahoo.co.uk> wrote:

Good morning Ham,  
I hope you are well.

Re: Schedule 2

From: HAM MASIKO (hmasiko@yahoo.com)

To: g\_mugambe@yahoo.co.uk

Date: Thursday, 30 November 2023 at 11:23 GMT+3

Good morning Madam

Attached is schedule 2 of the Mining and Minerals Act 2022.

Regards  
Ham



(b) any regulations made under the repealed Act shall, in so far as they are consistent with the provisions of this Act, continue in force as if they were made under this Act.

**123. Amendment of Schedule.**

The Minister may, by statutory instrument, after consultation with the Minister responsible for finance and with the approval of the Cabinet, amend the Schedules to this Act.

**124. Transitional provisions relating to existing mineral rights, etc.**

Notwithstanding the repeal referred to in section 122 of this Act, any right or title granted under the repealed enactment and subsisting immediately before the date of commencement of this Act shall continue in force; except that any such right or title shall be limited as prescribed by the law under which it was granted.

SCHEDULES.

FIRST SCHEDULE

Section 2

A currency point is equivalent to twenty thousand shillings.

**SECOND SCHEDULE.**

Section 98(3)

Government 80%

Local Governments 17%

Owners or lawful occupiers of land subject to mineral rights 3%

# UGEITI – MSG comments phase

5 March 2024

Validation team:

Francisco Paris

Jessica Sanchez

*Observer: Edwin Warden*

To cover today:

- MSG comments phase – 28 February – 27 March 2024
- Q&A
- 15 Selected points of attention

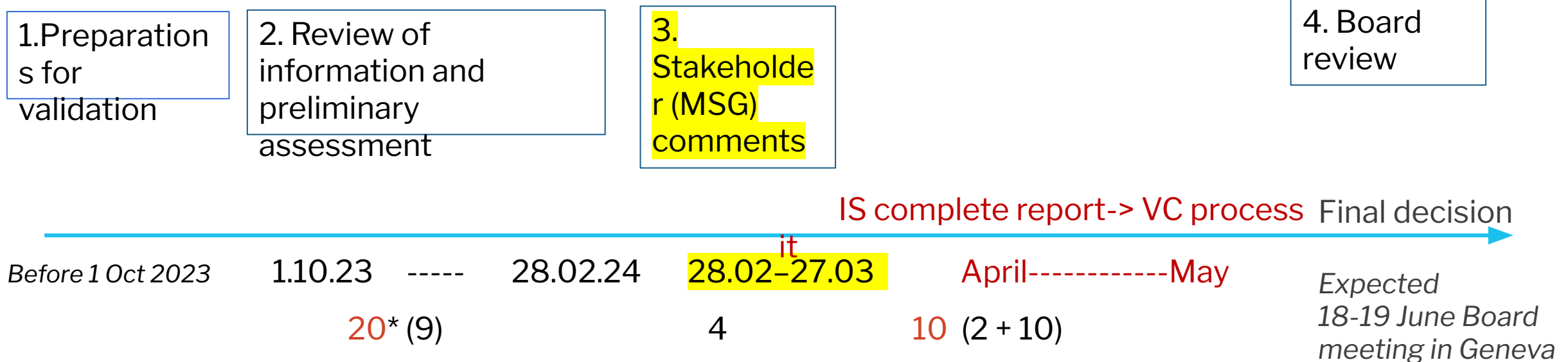


The global standard for the good  
governance  
of oil, gas and mineral resources.



# Where we are...

## Timeline



\* Mission took place 8 weeks after + Christmas break



The global standard for the good governance of oil, gas and mineral resources.

# MSG comments

## Stakeholder comments (MSG comments phase) –

1. The MSG is invited to provide further evidence and other feedback on the Secretariat's preliminary assessment **within four weeks** from receiving the document in the local working language. The National Coordinator (NC) should compile MSG comments and additional evidence in **one file** and submit these to the International Secretariat. The NC is encouraged to attach to the comments the **minutes** of the MSG meeting(s) where the comments were discussed and agreed. In exceptional circumstances, **stakeholders may contact** the International Secretariat **directly** to provide comments.
2. The International Secretariat's Validation team is expected to review all submissions from stakeholders received **within the assigned 4-week** period and provide a response to the MSG. The Secretariat is expected to **give weight** to comments **agreed by the MSG** over comments from individual stakeholders or constituencies. However, possible **limitations to the ability of stakeholders to have their position reflected** in the MSG's submission should be taken into account. The Secretariat may request further information from stakeholders as considered necessary.

The global standard for the good  
governance  
of oil, gas and mineral resources.

# MSG comments

## Stakeholder comments (MSG comments phase) –

Continuation...

3. Any information on disclosures or developments taking place **after the commencement of Validation will be considered** in the Secretariat's final assessment, **if it is referred to in the MSG endorsed feedback** and materially affects the assessment. If **individual stakeholders or constituencies** submit information on new developments, these will be submitted to the Validation Committee but **not taken into account** in the Secretariat's assessment. Representations received **after the period for MSG comments will not be considered**

See Validation procedures here:

[https://eiti.org/sites/default/files/2022-07/EITI%20Validation%20procedure\\_1.pdf](https://eiti.org/sites/default/files/2022-07/EITI%20Validation%20procedure_1.pdf)



The global standard for the good  
governance  
of oil, gas and mineral resources.

# Selected points of attention

## Outcomes and impact

- **Req 1.5 – Work plan**
  - Possibility to add – Linking the national priorities (NDP III) of fiscal/legal framework ASM and local content/environmental- update 2024 WP with funding sources
- **Req 7.2 – Data accessibility / open data**
  - Possibility to add – clear Open Data policy including clear stance on contract transparency (obstacles)
- **Req 7.3 – Recommendations from implementation**
  - Possibility to add – note on progress on following past recommendations (noting internal and external) and mechanism for future process of following up.
- **Req 7.4 – Review of outcomes and impact**
  - Possibility to add – in absence of last APR – note reflecting taking stock of impact (e.g. BO) with broader input of impact 2022-2023



The global standard for the good  
governance  
of oil, gas and mineral resources.

# Selected points of attention

## Stakeholder engagement

- Req 1.3
  - Invite to add any input that could has not been captured
  - Validation team (Francisco, Jessica) welcomes a meeting with CSO's MSG to clarify is needed



The global standard for the good  
governance  
of oil, gas and mineral resources.

# Selected points of attention

## Transparency

- Req 2.2 - Contract and license allocation
  - Possibility to add – Full list of applicant's 2<sup>nd</sup> oil round
- Req 2.3 – Register of licenses
  - Possibility to add – Dates application oil licenses & dates & coordinates mining licenses
- Req 2.4 – Contracts
  - Possibility to add – Agree policy more clearly (in addition to laws), emphasis on how to address obstacles.
- Req 2.5 – Beneficial ownership
  - Possibility to add – Note on progress in the process of the national register
  - database, challenges



The global standard for the good  
governance  
of oil, gas and mineral resources.

# Selected points of attention

## Transparency

- Req 4.1 - Comprehensive disclosure
  - Possibility to add – clarify transfer fee (Tullow – Total)
- Req 4.6 – Subnational payments
  - Possibility to add – clarify how materiality was agreed (for subnational payment)
- Req 4.7 – Level of disaggregation
  - Possibility to add – clarify National Cement Company (several projects), annual mineral rents disaggregated by mining license and in oil: discrepancy between MSG definition and company (Total)



The global standard for the good governance of oil, gas and mineral resources.

# Selected points of attention

## Transparency

- Req 5.2 - Subnational transfers
  - Possibility to add – clarify formula for transfer from the second level (per UGEITI report figure) to third level



# Selected points of attention

## Transparency

- Req 6.2 - Quasi-fiscal expenditures  
Possibility to add – clarify agreed definition/applicability and UNOC participation in public works.
- Req 6.3 - Contribution to the economy  
Possibility to add – make the consultancy report on ASM public (source of ASM estimates)

# Annex 8A

## MINUTES OF THE MEETING BETWEEN THE UGANDA NATIONAL OIL COMPANY (UNOC) AND THE INTERNATIONAL SECRETARIAT VALIDATION MISSION TEAM

DATE: 4<sup>TH</sup>/12/2023

LOCATION: UNOC OFFICES

No.	NAME	DESIGNATION
1.	Mr. Francisco Paris	International EITI Secretariat
2.	Ms. Jessica Sanchez	International EITI Secretariat
3.	Mr. Edwin Warden	International EITI Secretariat
	<b>UNOC</b>	
4.	Mr. Emmanuel Mugagga	Chief Finance Officer ( <b>Chairman</b> )
5.	Ms. Emily Nakamya	Business Planning and Performance Manager
	<b>UGEITI Secretariat</b>	
6.	Mr. Saul Ongaria	National Coordinator
7.	Mr. Edwin Kanakulya Kavuma	Compliance Officer
8.	Mr. Francis Garvin Okello	Administration Officer
9.	Mr. Abbey Gitta	Research Officer
10.	Ms. Linda Stacy Nalumu	Communication Assistant

### AGENDA

1. Introductions
2. Remarks
3. Discussions

### MIN 1.0: INTRODUCTIONS

1.1 The Chair called the meeting to order at 4:10 p.m. He welcomed all the members and requested them to introduce themselves.

### MIN 2.0: REMARKS

2.1 The Chairperson said that Uganda National Oil Company (UNOC) had received a letter from the Ministry of Finance (MoFPED) requesting for the meeting. They had prepared a presentation to provide clarification on the areas for discussion. He further said that UNOC had a governance framework through its mandate that was used to handle the State's commercial interests in the sector through exploration, development, production, refining including the sale of products. He made the

presentation attached as **ANNEX A**. The key highlights of the presentation are: UNOC's Governance Structure; Mandate; Functions; Projects across the Petroleum value chain and UNOC at a Glance.

### **MIN 3.0: DISCUSSIONS**

3.1 The International Secretariat (IS) asked a number of questions as follows:

a) Does the Companies' Act mandate UNOC to disclose beneficial ownership information and were the Audited Financial Statements (AFS) disclosed? In response, UNOC said beneficial ownership information was disclosed because the banks requested it. The company was a private limited company and not listed on the stock exchange. The accounts were disclosed by the Board to the shareholders. Through the Office of the Auditor General (OAG) Reports, the accounts were disclosed to Parliament which reports became public documents and it followed that legal framework to provide accountability for the activities.

b) Was there any material risk in disclosure because through EITI, disclosure provided material benefit to the State-Owned Enterprise (SOE)? UNOC responded and said, in terms of extractive demands, revenues were managed following the Public Finance Management (PFM) Act through the revenue management provision. It also covered the management of the Petroleum Fund which were mechanisms for accountability to the public. The law allowed for appropriation of Petroleum Revenues to fund infrastructure development projects.

c) Were there any payments made for provision of social services, public infrastructure, barter arrangements etc., that were not recorded in the budget? UNOC said it did not intend to take on any mandate outside of what it was required to do. It was not going to engage in the provision of any social services once production commenced. All revenues generated would be transferred to the Petroleum Fund as required by the law. Any revenues that wouldn't be declared would be declared as dividends and transferred to the National Treasury. The company was still under funded and funding was increased from 25 to 30% recently for what was required. The company had programs for National Content to support the communities affected by the projects e.g. in Skills Development and Livelihood Restoration.

d) There was need for more explanation on UNOC's submission of budgets to Parliament for a cash call. In response, UNOC said that every year the company

submitted their operational budget to the Petroleum Authority of Uganda (PAU) as the regulator which was a requirement. Through the amendments in the PFM Act, 2021, the company was mandated to retain some of the revenues for future cash call requirements.

e) There was also need for clarification on payments like PAYE, WHT, NEMA fees etc. and for Loans including how it engaged with businesses in case of a partnership including how it handled AFS. UNOC said all payments were made to Uganda Revenue Authority (URA) as the sole collector of all Government revenues and it could provide all that information. URA also occasionally carried out tax audits. When the company needed to partner with any business entity, then AFS would also be provided for the purpose. The company also signed non-disclosure agreements with these entities in case they were to work together. In case the company was to borrow from any financial institution, the AFS were submitted as a requirement, but with the public, the AFS were not shared.

f) Can UNOC borrow directly from any institution? UNOC responded and said it was not allowed to pledge Government assets as collateral. If it was to be done, then it would require clearance and advice from MoFPED on how to handle the loan request. This was done according to the law because it was part of the requirement to engage the shareholders first. For EACOP, UNOC was required to provide a guarantee as a shareholder since the arrangement for financing was 60% equity and 40% debt. UNOC through the Government paid the 60% equity. International Oil Companies (IOCs) including Total paid the guarantee on behalf of the Government. Any borrowed funds by UNOC would be captured in the financial statements. All annual financial reports to Parliament were public documents and this supported EITI.

g) The IS said the importance of encouraging UNOC to disclose its financial statements was for the benefit of the public according to the EITI Vision. It was not an EITI Requirement for SOE's to disclose AFS but rather countries were encouraged to do so. It was a known fact that most members of the public normally didn't understand these documents. It was against this background that EITI encouraged disclosures including beneficial ownership information. For EITI purposes, disclosures were considered best practice.

h) There was need for clarification on the role of OAG in the audit of UNOC accounts. UNOC said the role of OAG was to provide assurance on the company

accounts to shareholders as well as the Board after the audits. These reports were then submitted to Parliament which then became public documents. The Parliament through its Committee (COSASE), then discussed these reports according to the law.

i) There was need for more clarification on EACOP considering that there were a number of controversies and how UNOC handled the environmental challenges. Responding to this, UNOC said the issues relating to EACOP were not entirely UNOC's but rather they were for all shareholders in the project and in some instances the President intervened such that the implementation of the project would continue. Many of the voices against the project including those from Western countries were not using facts to state their case. The project was following all the IFC Standards.

For the Resettlement Action Plan, houses were built. There was skills development to support Livelihood restoration e.g. in agricultural production. The West was pushing for Energy Transition but the question was, "Transition from what to what?" In the developed world, it was easy to transition but for countries like Uganda where the majority of the population was still using Charcoal for cooking, this would be difficult. The Government decided to develop the oil resources such that gas could be produced to replace charcoal use among others. Hydro power was being produced but there was a challenge of access. The EACOP project and all its associated benefits were transformational for the country with a lot of Government commitment.

j) The IS said that with all the intended good the EACOP would bring to the country, it encouraged UNOC to use EITI to provide facts about the project. This was for the purpose of fighting misinformation and anxiety among the public. The EITI Reports should be used to highlight the benefits as well as updates on the project.

k) The IS requested UNOC to provide any benefits the company had noted since participating in EITI. In response, UNOC said it would use EITI to change the narrative on EACOP. Engaging in EITI has improved the image of the company. EITI helped check the Government through the principles of accountability and transparency. Through the MSG, the company had been able to interact with all stakeholders including CSOs which had promoted a better working relationship which wasn't the case before.

1) The IS also informed UNOC that there was a network of SOEs and they had regular engagements. UNOC was encouraged to join since the membership was voluntary. UNOC said it was a good undertaking and it was going to engage senior management about the initiative. It had also held some engagements with some SOEs like Petronas.

### **WAY FORWARD**

The meeting agreed on the following:

1. UNOC uses EITI to provide facts and updates on EACOP.
2. UNOC to consider joining a network of SOEs.



---

**Query on Quasi-fiscal expenditure (QFE)**

2 messages

25 March 2024 at 20:14

**Gloria Mugambe** <g\_mugambe@yahoo.co.uk>

To: Emily Nakamya &lt;emilly.nakamya@unoc.co.ug&gt;

Cc: Emmanuel Mugagga &lt;emmanuel.mugagga@unoc.co.ug&gt;, Edgar Mutungi &lt;edgarmutungi@gmail.com&gt;, Edwin Kanakulya &lt;edwin.kanakulya@finance.go.ug&gt;

Dear Emily,

As discussed over the phone, the International Secretariat has reverted with a number of queries on

- 1) the definition of QFEs
- 2) whether or not UNOC undertook any QFEs during the reporting period FY 2020/2021.

Whereas UNOC in their meeting with the International Secretariat confirmed that they had not undertaken any QFEs, the International Secretariat was compelled to revert with a request for confirmation of this, based on their analysis of the Auditor General's report on UNOC for the period 2020/2021.

In Table 1 on Page 9, the Auditor General refers to 'Phase 1 Roads, Fencing, Power Reticulation, Water and Wastewater, IT reticulation, UNOC site office and Master plan' as one of the ongoing projects in Kabaale Industrial Park.

Kindly clarify on the nature of this project since by its description it falls within the category of infrastructure, which would then be considered as a QFE.

Grateful for your prompt response, as the deadline for submission of MSG comments on the draft addendum report is tomorrow.

Thank you for your continued commitment to EITI - we do not take it for granted.

I attach the Auditor General's report for FY 2020/2021 on UNOC for your ease of reference.

Best wishes

Gloria Mugambe  
HEAD,  
UGANDA NATIONAL EITI SECRETARIAT

---

---

**Query on Quasi-fiscal expenditure (QFE)**

---

26 March 2024 at 11:30

**Emilly Nakamya** <emilly.nakamya@unoc.co.ug>

To: Gloria Mugambe &lt;g\_mugambe@yahoo.co.uk&gt;

Cc: Emmanuel Mugagga &lt;emmanuel.mugagga@unoc.co.ug&gt;, Edgar Mutungi &lt;edgarmutungi@gmail.com&gt;, Edwin Kanakulya &lt;edwin.kanakulya@finance.go.ug&gt;

Dear Gloria,

Thank you for your email and below is a response.

UNOC is responsible for the development and management of the Kabalega Industrial Park (KIP). As earlier indicated, the park will accommodate several facilities and amenities including the refinery, airport, Export Hub, Industrial gases, agro-processing industries among others which require support common facilities such as waste management, water, power, access roads, security etc. In this regard, UNOC commenced the process of making the park ready for this investment and during the year of reporting, UNOC was in the process of securing consultancy services for development of technical designs of the common facilities. This is the justification of the remark of "ongoing" in the Auditor General's report.

The consultancy services were secured, and the development of the technical designs is ongoing. Hence no construction has commenced thus nil funding has been released for construction. However, Government is in the process of seeking external financing for the construction of the facilities as designs are being finalized.

Once all this matures, it will be reported.

Kindly revert for any clarifications.

**Kind regards,****Emilly Nakamya | Ag. Head Business Planning & Reporting**

Uganda National Oil Company | Plot 15 Yusuf Lule Road, Kampala

T: +256-312444600 | E: [emilly.nakamya@unoc.co.ug](mailto:emilly.nakamya@unoc.co.ug) | [www.unoc.co.ug](http://www.unoc.co.ug)

[Quoted text hidden]

*This email is sent for and on behalf of Uganda National Oil Company Limited, a limited liability company incorporated in Uganda under number: 202803 and with its registered office at Plot 15 Yusuf Lule Road, Kampala, Uganda (Tel: +256312444600). The email and any attachments are confidential and may also be privileged; If you have received this email in error, please notify the sender immediately and destroy the message without use, retention or disclosure of its contents.*



# Tighten screws on revenue leakages, policy makers told

According to the United Nations Conference on Trade and Development, Africa loses nearly \$15-20 billion annually to illicit financial flows with Uganda alone losing between \$1.5-2 billion annually. In an interview, the deputy executive director for Advocates Coalition for Development and Environment, Mr. George Mugerwa explains to Prosper Magazine's **Ismael Mwanza Lado** why government should pay attention to Trade-Based Money Laundering, another form of EFF draining the country of revenue. Excerpt...

**1. Why should the tax authorities and the law enforcement agencies pay attention to Trade-Based Money Laundering (TBML) which is another form of illicit financial flows?**

The policy makers need pay attention to illicit financial flows (IFF) because it has become a significant revenue loss for the country. It is estimated that the country loses about \$1.5 billion annually to IFF. This is a significant loss for the country. The government should pay attention to TBML because it is a major source of revenue loss for the country. The government should pay attention to TBML because it is a major source of revenue loss for the country.

**2. What does TBML contribute and do efforts to the business, development and the economy?**

TBML contributes to the loss of revenue for the government. It also contributes to the development and the economy by causing a loss of revenue for the government. The government should pay attention to TBML because it is a major source of revenue loss for the country.

It is a major source of revenue loss for the country. The government should pay attention to TBML because it is a major source of revenue loss for the country.

**3. How TBML is a global challenge. How can the country TBML fight?**

TBML is a global challenge because it is a major source of revenue loss for the country. The government should pay attention to TBML because it is a major source of revenue loss for the country. The government should pay attention to TBML because it is a major source of revenue loss for the country.

**4. The latest policy review, which Trade Based Money Laundering (TBML) is a global challenge. How can the country TBML fight?**

TBML is a global challenge because it is a major source of revenue loss for the country. The government should pay attention to TBML because it is a major source of revenue loss for the country. The government should pay attention to TBML because it is a major source of revenue loss for the country.

TBML is a global challenge because it is a major source of revenue loss for the country. The government should pay attention to TBML because it is a major source of revenue loss for the country. The government should pay attention to TBML because it is a major source of revenue loss for the country.

TBML is a global challenge because it is a major source of revenue loss for the country. The government should pay attention to TBML because it is a major source of revenue loss for the country. The government should pay attention to TBML because it is a major source of revenue loss for the country.

TBML is a global challenge because it is a major source of revenue loss for the country. The government should pay attention to TBML because it is a major source of revenue loss for the country. The government should pay attention to TBML because it is a major source of revenue loss for the country.

### Q&A

**Q:** What is TBML?

**A:** Trade-Based Money Laundering (TBML) is a form of money laundering that involves the use of trade transactions to disguise the origin of funds. It is a major source of revenue loss for the country. The government should pay attention to TBML because it is a major source of revenue loss for the country.

Q: How can the country TBML fight?

A: The government should pay attention to TBML because it is a major source of revenue loss for the country. The government should pay attention to TBML because it is a major source of revenue loss for the country. The government should pay attention to TBML because it is a major source of revenue loss for the country.

Q: How can the country TBML fight?

A: The government should pay attention to TBML because it is a major source of revenue loss for the country. The government should pay attention to TBML because it is a major source of revenue loss for the country. The government should pay attention to TBML because it is a major source of revenue loss for the country.

Q: What are some of the key recommendations to the government to fight TBML?

A: The government should pay attention to TBML because it is a major source of revenue loss for the country. The government should pay attention to TBML because it is a major source of revenue loss for the country. The government should pay attention to TBML because it is a major source of revenue loss for the country.

A: The government should pay attention to TBML because it is a major source of revenue loss for the country. The government should pay attention to TBML because it is a major source of revenue loss for the country. The government should pay attention to TBML because it is a major source of revenue loss for the country.

Q: Why are the manufacturers and exporters not doing this?

A: The manufacturers and exporters are not doing this because they are not aware of the risks. They should pay attention to TBML because it is a major source of revenue loss for the country. The government should pay attention to TBML because it is a major source of revenue loss for the country. The government should pay attention to TBML because it is a major source of revenue loss for the country.



Visit us at [www.observator.com](http://www.observator.com)



Mr. George Mugerwa, Deputy Executive Director for Advocates Coalition for Development and Environment, explains to Prosper Magazine's Ismael Mwanza Lado why government should pay attention to Trade-Based Money Laundering, another form of IFF draining the country of revenue. Excerpt...

Photo: Prosper Magazine

# Who pays the price for

Smuggling distorts market prices as it deprives traders of free competition by creating unfair competition with those who have paid taxes. Cigarettes, fuels, medicines, cooking oil and rice are some of the commonly out rightly smuggled goods.

### BY RICHARD NABIRI

**D**uring Uganda's Economic Recovery and Growth Strategy (ERGS) period, the state will give tax incentives to investors.

When a country's economy is recovering, it is important to give incentives to investors. In the case of Uganda, the ERGS period is a period of economic recovery. The state will give tax incentives to investors. This will help to attract investment and create jobs.

According to the ERGS, the state will give tax incentives to investors. This will help to attract investment and create jobs. The state will also give incentives to investors who invest in certain sectors.

According to the ERGS, the state will give tax incentives to investors. This will help to attract investment and create jobs. The state will also give incentives to investors who invest in certain sectors.

### INVESTMENT IN UGANDA

The ERGS period is a period of economic recovery. The state will give tax incentives to investors. This will help to attract investment and create jobs.

When a country's economy is recovering, it is important to give incentives to investors. In the case of Uganda, the ERGS period is a period of economic recovery. The state will give tax incentives to investors.

According to the ERGS, the state will give tax incentives to investors. This will help to attract investment and create jobs. The state will also give incentives to investors who invest in certain sectors.

According to the ERGS, the state will give tax incentives to investors. This will help to attract investment and create jobs. The state will also give incentives to investors who invest in certain sectors.



It was seized. The commodity smuggled goods in Uganda include rice, sugar, fuel, and cooking oil. (PHOTO BY RICHARD NABIRI)

Uganda's Economic Recovery and Growth Strategy (ERGS) period is a period of economic recovery. The state will give tax incentives to investors.

The ERGS period is a period of economic recovery. The state will give tax incentives to investors. This will help to attract investment and create jobs. The state will also give incentives to investors who invest in certain sectors.

### INVESTMENT IN UGANDA

The ERGS period is a period of economic recovery. The state will give tax incentives to investors. This will help to attract investment and create jobs. The state will also give incentives to investors who invest in certain sectors.

According to the ERGS, the state will give tax incentives to investors. This will help to attract investment and create jobs. The state will also give incentives to investors who invest in certain sectors.

According to the ERGS, the state will give tax incentives to investors. This will help to attract investment and create jobs. The state will also give incentives to investors who invest in certain sectors.

Richard Nabiri is a journalist and author. He has written for various publications and has a book on the Ugandan economy. He can be reached at 0772 123 456.



PHOTO BY RICHARD NABIRI

## Business

# Court orders bank to return illegally sold school property

Court documents indicate that, at appeal Progressive Secondary School had proved that it indeed never received part of the two-kan facilities that it had applied for some time in 2004.

BY BETTY MUKUNA

**I**n 2004, Progressive Secondary School (PSS) applied for two kan facilities from the Ministry of Education.

Two kan facilities, which had a total value of two hundred and eighty million shillings, were approved for the school. The school had applied for the facilities in 2004. The school had applied for the facilities in 2004. The school had applied for the facilities in 2004.

The school had applied for the facilities in 2004. The school had applied for the facilities in 2004. The school had applied for the facilities in 2004.

The school had applied for the facilities in 2004. The school had applied for the facilities in 2004. The school had applied for the facilities in 2004.

The school had applied for the facilities in 2004. The school had applied for the facilities in 2004. The school had applied for the facilities in 2004.

The school had applied for the facilities in 2004. The school had applied for the facilities in 2004. The school had applied for the facilities in 2004.

The school had applied for the facilities in 2004. The school had applied for the facilities in 2004. The school had applied for the facilities in 2004.

The school had applied for the facilities in 2004. The school had applied for the facilities in 2004. The school had applied for the facilities in 2004.

The school had applied for the facilities in 2004. The school had applied for the facilities in 2004. The school had applied for the facilities in 2004.

The school had applied for the facilities in 2004. The school had applied for the facilities in 2004. The school had applied for the facilities in 2004.

The school had applied for the facilities in 2004. The school had applied for the facilities in 2004. The school had applied for the facilities in 2004.

The school had applied for the facilities in 2004. The school had applied for the facilities in 2004. The school had applied for the facilities in 2004.

The school had applied for the facilities in 2004. The school had applied for the facilities in 2004. The school had applied for the facilities in 2004.



Photo: An illustration of a school facility, showing a person standing next to a large, pink, rectangular structure, possibly a school facility or a piece of equipment.

The school had applied for the facilities in 2004. The school had applied for the facilities in 2004. The school had applied for the facilities in 2004.

The school had applied for the facilities in 2004. The school had applied for the facilities in 2004. The school had applied for the facilities in 2004.

The school had applied for the facilities in 2004. The school had applied for the facilities in 2004. The school had applied for the facilities in 2004.

The school had applied for the facilities in 2004. The school had applied for the facilities in 2004. The school had applied for the facilities in 2004.

The school had applied for the facilities in 2004. The school had applied for the facilities in 2004. The school had applied for the facilities in 2004.

The school had applied for the facilities in 2004. The school had applied for the facilities in 2004. The school had applied for the facilities in 2004.

The school had applied for the facilities in 2004. The school had applied for the facilities in 2004. The school had applied for the facilities in 2004.

The school had applied for the facilities in 2004. The school had applied for the facilities in 2004. The school had applied for the facilities in 2004.

## Uganda's gold vulnerable to laundering, says report

BY BETTY MUKUNA

**KAMPALA.** A public interest report has said that Uganda's gold resources are vulnerable to money laundering.

The report, titled 'Uganda's Gold Resources: A Public Interest Report', was published by Transparency International Uganda. It says that the country's gold resources are vulnerable to money laundering.

The report says that the country's gold resources are vulnerable to money laundering.

The report says that the country's gold resources are vulnerable to money laundering.

The report says that the country's gold resources are vulnerable to money laundering.

**\$3.47b**

Uganda's annual gold exports amounted to \$3.47 billion in 2012.

Uganda's annual gold exports amounted to \$3.47 billion in 2012.

Uganda's annual gold exports amounted to \$3.47 billion in 2012.

Uganda's annual gold exports amounted to \$3.47 billion in 2012.

Uganda's annual gold exports amounted to \$3.47 billion in 2012.

Uganda's annual gold exports amounted to \$3.47 billion in 2012.

Uganda's annual gold exports amounted to \$3.47 billion in 2012.

Uganda's annual gold exports amounted to \$3.47 billion in 2012.

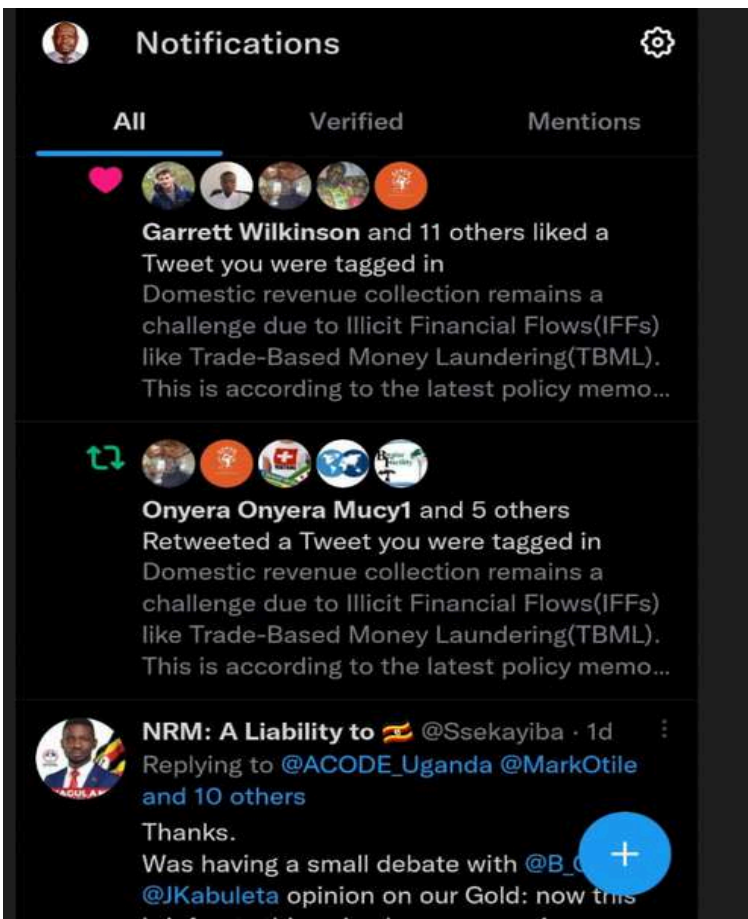
Uganda's annual gold exports amounted to \$3.47 billion in 2012.

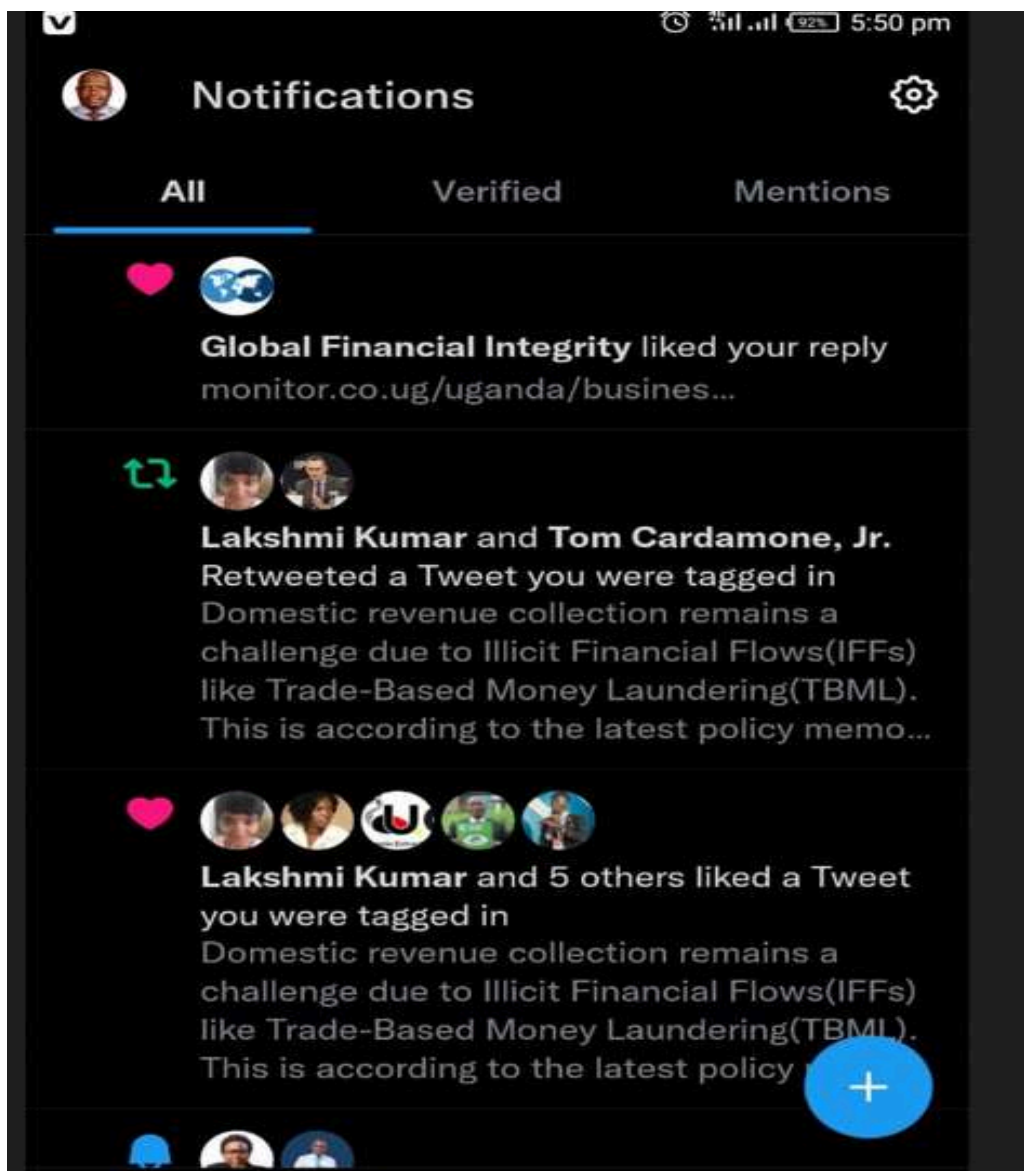
Uganda's annual gold exports amounted to \$3.47 billion in 2012.

## 2.0 Social media presence

**Lakshmi Kumar** @LaksKumar\_GFI · 1d  
Excellent coverage of our ongoing work on TBML in Uganda. @DailyMonitor @noradno @IllicitFlows

**ACODE Uganda** @ACODE\_Ugan... · 1d  
Domestic revenue collection remains a challenge due to Illicit Financial Flows(IFFs) like Trade-Based Money Laundering(TBML). This is according to the latest policy memo authored by AC...





### 3.0 Links to the media articles

Date	Topic	Link	
14/02/2023	Trade-Based Money Laundering	<a href="https://www.independent.co.ug/trade-based-money-laundering/">https://www.independent.co.ug/trade-based-money-laundering/</a>	News article
28/02/2023	Tighten screws on revenue leakages, policymakers told	<a href="https://www.monitor.co.ug/uganda/business/prosper/tighten-screws-on-revenue-leakages-policy-makers-told-4141900">https://www.monitor.co.ug/uganda/business/prosper/tighten-screws-on-revenue-leakages-policy-makers-told-4141900</a>	Exclusive interview
28/02/2023	Who pays the price for smuggled goods?	<a href="https://www.monitor.co.ug/uganda/business/prosper/who-pays-the-price-for-smuggled-goods--4140194">https://www.monitor.co.ug/uganda/business/prosper/who-pays-the-price-for-smuggled-goods--4140194</a>	News article
9/03/ 2023	Uganda's Gold vulnerable to laundering	<a href="https://www.monitor.co.ug/uganda/business/commodities/uganda-s-gold-vulnerable-to-laundering-says-report-4151882">https://www.monitor.co.ug/uganda/business/commodities/uganda-s-gold-vulnerable-to-laundering-says-report-4151882</a>	New article



## **APPENDIX 12 - Update on Beneficial Ownership Transparency In Uganda**

In September 2022, Uganda amended four key legislations in order to give effect to the requirements relating to the provision and collection of beneficial ownership information, and also to establish a sanction regime for non-compliance. The following laws are now in force:

- The Companies Act (Amendment) Act 2022
- The Partnerships (Amendment) Act 2022
- The Trustees Incorporation (Amendment) Act 2022
- The Cooperative Societies (Amendment) Act, 2022

In August 2023, the URSB made provision for competent authorities to have direct and instant access to basic and beneficial ownership information via an online portal. The URSB extended an invite to twenty-three (23) authorities (including Ministries, Departments, and Agencies) requesting them to nominate officers who would be given access to the online company registry. Each competent authority is given one main account from which it can create up to four additional sub-accounts. URSB can increase the number of sub-accounts to be created from the main account if the competent authority so desires. Activation for entities which responded has been completed, and to date nineteen entities are able to directly access the online registry and have immediate access to any information they seek. The nineteen entities include – Uganda Police Force, Bank of Uganda, Inspectorate of Government and the Ministry of Justice and Constitutional Affairs, Financial Intelligence Authority, Capital Markets Authority, Directorate of Citizenship and Immigration, Uganda Revenue Authority, NGO Bureau, National Social Security Fund, Uganda National Roads Authority, Personal Data Protection Office, Petroleum Authority, National Lotteries & Gaming Regulatory Board, Office of the Directorate of Public Prosecution, Public Procurement & Disposal of Public Assets, Insurance Regulatory Authority, Office of the Auditor General, National Identification and Registration Authority. All competent authorities for AML/CFT have access to direct and instant beneficial ownership information.

The Beneficial owners' information form is one of the mandatory forms at incorporation/ registration. All clients/ applicants are required to attach the form as a prerequisite for incorporation of companies. Submission for new registrations are accessed through <https://obrs.ursb.go.ug/register>.

For companies already in existence, the beneficial ownership information is a mandatory requirement for a company to update its information on the Online Business Registration system (OBRS). The process can be initiated using this link <https://obrs.ursb.go.ug/register> on the URSB website. URSB has made the process easier by providing an online alternative to manual submission. The URSB commenced a data clean-up exercise on 10th June 2023, which is intended to migrate existing entities onto the OBRS. The process involves capturing all the important data required by government entities, including Beneficial Ownership information.

The exercise is envisaged to greatly assist URSB in identifying companies that have not complied with filing the beneficial ownership information. Filing Beneficial Ownership information is a mandatory stage in the data clean-up process. All companies that wish to transact are therefore compelled to file B.O information since OBRS is currently the only system through which business registrations are conducted. However, the data clean-up exercise is not limited to only B.O information. It includes all aspects of company information, including basic information and addressing all possible discrepancies in the register. The exercise is therefore covering all entities and all aspects of companies and Limited Liability Partnerships data.

Regarding Beneficial Ownership information, on 20th March 2023, URSB published a notice the New Vision newspaper requiring companies to file annual returns and those that failed to file annual returns for a period of five years or more were required to file a statement of solvency and show cause why they should not be struck off the register within Sixty days from the date of the notice.

Section 134(6) of the Companies Act empowers the Registrar to strike companies off the register and publish a notice to that effect where no cause is shown. URSB reviewed the register and identified 875 companies that had not filed annual returns for over five years and had not shown cause why they should not be struck off following the public notice. On Friday 21st July 2023, URSB published a notice striking off the 875 companies.

URSB embarked on the second phase identifying companies that have not complied with the requirement to file annual returns for a period of five (5) years for similar action to be undertaken. By notices dated 20th July 2023, 14th August 2023 and 30th August 2023, URSB has struck 297,697 inactive companies off the register. Copies of the notices are attached hereto. Consequently, URSB has 102,303 companies on the register. Struck off entities now have 12 months to apply to the Registrar of Companies in order for their entity to be re-instated. As of 25th March 2024, 15,717 entities have applied and have been restored onto the register. For entities that ultimately do not seek to be restoration, such entities will be deregistered.

To ensure information remains up-to-date in the future, the OBRS now requires phone numbers and email addresses and for persons to confirm the contact details during the registration. Going forward, communication with clients will be much easier. In terms of enforcement, the automation will also assist in generating lists of companies that have been flagged for failing to comply with various statutory obligations. In the instances of share transfers, the metadata is captured in the system, so URSB and competent authorities can detect movement of interest within company.

To ensure accuracy of the information provided, the OBRS is integrated with the National Identification and Registration Authority (NIRA) system. When a person submits the shareholder's, B. O's or director's National Identification Number (NIN) the system automatically verifies the details with NIRA and it is only upon that verification that an application will be pushed to URSB for processing.

The Companies (Amendment) Act and the Companies (Beneficial Owners Regulations) provide for stringent penalties, i.e. daily default fine of twenty five currency points, for failure to keep a register of beneficial owners by the company, failure to send notice to the registrar of the place

where its register of beneficial owner is kept, failure to give notice to the registrar of any change in beneficial owners and making a false statement in any notice or document required under the Regulations. URSB has embedded B.O information as a mandatory step in its registration process. As such there are no cases of failure to provide beneficial ownership information. Cases of false declaration will be addressed as and when they arise.

Uganda agreed to its action plan in February 2020. In October 2023, all items were considered addressed or largely addressed and the FATF agreed to an onsite visit. In December 2023 an ICRG onsite team visited Kampala for a three (3) days visit where it met with a range of public and private sector representatives to discuss the country's progress in implementing its AML/CFT/CPF system. The onsite team confirmed an overall improvement in the understanding of relevant ML/TF risks and AML/CFT obligations by all stakeholders. Uganda was exited off the grey list on Friday 23<sup>rd</sup> February 2024.

However the maintenance and collection of the information on the register is subject to a number of challenges which include both legal and administrative challenges;

- a) Verification of information for Ugandans in the diaspora and foreigners
- b) Verification of the information submitted, there is no mechanism of verifying this information save for the penalty for providing false information in the regulations.