



Uganda Extractive Industries Transparency Initiative

ANNUAL PROGRESS REPORT JULY 2023-JUNE 2024



DECEMBER 2024
UGEITI SECRETARIAT

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1.0 Introduction

The financial year 2023/2024 marks the 4th year of EITI implementation in Uganda. Over the period, two EITI Reports including a full reconciliation report have been produced. The findings and recommendations of these reports have fed into wide ranging policy reforms, especially in the mineral sector.

This year's Annual Progress Report on EITI implementation in Uganda assesses the country's performance, in respect of its planned programmes and activities for the year under review, progress made in implementing the recommendations of the EITI reports, efforts being made to meet the contract disclosure obligations of the EITI and the impact of UGEITI programmes and activities among others. It also highlights challenges encountered during implementation to enable Government and other key stakeholders reconsider the various measures adopted with a view to improving subsequent performance and impact.

2.0 Uganda Work Plan FY 2023/2024

The UGEITI Work Plan 2023/2024 was developed to consolidate the achievements of the previous UGEITI Work Plan 2022/2023, whose goal was 'to improve the governance of extractive industries in Uganda for the benefit of present and future generations'.

Its priorities were anchored in the Uganda National Oil and Gas Policy (2008) and the Domestic Revenue Mobilisation Strategy (DRMS) FY 2019/20 – FY 2023/24.

Objective Six (6) of the Policy is to ensure collection of the right revenues and use them to create lasting value for the entire nation. One of the actions to operationalize this objective is to 'participate in the processes of the Extractive Industries and Transparency Initiative (EITI)'. The Domestic Resource Mobilisation Strategy discusses the importance of

developing a strong extractive industry taxation regime. One of its proposed interventions in this regard is ‘to fully implement the practices of EITI for enhanced transparency and scrutiny of the extractive sector’.

The third Work Plan maintained the goal of the second (2022/2023) Work Plan, and was further developed to deliver on Uganda’s core priority objectives for extractive governance through alignment with the National Development Plan (NDP) III.

It contains activities aimed at ensuring the country’s readiness to undergo its first validation exercise which commenced in October 2023, as well as other activities that will support progress towards the achievement of key EITI requirements like beneficial ownership disclosure, systematic disclosure and data mainstreaming, environmental and gender reporting as well as progress on the disclosure of contracts. This work plan run for one year in line with the Government of Uganda’s fiscal year, from July 2023 to June 2024.

2.1 Development of the Work Plan FY 2023-2024

The MSG held a two-day workshop from 26th to 27th July 2023 to review the annual progress report and consult among the constituencies on the development of the one-year work plan. At the end of the consultative process, the MSG agreed to maintain the three objectives that were linked to national priorities.

The 2023/2024 Work plan is fully aligned with national objectives as detailed in Uganda’s National Development Plan (NDP) III. The NDP III has five Strategic Objectives. These objectives aim at accelerating economic growth, transforming the lives of citizens and strengthening the country’s regional and international competitiveness.

The five objectives are to:

- i. Enhance value addition in key growth opportunities;
- ii. Strengthen the private sector capacity to drive growth and create jobs;
- iii. Consolidate and increase the stock and quality of productive infrastructure;
- iv. Enhance the productivity and social wellbeing of the population; and
- v. Strengthen the role of the state in guiding and facilitating development.

Below these objectives, there are 21 development strategies that are designed to deliver on them. Of these 21, two are directly linked to the development of the extractive sector.

These are:

- i. To fast-track oil, gas and mineral-based industrialization, and
- ii. To increase local content participation.

Further to this, eighteen (18) programmes have been mapped out to implement the 21 strategies discussed above. Of these 18 programmes, MSG members identified seven (7) as being directly linked to the extractive sector, therefore providing the drawdown synergies between the UGEITI Work Plan and the National Development Plan.

The 7 programmes are:

- Mineral Development.
- Sustainable Development of Petroleum Resources.
- Natural Resources, Environment, Climate Change, Land and Water Management.
- Private Sector Development.
- Sustainable Energy Development.
- Community Mobilization and Mindset Change.
- Development Plan Implementation.

MSG members undertook an exercise in which they linked the 3 work plan objectives that were identified to the relevant objectives under each of the 7 NDP programmes listed above. In this way, the MSG was able to confirm and explicitly align the Uganda National EITI Work Plan with the NDP III.

Table 1: Alignment of EITI Work Plan with the NDP III.

EITI Work Plan Objectives	NDP III Programme Objectives
Objective 1: Enhance transparency in the extractive sector.	<ul style="list-style-type: none"> • To promote private investment in oil and gas industry. • Increase investment in mining and value addition. • Promote local content in public programmes.
Objective 2: To strengthen revenue management and accountability.	<ul style="list-style-type: none"> • Increase exploration and quantification of priority minerals and geothermal resources across the country. • Strengthen the enabling environment and enforcement of standards.
Objective 3: To build the operational and technical capacity of the MSG and Secretariat to ensure EITI is effectively implemented.	<ul style="list-style-type: none"> • Strengthen the legal and regulatory framework as well as the human and institutional capacity. • Strengthen institutional capacity of central and local government and non-state actors for effective mobilization of communities.

The MSG constituted a committee including Mr. Robert Tugume a Government representative, Mr. Siragi Magara a Civil Society representative and Mr. Kenneth Asiimwe from Industry to lead in the review and incorporate the comments of the MSG in the draft work plan. The Committee convened and successfully incorporated the proposals by the MSG on 2nd August 2023. Subsequently, this revised draft was shared with all the members on 4th August 2023, for their review and feedback to facilitate broader consultations within their respective constituencies.

The MSG approved the Work Plan FY 2023/2024 during the 28th meeting of the Multi- Stakeholder Group on 31st August 2023.



Figure 1: MSG training workshop on pre-validation, review of annual progress report and work plan held at Protea Skyz Hotel in Kampala 26th July 2023.

2.2 Assessment of performance against Work Plan FY 2023/2024

This section provides an in-depth assessment of performance against the activities outlined in the FY 2023/2024 Work Plan. The work plan objectives were:

1. To enhance transparency in the extractive sector.
2. To strengthen revenue management and accountability.
3. To build the operational and technical capacity of the MSG and Secretariat to ensure that EITI is effectively implemented.

The activities undertaken during the year were largely aimed at addressing these broad objectives as well as undergoing the country's first validation exercise assessing progress in EITI implementation.

Some of the key activities that were implemented in the Work Plan for FY 2023/2024 included:

- ❖ Dissemination of the EITI report findings and sensitisation of key institutions on the EITI implementation process.
- ❖ Undertaking of studies and development of strategies to inform the EITI implementation process.
- ❖ The preparation and publication of the third UGEITI Report covering FY 2021/2022.
- ❖ Monitoring and tracking progress on recommendations from the previous UGEITI reports.
- ❖ UGEITI engagements to support EITI implementation.
- ❖ Field visits to the extractive regions.

The MSG implemented most of the planned activities, and others are on track for achievement. Table 2 details the evaluation of EITI implementation, comparing actual achievements with the planned activities for the fiscal year.

Table 2: Assessment of performance of EITI implementation against the Work Plan FY 2023/2024 activities.

WORKPLAN OBJECTIVES	PLANNED ACTIVITIES	PROGRESS
Enhance transparency in the extractive sector	Disseminate EITI report findings and sensitise key institutions on the EITI implementation process	<ul style="list-style-type: none"> • Engaged the media at the launch of the Second EITI Report - 15th Sep 2023. • Engaged with Parliament on illicit Financial Flows supported by SEATINI. • Newspaper articles were published and radio talk shows undertaken on the findings of the second EITI Report. • A press conference held at the Media Centre on 10th August 2023 to enhance awareness on the EITI reporting process. • Conducted a regional stakeholder engagement in Hoima City to disseminate the EITI Report (2020/2021) held on 23rd August 2023. • Disseminated 100 printed information packages of the Monographs of both EITI reports and the Annual Progress Reports on EITI

		<p>implementation progress. 25th - 26th October, 2023.</p> <ul style="list-style-type: none"> • MSG Retreat Press Conference 5th June 2024
	<p>Implement the Communications Strategy to create awareness on EITI</p>	<ul style="list-style-type: none"> • The UGEITI Secretariat is maintaining an updated website. • The National EITI Secretariat organised a private sector engagement on EITI implementation to consult with MSG Industry stakeholders and their wider constituency under the Uganda Chamber of Mines & Petroleum (UCMP) on 13th July 2023. • The Secretariat supported the organisation of the 6th Annual Citizens' Convention on Extractives from October 25th to 26th, 2023. • The Secretariat participated in the 4th Petroleum Authority of Uganda (PAU) National Content Conference, held at Speke Resort Munyonyo Hotel, from the 6th to the 7th of December 2023.

		<ul style="list-style-type: none"> • A high-level meeting on contract disclosure was held with the Permanent Secretary, Ministry of Energy and Mineral Development on 23rd November 2023.
	Undertake studies and develop strategies to inform the EITI implementation process.	<ul style="list-style-type: none"> • The Open Data Policy was approved by the MSG on 9th November, 2023. • The MSG formed a sub-committee to support the consultant with the development of the Strategic plan to be approved for the FY 2024/2025. • The Monitoring & Evaluation framework report was included in the Strategic Plan which is to be approved in the financial year 2024/2025.
	Prepare and publish the third UGEITI report covering FY 2021/2022.	<ul style="list-style-type: none"> • UGEITI prepared and published Uganda's third EITI Report in October 2024. The report highlights the revenues generated from the sector as well as the key reforms undertaken to improve the sector.

<p>Strengthen revenue management and accountability</p>	<p>Monitor and track the progress made in addressing the recommendations of the previous UGEITI report.</p>	<ul style="list-style-type: none"> • The Ministry of Finance, Planning & Economic Development (MoFPED) engaged the Attorney General on Contract Disclosure in the oil and gas sector. • The Minister of MOFPED wrote to the President to highlight the progress of EITI implementation and the gaps following the validation exercise, including contract disclosure.
<p>Build the operational and technical capacity of the Multi-Stakeholder Group and Secretariat to ensure effective EITI implementation</p>	<p>UGEITI engagements to support EITI implementation</p>	<ul style="list-style-type: none"> • The National EITI Secretariat organised a pre-validation training to build the capacity of Multi-Stakeholder Group (MSG) members, discuss the EITI implementation progress, prepare for the validation exercise, and develop the next Work Plan. The training was held from 26th to 27th July 2023. • The National Coordinator participated in an Online Regional National Coordinators' consultation Webinar organized by the

		<p>International EITI Secretariat on 22nd November, 2023.</p> <ul style="list-style-type: none"> • An Online Regional Capacity Building Session on the 2023 EITI Standard was attended by fourteen UGEITI Secretariat staff. • A Regional stakeholder engagement was carried out in Hoima City to disseminate Uganda's second (2nd) EITI report to share the findings in the report on the 23rd of August 2023.
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3.0 Multi-Stakeholder Group engagements

For effective oversight and coordination among the Multi-Stakeholder Group members, the Secretariat has continued to organize and facilitate a number of meetings to bring the three constituencies of government, industry and civil society together to dialogue and discuss key issues in EITI implementation.

In the period under review seven MSG meetings were held. Other meetings were held by the different MSG committees that were formed to discuss key thematic areas such as the work plan, give responses to the validation team during the Validation exercise and facilitate the work of the broader MSG in decision making.

3.1 Validation of EITI implementation

Uganda's first Validation commenced on 1st October 2023 and was concluded in April 2024, with the country obtaining an overall score of 78.5% in the progress made from EITI implementation. Validation assesses a country's progress in its implementation of EITI. This is done by determining the level of compliance with the requirements of the EITI Standard using three templates measuring the following thematic areas:

- 1) Stakeholder engagement - covering Requirements 1.1 to 1.4 of the EITI Standard;
- 2) Transparency (Requirements 2 to 6); and
- 3) Outcomes and impact (Requirements 1.5 and 7).

Uganda submitted the above templates to the International Secretariat following their approval by the MSG at its 29th meeting held on 28th September 2023.

Following review of the submitted documents, the Validation team from the International Secretariat undertook a mission to Uganda to engage with key stakeholders in the implementation process, and to get clarity on issues of concern.

The validation team consisting of Mr. Francisco Paris, Mr. Edwin Warden and Ms. Jessica Sanchez was in the country from 4th to 8th December 2023.



Figure 2: EITI International Secretariat validation team leader Mr. Francisco Paris (seated second left), after a meeting with the Auditor General, (2nd right, seated) his staff and UGEITI Secretariat staff, discussing the role of Auditor General in the EITI implementation process on 06th December 2023.

The draft Validation report was finalised on 26th February 2023 and shared with the MSG for review on 28th February 2024. The MSG comments were received on 27th March 2024. The International Secretariat reviewed the comments and responded to national stakeholders, before finalising the assessment on 9th April 2024.

On Outcomes and impact, Uganda achieved a high score (85 points). The EITI Board commended Uganda EITI (UGEITI) for its outreach efforts, including publishing summary reports and dissemination activities in extractive regions. Coverage in the press, radio and TV programmes are the result of the implementation of its communications strategy and outreach plan and active use of the UGEITI website.

Uganda achieved a moderate component score on Stakeholder engagement (82.5 points). Stakeholders from all constituencies have worked effectively to establish MSG routines, agreeing key

documents such as work plans and an annual progress report, producing two EITI Reports, disseminating and debating findings.

On the Transparency component, Uganda achieved a fairly low score (67.5 points). This was in part due to the lack of full contract disclosure. The EITI Board commended Uganda for using EITI reporting as a diagnostic tool for extractive sector data and governance processes. The Office of the Auditor General's (OAG) role of auditing government reporting to the EITI and supporting reconciliation efforts were considered noteworthy, as well as the public availability of audit reports that highlighted weakness, specifically in the mining sector.

The full Validation report can be accessed on the UGEITI website <https://www.ugeiti.org/validation/>.



Figure 3: Multi-Stakeholder Group members meet with EITI International Secretariat team during validation 07 December 2023.

3.2 Launch of UGEITI Report FY 2020/2021

The Multi-Stakeholder Group (MSG) charged with implementing EITI in Uganda was delighted to announce the publication of Uganda's second EITI report, in a specific event to mark the occasion held at the Sheraton Hotel in Kampala on Friday 15th September 2023. The launch event provided an opportunity to present valuable insights and key findings from the report and raise the visibility of the EITI amongst key stakeholders in the process.

The objective of the launch was to present the findings of the second EITI report for Uganda, and to stimulate debate among the key sector players. The launch brought together government officials, industry representatives, civil society organisations, and international partners. This event allowed stakeholders to discuss the report's recommendations and collaborate on strategies to promote transparency and accountability in Uganda's extractive industry.

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



Figure 4: State Minister for Planning (third left), State Minister for Mineral Development (fourth left) in the first row, Members of Parliament and MSG members at the launch of the Second EITI Report on 15th September 2023.



Figure 5: Stakeholders at the launch of the Uganda's Second EITI Report in Kampala Sheraton Hotel 15 September 2023.

As part of the dissemination of the report, Uganda Extractive Industries Transparency Initiative partnered with renowned

investigative journalist and the Executive Director of the African Institute for Investigative Journalism Solomon Serwanjja to host an X (formerly Twitter) Space conversation to draw in the virtual audience on the findings of the report. The space was hosted on 15th September 2023 on his Twitter account. Mr. Serwanjja has over 350,000 followers on Twitter, making this an opportunity to tap into his numbers to further share the report extensively. The space was 2 hours long, and attended by 1,100 people from across the world, including Gloria Mugambe, the Head of the Uganda National EITI Secretariat, Winfred Ngabiirwe, MSG Member and Executive Director Global Rights Alert (GRA), Ellison Karuhanga, Oil and Gas lawyer, and Eng. David Ssebagala, MSG member and senior Inspector of mines, Ministry of Energy. (<https://www.ugeiti.org/msg-activity-reports/>)

3.3 Dissemination of the 2nd UGEITI Report

During the period under review, the MSG held a number of engagements and dialogue meetings with different stakeholders to disseminate the findings of the second UGEITI report. This was done with support from civil society that supported engagements with members of the Press and in creating awareness among communities in the extractive regions like Karamoja. Civil Society Organizations like CSCO, ACODE, GRA and Resource Rights Africa among others collaborated with the UGEITI Secretariat in disseminating the 2020/2021 report across a wide audience.

The MSG held a press conference on 10th August 2023 to disseminate the findings of the 2nd EITI report. This was aimed at enhancing awareness about the EITI reporting process.



Figure 6: MSG Chairperson highlighting findings of the UGEITI Report FY 2020/2021 at Uganda Media Centre in Kampala 10th August 2023.

Members of the MSG and the Secretariat with support from KCSO (Kitara Civil Society Organisation’s Network/BAPENECO (Bunyoro Albertine Petroleum Network on Environmental Conservation) held an engagement in Hoima district to disseminate the report findings of UGEITI 2nd report and beneficial ownership disclosure sensitization. The objectives of the meeting were to disseminate the EITI report to stakeholders at sub-national level, to stimulate discussion on elements relating to business and human rights within the report and to enhance awareness of Beneficial Ownership in the “oil region” in further promotion of avenues for enhancing business and human rights. (<https://www.ugeiti.org/msg-activity-reports/>). The engagement took place on 27th August 2023.



Figure 7: Regional Stakeholder engagement to disseminate UGEITI Report FY 2020/2021 and Beneficial Ownership sensitisation in Hoima City.

Finally, Resource Rights Africa, a CSO, invited the UGEITI Secretariat to disseminate the UGEITI Report FY 2020/2021 in the Karamoja Sub-region from 13th to 15th December, 2023 in the districts of Moroto, Nakapiripirit and Amudat. The activity aimed at disseminating the information in the UGEITI Report FY 2020/2021 to the local leaders and the community representatives of the Karamoja Sub-Region. The Compliance Officer, Mr. Kanakulya Edwin Kavuma, represented the Secretariat at this engagement.



Figure 8: A social media post highlighting the dissemination UGEITI Report FY 2020/2021 in Amudat District.

3.4 Preparation for the 3rd UGEITI Report

With support from the Government of Uganda, MSG procured the services of Moore Stephens to prepare the 3rd Uganda EITI Report for the reporting period FY 2021/22. The terms of reference for the Independent Administrator were developed and approved by the Multi-Stakeholder Group members during the 31st MSG meeting held on 7th December 2023. The IA went through the scoping phase of the reporting process. A number of engagements were held with the different reporting entities to provide the necessary data to finalise the scoping report. The final EITI Report was prepared and published in October 2024.

3.5 Capacity building for MSG members and stakeholders

Various capacity building trainings have been undertaken to enhance the capacity and awareness of members concerning new initiatives and developments that have taken place in the energy sector.

a) Private sector engagement on EITI implementation

This engagement was organized by the Uganda Extractive Industries Transparency Initiative in partnership with Advocates Coalition for Environment and Development and Uganda Chamber of Mines and Petroleum at Kabira Country Club Kampala, Uganda, on July 13th, 2023. The overall objective of the engagement was to share progress on the implementation of EITI and elaborate on the responsibility and compliance requirements for the private sector in the implementation of EITI. (<https://www.ugeiti.org/msg-activity-reports/>)



Figure 9: Private sector engagement with the MSG on EITI implementation process in Uganda held at Kabira Country Club in Kampala 13th July 2023.



Figure 10: State Minister for Energy speaking to participants attending the private sector engagement held at Kabira Country Club in Kampala 13th July 2023.

b) Second Pre-Validation Training and Annual Progress Report Review of UGEITI

The second pre-validation training was organized by Uganda Extractive Industries Transparency Initiative in partnership with Advocates Coalition for Environment and at Skyz Hotel Kampala, Uganda, on July 26th and 27th, 2023. The overall objective of the training was to build the capacity of MSG members to discuss the implementation's progress, prepare for the validation exercise, and develop the next work plan. (<https://www.ugeiti.org/msg-activity-reports/>)



Figure 11: State Minister for Microfinance and Small Enterprises giving remarks at MSG pre-validation training workshop held at Protea Skyz Hotel in Kampala 26th July 2023.

3.6 Media engagements

The Multi-Stakeholder Group members and staff of the Secretariat appeared on a number of talk shows on radio and television to raise awareness about the EITI process and to update the public on implementation. Key sector stakeholders were also hosted on the various media outlets to popularize EITI implementation in Uganda to the public. Civil society organizations continued to support the flow of information to the public using newspapers, television, radio and online engagements such as Twitter, zoom, and Facebook which have a wide public audience.

<https://www.ugeiti.org/press-releases/>.



Figure 12: Radio talk shows highlighting Uganda's second EITI report and exploring the role of EITI implementation in promoting transparency, accountability, and domestic resource mobilization in the extractive sector.



Figure 13: Dissemination of UGEM Report FY2020/21 at Kabalega FM in Hoima District 23rd August 2023

4.0 Progress on the First EITI Report Recommendations.

This section provides an overview of the Multi-Stakeholder Group’s responses to and progress made in addressing the recommendations from the first EITI Report.

Table 3: MSG responses to and progress made in addressing the recommendations from the Uganda EITI Report FY 2019/2020.

<p>Mainstreaming and systematic disclosure of EITI data</p> <p>The EITI data disclosed in this report was collected from different sources, including Government Agencies selected in the UGEITI reporting process. However, regarding the contextual information on the extractive sector, data on revenues collected and budget allocations are not systematically published within a centralised platform.</p> <p><i>Government Agencies should set up an open EITI database in their systems as detailed in Section 8.1 of the UGEITI report.</i></p>	<p>Activity 1.5 (a) of the UGEITI Work plan 2022-2023 was designed to address this recommendation. The activity states “Set-up a database for oil, gas and mining sectors to mainstream the implementation of EITI data towards an open data policy.”</p> <p>This activity had been identified for support under the USAID Strengthening Systems and Public Accountability (SSPA) project; however, the project was terminated prematurely leaving the activity unfunded. This activity will be implemented once funding is secured.</p> <p>Reporting entities have been informed that EITI is moving toward systematic disclosure. The Secretariat has encouraged reporting entities to make information available to the public on their websites. The UGEITI Report FY 2019/20 is published on the websites of the following entities:</p> <ol style="list-style-type: none"> I. Petroleum Authority of Uganda (PAU)- https://www.pau.go.ug/download/uganda-extractive-industries-transparency-initiative-ugeiti-report-for-fiscal-year-2019-20/. II. Global Rights Alert (GRA)- https://globalrightsalert.org/sites/default/files/newdocs/Uganda EITI Report FY 2019-20.pdf III. Advocates Coalition on Development and Environment (ACODE)- Uganda-EITI-Report-FY2019-20.pdf (acode-u.org) IV. The Southern and Eastern Africa Trade Information and Negotiations Institute (SEATINI)- Uganda-https://seatiniuganda.org/download/uganda
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	<p>-extractive-industries-transparency-initiative-ugeiti/.</p> <p>V. Resource Rights Africa (RRA)- https://resourcerightsafrica.org/download/ugeiti-report-fy-2019-20-v19-final/.</p> <p>VI. Water Governance Institute (WGI)- https://www.watervgovinst.org/uganda-extractive-industries-transparency-initiative-ugeiti-report-for-fy-2019-2020/.</p> <p>The Secretariat’s call on all MSG members to ensure that the report is published on their websites.</p> <p>The UGEITI Secretariat is constantly updating its website in order to make EITI data accessible to the general public. (This includes publishing relevant links to the different information required by the EITI Standard).</p>
<p>Public disclosure of the register of licenses</p> <p>Details on licenses, including the full text, are available from DGSM at a fee.</p> <p><i>It is recommended to make publicly accessible the full text of the licenses, as detailed in Section 8.2.</i></p>	<p>The licenses are standard forms provided in the law, and the information filled in on the forms is the information that is publicly available on the Mining Cadastre.</p> <p>DGSM therefore considers the transparency requirement to be fully met.</p>
<p>Public disclosure of contracts and licenses in Petroleum and Mining sectors</p> <p>Currently, Production Sharing Agreements are not publicly available.</p> <p><i>The UGEITI MSG should set out a short-term work plan for the publication of all agreements in the extractive sector.</i></p>	<p>Two petroleum companies (TotalEnergies and CNOOC Uganda Ltd) wrote to the Minister of Energy and Mineral Development stating their willingness to disclose the PSAs.</p> <p>Furthermore, there are planned high-level engagements with the Minister of Energy and Mineral Development, Attorney General and Minister of Justice and Constitutional Affairs to discuss implementation of the roadmap on contract disclosure.</p>

<p>Data quality and assurance</p> <p>A number of reporting entities did not comply with the assurance process agreed upon by the UGEITI MSG as summarised in Section 8.4 of the UGEITI report.</p> <p><i>The UGEITI MSG should engage with reporting entities and emphasize the importance of complying with this provision of proper signature and certification of templates by auditors for future reports, in order to meet EITI Requirement 4.9.</i></p>	<p>The Chairperson of the MSG wrote to the companies regarding this recommendation and urged them to take the necessary steps to ensure that they comply with the data assurance requirements for the upcoming EITI Reports.</p> <p>TotalEnergies responded.</p> <p>The Secretariat requests the remaining two companies that received the Chairperson’s letter to respond in writing.</p>
<p>Accuracy of export data</p> <p>Government Agencies’ records on exports were different as detailed in Section 4.13.3 of the UGEITI report. The two agencies concerned, DGSM and URA, do not systematically cross-check export data against each other’s records to identify the inconsistencies.</p> <p><i>DGSM and URA should implement automated controls to ensure the comprehensiveness of export data reported by extractive entities, and develop analytic tools to</i></p>	<p>The Chairperson of the MSG wrote to the DGSM of the Ministry of Energy and Mineral Development informing them of the recommendation and requested an update on the status. The Chairperson is yet to receive a response to this letter.</p> <p>The Ministry of Energy and Mineral Development wrote to the Uganda Revenue Authority on this matter. These two agencies have had engagements and agreed to implement the following measures:</p> <ol style="list-style-type: none"> I. To create a single window portal for the two agencies so to track the transactions on mineral exports. II. Share monthly updates of export data collected to identify discrepancies, if any. <p>The amended laws have been used by URSB to begin gathering data on beneficial ownership. The BO forms to be filled and submitted to URSB are accessible online at Business Registration Forms (ursb.go.ug):</p>

<p><i>ensure better control of mineral trading as detailed in Section 8.5 of the UGEITI report.</i></p>	<ul style="list-style-type: none"> i. notice-of-beneficial-owner-particulars-1676029879.docx (live.com) ii. Companies (Beneficial Owner) Regulations, 2022 (6) (2).pdf (ursb.go.ug)
<p>Public disclosure of beneficial ownership information</p> <p>To date, there is no comprehensive register of data on beneficial owners of all companies operating in the mining, oil and gas sectors.</p> <p><i>We recommend that the UGEITI MSG and URSB put in place a roadmap relating to the disclosure of information on beneficial ownership as detailed in Section 8.6 of the UGEITI report.</i></p>	<p>The current UGEITI work plan July 2022 – June 2023 incorporated activities aimed at promoting beneficial ownership transparency. The activities completed so far include:</p> <ul style="list-style-type: none"> • A workshop for the National Beneficial Ownership Committee that took place on 19th and 20th October 2022, aimed at building the capacity of the members of the Committee in implementation of beneficial ownership transparency. • Consultations with stakeholders on developing regulations for purposes of beneficial ownership disclosure on 20th and 21st December 2022. <p>Key legal reforms that have been made to increase transparency of beneficial ownership include the enactment of:</p> <p>The Companies (Amendment) Act, 2022. The Minister of Justice and Constitutional Affairs issued the Companies (Beneficial Ownership) Regulations, 2023.</p> <ol style="list-style-type: none"> 1. The Partnerships (Amendment) Act, 2022. 2. The Trustees Incorporation (Amendment) Act, 2022. 3. The Cooperative Societies (Amendment) Act, 2022. 4. The Anti-Money Laundering (Amendment) Act, 2022. 5. The Insolvency (Amendment) Act, 2022. 6. The Anti-Terrorism (Amendment) Act, 2022. 7. The Excise Duty (Amendment) Act, 2022. <p>URSB has held a number of public stakeholder engagements that were open to the public to sensitise them about the requirement to submit BO information.</p>

5.0 Achievements and outcomes

To date, a number of outcomes have been registered as having resulted from EITI implementation and engagement:

- Increased transparency in the extractive sector.

EITI implementation has fostered greater disclosure of extractive sector revenues, contracts, and beneficial ownership info, enabling public scrutiny and debate.

- Improved inter-agency coordination amongst stakeholders.

Collaboration between Government agencies, CSO's, and Industry players has been strengthened, ensuring more effective management and oversight of the sector.

- Increased sensitization among the local communities in extractive regions about extractive sector.

Public awareness campaigns have increased knowledge among local communities regarding extractive activities, revenue distribution, and their rights, fostering greater public participation in the sector.

- Legal and Policy Reforms.

UEITI actively participated in legal reforms such as the enactment of the Mining and Minerals Act and the launch of the Charter of Fiscal Responsibility, which establishes a framework for managing oil revenues responsibly.

- Successful Validation process and compliance with the EITI Standard.

UGEITI successfully underwent through the EITI Validation process attaining a score of 78.5, demonstrating its commitment to adhering to the EITI Standard.

- Capacity enhancement of the Secretariat and MSG.

Training and technical support have improved the efficiency of the EITI Secretariat and MSG, strengthening their ability to oversee transparency initiatives and reporting processes.

- Improved Stakeholder engagement and collaboration.

There has been a notable improvement in collaboration between stakeholders, particularly between the Government and CSOs, leading to more inclusive policy discussions and decision-making for the sector.

- Improved policy dialogue and debate to inform decision making.

EITI implementation has facilitated evidence-based discussions, enabling policymakers to make informed decisions on resource governance, revenue management, and sectoral reforms.

- Increased access to information and awareness on sector through EITI reporting.

Regular EITI reports have improved public access to critical sector information, enhancing accountability and empowering citizens to demand transparency in resource management.

6.0 Efforts to strengthen EITI Implementation

Capacity building for the MSG and stakeholders: UGEITI has over the implementation period conducted various capacity building exercises aimed at equipping the MSG and stakeholders like the media and industry players with the necessary knowledge to adequately implement and use EITI data efficiently.

Undertaking studies: UGEITI is planning to undertake a number of studies to better inform the EITI report. These studies include among

others studies on artisanal and small- scale mining and gender mainstreaming.

Achieving Beneficial ownership disclosure: Engagements between the relevant institutions of Government are going on to provide for beneficial ownership disclosure within the current legal framework. The law on BO was enacted and the systems and data collection are underway so as to have a beneficial ownership register under the auspices of URSB.

Contract disclosure: Various engagements between the relevant institutions of Government and oil companies are ongoing to ensure that consensus is reached on the nature and process of contract disclosure.

Institutional coordination: Engagements between stakeholders under the MSG have created an opportunity for strengthened collaboration and coordination between the key institutions of Government especially DGSM and URA.

Review of policies and laws: Currently, a number of laws are being reviewed to incorporate the principles of EITI aimed at strengthening the EITI implementation process. The Mining and Minerals Act was passed in 2022 with input from the MSG.

Awareness creation: The MSG will continue to conduct awareness campaigns and sensitization engagements to enhance the involvement and participation of the citizens in the EITI process at all levels.

7.0 Assessment of performance against EITI requirements.

Table 4: Showing assessment of the performance of EITI implementation in Uganda against the requirements in the EITI Standard 2019.

Requirements	Progress
<p>1. Oversight by the Multi-Stakeholder Group</p> <p>1.1 Government Engagement</p> <p>1.2 Company Engagement</p> <p>1.3 Civil Society Engagement</p> <p>1.4 Multi-stakeholder group</p> <p>1.5 Work plan</p>	<p>The UGEITI Multi-Stakeholder Group was well constituted with consideration placed on the three (3) high-level constituencies i.e., government, industry and civil society organizations that effectively engaged in the design, evaluation and implementation of the EITI.</p> <p>The nominations of senior officials as members and proxies from the three constituencies of the MSG was done through a transparent process which guaranteed adequate stakeholders' representation on the MSG.</p> <p>Engagement in EITI implementation within government has gone beyond the Multi-Stakeholder Group membership with UGEITI coordinating with the Directorate of Geological Survey and Mines in the MEMD, the Office of the Auditor General, URSB and relevant parliamentary committees; facilitating capacity building of government officials, providing input to legislative changes and conducting sectoral analyses. (See section on Outcomes and Impact above).</p>

Civil society nominations to the MSG were achieved through a transparent democratic process which involved a public call for expression of interest by members of the civil society fraternity, and a voting exercise involving over thirty civil society organizations working in the extractive sector across the country.

The MSG members, particularly civil society representatives, have a wide reach into local communities in extractive areas. Consultations with civil society indicated that they had leveraged this reach to contribute to public debate on extractives, in part, based on EITI data.

Government representatives confirmed, upon consultations, that they had also used civil society platforms to engage with community members in the industry.

During the initial stages of the MSG formulation, the Ministry of Finance Planning and Economic Development, as the lead Ministry in the EITI process in Uganda, sent out a general letter, dated 11th February 2019 to all the stakeholders that had been initially considered as directly relevant to EITI in Uganda. This letter addressed all five companies that were licensed to operate in the oil and gas sector in Uganda at that time informing them of the government's decision to apply to join the EITI and requesting them to nominate members to the MSG. They all responded positively by each sending a representative to be part of the industry constituency of the MSG, and have consistently attended all the MSG meetings. They have also been active in all

discussions and deliberations at the committee level, including in the development of the MSG TORs and the EITI work plan.

The mining companies' representative was nominated by the Uganda Chamber of Mines and Petroleum Mining Subcommittee which comprises active mineral exploration companies. The limited number of large-scale mining activities posed a challenge with regard to liaison and engagement with the EITI process. However, the artisanal and small-scale mining sub-sector was successfully engaged through the Uganda Association of Artisanal and Small-Scale Miners (UGAASM), and participated actively.

The MSG developed and agreed on its Terms of Reference (ToR) which defined the scope, functions and responsibilities of the MSG. The governance rules of the group are clear and members are largely compliant with these conditions.

All three constituencies participated in identifying the objectives of EITI implementation, agreeing the scope of disclosures, and contributing to public discussion on disclosures.

EITI implementation is funded by the Government of Uganda with development partner support, specifically the European Union. However, with the work plan budget exceeding the Government allocations received, part of the gap was covered through support from Civil Society Organisations.

	<p>While the Government contributed funding for Uganda EITI activities, sustainability of EITI implementation in Uganda will require increased government support. Lastly, Gender balance was taken into consideration during formation of the MSG and the current ratio of female to male is 30.43% to 69.5%.</p> <p>MSG meetings have improved inter-agency coordination and information sharing amongst member institutions and other stakeholders.</p>
<p>2. Legal and institutional framework, including allocation of contracts and licenses</p>	<p>Ugandan government entities systematically disclosed some data i.e., information on licenses and geographical location, through their respective online portals (mining cadastre, websites).</p> <p>Furthermore, considerations were being made to improve the government systems needed on the routine disclosures of contracts, beneficial ownership, production statistics and export data.</p> <p>The legal and fiscal frameworks governing the Uganda extractive sector were publicly disclosed through the relevant government websites during the period under review.</p> <p>A Contract Disclosure Committee was established to study the legal regime for disclosing contracts. Whereas a number of meetings have been held, the MSG was yet to reach a consensus on what and how the contracts should be disclosed. Efforts to have contracts disclosed were still going on with the various stakeholders.</p>



<p>3. Exploration and Production</p>	<p>All the licensed acreage for petroleum exploration and production to date is in the Albertine Graben. The Albertine Graben averages 45 kilometres in width and about 500 kilometres in length. This represents an area of approximately 22,500 km². The nine (9) production licenses covering fourteen (14) oil fields that have been approved for development and production cover a total area of 885 km².</p> <p>The information on mining production data is contained in the FY 2020/21 UGEITI report under Section 2.3.</p> <p>There was no oil and gas production during the fiscal year 2019-20.</p>
<p>4. Revenue Collection</p> <p>4.1 Comprehensive disclosure of taxes</p> <p>4.2 Sale of the state’s share of production or other revenues collected in kind</p> <p>4.3 Infrastructure provisions and barter arrangements</p> <p>4.4 Transport revenues</p> <p>4.5 Transactions related to State - owned enterprises</p>	<p>The FY 2020/21 report was produced using the full reconciliation reporting methodology. The MSG agreed to disclose and reconcile all payments and revenues in the oil and gas sector and reconcile the revenues from mining companies that paid revenues above UGX 6,000,000,000. The Government reported unilaterally on the rest of the companies that had active mining licenses.</p> <p>The FY 2020/21 report is publicly available on the UGEITI website – EITI Reports – UGEITI and discloses information on the requirements where applicable.</p> <p>State’s share of production and other in-kind revenues – None of the reporting entities declared revenues in kind during the fiscal year 2020-21.</p>



<p>4.6 Sub national payments</p> <p>4.7 Level of disaggregation</p> <p>4.8 Data timeliness</p> <p>4.9 Data quality and assurance</p>	<p>Infrastructure provisions and barter arrangements-None of the reporting entities declared any agreements or sets of agreements involving the provision of goods and services (including loans, grants and infrastructure works, in full or partial exchange for mining exploration or production concessions or physical delivery of such commodities.</p> <p>Oil/gas- The Uganda National Oil Company (UNOC) confirmed that no revenues were collected from the pipeline during the reporting period since the oil and gas sector was still at the exploration stage during the FY 2020-21.</p> <p>State participation in the mining sector- Kilembe Mines Limited (KML) which is 100% owned by the Government of Uganda (GoU), is the custodian of Kilembe mines which is Uganda’s largest copper mine, with deposits of copper in excess of 4,000,000 tonnes and undetermined amounts of cobalt ore. It is located in Kilembe, at the foothills of the Rwenzori Mountains in the Western Region of Uganda. KML’s role as an asset-holding company is to look after and maintain the national assets until a qualified replacement operator is identified by the Government of Uganda to continue its exploitation.</p> <p>Transport revenues of minerals – There were no significant revenues from the transport of minerals for the FY 2020/21 as stipulated by Requirement 4.4 of the EITI Standard (2019).</p>
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	<p>Sub-national payments – The UGEITI MSG agreed to include information on payments to sub-national government agencies through unilateral disclosure by extractive companies included in the reconciliation scope. Sub-national transfers are detailed in Section 7.2 of the FY 2020/21 report.</p> <p>Level of disaggregation- MSG agreed on the level of disaggregation by company for EITI data by extractive entities selected in the scope and to present aggregated revenues collected from extractive entities that are not selected in the reconciliation scope. This is highlighted in section 5.2 of the FY 2020/21 report.</p>
<p>5. Revenue Allocations</p> <p>5.1 Distribution of extractive industry revenues</p> <p>5.2 Subnational transfers</p> <p>5.3 Revenue management and expenditures.</p>	<p>Once revenues from the extractive sector are collected by the government, they are recorded in the government accounts. All of the revenue goes to the Consolidated Fund and is subsequently allocated as part of the national budget, some of which are transferred to Local Governments.</p>
<p>6. Social and economic spending</p>	<p>The UGEITI MSG agreed to include mandatory and discretionary social and environmental expenditure in the scope through unilateral disclosure by extractive companies. Social and environmental expenditures are presented in Section 7.2 of the FY 2020/21 UGEITI report.</p>



	<p>The details of these expenditures are further presented in Annex 6 in the FY 2020/21 UGEITI report.</p>
<p>7. Outcomes and Impact</p>	<p>To date, a number of outcomes have been registered as having resulted from EITI implementation and engagement:</p> <ul style="list-style-type: none"> ● Increased transparency in the extractive sector. ● Improved inter agency coordination amongst stakeholders. ● Increased sensitization among the local communities in extractive regions about extractive sector. ● Participation in the reforms in the legal framework. ● Enhanced public debate and awareness.

