



Uganda Extractive Industries Transparency Initiative

MINUTES OF THE 35TH MEETING OF THE MULTI-STAKEHOLDER GROUP (MSG) OF THE UGANDA EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (UGEITI) HELD ON TUESDAY, 8TH OCTOBER 2024 AT THE IMPERIAL ROYALE HOTEL, KAMPALA.

Attendance List

No.	Name	Institution
GOVERNMENT		
1.	Mr. Peter Rumanzi	Bank of Uganda (BOU)
2.	Ms. Jane Rose Atwongyeire	National Environment Management Authority (NEMA)
3.	Mr. Lawrence Muwonge	Uganda Revenue Authority (URA)
4.	Mr. James Musherure	Petroleum Authority of Uganda (PAU)
CIVIL SOCIETY ORGANISATIONS		
5.	Mr. Gard Benda	World Voices Uganda (WVU) Chair
6.	Dr. Henry Bazira	Water Governance Institute
7.	Mr. Sam Mucunguzi	Citizens' Concern Africa <i>via zoom</i>
8.	Ms. Hilda Tumuhe	SEATINI Uganda
9.	Ms. Winfred Ngabiirwe	Global Rights Alert (GRA)
INDUSTRY		
10.	Ms. Ingrid Muhanguzi	CNOOC Uganda Limited
11.	Mr. Noah Obad	Oranto Petroleum Uganda Limited
12.	Ms. Liza Korukundo Turyatemba	TotalEnergies EP Uganda
13.	Mr. Kenneth Asiimwe	Uganda Chamber of Mines & Petroleum (UCMP)
14.	Mr. Emmanuel Kibirige	Uganda Association of Artisanal and Small-Scale Miners (UGAASM)
OBSERVERS		
15.	Ms. Frank Byaruhanga	Office of the Auditor General (OAG)
16.	Ms. Magdalene Babirye	Office of the Auditor General (OAG)
17.	Mr. Daniel Kasuti	Petroleum Authority of Uganda (PAU)
18.	Ms. Joanita Nassiwa	Uganda Bureau of Statistics (UBOS)
19.	Mr. Rached Maleej	Independent Administrator (IA)
20.	Mr. Bilel Yahyaoui	Independent Administrator (IA)
21.	Mr. Nejmi Zitouni	Independent Administrator (IA)
22.	Mr. Malek Zaltini	Independent Administrator (IA)
UGEITI		
23.	Mr. Saul Ongaria	National Coordinator (Secretary)
24.	Ms. Gloria Mugambe	Head of Secretariat
25.	Mr. Francis Garvin Okello	Administration Officer
26.	Mr. Kanakulya Edwin Kavuma	Compliance Officer
27.	Mr. Dan Denis Agaba	Statistician
28.	Mr. Edgar Mutungi	Finance Officer
29.	Mr. Abbey Gitta	Research Officer
30.	Mr. Ignatius Ariho	Information Technology Assistant
31.	Mr. Stephen Etyang	Field Officer

32.	Mr. Gordon Muhereza	Office Assistant
33.	Ms. Susan Acom	Office Assistant
34.	Ms. Bronia Arinda	Data Management Assistant
35.	Ms. Gloria Nakimwero	Administrative Assistant
36.	Ms. Gertrude Angom	Monitoring & Evaluation Officer
MEMBERS ABSENT WITH APOLOGY		
1.	Ms. Margaret Lomonyang	Karamoja Women's Umbrella Organisation
2.	Ms. Jennifer Hinton	Uganda Chamber of Mines and Petroleum (UCMP)
3.	Mr. Clovice Bright Irumba	Petroleum Authority of Uganda (PAU)
4.	Mr. Jonan Akandwanaho	National Planning Authority (NPA)
5.	Mr. Robert Tugume	Ministry of Energy and Mineral Development (MEMD)
6.	Mr. David Sebagala	Ministry of Energy and Mineral Development (MEMD)

AGENDA

- 1) Welcome, Introductions and Adoption of the Agenda
- 2) Communication from the Chairperson.
- 3) Review and Adoption of the Minutes of the 34th MSG meeting.
- 4) Review and Approval of the 3rd EITI Report for the Financial Year 2021/2022.
- 5) Way forward.

MIN 1.0: WELCOME AND INTRODUCTIONS

- 1.1 The National Coordinator called the meeting to order at 10:01 a.m. He welcomed everyone to the meeting and requested each participant to introduce themselves.
- 1.2 Mr. Gard Benda, a Civil Society Constituency representative, was nominated to preside over the meeting in the absence of the MSG Chairperson.
- 1.3 The meeting agenda was adopted, with the addition of an agenda item on the facilitation of MSG members to carry out their role under 'Any Other Business' (A.O.B.).

MIN 2.0: COMMUNICATION FROM THE CHAIR

- 2.1 The Chair welcomed all members to the meeting and emphasized that its primary objective was to review and approve Uganda's third EITI Report. He delivered the opening remarks, appended as *Annex A*. The following were the highlights:
 - a) He commended the UGEITI Secretariat for its efforts in coordinating the report production process, as well as the Companies and Government entities for their openness in providing data. He thanked the Civil Society Organizations for their advocacy and oversight role. He said the collective efforts of all stakeholders ensured that the EITI process remained inclusive, participatory, and relevant for the good governance of the sector.

- b) He encouraged the MSG members to use the meeting to share their insights, provide constructive criticism, and suggestions to improve the third EITI Report.

MIN 3.0: REVIEW OF MINUTES OF THE PREVIOUS MEETING

- 3.1 Under Minute 7.1, the term "Production Sharing Agreement" was included to clarify the specific type of contract referenced in the Attorney General's letter on contract disclosure dated 2nd July 2024. This followed a comment from the representative of PAU regarding the various types of contracts in the oil and gas sector, and the need to specify the type of contract which the AG had referred to.
- 3.2 The Minutes of the 34th MSG meeting that was held on Thursday, 27th July 2024 were reviewed and adopted as a true record of the proceedings of that meeting.

3.3 Matters Arising:

- a) A representative of Civil Society extended an invitation to all MSG members requesting them to attend the 7th Annual Citizen's Convention on Extractives (CCE). She informed the meeting that the convention was being organised by Global Rights Alert and was scheduled to take place on 23rd October 2024. The convention was intended to foster collaborations and discussions on how stakeholders in Uganda can effectively navigate a cross-generational and just energy transition. She also informed the members that the CCE was supported by various stakeholders, including UGEITI and that this was a good opportunity for stakeholders to exhibit innovations on clean and green energy.
- b) The meeting was also informed that UGEITI had participated in the Mineral Wealth Conference, which had taken place from 1st to 2nd October 2024. The Secretariat reported that there was limited awareness of the EITI implementation process in Uganda, highlighting the need to broaden engagements so that more stakeholders could be reached.

Additionally, it was noted that in their speeches, both the Minister and Permanent Secretary of MEMD had mentioned EITI, and emphasized it as a demonstration of Government's commitment to transparency in the extractive sector.

- c) The Chair commended the Bank of Uganda (BOU) and mentioned that in the news of the previous day, the Central Bank had expressed readiness to support miners with a credit facility to boost their operations, particularly the Artisanal and Small-scale Miners. He noted that this demonstrated the Government's strong commitment to developing the mineral sector.

A representative from UGAASM informed the meeting that several engagements had been held amongst miners, BOU, MEMD, and MOFPED with the aim of exploring the possibility of including gold as a reserve option in the Central Bank instead of solely relying on US dollars. The discussions also focused on how to license more small-scale miners to facilitate the sale of gold to BOU.

- d) The UGEITI Secretariat informed the members that the journey for supporting the Artisanal and Small-scale Miners (ASMs) began with the MSG's visit to the Artisanal and Small-scale Mining operations in Mubende and Kassanda Districts in 2022, where the BOU representative on the MSG had proposed that the bank could support the sector to access credit by liaising with commercial banks.
- e) A representative from Civil Society mentioned that Global Rights Alert had been tracking progress of this initiative in the sector and was willing to share updates with the MSG. She also informed the meeting that the European Union had pledged to support the sector by providing funding to enhance development and address critical gaps in the mining industry, such as insufficient technical capacity, inadequate environmental and health safety measures etc. She encouraged the MSG to explore ways of accessing these funds to help resolve some of the challenges UGEITI was facing, including limited transparency in revenue reporting and inadequate information and data on ASM activities. The Chair noted that it would be important to review the impact of previous EITI reports on the extractive sector. This would require revisiting the Communications Strategy to assess its implementation and how it had supported the goal of creating awareness.

MIN 4.0: REVIEW AND APPROVAL OF THE 3RD EITI REPORT FOR THE FINANCIAL YEAR 2021/2022.

- 4.1 The presentation was made by a member of the IA team, and is attached as *Annex B*. The main contents of the presentation were:
 - a) A description of the UGEITI reporting process.
 - b) Revenue generated from the Extractive Industries
 - c) Reconciliation scope
 - d) Contribution to the economy
 - e) Production and Exports data
 - f) Reconciliation results
 - g) Recommendations of the FY 2021/2022 EITI report.
- 4.2 The IA informed the meeting that some reporting entities had not yet shared their reporting templates. Due to the absence of formal laws to enforce compliance, this financial year report had a large reconciliation gap compared to the previous years. Additionally, some entities had management changes and the new executives were not

familiar with the EITI reporting process. This therefore posed a challenge to the data assurance process making the signing off of the templates difficult.

- 4.3 Revenue generated from the extractive industries for FY 2021/2022 was UGX 411.38 billion, compared to UGX 290.44 billion in FY 2020/2021, with 39% coming from the oil and gas sector and 61% from the mining sector.
- 4.4 The total revenues for FY 2021/2022 increased by 70% compared to the previous period of FY 2020/2021 but still fell 6% short of the levels reported in FY 2019/2020. This was largely due to lack of reporting templates and data from the largest companies that hold mining rights and of which part of their activities is not related to extractive sector. The lack of declaration forms resulted in the lack of adjustment of revenues from the non-extractive activities of these largest companies.
- 4.5 Of the 24 companies included in the reconciliation scope, 15 had not submitted their declaration forms. The revenues reported by the URA for these 15 companies accounted for 52.9% of the extractive sector's total revenues. Given these observations, the IA could not conclude with reasonable assurance that the EITI data comprehensively covered all significant revenue streams and payments from the country's extractive sector for FY 2021/2022.

4.6 Recommendations from the Report were as follows:

- a) Establishing a legal framework for the UGEITI reporting process (EITI Requirement 4.1). This involved creating or strengthening laws and regulations to formally require the relevant reporting entities to comply with the UGEITI reporting process.
- b) Improving the identification of extractive revenues (EITI Requirement 4.1). The aim was to improve transparency by accurately categorizing, tracking and disclosing payments made to Government by extractive companies to ensure that all revenue streams were captured.
- c) Incorporating TPIN and historical data into the mining cadastre. This entails integrating the Tax Payer Identification Numbers (TPIN) of mining companies and historical information into the mining cadastre system to improve tracking of mining entities, tax compliance, and transparency in the sector.
- d) Enhancing the comprehensiveness of beneficial ownership data (Requirement 2.5), to include information on Politically Exposed Persons (PEPs) who may have a higher risk of corruption due to their political connections. This is to ensure transparency and accountability in the extractive sector.
- e) Disclosure of financial statements for reporting companies (EITI Requirements 2.6.b and 4.1.c). This requirement called for extractive

companies to publicly disclose their audited financial statements to stakeholders. This is to verify that revenues and taxes reported by the companies align with what had been received by the government.

- f) Disclosure of project costs (EITI Requirement 4.10) which requires extractive companies to disclose costs associated with specific projects, such as investments in exploration, production, and other operational expenses - to enhance understanding of the financial flows and ensure that project-level reporting is comprehensive.
- g) Reporting on greenhouse gas emissions (EITI Requirement 3.4) which requires extractive companies to disclose their greenhouse gas (GHG) emissions as part of the reporting process. Tracking and reporting emissions is increasingly important to provide an understanding of the environmental impact of the extractive sector and align with global efforts to combat climate change.
- h) Follow-up (review and act) on recommendations from prior years.

4.7 Reaction from Members

- a) The Chair commended the IA for producing a comprehensive report. However, he noted with concern the need for the MSG to investigate why 15 out of the 24 companies did not submit their declaration forms.
- b) A representative from the Government constituency emphasized that the recommendations made for the mining sector were commendable action points, particularly given the absence of a systematic reporting framework for the sector. He highlighted the need for the report to outline specific implementation steps for these recommendations to enhance governance in the mining sector.
- c) Another representative from the Government constituency suggested that, rather than sending an email, it would be more effective to write official letters from Government to the Executives of reporting entities. This approach would convey a sense of ownership by the Government of the reporting process. He also stated that auditing the template may not be possible for Government entities as this was the sole responsibility of the Office of the Auditor General.
- d) A representative from the Government constituency requested the IA to change the statement under section 4.1.3.(a) of the Petroleum Fund Bank Accounts from "These accounts are intended to facilitate investments under the Petroleum Revenue Investment Reserve" to read: "These accounts are intended to enhance transparency and accountability of petroleum revenue by separating it from other government revenue."
- e) A representative from UBOS requested that the IA change the term "Annual Labour Force Survey" to the "National Labour Force Survey"

It was a report produced every 5 years and not annually. She noted that the National Labour Force Survey provided valuable information on the working population's contribution to the extractive sector. Additionally, while the IA had provided data on the employment contributions of oil and gas companies, it was important to include the employment contributions from exploration companies as well. She also stated that, given the significant increase in revenue generated during the reporting period, it was important to attribute that increase to specific factors.

- f) The Secretariat would continue to work with the IA to collect more data from the reporting entities to reduce the discrepancies in the report. An addendum would be produced to that effect.
- g) The MSG noted differing international perceptions of corruption in the country and expressed concern about how these views were captured in the report. Members emphasized the need for a balanced perspective that reflected these distinctions while maintaining the integrity of the findings further highlighting the challenge of accurately representing the complexities of corruption in the extractive sector.
- h) The MSG also recognized the need for a legal framework to enhance compliance among reporting entities. The Chair stated that it was essential to consider developing new legislation or leveraging the use of existing laws to effectively achieve Uganda's EITI objectives. The IA noted that in some countries, the Line Ministers wrote letters to companies inviting them to attend EITI workshops and when requesting information. This approach helped encourage greater compliance from the companies.

MIN 5.0 WAY FORWARD

- 5.1 The MSG approved the EITI Report for FY 2021/2022 with amendments. The amended prefinal version would be shared with members by Thursday, 10th October 2024, while the publication of the final copy was scheduled for Friday, 11th October 2024.

MIN 6.0 ANY OTHER BUSINESS

- 6.1 The Chair informed the meeting that the facilitation of MSG members to attend engagements needed to be reviewed. This was important particularly for those traveling from upcountry. He emphasized that the current sitting allowance of UGX 90,000 per day was insufficient to cover the costs of fuel, accommodation, and meals incurred by such members. Due to the long distances, their travel and stay in Kampala was often for more than one day. As a result, many members were unable to consistently attend MSG engagements due to these financial constraints.



The National Coordinator noted that UGEITI was striving to align its sitting allowance with the Government's standard of UGX 90,000 per day. However, he requested that the MSG permit the Secretariat to consult with other Government institutions that have experience facilitating stakeholders from upcountry for similar engagements.

6.2 The MSG appointed the following members to assist the Secretariat in conducting this consultation:

- a) Mr. Lawrence Muwonge (Government Constituency)
- b) Dr. Henry Bazira (Civil Society Constituency)
- c) Mr. Kenneth Asiimwe (Industry Constituency)

6.3 The Chair adjourned the meeting at 1:25 p.m.

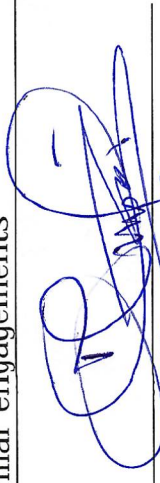

ACTION MATRIX

Min No.	Action Point	Resp. Inst./Individual	Timeline	Action Update
5.1	The amended pre-final version of the 3 rd UGEITI report to be circulated to MSG members by Thursday 10 th October 2024, before publication of the final report on 11 th October 2024	UGEITI Secretariat	Immediate	Done. The pre-final version of the 3 rd UGEITI report was circulated to MSG members on 10 th October 2024, before it was published on-line on 11 th October 2024.
6.1	Consult with other Government institutions about allowances to facilitate upcountry delegates for similar engagements	Secretariat	Next meeting	The research findings on the facilitation of members to be shared at 36 th MSG meeting.

Signed:

Chair:

Secretary

Date:

Date:

20th Feb/2025
20th February 2025



REMARKS OF THE MSG CHAIRPERSON AT THE 35TH EITI MULTISTAKEHOLDER GROUP MEETING HELD ON 08TH OCTOBER 2024, AT IMPERIAL ROYALE HOTEL KAMPALA

The Representatives of Government

The Representatives of Civil society

The Representatives of the Industry

Ladies and Gentlemen

Good morning,

1. Allow me to welcome you to this meeting of the Multi-Stakeholder Group. We have come together today most importantly to review and, hopefully, approve Uganda's third EITI Report. Production of the reports is a key milestone in our journey towards enhanced transparency and accountability in the extractive sector.
2. Members, as you may be aware, at the last MSG meeting, we reviewed and approved the scoping report for the third EITI report. The Independent Administrator has been collecting data from

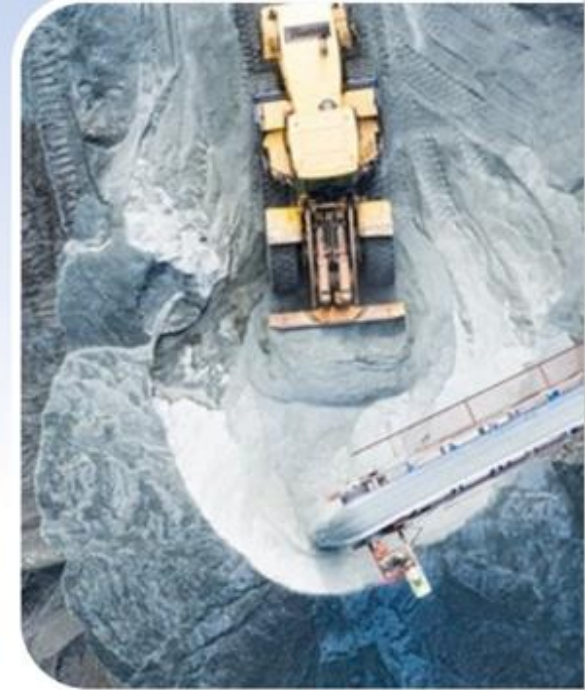
government agencies and companies to do reconciliation up until this point of producing the draft report.

- 3.** Today's meeting is very important, as the draft report before us represents the climax of extensive data collection, stakeholder consultations, and rigorous analysis. It is the product of a wide-reaching collaboration involving the government, companies and civil society. Our task today is to ensure that this report accurately and comprehensively reflects the state of Uganda's extractive sector, in line with the EITI Standards including the new requirements such as energy transition and our anti-corruption efforts.
- 4.** As we proceed with this review, I encourage us all to bring forth our insights, constructive critiques, and suggestions for improvement. The EITI process is crucial for fostering trust and accountability among all stakeholders.
- 5.** I would like to thank the Secretariat for their tireless efforts in coordinating the drafting process, the companies and government entities for their openness in providing data, and the civil society organizations for their advocacy and oversight. Your efforts ensure that EITI remains inclusive, participatory and relevant for good governance of the sector.
- 6.** The Secretariat circulated the draft report to the members and in this meeting we are going to have the technical team of the IA present the key findings of the report and walk us through the

sections requiring our input. I encourage everyone to actively participate in this critical discussion.

- 7.** Members as you are aware, the Executive Director of the International EITI Secretariat, Mr. Mark Robinson visited Uganda for a mission. The mission took place from August 22 - 23 this year. The purpose of the visit was to follow up on the progress of EITI implementation following the validation outcome. He had engagements with most of the stakeholders charged with EITI implementation in Uganda including the Hon. Minister of Finance, the Permanent Secretary of the Ministry of Energy, institutions implementing EITI including the Petroleum Authority of Uganda, Directorate of Geological Survey and Mines, Office of the Auditor General, Uganda Chamber of Mines and Petroleum, TotalEnergies, Development Partners and Civil Society. The engagements were fruitful and the International Secretariat reiterated their support for Uganda on this journey of transparency and good governance of the extractive sector.
- 8.** We should strive hard to ensure that our commitment towards improving the governance of extractive industries in Uganda for the benefit of present and future generations is realised. We can achieve this by working on addressing the recommendations and corrective actions in the Validation report.
- 9.** With those few remarks, I wish to commend all of you for tirelessly supporting and steering the EITI implementation process.
- 10.** I wish you all fruitful deliberations.

Draft UGEITI Report 2021/22



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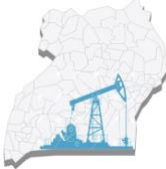
1. The UGEITI reporting process



2. Revenue Generated from the Extractive Industries



3. Reconciliation scope



4. Contribution to the economy



5. Production and exports data

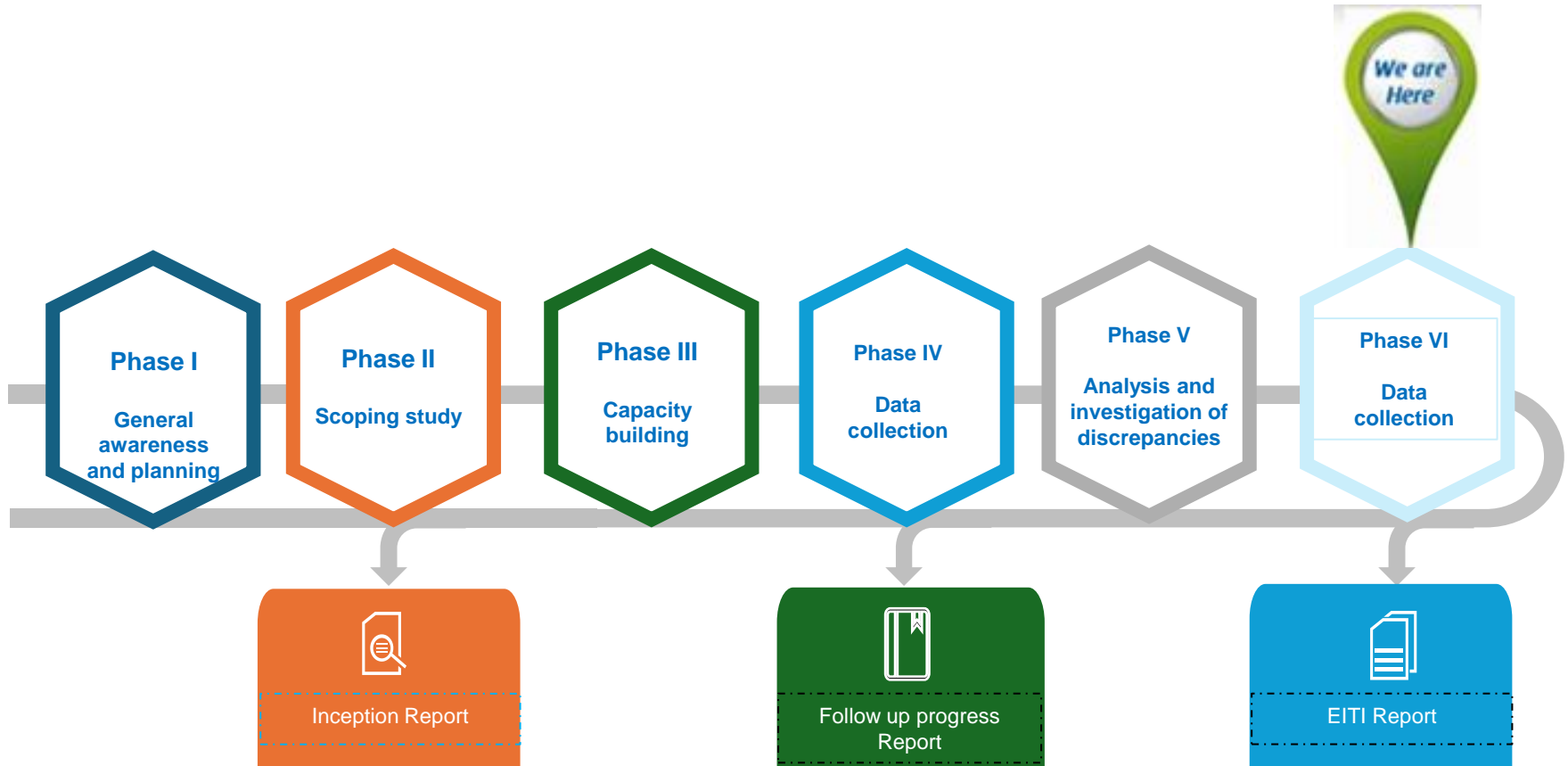


6. Reconciliation results



7. Recommendations

The UGEITI reporting process



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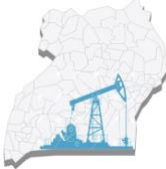
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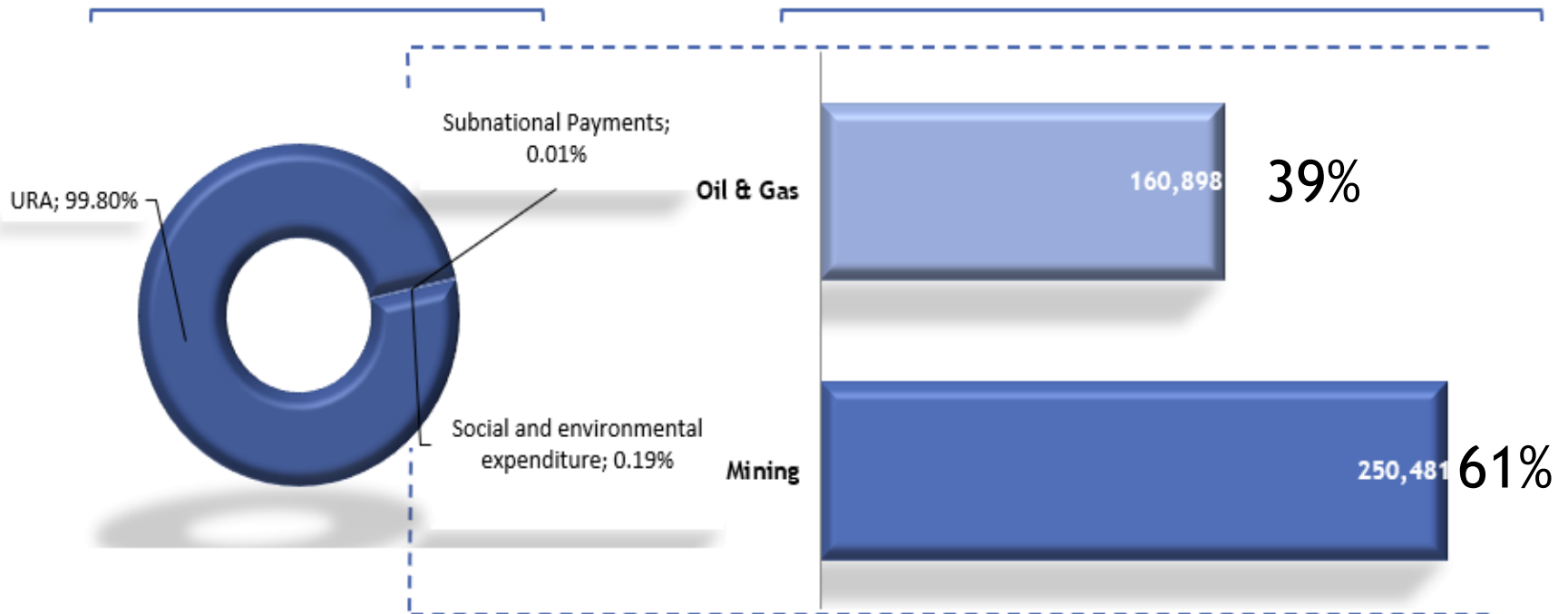
7. Recommendations

Revenue Generated from the Extractive Industries



Revenues from extractive sector
UGX 411,379 million

Contribution by sector
UGX 411,379 million



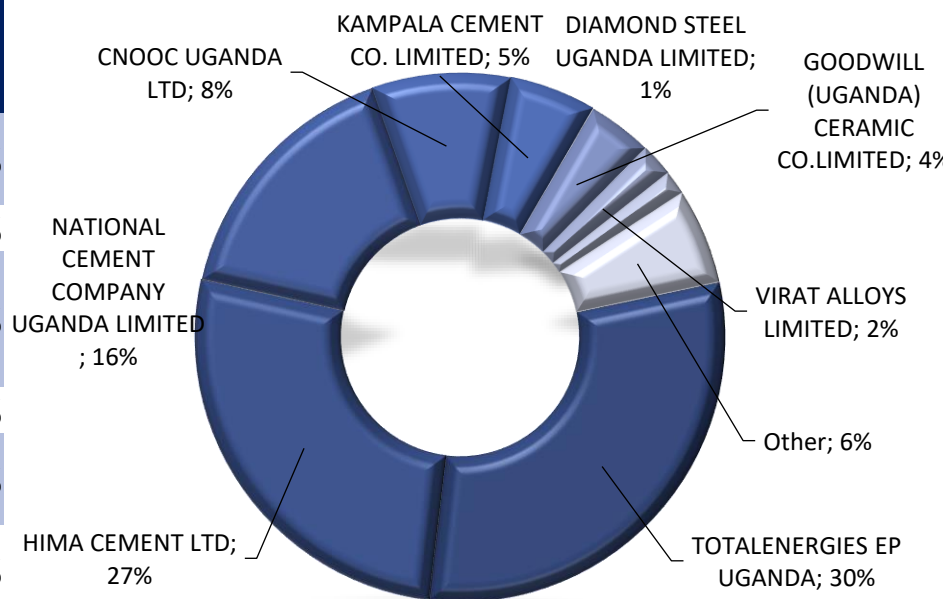
Revenue Generated from the Extractive Industries



Top five companies

millions UGX

Company	Revenues FY 2020- 21	FY 2021- 22	VAR in %	Contr. %
TOTALENERGIES EP UGANDA	119,359	124,205	4%	30%
HIMA CEMENT LTD	16,051	109,551	<u>583%</u>	27%
NATIONAL CEMENT COMPANY UGANDA LIMITED	7,319	66,273	<u>805%</u>	16%
CNOOC UGANDA LTD	12,932	34,806	169%	8%
KAMPALA CEMENT CO. LIMITED	3,697	21,939	493%	5%
GOODWILL (UGANDA) CERAMIC CO.LIMITED	202	16,119	7892%	4%
VIRAT ALLOYS LIMITED	19	8,291	43297%	2%
DIAMOND STEEL UGANDA LIMITED	-	6,075	100%	1%
Other	81,770	24,121	-71%	6%
Total	241,349	411,379	70%	100%

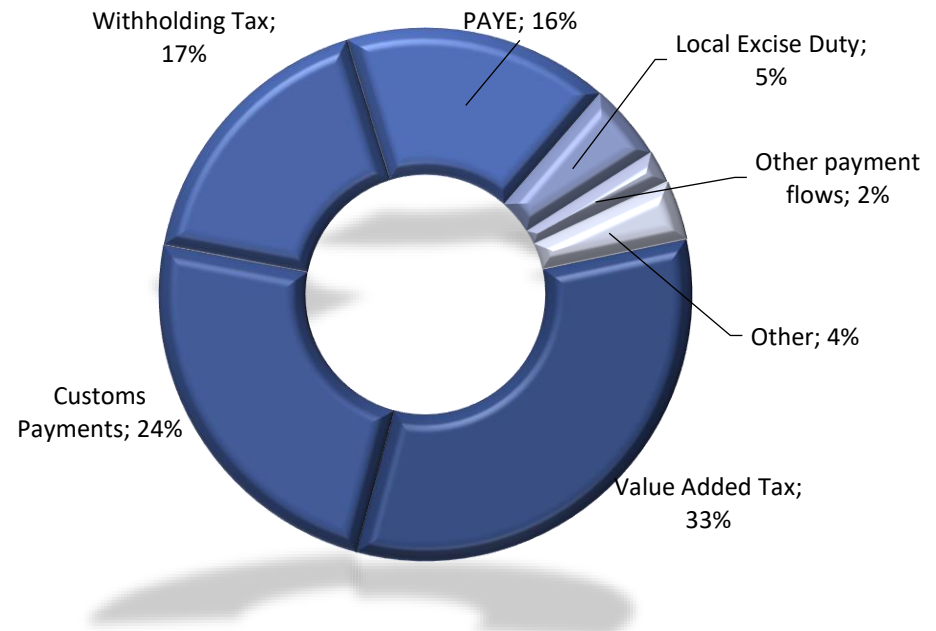


Revenue Generated from the Extractive Industries



Top five payment streams

Payment stream	Revenues	Revenues	Contribution	
	FY 2020-21	FY 2021-22	VAR in %	%
Value Added Tax	23,842	133,732	461%	33%
Customs Payments	13,500	97,940	625%	24%
Withholding Tax	8,707	70,951	715%	17%
PAYE	17,120	66,428	288%	16%
Local Excise Duty	-	19,246	100%	5%
Other payment flows	48,979	8,167	-83%	2%
Other	129,202	14,915	-88%	4%
Total	241,349	411,379	70%	100%



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7. Recommendations

Reconciliation scope



List of companies for Oil sector

N ^o	TIN	Name of Petroleum Companies
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1	1000171284	TOTALENERGIES EP UGANDA
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2	1008571187	CNOOC UGANDA LTD
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3	1013866034	ORANTO PETROLEUM LIMITED
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4	1013940113	ARMOUR ENERGY LIMITED
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Reconciliation scope



List of companies for mining and quarrying sectors

N°	Taxpayer Name
1	TORORO CEMENT LTD
2	HIMA CEMENT LTD
3	NATIONAL CEMENT COMPANY UGANDA LIMITED
4	KAMPALA CEMENT CO. LIMITED
5	GOODWILL (UGANDA) CERAMIC CO.LIMITED
6	MOTA ENGIL ENGENHARIA E CONSTRUCAO AFRICA , SA
7	VIRAT ALLOYS LIMITED
8	DIAMOND STEEL UGANDA LIMITED
9	METRO CEMENT LIMITED
10	WAGAGAI MINING U LIMITED
11	NAMEKARA MINING COMPANY LIMITED
12	SINO MINERALS INVESTMENTS COMPANY LIMITED
13	MHK GENERAL AGENCIES LIMITED
14	ABASI BALINDA TRANSPORTERS LIMITED
15	Q3 HOLDINGS LIMITED
16	HUA HUI INTERNATIONAL GROUP COMPANY LIMITED
17	SAMTA MINES & MINERALS (U) LIMITED
18	DELTA REFRACTORIES LIMITED
19	BUSIA SUGAR AND ALLIED LTD.
20	HILLMARKS LIMITED

Reconciliation scope



List of government agencies

N° Government Agency	Proposed Scope
1 Uganda Revenue Authority (URA)	Retained in the reconciliation scope
2 Uganda National Oil Company (UNOC)	Unilateral disclosure
3 Petroleum Authority of Uganda (PAU)	Unilateral disclosure
4 Directorate of Petroleum (DoP)	Unilateral disclosure
5 Directorate Of Geological Survey and Mines (DGSM)	Unilateral disclosure
6 Kilembe Mines Limited (KML)	Unilateral disclosure
7 Uganda Registration Services Bureau (URSB)	Unilateral disclosure

Reconciliation scope



Comprehensiveness

Government Agencies

All government agencies submitted their declaration forms with exception of the Petroleum Authority of Uganda (PAU) and the Directorate of Geological Surveys and Mines (DGSM) which submitted a partially completed one.

Extractive entities

Out of the 24 companies included in the reconciliation scope, fifteen (15) companies did not submit their declaration forms. The revenues reported by the URA for these fifteen companies represent 52.9% % of the extractive sector's revenues.

Given the observations outlined above, we cannot conclude with reasonable assurance that the EITI data presented comprehensively covers all significant revenues and payments from the extractive sector in Uganda for the year 2021-2022.

Reconciliation scope



Data quality and assurance

Government Agencies

URA and UNOC's declaration forms were signed by a senior official as agreed by the UGEITI MSG. All declaration forms were not certified by the Auditor General (AG). DGSM, URSB and KML declaration forms that were not fully signed.

Extractive entities

Only one company Wagagai Mining U Limited, submitted a declaration form signed by an authorised officer at management level. The revenues reported by Government Agencies in respect of companies which submitted reporting templates not signed by management present 45.5% of the extractive sector's revenues.

Based on the above, we cannot conclude that revenues included in this report were subject to credible, independent audit, applying international auditing standards.

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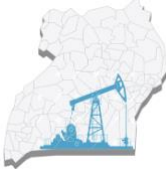
1. The UGETI reporting process



2. Revenue Generated from the Extractive Industries



3. Reconciliation scope



4. Contribution to the economy



5. Production and exports data



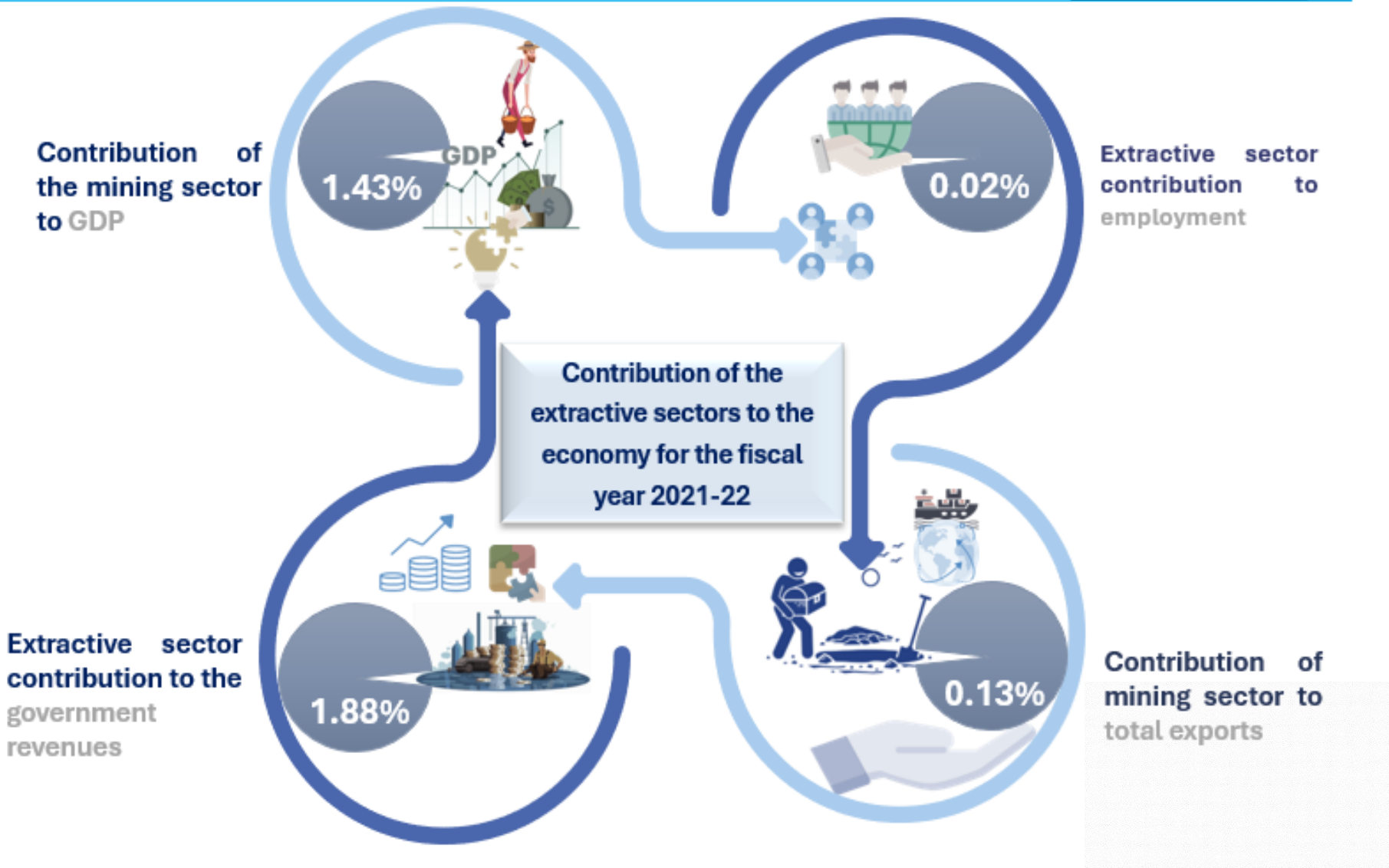
6. Reconciliation results



7. Recommendations



Contribution to the economy



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4. Contribution to the economy



5. Production and exports data



6. Reconciliation results



7. Recommendations



Production data



O&G sector

During the fiscal year 2021-22, the oil and gas sector remained in the exploration and pre-production stage.



Mining sector

Mineral	2021/22 Value (UGX)	Contribution %
Limestone	93,343,667,050	46%
Iron Ore	72,828,561,355	36%
Pozzolana	17,752,573,840	9%
Wolfram	6,820,192,964	3%
Gold	3,428,090,368	2%
Kaolin	3,301,084,715	2%
Syenitic Aggregate	2,483,940,425	1%
Volcanic Ash	1,814,098,860	1%
Marble	89,539,200	0%
Feldspar	24,291,600	0%
Granite	12,144,000	0%
Diatomite	7,595,000	0%
Total	201,905,779,377	100%

Company – Mining Sector	Value in UGX	%
Hima Cement Limited	76,309,600,483	38%
Sino Minerals Investments Company Limited	61,428,070,000	30%
Tororo Cement Limited	32,497,832,864	16%
Kamuntu Investments Limited	10,842,054,355	5%
KI3R Minerals Limited	6,815,554,575	3%
Abasi Balinda Transporters Limited	4,221,998,994	2%
Gems International Limited	2,538,229,839	1%
Kitumbi Kayonza Miners Association Limited	1,379,817,665	1%
Metro Cement Limited	1,306,305,220	1%
National Cement Company Uganda Limited	1,275,696,800	1%
Others	3,290,618,582	2%
Total	201,905,779,377	100%

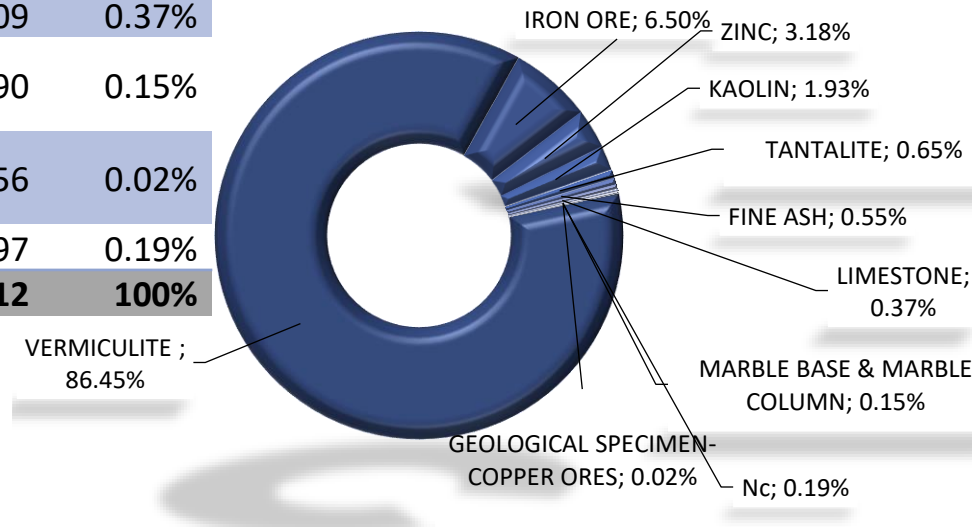
Exports data



Mining sector

Mineral Type	Quantity (Kg)	Value (in UGX)	%
VERMICULITE	16,049,320	12,223,003,492	86.45%
IRON ORE	112,823,600	919,631,199	6.50%
ZINC	247,576	449,455,615	3.18%
KAOLIN	406,050	273,406,953	1.93%
TANTALITE	51,640	91,991,754	0.65%
FINE ASH	1,111,000	78,393,247	0.55%
LIMESTONE	41,150	51,887,709	0.37%
MARBLE BASE & MARBLE COLUMN	26,760	20,790,290	0.15%
GEOLOGICAL SPECIMEN-COPPER ORES	25,000	3,482,256	0.02%
Nc	76,000	27,225,497	0.19%
Total	130,858,096	14,139,268,012	100%

Source: URA



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Reconciliation results



No	Company	Templates originally lodged			Adjustments		Final amounts		
		Comp.	Gov.	Diff	Comp.	Gov.	Comp.	Gov.	Diff
		(a)	(b)	(c) = (a - b)	(d)	(e)	(g) = (a+d)	(h) = (b+e)	(i) = (g-h)
1	TOTALENERGIES EP UGANDA	124,458	124,192	266	-	-	124,458	124,192	266
2	CNOOC UGANDA LTD	34,958	34,806	151	-	-	34,958	34,806	151
3	ORANTO PETROLEUM LIMITED	506	1,768	-1,262	-	-	506	1,768	-1,262
4	ARMOUR ENERGY LIMITED	-	131	-131	-	-	-	131	-131
1	TORORO CEMENT LTD	254,349	265,216	-10,867	- 254,270	- 265,126	79	91	-11
2	HIMA CEMENT LTD	-	99,814	-99,814	-	9,738	-	109,551	- 109,551
3	NATIONAL CEMENT COMPANY UGANDA LIMITED	-	60,043	- 60,043	-	6,230	-	66,273	- 66,273
4	KAMPALA CEMENT CO. LIMITED	19,661	19,683	-22	-	2,225	19,661	21,908	- 2,247
5	GOODWILL (UGANDA) CERAMIC CO.LIMITED	-	16,119	- 16,119	-	-	-	16,119	- 16,119
6	MOTA ENGIL ENGENHARIA E CONSTRUCAO AFRICA ,	7,069	9,627	- 2,558	- 7,069	-9,627	-	-	-
7	VIRAT ALLOYS LIMITED	-	8,291	-8,291	-	-	-	8,291	-8,291
8	DIAMOND STEEL UGANDA LIMITED	-	6,037	- 6,037	-	37	-	6,075	- 6,075
9	METRO CEMENT LIMITED	-	4,966	- 4,966	-	636	-	5,601	-5,601
Total		450,271	663,826	-213,555	-261,338	-255,477	188,933	408,349	-219,416

Reconciliation results



No	Company	Templates originally lodged			Adjustments		Final amounts		
		Comp.	Gov.	Diff	Comp.	Gov.	Comp.	Gov.	Diff
		(a)	(b)	(c) = (a - b)	(d)	(e)	(g) = (a+d)	(h) = (b+e)	(i) = (g-h)
10	WAGAGAI MINING U LIMITED	3,477	3,489	- 13	-	-	3,477	3,489	- 13
	SINO MINERALS								
11	INVESTMENTS COMPANY LIMITED	1,131	1,807	-676	-	-	1,131	1,807	-676
12	MHK GENERAL AGENCIES LIMITED	-	1,051	- 1,051	-	-	-	1,051	- 1,051
13	ABASI BALINDA TRANSPORTERS LIMITED	-	1,044	-1,044	-	-	-	1,044	-1,044
14	Q3 HOLDINGS LIMITED	-	788	-788	-	-	-	788	-788
15	HUA HUI INTERNATIONAL GROUP COMPANY LIMITED	-	721	- 721	-	-	-	721	- 721
16	SAMTA MINES & MINERALS (U) LIMITED	-	677	-677	-	-	-	677	-677
17	DELTA REFRACTORIES LIMITED	-	435	-435	-	-	-	435	-435
18	BUSIA SUGAR AND ALLIED LTD.	-	21	- 21	-	410	-	431	- 431
19	HILLMARKS LIMITED	-	389	-389	-	-	-	389	-389
20	NAMEKARA MINING COMPANY LIMITED	4,662	2,708	1,954	-	-	4,662	2,708	1,954
Total		450,271	663,826	-213,555	-261,338	-255,477	188,933	408,349	-219,416

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7. Recommendations

Recommendations



N°	Recommendations
1	Establishing a legal basis for the UGEITI reporting process (EITI Requirement 4.1)
2	Improving the Identification of Extractive Revenues (EITI Requirement 4.1)
3	Incorporating TPIN and historical information in the mining cadastre
4	Enhancing comprehensiveness of data on beneficial ownership (Requirement 2.5) by including information on PEPS
5	Disclosure of Financial Statements for reporting companies (EITI Requirements 2.6.b and 4.1.c)
6	Disclosure of Project Costs (EITI Requirement 4.10)
7	Greenhouse Gas Emissions (EITI Requirement 3.4)
8	Follow-up on prior years recommendations

Recommendations



N°	Recommendation	Status/progress
<p>Updating data on the contribution of the informal mining sector (EITI Requirement 6.3) (Second EITI Report)</p> <p>1 The ASM contribution to employment was not included in the extractive sector's employment for FY 2020-21 because of lack of updated.</p>		<p>The Mining and Minerals Act and Regulations 2022 and 2023 respectively, have introduced the Artisanal Mining License. This formalization process will ensure that the Government is able to regulate and collect information on the ASM activities in the country.</p> <p>The Secretariat is engaging the World Bank to fund studies on the mining sector that will be able to come up with updated information on the ASM activities in Uganda.</p>
<p>Awarding licenses (EITI Requirement 2.2) (Second Report)</p> <p>2 The review of the licenses awarded during the fiscal year 2020-21 revealed that some required criteria were not met.</p>		<p>Whereas the Directorate of Geological Survey and Mines (DGSM) maintains that there were no deviations from the criteria for awarding licenses, the MSG recognized the relevance of having an independent audit of the mining license awards in order to ascertain the robustness of the licensing process.</p>
<p>Mainstreaming and systematic disclosure of EITI data</p> <p>Data on revenues collected and budget allocations are not systematically published within a centralized platform.</p> <p>3 Government Agencies should set up an open EITI database in their systems as detailed in Section 8.1 of the UGEITI report. (First Report FY 2019/20)</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.</p> <p>The Secretariats calls 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>The Secretariat is engaging the World Bank to fund the development of a platform for collecting and publishing EITI data and information online and in real time.</p>
<p>Mainstreaming and systematic disclosure of EITI data. (Second Report)</p> <p>The UGEITI Multi Stakeholder Group is encouraged to put in</p>		

Recommendations



N°	Recommendation	Status/progress
	Mainstreaming and systematic disclosure of EITI data. (Second Report)	
4	The UGEITI Multi Stakeholder Group is encouraged to put in place a roadmap for the implementation of an open data platform that centralizes all EITI data.	The Secretariat is engaging the World Bank to fund the development of a platform for collecting and publishing EITI data and information online and in real time.
	Public disclosure of the register of licenses (First Report)	
5	Details on licenses, including the full text, are available from DGSM at a fee.	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. DGSM therefore considers the transparency requirement to be fully met.
	Public disclosure of the full text of the mining licenses on the Ministry website. (Second Report)	
6	Even though hard copies of licenses are accessible through payment of administrative fees as detailed in Section 4.5.2	DGSM noted that there were ongoing internal discussions within the Directorate to have licenses accessible online in read-only format.
	Public disclosure of contracts and licenses in Petroleum and Mining sectors. (This is the same for both Reports: FY 2019/20 and FY 2020/21)	
7	Currently, Production Sharing Agreements are not publicly available.	Two petroleum companies (TotalEnergies and CNOOC Uganda Ltd) wrote to the Minister of Energy and Mineral Development stating their willingness to disclose the PSAs. The Hon. MoFPED also brought to the attention of the Attorney General, that Total Energies and CNOOC had formally written to the Minister of Energy and Mineral Development, expressing their no objection to disclosing their PSAs. The Attorney General responded, in a letter dated 2nd July 2024, by stating with the consent from Total Energies and CNOOC, there will be no breach of the confidentiality obligation by the Government of Uganda if the PSAs are disclosed se per the EITI Standard Requirement 2.4. The Attorney General then advised if deemed appropriate, the PSAs may be disclosed as prescribed by the EITI Standard Requirement 2.4.

Recommendations



N°	Recommendation	Status/progress
	<p>Data quality and assurance (This is the same for both 8 Reports: FY 2019/20 and FY 2020/21)</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>The Secretariat requested the remaining two companies that received the Chairperson's letter to respond in writing.</p>
	<p>Accuracy of export data</p> <p>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>An engagement between DGSM & URA was held on 29th December, 2022 to discuss the implementation of automated controls to ensure the comprehensiveness of export data reported by extractive entities using an Electronic Single Window system. https://drive.google.com/drive/folders/16PqUWychM1VaufeakON58iNxNTMaatBq?usp=drive_link</p> <p>The Electronic Single Window System will facilitate business and compliance, help DGSM obtain information on mineral exports. It will also enable URA & DGSM officials investigate mineral trade discrepancies and ensure fast verification of export documents. The next steps are to confirm the openness of the Mining Cadastre system, provide detailed application content and workflow, involve the Ministry of Energy and Mineral Development in communication, map mineral codes and provide detailed classification of refined products, and form a team to handle URA matters.</p> <p>The Secretariat is engaging the World Bank to fund a diagnostic study on the mining sector which is expected to identify the causes and possible solutions in regard to accuracy of export data.</p>

Recommendations



N°	Recommendation	Status/progress
	<p>Production details and export data of gold (EITI Requirements 3.2 and 3.3)</p> <p>The commercial balance of gold shows that imported gold in the country is higher than gold exports as detailed in Section 104.12.2 of the second UGEITI report FY 2020/21.</p> <p>The analysis of gold quantities traded in the country would need to be completed in future by undertaking a study to generate information on quantities of gold production, refining and export in order to minimize variations in the value chain. (Second Report FY 2020/21)</p>	<p>The Secretariat is engaging the World Bank to fund a diagnostic study on the mining sector. This study aims to formally recognize the contribution of Artisanal and Small-scale miners (ASMs) that are predominantly working in informal gold mines. The study intends to highlight the quantities of minerals (gold) extracted and traded by the ASMs in order to understand production and export of the extracted minerals.</p>
<p>11</p>	<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>Key legal reforms that have been made to increase transparency of beneficial ownership include the enactment of: The Companies (Amendment) Act, 2022. The Minister of Justice and Constitutional Affairs issued the Companies (Beneficial Ownership) Regulations, 2023.</p> <p>Uganda Registration Services Bureau (URSB) has held a number of public stakeholder engagements that were open to the public to sensitize them about the requirement to submit BO information. URSB is updating the companies register to include BO information in the companies register. Members of the public can apply to search the register at a fee.</p>



**Thank you for your
attention**

attention

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