



Workshop Report

Workshop with DGSM on Strengthening EITI Implementation



Date: Wednesday, 7th May 2025

Venue: Imperial Botanical Beach Hotel, Entebbe

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Table of Contents

1.0 INTRODUCTION	3
2.0 OPENING REMARKS	4
3.0 PRESENTATION OF UGANDA NATIONAL EITI REPORTS	4
4.0 OVERVIEW OF DGSM AND THE MINERAL DEVELOPMENT PROGRAMME	7
5.0 EXPECTATIONS OF UGEITI ON THE ROLE OF DGSM	8
6.0 HIGHLIGHTS FROM THE 4TH EITI REPORT	9
6.1 Scope of the Report	9
6.1.1 Payment Flows	9
6.1.2 Extractive Companies.....	9
6.1.3 Government Agencies.....	10
6.2 Limitations.....	10
6.3 Non-Revenue Information	10
7.0 WORKSHOP OUTCOMES	11
8.0 CLOSING REMARKS	11
9.0. ANNEXES	13

1.0 INTRODUCTION

The Uganda Extractive Industries Transparency Initiative (UGEITI) Secretariat convened a strategic meeting with the Department of Geological Survey and Mines (DGSM) on Wednesday, 7th May 2025, at Imperial Botanical Beach Hotel, Entebbe. The meeting was part of UGEITI's ongoing efforts to enhance transparency and accountability in the extractive sector. And in this specific case it was organised to discuss and strengthen collaboration in implementing the Extractive Industries Transparency Initiative (EITI) in Uganda.

The workshop specifically focused on the role of the Ministry of Energy and Mineral Development (MEMD), particularly DGSM, in the implementation of EITI requirements. Discussions centred on DGSM's involvement in the data quality assurance process, data verification, and the fulfillment of EITI reporting obligations.

The workshop brought together key stakeholders from the Ministry of Energy and Mineral Development (MEMD), particularly the Mines Department, Uganda Revenue Authority (URA), Ministry of Local Government and the UGEITI Secretariat to deliberate on practical ways to strengthen cooperation in ensuring timely, complete, and reliable data disclosures, review findings from EITI reports, and align on expectations and roles going forward.

1.1 Objectives of the Workshop

The workshop aimed to:

- a) Strengthen collaboration between DGSM, URA and UGEITI in implementing EITI standards.
- b) Present findings and recommendations from Uganda's previous EITI Reports.
- c) Clarify UGEITI's expectations of DGSM in data disclosure, template certification, and sector reporting.
- d) Discuss the preliminary findings of the 4th EITI Report and outline next steps.
- e) Solicit feedback from stakeholders to ensure shared ownership and participation in the EITI process.

2.0 OPENING REMARKS

The Chairperson's remarks were made by Mr, Saul Ongaria, the National Coordinator of UGEITI. He officially opened the meeting, welcoming participants and emphasizing the importance of government collaboration in sustaining EITI implementation. The Chairperson highlighted transparency as a core value for achieving accountability in the extractive sector.

Mr. Ongaria further noted that Uganda had made commendable progress since joining the EITI, but emphasized that the journey towards full implementation required continuous commitment from all stakeholders. He encouraged participants to view the workshop as an opportunity to reflect on the country's milestones, identify gaps, and chart a way forward for improving data quality, stakeholder engagement, and institutional coordination in line with EITI requirements.

In his closing remarks, He reiterated the need for inclusiveness in the implementation process, noting that the success of EITI in Uganda hinged on a strong partnership between government, civil society, and industry players. He called on all actors present to contribute meaningfully to the discussions and reaffirmed UGEITI's commitment to supporting reforms that promote good governance and public trust in the extractive sector.

3.0 PRESENTATION OF UGANDA NATIONAL EITI REPORTS

Mrs. Gloria Mugambe, the Head of UGEITI Secretariat delivered a comprehensive presentation on the key findings and recommendations from Uganda's previous EITI reports, focusing on developments in revenue transparency, license administration, production data, and sector governance.

The presentation began with an overview of how EITI operates in Uganda, under the oversight of the 25-member Multi-Stakeholder Group (MSG), comprising representatives from government, civil society, and extractive companies – supported by the Secretariat. EITI implementation revolved around the annual publication of reconciliation reports based on data collected from sector regulators and revenue authorities.

3.1 Key Highlights from the Latest (3rd) EITI Report – FY 2021/2022 included:

a) Scope and Company Participation

Uganda has steadily expanded the scope of its EITI reports:

- The first report (2019/2020) focused solely on oil and gas companies.
- The second report (2020/2021) added the top eight revenue-paying mining companies.
- The third report (2021/2022) included the top 20 mining companies, accounting for over 90% of mining revenues, marking significant progress in disclosure and inclusivity.

b) Revenue Trends and Challenges

Total reported extractives revenues for FY 2021/2022 stood at UGX 411.38 billion, a modest increase from UGX 374.94 billion in the previous year. However, inconsistencies in classifying revenues persisted due to inclusion of payments by non-extractive companies. A key recommendation was for the Uganda Revenue Authority (URA) to strengthen identification and categorization of extractive revenues.

c) Revenue Streams and Local Royalties

- Major revenue streams included VAT (33%), customs payments (24%), withholding tax (17%), and PAYE (16%).
- Royalties paid to local governments declined to UGX 1.3 billion in 2021/2022, from UGX 1.47 billion in 2020/2021 and UGX 2.37 billion in 2019/2020.

d) Mineral Production and Exports

- The value of mineral production rose sharply to UGX 202 billion in 2021/2022, from UGX 19.92 billion the previous year. Key contributors to this increase were limestone (UGX 93 billion), iron ore (UGX 72 billion), and pozollana (UGX 17.7 billion).
- Vermiculite and iron ore were notable export minerals, with key markets including the USA, Spain, UK, Canada, Kenya, and Belgium.
- Discrepancies between gold production (15 kg), imports (UGX 1.3 trillion), and exports (UGX 6.3 trillion) remained a critical issue, with the Auditor General flagging ongoing concerns regarding gold smuggling and inadequate oversight.

e) License Transparency and Sector Regulation

- Active mining licenses dropped from 688 to 558 over the reporting period, with only 85 newly awarded licenses, reflecting a tightened regulatory environment.

- The 2022 Mining and Minerals Act introduced new licensing categories, including artisanal, small-, medium-, and large-scale licenses, and provisions for a national mining company and model mining agreements.

f) Oil and Gas Sector Developments:

- No new oil exploration licenses were awarded in the reporting year. Three remained active, held by Oranto and Armour Energy.
- TotalEnergies and CNOOC remained the operators of production licenses in the Albertine Graben.
- The Uganda National Oil Company (UNOC) acquired a new exploration license for the Kasuruban block.

g) Contextual Updates included:

- Continued rollout of new mining regulations, including updates to royalty sharing (landowners' share increased from 3% to 5%).
- Development of a new National Petroleum Policy and Energy Transition Plan.
- Uganda's final energy consumption remains heavily reliant on biomass (89%), though electricity access increased from 14% in 2010 to 43% in 2021.

3.2 Key Recommendations from the Report included:

a) Mainstreaming EITI Data

Government agencies should integrate EITI data into their own systems and publicly link it on the UGEITI website.

b) Public Access to Licenses and Contracts

Full texts of mining licenses and petroleum Production Sharing Agreements (PSAs) should be published to improve transparency.

c) Improved Gold Value Chain Oversight

A study should be undertaken to clarify inconsistencies in gold production, refining, and export data.

d) Strengthening the Legal Framework

A roadmap for legal reforms should be developed to mandate company and agency participation in EITI reporting.

e) Capacity Building and Data Accuracy

More technical training is needed for focal points in reporting entities to improve data accuracy and completeness.

f) Enhanced Revenue Identification by URA

URA was encouraged to refine payment categorization and ensure extractive-related taxes are properly tagged and reported.

g) Mining Cadastre Modernization

The DGSM should update the cadastre system to include Tax Identification Numbers (TINs) and full license histories.

4.0 OVERVIEW OF DGSM AND THE MINERAL DEVELOPMENT PROGRAMME

Mr. David Sebagala from the Mines Department (MEMD) gave an overview of the structure and operations of the Directorate of Geological Survey and Mines (DGSM), highlighting the objectives of the Mineral Development Programme. He explained how the programme aligns with EITI's transparency requirements.

He noted that under Strategic Intervention 3 of the NDP III, the programme comprises 13 interventions, some of which include provisions related to EITI. Specifically, Intervention II calls for the domestication of international and regional agreements that promote good governance in the extractives industry;

“Domesticate appropriate regional and international treaties, conventions, agreements, protocols which support good governance in the mining industry.”

This intervention underscored the Government's commitment to integrating international standards, such as the Extractive Industries Transparency Initiative (EITI), into national frameworks to promote transparency and good governance in the mining sector.

Therefore, EITI activities could thus be funded through the Mineral Development Programme.

He also stated that MEMD had participated in the last three EITI reports and was interested in sharing a presentation to the MSG.

He also invited other DGSM staff to get acquainted with EITI roles and activities to better prepare themselves for the routine work and engagements in the future.

5.0 EXPECTATIONS OF UGEITI ON THE ROLE OF DGSM

The presentation was made by Mr. Edgar Mutungi, Finance Officer (UGEITI Secretariat). He outlined five key expectations from the Directorate of Geological Survey and Mines (DGSM) to enhance Uganda's EITI implementation:

1. Timely Disclosure of Disaggregated Data

DGSM is expected to regularly disclose up-to-date, disaggregated data on mineral production, export volumes, and revenues. This includes:

- a) National mineral production statistics (by type, volume, and value).
- b) Legal and fiscal frameworks, including recent legislative changes.
- c) Data on employment, gender equity, and wage fairness.
- d) Environmental compliance and any resource-backed arrangements.

2. Certification and Submission of Reporting Templates

DGSM should certify and submit comprehensive reporting templates that include:

- a) Company-level data on revenues, licenses, and permits.
- b) Export and trade figures.
- c) Social, environmental, and subnational fiscal flows.
- d) Initial reconciliation of payments received from companies.

3. Reporting on Refinery Operations

As the licensing authority, DGSM was expected to monitor and report on:

- a) Compliance of mineral processing and beneficiation facilities.
- b) Traceability of mineral inputs and legality of refined exports.
- c) Consistency between declared mine production and refinery inputs.

4. Project-Level & Environmental Reporting

DGSM is expected to:

- a) Support project-level reporting aligned with cost recovery mechanisms under Production Sharing Agreements (PSAs).
- b) Document and verify annual work plans and project budgets.
- c) Monitor and report on greenhouse gas emissions from extractive activities.

5. Inter-Agency Coordination

Strong coordination is required with agencies such as URA (for revenue verification), NEMA (for environmental reports), and URSB (for beneficial ownership disclosures), as well as with the UGEITI Secretariat for data validation and workplan implementation.

The Secretariat emphasized that DGSM's active and structured participation was vital to ensuring timely, credible, and comprehensive EITI reporting, and to advancing transparency in Uganda's extractive sector.

6.0 HIGHLIGHTS FROM THE 4TH EITI REPORT

The presentation on the 4th Uganda EITI Report for the financial year 2022/2023 was led by Mr. Rashed Maleej as the Independent Administrator. He presented the results of the scoping phase, which involved identifying the key revenue streams, extractive companies, and government agencies to be included in the reconciliation process. It also outlines data limitations and how non-revenue information will be addressed in the final report.

6.1 Scope of the Report

6.1.1 Payment Flows

The report recommends that specific payment flows be included in the reconciliation scope, based on their materiality and relevance to the revenues collected from the extractive sector. These payment flows represent the principal financial contributions made by extractive companies to government agencies and are central to ensuring transparency in the sector.

6.1.2 Extractive Companies

A comprehensive materiality analysis was undertaken to determine which companies should be included in the reconciliation scope. The analysis covered both the mining and oil and gas sectors. Out of a total of 157 reporting entities, 23 companies—comprising 17 mining and 6 oil and gas companies—were found to account for over 99% of total reported revenues in the sector.

In the oil and gas sector, the six companies—TotalEnergies EP Uganda, CNOOC Uganda Ltd, Uganda National Oil Company Ltd, Oranto Petroleum Ltd, Armour Energy (Uganda) SMC Ltd, and DGR Energy Turaco Uganda SMC Ltd—were responsible for 100% of the sector's reported revenues.

In the mining sector, 17 companies accounted for 98.66% of total mining revenues. These included major contributors such as Tororo Cement Ltd, Hima Cement Ltd, National Cement Company Uganda Ltd, Metro Cement Ltd, and Wagagai Mining (U) Ltd. The concentration of revenues among a few

companies underscored the importance of including these specific firms in the reconciliation to ensure meaningful and accurate financial reporting.

6.1.3 Government Agencies

Several government agencies were proposed for inclusion in the reconciliation process for FY 2022/23, based on their role in receiving payments from extractive companies.

The Uganda Revenue Authority (URA) was retained in the reconciliation scope for both the oil and gas and mining sectors. For the oil and gas sector, the Uganda National Oil Company (UNOC), the Petroleum Authority of Uganda (PAU), and the Directorate of Petroleum will provide unilateral disclosures. In the mining sector, the Mines Department and Kilembe Mines Limited are also expected to provide unilateral disclosures. The Uganda Registration Services Bureau (URSB) would provide information on both sectors through unilateral disclosures.

6.2 Limitations

The scoping process encountered several limitations that could affect the completeness of the data:

- Thirty-two entities holding 39 licenses were not included in the payment data received. Any payments made by these entities were not captured and assumed to be nil. This may affect the completeness of the revenue analysis.
- Two of these 32 entities did not have identifiable Tax Identification Numbers (TINs), making it impossible for the Uganda Revenue Authority to trace their records or confirm any potential payments.
- Company-specific production and export data for the fiscal year were not available. This made it difficult to cross-reference revenues with production levels, increasing the risk that some major producing companies may have been excluded from the reconciliation scope.

6.3 Non-Revenue Information

In addition to revenue data, the report also highlights the importance of non-revenue information, which will be addressed in Section 4.2 of the full report. This includes licensing processes, contract transparency, beneficial ownership information, production volumes, and social and environmental expenditures. These disclosures aim to provide a more comprehensive picture of governance in Uganda's extractive sector and align with EITI requirements.

7.0 WORKSHOP OUTCOMES

7.1 Key outcomes included:

- 7.1.1 Strengthened stakeholder coordination within MEMD to streamline data flows.
- 7.1.2 DGSM reaffirmed its commitment to EITI implementation and data transparency.
- 7.1.3 Consensus on the need for physical participation of DGSM staff during company sensitization and training. Including the forth coming training on filling of data templates.
- 7.1.4 A joint action plan between DGSM, URA and UGEITI to improve data collection from mining companies, and enhance EITI implementation. The agreed action points include:
 - a) The MSG Chairperson to write a letter to the Commissioner of Customs at URA to request a meeting regarding the issuance of export licenses for gold refineries, as required under the Mining and Minerals Act, 2022.
 - b) URA to share minutes from the meeting on the implementation of the Electronic Single Window with DGSM.
 - c) Proposals were made regarding the list of companies to be retained in the reconciliation scope for the Scoping Report:
 - To be removed: Morta Engil, MHK, UDC, Armour Energy, and DGR Energy.
 - To be reviewed: Buhweju District Local Government to be updated to reflect Buhweju District United Miners Co-operative Society Ltd.
 - To be included: Abasi Balinda, Samta Mines and Minerals, and Consolidated African Resources.
 - d) DGSM to share with the Secretariat a copy of the Minister's letter to URA regarding implementation of the provisions of the Mining and Minerals Act, 2022, which requires companies to obtain licenses to operate refineries.
 - e) The Secretariat was tasked with compiling progress made by DGSM on implementing recommendations from past EITI Reports.
 - f) The Minister of MEMD to write to companies requesting them to provide data for the Fourth EITI Report.

8.0 CLOSING REMARKS

The Assistant Commissioner, Minerals Department (MEMD) delivered the closing remarks on behalf of the Hon. Minister of State for Minerals. She

expressed appreciation to the UGEITI Secretariat for organizing the meeting and reaffirmed DGSM's full commitment to supporting future EITI activities.

She emphasized the importance of structured collaboration and strengthening internal data systems. In her closing message, she highlighted two key points for participants to take note of and prioritize:

- a) Ensure the accuracy and completeness of data, as any errors would reflect poorly on DGSM
- b) Share the report of this engagement to facilitate follow-up action on the agreed recommendations.

9.0. ANNEXES

Annex 1: Workshop Programme

STRATEGIC MEETING/WORKSHOP WITH DGSM ON STRENGTHENING EITI IMPLEMENTATION

Date: Wednesday 7th May, 2025

Venue: Imperial Botanical Beach Hotel, Entebbe

PROGRAMME

TIME	AGENDA ITEM	RESPONSIBLE PERSON
08:30 - 09:00 a.m.	Arrival and Registration	UGEITI Secretariat
09:00 – 9:15 a.m.	Opening Remarks	UGEITI Chairperson
09:15 – 9:30 a.m.	Remarks from the MEMD	Hon. Minister of State for Minerals
09:30 – 10:00 a.m.	Uganda National EITI Reports; Findings and Recommendations	UGEITI Secretariat
10:00 – 10:30 a.m.	Overview of DGSM <ul style="list-style-type: none">The Mineral Development Programme and its links to transparency in Extractives	Commissioner, Mines Department MEMD
10:30 – 11:00 a.m.	Tea break	Hotel
11:00 – 11:30 a.m.	Expectations of UGEITI on the role of DGSM in EITI implementation: <ul style="list-style-type: none">Disclosure of EITI data and information.Reporting on refinery operations.Certification of templates.	UGEITI Secretariat
11.30 – 12:00 midday	The 4 th EITI Report: <ul style="list-style-type: none">Preliminary findings & Next steps.Physical presence at the training workshop to reinforce compliance.Engaging license holders to participate in the EITI process; filling in the reporting template.	UGEITI Secretariat
12:00 – 12: 45 p.m.	Plenary & Feedback	All
12.45 – 01:00 p.m.	Closing remarks	DGSM
01:00 – 02:00 p.m.	LUNCH & DEPARTURE	Hotel

Annex 2: List of Participants

1. Ms. Nakayenze Phiona Hilda – Ministry of Energy and Mineral Development
2. Mr. David Sebagala – Ministry of Energy and Mineral Development
3. Ms. Mary Nakafeero – Ministry of Local Government
4. Ms. Nassuna Grace– Ministry of Energy and Mineral Development
5. Mr. Michael Malinga– Ministry of Energy and Mineral Development
6. Mr. Christopher Okwii – Ministry of Energy and Mineral Development
7. Mr. Ham Mabinga Matsiko – Ministry of Energy and Mineral Development
8. Ms. Amina Kiiza Bakalimya – Ministry of Energy and Mineral Development
9. Mr. Lawrence Muwonge – Uganda Revenue Authority
10. Mr. John Odyek – New Vision Printing and Publishing Co. Ltd
11. Mr. Saul Ongaria – UGEITI Secretariat
12. Mrs. Gloria Mugambe - UGEITI Secretariat
13. Mr. Francis Okello – UGEITI Secretariat
14. Mr. Ariho Ignatius – UGEITI Secretariat
15. Mr. Kanakulya Edwin Kavuma – UGEITI Secretariat
16. Ms. Nakimwero Gloria – UGEITI Secretariat
17. Mr. Bwoye Perez Ham – UGEITI Secretariat
18. Ms. Victoria Akakikunda Aine – UGEITI Secretariat
19. Ms. Acom Angela Susan – UGEITI Secretariat
20. Mr. Gordon Muhereza – UGEITI Secretariat
21. Ms. Anyait Stellan – UGEITI Secretariat
22. Ms. Gertrude Angom – UGEITI Secretariat
23. Mr. Naluswa Ibrahim Kasango – UGEITI Secretariat
24. Mr. Mutungi Edgar – UGEITI Secretariat
25. Mr. Gitta Abbey – UGEITI Secretariat
26. Mr. Agaba Dan Dennis – UGEITI Secretariat
27. Mr. Edison Kamwe - UGEITI Secretariat