Uganda Extractive Industries Transparency Initiative

MINUTES OF THE 33RD MEETING OF THE MULTI-STAKEHOLDER GROUP (MSG) OF THE UGANDA EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (UGEITI) HELD ON THURSDAY, 21ST MARCH 2024 AT THE IMPERIAL ROYALE HOTEL, KAMPALA.

Attendance List

No.	Name	Institution
	GOVERNMENT	
1.	Mr. Robert Tugume	Ministry of Energy and Mineral Development (MEMD) **(Chair)**
2.	Mr. Moses Kaggwa	Ministry of Finance, Planning & Economic Development (MoFPED)
3.	Mr. Winston Mugumya	Ministry of Energy and Mineral Development (MEMD)
4.	Mr. Joseph Kyeyune	Uganda Revenue Authority (URA)
5.	Ms. Sophie Luwano	Ministry of Water and Environment (MWE)
6.	Mr. David Sebagala	Ministry of Energy and Mineral Development (MEMD)
7.	Mr. Malik Ntale	Ministry of Energy and Mineral Development (MEMD)
8.	Mr. Philip Andrew Wabulya	Bank of Uganda (BOU) *via zoom*
	CIVIL SOCIETY ORGANISATIONS	
9.	Mr. Gard Benda	World Voices Uganda *via zoom*
10.	Mr. Onesmus Mugyenyi	Advocates Coalition for Development and Environment (ACODE)
11.	Ms. Regina Navuga	SEATINI Uganda
12.	Dr. Henry Bazira	Water Governance Institute
13.	Mr. Sam Mucunguzi	Citizens' Concern Africa *via zoom*
	INDUSTRY	
14.	Ms. Ingrid Muhanguzi	CNOOC Uganda Limited
15.	Mr. Obad Noah	Oranto Petroleum Limited
16.	Mr. Emmanuel Kibirige	Uganda Artisanal and Small-scale Miners Association
17.	Ms. Emilly Nakamya	Uganda National Oil Company *via zoom*
18.	Hon. Elly Karuhanga	Uganda Chamber of Mines & Petroleum *via zoom*
19.	Dr. Tom Buringurinza	Armour Energy Limited *via zoom*
20.	Mr. Kenneth Asiimwe	Uganda Chamber of Mines & Petroleum
	OBSERVERS	
21	Ms. Magdalene Nabirye	Office of the Auditor General (OAG)
22	Mr. Henry Tumusime	Ministry of Energy and Mineral Development (MEMD)
23	Ms. Patricia Opoka	Uganda Registration Services Bureau (URSB)
	UGEITI	
24.	Mr. Saul Ongaria	National Coordinator **(Secretary)**
25.	Ms. Gloria Mugambe	Head of Secretariat
26.	Mr. Francis Garvin Okello	Administration Officer
27.	Mr. Kanakulya Edwin Kavuma	Compliance Officer
28.	Mr. Dan Denis Agaba	Statistician
29.	Mr. Edgar Mutungi	Finance Officer
30.	Mr. Abbey Gitta	Research Officer

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31.	Mr. Ignatius Ariho	Information Technology Assistant
32.	Mr. Bwoye Perez Ham	Procurement Assistant
33.	Mr. Gordon Muhereza	Office Assistant
34.	Ms. Susan Acom	Office Assistant
35.	Ms. Bronia Arinda	Data Management Assistant
36.	Ms. Betty Kisakye	Administrative Assistant
37.	Ms. Linda Stacy Nalumu	Communications Assistant
38.	Ms. Gertrude Angom	Monitoring & Evaluation Officer
	MEMBERS ABSENT WITH APOLOGY	
1.	Mr. Faustine Mugisha	TotalEnergies Uganda
2.	Mr. Siragi Magara	Oxfam in Uganda

AGENDA

1) Welcome, Introductions and Adoption of the Agenda
2) Communication from the Chairperson.
3) Review of Minutes of the 32nd MSG Meeting and Matters Arising.
4) Presentation on the draft National Oil and Gas Policy.
5) Review of the Draft EITI Validation Report.
6) Presentation on the flow of Subnational Payments.
7) Way forward.

MIN 1.0: WELCOME AND INTRODUCTIONS

1.1 The National Coordinator called the meeting to order at 10:09 a.m. He welcomed everyone and requested each participant to introduce themselves. Mr. Robert Tugume, a Government Constituency representative, was nominated to chair the meeting on behalf of the substantive MSG Chairperson, who was engaged in another official assignment

1.2 The meeting agenda was adopted.

MIN 2.0: COMMUNICATION FROM THE CHAIR

2.1 The Chair delivered the opening remarks, which are appended as *Annex A*. He extended a warm welcome to all members and expressed gratitude for their dedicated efforts towards ensuring the successful implementation of the EITI. The highlights included:

a) Uganda's draft EITI Validation Report revealed that the country had achieved a score of 70.3%, indicating a moderate performance. During a meeting with UGEITI, the International Secretariat presented 15 corrective actions for review, which could potentially improve the country's final score if implemented.

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b) New members were appointed to the Multi-Stakeholder Group to replace those who had left their institutions. The Ministry of Energy and Mineral Development appointed Mr. Malik Ntale and Mr. Winston Mugumya to replace Mr. Kennedy Okewling of the Mineral Development Programme and Mr. Francis Elungat of the Department of Petroleum, respectively. Additionally, CNOOC Uganda appointed Mr. Ma Jin to replace Ms. Yuping Song.

c) The main purpose of the meeting was to review the draft EITI Validation Assessment Report for Uganda.

MIN 3.0: REVIEW OF MINUTES OF THE PREVIOUS MEETING

3.1 Under Minute 4.2 b), the phrase 'price projections' was amended to read 'revenue projections' in relation to the varying global oil prices.

3.2 The Minutes of the 32nd MSG meeting that was held on Thursday, 1st February 2024 were reviewed and adopted as a true record of the proceedings of that meeting.

3.3 <u>Matters Arising</u>:

a) Under Minute 5.1 b), a representative from the Mineral Development Programme informed the meeting that a detailed presentation would be provided at a subsequent MSG meeting to provide clarification on the flow of subnational payments.

b) Under Minute 5.1 c), a representative from the Civil Society Constituency asked whether the draft National Oil and Gas Policy had been circulated prior to the meeting, allowing the MSG sufficient time to review it beforehand. In response, the Secretariat informed the meeting that only a hard copy had been shared but a soft copy was needed for easy distribution. Subsequently, the Ministry of Energy and Mineral Development (MEMD) pledged to share a soft copy with the Secretariat and advised that the MSG had until the end of April 2024 to review and provide comments.

MIN 4.0: PRESENTATION ON THE DRAFT NATIONAL OIL AND GAS POLICY

4.1 A presentation attached as *Annex B* was made by Mr. Henry Tumusiime, a Geophysicist at the Ministry of Energy and Mineral Development (MEMD). The presentation focused on Uganda's strategic objectives and the anticipated outcomes over the next 10 years for the oil and gas sector. The highlights included:

a) A review of the National Oil and Gas Policy (NOGP) which was initiated after 12 years to address emerging issues such as; transition to renewable energy, environmental concerns, social and economic equity issues, etc. Government recognised the evolving landscape of the energy sector and the need for updated policies to align with current challenges and opportunities.

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b) The revised policy also aimed at ensuring that Uganda's oil and gas sector development was sustainable, inclusive, and aligned with national development goals.

c) The review was also prompted by the findings of the Regulatory Impact Assessment (RIA) 2020-2021, which recommended the revision of the National Oil and Gas Policy (NOGP) and the Energy Policy to develop one comprehensive policy addressing the gaps across the entire petroleum value chain.

d) The key strategic objectives of the new policy included:
- Increasing the size of reserves.
- Ensuring efficient and sustainable management of petroleum resources.
- Ensuring value addition, commercialisation and optimal national participation in the sector.
- Ensuring sound environmental and social management, security, quality of health and safety.
- Enhancing transparency, accountability, and management of stakeholder participation

e) The expected outcomes of the new policy included:
- Increasing the petroleum industry's contribution to the National GDP from 3% (2021) to 12% in 10 years.
- Increasing investment in the petroleum industry from USD 6.3 billion (2023) to USD 20 billion in 10 years.
- Boosting petroleum revenue from USD 0.046 billion (2021) to USD 2.8 billion per annum in 5 years.
- Expanding employment opportunities from 10,651 Ugandans employed in the petroleum industry (2022) to 161,700 in 10 years.
- Developing the National Petroleum Policy with key outcomes currently in progress.

f) The development of the new policy commenced in 2021 and validation of the final draft would be conducted in April 2024. The policy is expected to be approved by Cabinet in June 2024.

4.2 Reaction from Members

a) A representative from the Civil Society (CSO) Constituency raised concerns about the feasibility of retaining some contracts for Ugandans, given that most of the contracts were won by foreign companies. The presence of numerous middlemen had minimised the benefits to the local participants in the value chain. In response, the presenter emphasized that the petroleum industry was highly specialized and capital intensive, making it necessary for the regulator to require contracts to be unbundled to enable Ugandans participate

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effectively. Going forward, Government could align policies to enable greater participation by Ugandan companies.

b) Reacting to the presentation, a member from the Industry Constituency stated that the most cost-effective method to balance carbon emissions was through tree planting. Members suggested integrating this approach into existing legal frameworks such as the energy policy, tax policy, and Forestry Act. This inclusion could be incorporated into the draft National Oil and Gas Policy as a means to capture carbon and mitigate the impact of these extractive activities on climate change.

c) In response, the presenter noted that the policy already contained a section for addressing climate change, energy transition and environmental safety. He stated that they would explore ways of how to incorporate tree planting for carbon capture into the policy framework.

d) A representative from the Civil Society Constituency also pointed out that Uganda had been benefiting from carbon credits for the past 15 years. His concern was about whether the price paid in the carbon market accurately reflected emissions from various sources, such as vehicles, or if an environmental levy imposed on imported reconditioned vehicles was just a formality. The representative suggested that the alternative could be to adjust the tax policy to motivate the public to purchase brand-new vehicles by reducing taxes on newer models. However, in response, the presenter clarified that due to the legal framework in Uganda, incorporating tax issues into the National Oil and Gas Policy would not be feasible. Nevertheless, the representative from the CSO Constituency implored the MEMD to further investigate how such integration could be achieved.

e) A representative from the Civil Society Constituency stated that institutional coordination for Government agencies was still a challenge. He noted that while there were sound policies in place for managing different sectors effectively, there was a general lack of collaboration and coordination to ensure these policies were properly enforced. He asserted that a unified policy framework would streamline regulations, enhance coordination, and maximize the benefits of the oil and gas sector for Uganda's development. In response, the presenter acknowledged the concern and stated that the importance of coordination would be emphasized in the draft National Oil and Gas Policy to ensure effective enforcement.

f) Another representative from the Civil Society Constituency expressed concern about local content in Uganda's oil and gas sector. He highlighted that despite a significant investment of over USD 6.3 billion over 18 years, only about 10,000 Ugandans were employed in the sector. He inquired about the policy's approach towards enhancing the capacity of Ugandans to participate in the sector. He also mentioned

R-V-that the policy could have overlooked other social groups and primarily concentrated on the inclusion of women in the sector. In response, the presenter reassured members that the policy was comprehensive and addressed the needs of all marginalized groups.

g) A representative from the Civil Society Constituency pointed out that while the document was conceptualised to ensure private sector participation, it appeared more theoretical than practical. He noted that some of the criteria for local participation were excessively stringent, making it impossible for Ugandans to participate in the value chain. He inquired whether the policy had established a program to enhance the capacity of Ugandans to engage in the value chain.

h) A representative from the Industry Constituency highlighted that involving Ugandans in the value chain was more complex than it appeared. He noted a prevailing misconception that contractors would receive payment within 60 days of signing contracts, which often was not the case. Consequently, some members of the private sector had lost their collateral to banks due to delayed repayments that had resulted in loan defaults. He urged the MSG to advocate for local investors to access loans at lower interest rates from the Petroleum Investment Fund to enhance national content. This could enable Ugandans to directly benefit from the oil and gas industry's value chain.

i) The MSG Chairperson clarified that, by law, all funds in the petroleum fund could only be allocated for infrastructural development. Following the submission, the Secretariat noted the need for the MSG to be advised by the central bank representative on the matter.

j) A representative from the Ministry of Energy and Mineral Development affirmed that the draft policy had addressed the majority of concerns raised by the MSG, such as energy transition, carbon policy, the forestry act, and institutional coordination. He emphasized the importance of articulating these concerns effectively to ensure that they would be implemented according to their specific needs.

MIN 5.0: REVIEW OF THE DRAFT EITI VALIDATION REPORT.

5.1 The presentation attached as *Annex C* was made by the Head of Secretariat. She informed the meeting that the validation exercise was presently in the MSG commentary phase, with a deadline set for 27th March 2024 for submission to the International Secretariat.

5.2 Uganda had received a score of 70.3% for its EITI validation assessment. However, there was a possibility of improving the score if the following actions were undertaken:

a) Linking the priorities of the National Development Plan III to UGEITI's work-plan and update the work-plan with funding sources.
b) Clearly stating the stance on contract disclosure in the Open Data Policy.
c) Including notes on the progress made in following up on past recommendations from EITI reports.
d) Including notes on the assessment of the impact of specific reforms within the broader context of EITI impact in Uganda.
e) Providing a full list of applicants for the 2nd petroleum licensing round.
f) Specifying the dates of application for oil licenses and providing the dates and coordinates of mining licenses.
g) Agreeing policy on contracts disclosure, with emphasis on how to address obstacles.
h) Providing progress made (including challenges) on the national register database on beneficial ownership.
i) Clarifying on the transfer fee from Tullow to TotalEnergies.
j) Clarifying how materiality threshold was determined for Sub-national payments.
k) Clarifying on the level of disaggregation for companies like the National Cement Company, including annual mineral rents.
l) Clarifying on the formula used for making sub-national transfers.
m) Providing the definition/ applicability of UNOC's participation in public works i.e., quasi-fiscal expenditure.
n) Publishing the consultancy report on artisanal mining.

5.3 The Addendum to the UGEITI Report FY 2020/2021 had been updated with additional information to address all the concerns mentioned above, except for items e), g), i), and l).

5.4 The Civil Society Constituency had received the lowest score of 60%, whereas both the Government and Industry constituencies received scores of 90% each. However, during a meeting with the International Secretariat held on Thursday, 14th March 2024, the members of the CSO constituency raised concerns about their score and resolved to document their feedback.

5.5 The final draft of the EITI Validation Report was scheduled to be presented to the EITI Validation Committee on 16th April 2024. Uganda's final score would be announced by the EITI Board during its upcoming meeting in June 2024.

5.6 Reactions from members

a) A representative from the Civil Society Constituency expressed dissatisfaction with the draft EITI Validation Report, stating that it

R-T-did not accurately represent the CSO constituency. He argued that the assessment with results for Government (90%), Industry (90%), and CSO (60%) scores conveyed a misleading message, suggesting that CSOs had negatively affected the country's validation assessment score. The CSO representatives stated that the score:

- Was not representative of what was on-ground; it undermined their efforts and achievements.
- It gave the wrong impression that they had a poor working relationship with Government and companies, yet the relationships had improved greatly during the last 15 years.
- It did not capture and reflect their submissions to the validation team during the in-country Validation Mission held in December 2023.

b) He further noted that CSOs comprised of different organisations with various interests on the East African Crude Oil Pipeline (EACOP) project; with some supporting it and others opposing it. Therefore, it was risky to evaluate CSOs participation solely based on their involvement in the EACOP saga. CSOs were diverse in nature, and not all members were engaged in the extractive sector. While freedom of expression was a fundamental human right, it was crucial to consult CSOs specifically involved in the extractives sector on issues related to projects like EACOP. Additionally, supplementary information could be provided to the CSO statement on civic space - regarding CSOs arrested during the EACOP saga to clarify whether they were directly involved in the extractive sector.

c) The CSO Constituency indicated the score reflected negatively on Uganda's civic space and the entire Government in general.

d) A representative from the Government Constituency expressed the view that the primary role of the International Secretariat was to examine the contents of the EITI report and assess whether the existing systems were sufficient and transparent for effectively managing the sector. For instance, he deemed it unfair to be assessed for invalid licences that had expired and were deleted from a geospatial system that worked efficiently by showing licences that were active in the current financial year. It should be evident that expired licenses could not appear on such a system.

e) A representative from the Industry Constituency commended the improvements made in the systems and processes of several agencies in the extractive sector, including the Mineral Development Programme, the Petroleum Authority of Uganda (PAU), and the Department of Petroleum. He expressed that some information required by international bodies were not necessary.

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MIN 6.0 PRESENTATION ON THE FLOW OF SUBNATIONAL PAYMENTS

6.1 A member from the Mineral Development Programme informed the meeting that a technical officer would prepare a presentation on the flow of sub-national payments to explain the transfers which fell below the statutory threshold of 20% at a subsequent MSG meeting.

6.2 He clarified that their submissions focused on royalties received during the reporting period (2020/2021). However, discrepancies could arise due to various reasons, such as delayed payments, with some funds collected pertaining to the previous reporting period or the previous financial year. Additionally, annual penalties on royalties could contribute to discrepancies in the reported figures.

6.3 The presenter advised that the issue of discrepancies would be addressed only if government adopted the accrual accounting reporting system.

MIN 7.0 WAY FORWARD

7.1 The MSG resolved as follows:

a) MSG to share their comments and input on the draft National Oil and Gas Policy by end of April 2024.
b) The CSOs were to review and provide comments to the CSO Section of the draft EITI Validation Report and the addendum by Tuesday, 26th March 2024.
c) All EITI Stakeholders to provide the Secretariat with the necessary supplementary information by Tuesday, 26th March 2024.
d) Mineral Development Programme to make a presentation on the flow of subnational payments to the MSG.

7.2 The Chair adjourned the meeting at 2:07 p.m.

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ACTION MATRIX

Min No.	Action Point	Resp. Inst./Individual	Timeline	Action Update
3.3 b)	Share comments and input on the draft National Petroleum Policy.	MSG	End of April	Done.
5.4	Review and provide comments on the CSO Section of the draft EITI Validation Report.	CSO	26th March 2024.	Done
5.0	Provide the Secretariat with the necessary supplementary information.	EITI Stakeholders	Tuesday, 26th March 2024.	Done
6.1	Make presentation on the flow of subnational payments to the MSG.	Mineral Development Programme	Next MSG	Presentation to be made at the 34th MSG meeting.

Signed:

Chair: ____________ Date: 26/07/2024

Secretary ____________ Date: 26/07/2024

REMARKS OF THE MSG CHAIRPERSON AT THE 33RD EITI MULTI-STAKEHOLDER GROUP MEETING HELD ON 21ST MARCH 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. I welcome you to this meeting of the Multi-Stakeholder Group. I would like to take this opportunity to thank everyone for tirelessly working to make EITI implementation a success.

3. Members, today we have a full agenda before us. The main purpose of today's meeting is to review the draft EITI Validation Assessment Report for Uganda, which has been shared with you. As you may be aware, in the draft assessment, Uganda scored 70.3% which is ranked as moderate, the other scores being low (0 – 49), fairly low (50 – 69), high (85 – 92) and very high (93 – 100) . A meeting took place between the International Secretariat and the MSG validation committee on 5th March 2024 during which the International Secretariat presented 15 corrective actions for the MSG's consideration. The presentation that was discussed during this meeting has been shared with you by the UGEITI Secretariat. The deadline for the MSG's response to the draft validation assessment is 27th March 2024. Following the submission of our comments, the International Secretariat will then finalize the

validation report, and submit it to the EITI International Board for their discussion and review. The final decision on Uganda's validation is expected to be discussed at the EITI International Board meeting planned for 18th to 19th June in Geneva. It is therefore important that we consider the comments that have been collected and ensure that we have adequate responses from the relevant institutions for each of the 15 corrective actions identified, so as to contribute to the possibility of an improved score.

4. As you aware, in the last meeting an issue on the disbursement of royalties to the Local Governments came up and the MSG tasked DGSM to make a presentation on the flow of the royalties. This matter was also raised as one of the corrective actions in the validation report and I hope that after today's presentation, we shall get more clarity.

5. We also have on our agenda a presentation of the draft National oil and gas policy. Members proposed that a stakeholders, they be given an opportunity to have an input into the document. The Directorate of Petroleum is therefore going to present the policy and thereafter engage members to providing comments so that their input is captured before the document is adopted by the Country .

6. With those few remarks, I wish to commend all of you for making the time to attend this meeting, and I wish you all fruitful deliberations.

Thank you.

THE REPUBLIC OF UGANDA

MINISTRY OF ENERGY AND MINERAL DEVELOPMENT

NATIONAL PETROLEUM POLICY

Final Draft – Version 1

"To exploit and utilize petroleum resources sustainably to contribute to equitable socio-economic development in Uganda."

FEBRUARY 2024

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FOREWORD

The energy consumption in Uganda is mainly biofuels and waste which contributes 87.18% of the total primary energy consumed through firewood, charcoal and crop residues while petroleum accounts for 11.19% of the national energy mix and electricity contributes approximately 1.63%. In addition, petroleum products constitute 15% of the total import bill of the country.

This policy comes at a time when the country needs to consolidate the achievements made towards developing the national petroleum resources not only to avert the challenges of security of product supply and balance of payments but also to transform the country into a modern economy.

In Uganda today, a new momentum for structural transformation is gathering steam after years of conflict, turmoil and economic stagnation. The country is once again on a positive path of growth and political and socioeconomic transformation, despite the strong headwinds caused by the global economic downturn. On the other hand, many challenges, however, remain. There are still far too many people living in abject poverty, the lack of decent jobs is pervasive, especially for the youth, and the country lags behind other countries in the region concerning social development indicators.

The development of petroleum resources provides the country with an opportunity to fast-track the economic and social transformation process. The new policy direction shall not only actualize the dream for the first oil but also leverage the value addition, national participation and intersectoral linkages to spur growth and industrialization of the Country.

The National Petroleum Policy development followed an intensive consultative process involving a multi-stakeholder network of institutions that play a key role in the design, implementation, financing, benefiting, monitoring and evaluation of petroleum programmes. I wish to thank the technical team from the Ministry and sector agencies which spearheaded the development of this policy led by Ms. Irene Bateebe, the Permanent Secretary.

In conclusion, I wish to pay special tribute to His Excellency President Yoweri Kaguta Museveni, President of the Republic of Uganda for his guidance and vision to secure Uganda's economic future. I also thank my colleagues in the Cabinet and at the Ministry; Hon. Sidronius Okaasai Opolot, Minister of State for Energy, and Hon. Peter Lokeris, Minister of State for Minerals, for their support in executing our duties.

Hon. Dr. Ruth Nankabirwa Ssentamu
MINISTER OF ENERGY AND MINERAL DEVELOPMENT

PREAMBLE

The petroleum industry in Uganda has evolved from predominantly product supply to exploration and development for production in the last three decades. The Energy Policy for Uganda 2002 whose goal was "to meet the energy needs of Uganda's population for social and economic development in an environmentally sustainable manner'' guided the industry into the first commercial discovery in 2006. Following the discovery, the National Oil and Gas Policy for Uganda 2008 (NOGP'08) with the goal ''to use the country's oil and gas resources to contribute to early achievement of poverty eradication and create lasting value to society'' was formulated to consolidate the achievements of the energy policy particularly for upstream and midstream segments of the petroleum value chain.

The achievements of the two policies include; progressive expansion of investment in the industry; increased petroleum resources, enhancement of government efforts in petroleum exploration, development and production processes, increased security of petroleum product supply, and increased employment and contract opportunities within the industry among others. However, the review of the two policies in 2020 revealed a number of issues within the industry such as the size of discovered resources to support commercial infrastructure development, delayed production of the discovered resources, in-country value creation and retention from the resources, security of product supply, optimization of national participation, environmental and climate change concerns and changes in the global energy landscape among others. Therefore, there was a need to develop a new policy to address these issues and other emerging challenges.

This Policy will consolidate the achievements of the implementation of the previous Policies and address the new and emerging challenges to maximize the benefits resulting from the development and exploitation of the country's petroleum resources in line with the country's Uganda Vision 2040.

Specifically, the Policy seeks to put in place a framework to provide a basis for;

i. Accelerating promotion and exploration of the country's petroleum potential to create a sustainable petroleum industry
ii. Efficient resource management to ensure optimal petroleum production practices and maximization of value from the industry to the benefit of society as a whole
iii. Leveraging the petroleum industry linkages to spur wider national economic growth
iv. Increasing national participation to enhance in-country value retention

v. Safeguarding other natural resources, assets and the environment by promoting safe and environmentally friendly petroleum operations
vi. Supporting low carbon initiatives in the development of the industry in recognition of the energy transition
vii. Streamlining the licensing and regulation across the petroleum value chain.

With this policy, the Government of Uganda is emphasizing the sustainable development of the petroleum industry to contribute to equitable socio-economic development in Uganda.

In conclusion, I would like to thank His Excellency the President of Uganda, Yoweri Kaguta Museveni whose vision and guidance led to the discovery of petroleum resources in the country and enabled industry to grow and transform the country. The Hon. Ruth Nankabirwa Ssentamu - Minister of Energy and Mineral Development, Hon. Sidronius Okaasai Opolot - Minister of State for Energy, and Hon. Peter Lokeris - Minister of State for Minerals for their guidance as well as the previous Ministers who over the years have spearheaded the implementation of the petroleum policies.

I wish to thank the Staff in the Ministry and sector agencies, government Ministries, Departments and Agencies who have contributed to the achievements we see in the industry today and their efforts in developing the National Petroleum Policy. The contribution of all the stakeholders who participated in the consultations is duly recognized. I am equally grateful to numerous development partners, especially the Government of the Kingdom of Norway who, in partnership with the Government of the Republic of Uganda, facilitated the development of this Policy and all those partners that have supported us since the beginning of Uganda's Oil journey and beyond. We look forward to continuing that collaboration in implementing the National Petroleum Policy 2024.

Irene Bateebe

PERMANENT SECRETARY

ACKNOWLEDGMENTS

I would like to acknowledge the contributions of the following previous staff whose dedication, hard work and expertise shaped our sector through the development and implementation of the National Oil and Gas Policy 2008 and Energy Policy for Uganda 2002. Their impact in the sector deserves recognition; Dr. Kabagambe Kaliisa, Mr. Robert Kasande, Mr. Reuben Kashambuzi, Eng. Paul Mubiru, Eng. Moses Murengezi, Mr. James Baanabe, Eng. Henry Bidasala, Mr. Godfrey Ndawula (RIP), Mr. Wilson Wafula, Mr. Benon Bena, Eng. Erias Kiyemba, Dr. Frank Ssebowa, Mr. Valentine Katabira and many more

I would also like to extend my appreciation to the taskforce and individuals from the Ministry, Agencies and Partners that have played a pivotal role in the successful completion of this policy. These include: Honey Malinga, Frank Mugisha, Wilson Mbire Tumushabe, Tonny Sserubiri, Tonny Ddungu, Winston Mugumya, Henry Tumusiime (from Upstream), Geoffrey Ogwang, Steven Sherura Bainenama, Herbert Mugizi, Timothy Nigiwani (from Midstream), Rev. Frank Tukwasibwe, Disani Kiguli, Faridah Nakayiza (Petroleum Supply), Caroline Aguti, Anthony Katusiime, Hillary Arima, Shallon Niwamanya (from Health, Safety and Environment, and Gender). Paul Okitoi, Emmanuel Ajutu, Gerald Banaga Baingi, Samuel Babito Akiki, Daniel Amanya, Esther Tulisanyuka (from Sector Planning and Policy Analysis), Solomon Muyita, Cynthia Kamukama, Pamela Nsubuga, (from Communications), Joan Nyesiga, Timothy Atugonza (from National Content). Sector Agencies: Clovice B Irumba, Felix Bob Ocitti, Rodney Golooba, Denis Ariko, Joseph Kobusheshe (Petroleum Authority of Uganda), Lyoidah Kiconco, Edith Tushabe Atuhurira, Brian Ochaki Kabalega (Uganda National Oil Company), Mike Nsereko (National Environment Management Agency), Marion Mbabazi Sandra (Ministry of Gender, Labour and Social Development), Daniel Mbabazize, Abu Nsamba (Ministry of Finance, Planning and Economic Development), Muhamad Abubakar Moki, Yusuf Mayega (Cabinet Secretariat, Office of the President) and Susan Kateme, Michael Aporuku (from SMOGPIII). While it may not be possible to individually mention all the people and entities due to the constraints of brevity, I take note that your collective efforts have been crucial to the successful development of this National Petroleum Policy 2024.

Irene Bateebe

PERMANENT SECRETARY

LIST OF ACRONYMS

CSO	:	Civil Society Organization
EACOP	:	East Africa Crude Oil Pipeline
EIA	:	Environmental Impact assessment
EPCM	:	Engineering, Procurement and Construction Management
ESIA	:	Environmental Social Impact Assessment
FEED	:	Front End Engineering Design
FID	:	Final Investment Decision
GDP	:	Gross Domestic Product
HGA	:	Host Government Agreement
HSE	:	Health Safety and Environment
KIP	:	Kabalega Industrial Park
KST	:	Kampala Storage Terminal
LPG	:	Liquefied Petroleum Gas
MDAs	:	Ministries, Departments and Agencies
MEMD	:	Ministry of Energy and Mineral Development
MoFPED	:	Ministry of Finance, Planning and Economic Development
MOU	:	Memorandum of Understanding
NEMA	:	National Environment Management Authority
NFA	:	National Forestry Authority
NOGP	:	National Oil and Gas Policy

PAU	:	Petroleum Authority of Uganda
RIA	:	Regulatory Impact Assessment
SEA	:	Strategic Environmental Assessment
SMEs	:	Small and Medium Enterprises
UIA	:	Uganda Investments Authority
UNBS	:	Uganda National Bureau of Standards
UNOC	:	Uganda National Oil Company Limited

GLOSSARY OF TERMS

Development” means the planning, placement, construction and installation of facilities needed for the production of petroleum;

Discovery” means to establish through the drilling of a well the presence of petroleum not previously known to have existed, and which is recoverable at the surface in a flow which can be measured by petroleum industry methods;

Drilling” means the perforation of the earth’s surface for purposes of making a discovery, establishing the extent of a discovery, or production of the discovered petroleum;

Exploration” means the undertaking of activities, whether on land or water, for the purpose of discovering petroleum and includes geological, geophysical and geochemical surveys and drilling of wells for the purpose of making a discovery and its appraisal;

Field” means a geological structure or feature which hosts one or more reservoirs from which petroleum production may be commercially undertaken through a defined set of facilities;

Flaring” means the combustion of hydrocarbons without the application of the resulting heat or gases for any useful purpose;

License” means a license issued under this policy;

Licensee” means a person to whom a license is granted under this policy;

Minister” means the minister responsible for petroleum activities;

Natural gas” means all petroleum which is in a gaseous state at 15^{0}c at atmospheric pressure, including wet gas, dry gas and residue gas remaining after the recovery of liquid hydrocarbons;

Petroleum activity” means planning, preparation, installation or execution of activities related to petroleum including reconnaissance, exploration, development, production, transportation, storage, and cessation of activities or decommissioning of facilities;

Petroleum’’ means any natural or refined hydrocarbons or mixture of one or more hydrocarbons (whether in a gaseous, liquid or solid state) or with any other substances.

Production” means all activities relating to recovering oil and gas from a reservoir and preparing it for evacuation from the field area;

EXECUTIVE SUMMARY

The petroleum industry in Uganda has been guided by the Energy Policy of Uganda and the National Oil and Gas Policy for Uganda since 2002 and 2008 respectively. The two policies were reviewed in 2020 through the Regulatory Impact Assessment (RIA) process, and the key findings indicate that a number of achievements have been registered.

The achievements as a result of the implementation of the two Policies include; the commercial discovery of 6.5 billion barrels of stock tank oil initially in place with 1.4 billion barrels estimated to be recoverable, foreign investment of approximately, USD 4.8 billion (in the upstream and midstream projects) and USD 1.5 billion per year in the downstream projects, maintained security of product stock, creation of more than 10,000 direct jobs, establishment of institutions to govern the industry, enactment of legislation for the industry among others. However, the petroleum industry is faced with continued challenges and inadequacies in; resource base and size of reserves to support commercial infrastructure, production and utilization of discovered resources, security of petroleum product supply, in-country value creation and retention, participation of Ugandans and Ugandan enterprises and concerns in the management of environment health, safety and security of stakeholders including increased public anxiety and expectations. The RIA recommended the formulation of a comprehensive National Petroleum Policy (NPP) focused on consolidating the achievements attained and addressing the identified gaps, as well as emerging issues.

The NPP has been designed to foster the growth of the petroleum industry anchored on the goal to exploit and utilize petroleum resources sustainably to contribute to equitable socio-economic development in Uganda. The Policy identifies nine strategic objectives that will meaningfully transform the industry and these include;

i. To increase the size of petroleum reserves.
ii. To efficiently manage the country's petroleum resources.
iii. To ensure value addition and commercialization of the produced petroleum.
iv. To ensure an efficient and sustainable supply of quality petroleum products in the country"
v. To develop national capacity and ensure technology transfer for the petroleum industry
vi. To ensure optimal national participation in the petroleum industry.

vii. To ensure sound environmental and social management in the petroleum industry
viii. To enhance quality health, safety, security, and work environment in petroleum operations
ix. To enhance transparency, accountability, and Management of stakeholder participation.

The Policy is driven by a firm commitment by the Government to end energy poverty and transform society while leveraging on the global and regional value chains as a result of increased energy demands. The expected outcomes to be realized over the ten years of implementation include:

i. Increased contribution of the petroleum industry to the National GDP from 3% as of 2021 to 12% in 10 years
ii. Increased investment in the petroleum industry from USD 6.3 billion as of 2023 to 20 billion in 10 years
iii. Increased petroleum revenue from USD 0.046 billion as of 2021 to USD 2.8 billion per annum in 5 years
iv. Increased employment opportunities from 10,651 Ugandans employed in the petroleum industry as of 2023 to 161,700 in 10 years
v. Increased value of contracts awarded to Ugandan Companies from 25% as of 2023 to 40% of the total contracts' value in 10 Years
vi. Reduced percentage of petroleum products import bill to the total import bill from 15% to 1% in 10 years
vii. Reduced greenhouse gas emissions associated with petroleum activities (from 30 kgCO2e to 20 kgCO2e in 10 years.
viii. Increased social inclusion in petroleum activities from 33% women employed in the petroleum industry to 50% of the total employees in 10 years

At the apex of implementation, the Cabinet shall provide strategic direction for Uganda's Petroleum industry transformation. The petroleum industry is multidisciplinary and the implementation of the policy objectives will be multisectoral and cut across different Ministries, Departments, and Agencies (MDAs). Therefore, the Ministry of Energy and Mineral Development shall provide the coordination and consultation forum to ensure harmony and coherence in policy implementation. The government shall also collaborate with the Private Sector, Civil Society, Development Partners and all relevant non-state actors in the implementation of this Policy.

The preparation of the policy has followed an inclusive process where all stakeholders including Government MDAs, Licensees, Development Partners, Private Sector Associations, Civil Society Organizations (CSOs), Cultural and Religious Institutions, Media, Researchers and Academia were extensively consulted at various stages of the preparation process. In addition, the Policy has been aligned to reflect aspirations in the National Vision 2040, EAC Industrialization Policy 2012-2032, African Union Agenda 2063, the United Nations Sustainable Development Goals (SDGs) 2030, the United Nations Framework Convention on Climate Change, Paris Agreement, United Nations Guiding Principles on Business and Human Rights, and Extractive Industries Transparency Initiatives, among others.

1.0 INTRODUCTION

Following the discovery of commercial petroleum resources in Uganda in 2006, the country adopted a National Oil and Gas Policy in 2008 which led to the establishment of institutions to govern the industry and, the enactment of legislation for the industry among others. As a result of the implementation of this Policy, the country witnessed significant and continued investment in the petroleum industry. The intense exploration and appraisal activities culminated in additional petroleum discoveries and a full evaluation of these discoveries. This effort led to the confirmation of 6.5 billion barrels of stock tank oil initially in place (STOIIP), with 1.4 billion barrels estimated to be recoverable. The upstream petroleum industry is now progressing into the development and subsequently production phases of the upstream petroleum value chain.

The anticipated petroleum production in the country created the need for infrastructure that adds value to the produced petroleum. The country has therefore taken significant steps in planning and implementing the development of infrastructure in the petroleum midstream sub-sector. This includes the development of an in-country refinery together with an export pipeline.

The development of the upstream and midstream projects is expected to lead to an investment of approximately USD 15 billion in 5 - 7 years. In the downstream segment, the investment is estimated at USD 1.5 Billion per year as of 2021. As the country gears towards the production and value addition of the confirmed petroleum resources, it is presented with an opportunity to ensure the security of the supply of petroleum products in the country. This strategy will aim to leverage the linkages that will be created in the entire petroleum value chain from upstream, through midstream to downstream sub-sectors. Despite the global agenda for energy transition, petroleum resources will continue to play a major role in the global energy mix for several decades to come through 2025 (Exxon Mobil, 2023)[1], and Uganda will therefore, continue to explore for and produce its petroleum resources in due consideration of the environment.

The developments described above have therefore occasioned the formulation of this Petroleum Policy. This Policy will consolidate the achievements of the implementation of the National Oil and Gas Policy (2008) and address the new and emerging challenges to maximize the benefits resulting from the development and exploitation of the country's

[1] https://corporate.exxonmobil.com/-/media/global/files/advancing-climate-solutions-progress-report/2023/2023-advancing-climate-solutions-progress-report.pdf

petroleum resources in line with the country's Uganda Vision 2040 through the Sustainable Development of Petroleum Resources Programme.

Specifically, the Policy seeks to put in place a framework to provide a basis for;

(i) Accelerating promotion and exploration of the country's petroleum potential to create a sustainable petroleum industry

(ii) Efficient resource management to ensure optimal petroleum production practices and maximization of value from the industry to the benefit of society as a whole

(iii) Leveraging the petroleum industry linkages to spur wider national economic growth

(iv) Increasing national participation to enhance in-country value retention

(v) Safeguarding other natural resources, assets and environment by promoting safe and environmentally friendly petroleum operations

(vi) Supporting low-carbon initiatives in the development of the industry in recognition of the energy transition

(vii) Streamlining the licensing and regulation across the petroleum value chain.

A background to this Policy is presented giving an overview of the status of the petroleum activities in the country and the key achievements. This is followed by a description of the country's petroleum resource base and key issues of concern in the development of a sustainable petroleum industry in the country.

The Policy framework is then presented including the Policy goal, guiding principles, strategic objectives and actions required to achieve the objectives. The Policy then addresses linkages and cross-cutting issues with other sectors such as impacts of petroleum activities on the other sectors. An institutional framework for managing the country's petroleum industry is also presented together with the role of the different institutions. The Policy concludes with a presentation on its financing along with a framework for monitoring and evaluation of its implementation.

2.0 BACKGROUND

2.1 Global and Regional Context

The petroleum industry has been used as an engine for development in many advanced and emerging economies through the production, processing, transportation and consumption of petroleum products and as such, petroleum taken as a whole represents the world's largest industry in terms of dollar value. Despite record growth in renewables, the share of world energy coming from fossil fuels still remains at about 82% (KPMG, 2023)[2]. Petroleum is vital to many industries and is necessary for the maintenance of industrial civilization making it a critical concern for many nations. Oil and natural gas are major industries in the energy market and play an influential role in the global economy as the world's primary fuel source.

Africa's petroleum needs range from the use of gasoline and diesel as primary fuels in road transport to power generation. Households also use a variety of petroleum products such as kerosene for lighting, cooking, and heating; and liquefied petroleum gas for cooking and heating. Oil demand in Africa stood at an average of 4.36 million barrels per day in 2022. This was a slight increase compared to the previous year and the second highest volume registered for the year under review (Statista, 2023)[3].

The East African petroleum market is expected to register a Compound Annual Growth Rate of more than 3.5 % during the forecast period of 2022-2027[4].

Therefore, amidst the global agenda to adopt the use of low-carbon energy sources through clean energy technologies with the final goal of abolishing or significantly reducing fossil energy (coal, oil and gas) dependency, the current projections show that the petroleum resources will still play a big role in providing in the much-needed energy and petrochemicals in the next 4-5 decades[5]

2.2 National Context

2.2.1 Overview

The petroleum industry can potentially transform Uganda's economy and drive socio-economic development through sustainable development and utilization of the petroleum resources to create maximum value for the current and future generations.

The petroleum industry in Uganda has three main segments: Upstream, Midstream and Downstream which form the mainframe of petroleum operations in Uganda. Upstream involves exploration, development and production together with the attendant processing and transportation of crude hydrocarbons. Midstream involves refining, conversion, transmission and any associated transportation and storage of crude hydrocarbons or bulk refined

[2] https://kpmg.com/xx/en/home/insights/2023/06/statistical-review-of-world-energy-2023.html#:~:text=All%20aspects%20of%20the%20trilemma,urgency%20into%20the%20energy%20transition.
[3] https://www.statista.com/statistics/1248712/annual-average-oil-demand-in-africa/#:~:text=Oil%20demand%20in%20Africa%20stood,4.43%20million%20barrels%20per%20day.
[4] https://www.mordorintelligence.com/industry-reports/east-africa-refined-petroleum-products-market
[5] https://www.linkedin.com/pulse/role-oil-gas-global-energy-mix-luke-bennett

products. Downstream involves the transportation, processing, storage, marketing, and distribution of refined hydrocarbon products. These three segments are governed by three policies; National Oil and Gas Policy, 2008 and Local Content Policy for the Oil and Gas Industry, 2018 addressing both upstream and midstream subsectors while the Energy Policy for Uganda, 2002 addressing the downstream subsector.

The investment made by the Government and oil companies in the country's petroleum industry to date has led to major data acquisition and confirmation of commercial petroleum resources. To date, one hundred and twenty-one (121) exploration and appraisal wells have been drilled with an unprecedented success rate of over 88%. The detailed exploration so far undertaken covers less than 40% of the Albertine Graben. However, no detailed exploration has been undertaken in other prospective frontier basins of Moroto-Kadam, Lake Kyoga and Hoima basins. There are ongoing efforts to investigate the hydrocarbon potential of under or unexplored parts of the Albertine Graben and frontier basins for subsequent exploration licensing.

In order to commercialize the discovered resources, the Government and the licensed companies agreed to develop a crude oil pipeline for export, an in-country refinery and other associated infrastructure such as roads, an International Airport, an export hub, a refined product pipeline and other associated facilities. The development of a Natural Gas Pipeline from Tanzania to Uganda along the EACOP corridor is also being explored.

Currently, Uganda is a net importer of petroleum products, 95% of the products are sourced through Kenya and 5% through Tanzania. There are over 2984 retail outlets that supply fuel country wide[6]. The consumption in Uganda stands at 2.3 billion litres of petroleum products per year at a consumption growth rate of 7% per annum as of 2021[7]. LPG remains the least consumed product at 1% despite minimal growth of 10% over the last 5 years. In comparison, the monthly consumption for Tanzania, Kenya and Rwanda is 3.6[8], 5.2[9], and 0.54[10], billion litres of petroleum products respectively.

Uganda's petroleum import bill is estimated at USD 2.39 billion per annum. This constitutes about 15% of the total national imports and represents slightly above 20% of the total export earnings as of 2021[7]. The consumption of petroleum products could grow faster if the economic growth experienced in the past decade continues. As such, Uganda will continue

[6] Republic of Uganda (2020). Office of the Auditor General Report on downstream petroleum operations, 2019. https://www.newvision.co.ug/news/1527160/fuel-stations-operating-illegally-%E2%80%94-report

[7] MEMD Statistical Abstract (2021). https://memd.go.ug/wp-content/uploads/2020/07/2021-STATISTICAL-ABSTRACT.pdf

[8] https://www.statista.com/statistics/1261502/petroleum-product-consumption-in-tanzania-by-type/

[9] The Republic of Kenya (2020). Energy and Petroleum Statistics Report. https://www.epra.go.ke/wp content/uploads/2021/03/Energy-and-Petroleum-Statistics-Report-2020.pdf

[10] Republic of Rwanda National (2020). The Downstream Petroleum Policy of November 2020. https://www.minicom.gov.rw/index.php?eID=dumpFile&t=f&f=25975&token=43d8c732cfabb2cab1d92de34c8bd672842267aa

to import refined products to meet national fuel consumption requirements before commencing the local refining of discovered petroleum resources.

As the country progresses from the exploration and development phases to the production phase of the petroleum value chain, cumulative investment in the upstream and midstream petroleum segment in the country is expected to increase from USD 6.3 Billion to USD 15 Billion in the next 5 to 7 years. In the downstream segment, the investment was estimated at USD 1.5 Billion per year in the last five years.

The achievements notwithstanding, there are significant challenges facing the petroleum industry that need to be addressed including fully establishing the country's resource potential, expediting the development and production of the discovered resources, adding value to petroleum, increasing access and usage of petroleum products and increasing national participation. Furthermore, there is a need to strengthen the regulatory framework to achieve efficient regulation of the entire petroleum value chain.

2.2.2 Status of licensing

Currently, approximately 10% of the Albertine graben is licensed to four oil companies. There are five Exploration Licenses, namely; the Kanywataba Contract Area, Turaco Contract Area, the Ngassa Deep Play and Ngassa Shallow Play Contract Areas, Kasurubani (Fig. 1). In addition, there are nine (9) petroleum production licenses covering fourteen oil and gas fields covering Kingfisher, and Mputa-Nzizi-Waraga fields; while seven (7) are covering Jobi-Rii, Ngiri, Gunya, Ngege, Kasamene-Wahrindi, Kigogole-Ngara, and Nsoga fields. The Uganda National Oil Company (UNOC) is mandated by law to manage participating interests on behalf of the state in all the production licenses issued.

2.2.3 Resource Base

Currently, Uganda's petroleum resources are estimated at 6.5 billion barrels of Stock Tank Oil-Initially-In-Place (STOIIP), of which 1.4 billion barrels are estimated to be recoverable. In addition, gas resources are currently estimated at 500 billion standard cubic feet (BCF). There is potential for additional resources in the country expected from the 60% of the Albertine Graben that is unexplored and the Moroto Kadam, Lake Kyoga and Hoima basins that are yet to be explored.

The first commercial discovery in Uganda was made over the Mputa field in 2006. This discovery created great interest in exploration in the country. To date, out of the 31 prospects drilled 21 petroleum discoveries have been made in the country putting the prospect success rate in the Albertine Graben at 68%. One hundred and twenty-one (121) exploration and appraisal wells have been drilled with one hundred and six (106) wells encountering oil and/or gas which is an unprecedented drilling success rate of over 88%.

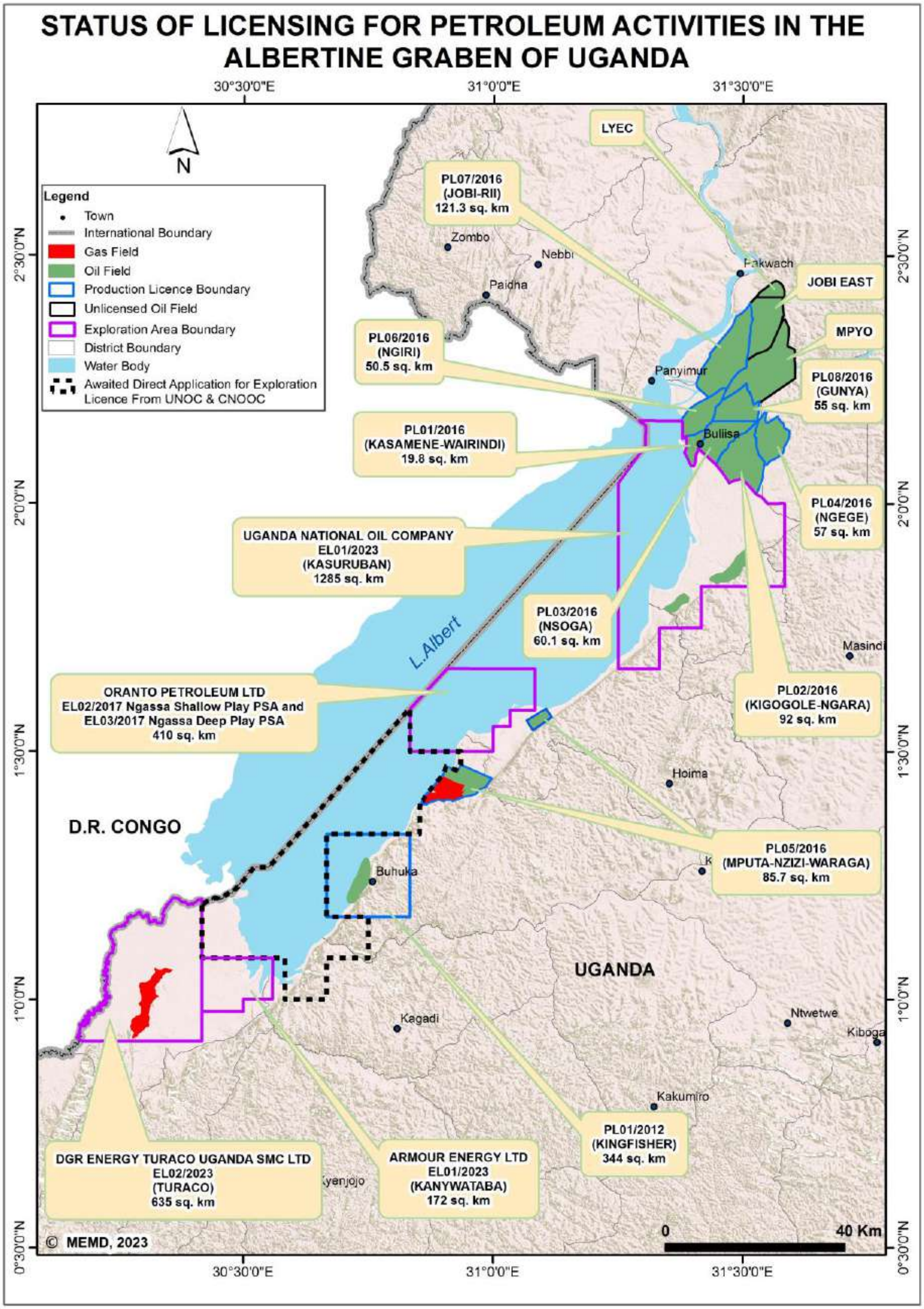

Figure 1: *Map showing the status of Petroleum licencing in the Albertine graben as of September 2023.*

2.2.4 Development Projects

The discovery of commercial petroleum resources and increased petroleum product demand in the country has supported the development of a number of projects. These include;

i) Tilenga and Kingfisher Development Projects

The Tilenga and Kingfisher Projects are designed to process 230,000 barrels per day (bpd) with the Tilenga Project designed to process 190,000bbls per day and the Kingfisher Project designed to process 40,0000 bpd. The two projects will export the crude through the EACOP and the refinery. The development of these projects is a major milestone in the exploitation of petroleum resources in Uganda. The magnitude of these projects and the planned duration of their execution towards production will lead to a steep ramp-up in activities, hence the need to enhance regulation of the petroleum activities.

ii) The East African Crude Oil Pipeline Project

The East African Crude Oil Pipeline is a buried pipeline system that will transport crude oil produced from the Tilenga and Kingfisher developments in Uganda's Lake Albert area to world markets. The pipeline starts in Kabaale-Hoima in Uganda and ends on the Chongoleani peninsula near Tanga on the Indian Ocean coast in Tanzania. This major export system includes 1,443 km (296 km in Uganda and 1147 km in Tanzania) of insulated and buried 24" inch electrically heated pipeline, six pumping stations, two pressure reduction stations and a marine export terminal in Tanzania.

The EACOP enables Uganda to unlock value from its petroleum resources and presents opportunities for both Uganda and Tanzania which include job creation, local content, revenues for the host countries, infrastructure, logistics, technology transfer and enhancement of the corridor in the East African Region.

iii) The Greenfield Refinery Project

The Uganda Refinery is a private sector-led project which includes the development of a 60,000 barrels of oil per day (bopd) refinery located in Kabaale-Hoima District, a 211-kilometer multi-products pipeline from Kabaale to a distribution hub in Namwambula-Mpigi District, a refined product storage terminal in Namwabula-Mpigi, and a raw water pipeline from the Lake Albert to the refinery in Kabaale. The refining of the discovered oil in-country is crucial to supply the national and regional petroleum product demand.

iv) Jinja and Kampala Storage Terminals

Currently, Uganda is a net importer of petroleum products that are transported mainly by road through Kenya and to a small extent through Tanzania. There is one public storage terminal that is Jinja Storage Terminal (JST), which is a 30 million litre capacity storage terminal located in Jinja, Eastern Uganda. It is a fully functional reserve for petroleum products in Uganda. Plans are underway to enhance the operational efficiency at the JST and also establish the Kampala Storage Terminal (KST) to enhance the security of the supply of petroleum products in the country. The KST is a 320 million litre capacity Kampala Storage Terminal at Namwabula-Mpigi District, designed to receive, store and serve as a central distribution terminal for refined petroleum products. It will also serve as a central hub for the development of regional pipeline infrastructure for refined products.

v) Liquefied Petroleum Gas projects

The Liquefied Petroleum Gas projects are aimed at promoting the use of Liquefied Petroleum Gas (LPG) in the Country to conserve the environment and reduce carbon emissions. The country currently consumes 2.3 billion litres of petroleum products monthly at a growth rate of 7% per annum as of 2021. The LPG remains the least consumed product at 1% of the total product consumption despite the growth rate of 10% over the last 5 years. There is currently a low uptake of LPG in the country mainly because of the relatively high cost of the product and its start-up kit (cylinder and accessories), as well as the wide-scale stigma of the dangers associated with it.

The production of LPG from Kingfisher and Tilenga development projects underscores the commitment to ensure the availability and affordability of LPG in the Country. In addition, the cylinder manufacturing and refill station projects that are private-led will not only improve the accessibility of LPG in rural areas but also support the government efforts to integrate LPG into the cooking energy mix in Uganda which is fundamentally skewed, with 94% of the 7.3 million households constituting 37 million people (as per the 2014 National Population and Housing Census) using biomass in the form of firewood or charcoal.

2.2.5 Enabling Infrastructure Projects

The supporting infrastructure to the petroleum projects includes; Kabalega Industrial Park (KIP) and Kabalega International Airport (KIA), Critical Oil roads, Natural Gas Pipeline, and Physical planning of major towns in the Albertine Graben. Kabalega Industrial Park (KIP) is a Petro-based industrial park that will be developed on 29.57 km^2 of land in Hoima District. It is a specialised and extraordinary Industrial Park that has been zoned to be developed as a strategic commercial venture that will accommodate anchor projects such as the Refinery, the second-largest International Airport in Uganda and the Crude Export Hub. In addition, it will host petro-based industries such as plastics, fertilizers and petrochemicals among others.

The Government is developing an International Airport to support the petroleum industry, and tourism operations, among others. The construction of Kabalega International Airport (KIA) which includes, a Code 4F Runway (which can handle big and heavy aircraft), a Taxiway, an Apron, a multi-purpose Terminal Building for Cargo and Passengers, a Fire Station, a Car Park, Access Road, Perimeter Fence and Electrical Centre, among other facilities. The Airport will support the delivery of some of the equipment required for the Upstream and Midstream projects, together with the transportation of personnel.

The government has invested in the construction of critical oil roads in the Albertine region of approximately 660 km to support the petroleum operations in the country. These roads support the transportation of logistics necessary for the exploration, development and production of petroleum resources. These roads will also support the commercialization of the produced petroleum resources and social service delivery within the region.

Development of the natural gas pipeline from Tanzania to Uganda is being explored to provide natural gas for the iron and steel industry in Uganda. In this regard, a memorandum of understanding (MOU) was executed between the governments of both countries.

The development of Physical Plans for all areas affected by the petroleum infrastructure is ongoing. In this regard, the Physical plans for major towns such as Hoima and Buliisa have already been integrated with the infrastructural plans of the petroleum industry.

2.2.6 Local Content Development

The participation of Ugandans and Ugandan enterprises in the petroleum industry is one of the ways to create lasting value to society as envisioned in the previous Policy and the Local Content Policy for the Petroleum Industry, 2018. The number of persons employed within the industry as of December 2022 stood at ten thousand six hundred fifty-one (10,651) people of which 94% are Ugandans. At the peak between 2024 and 2025, the projects are expected to reach an estimated direct employment of 11,000 to 13,000 persons. The Ugandan enterprises participating in the industry are expected to retain at least 30% of the total investment. The national participation and intersectoral linkages are key to unravelling the full potential of the industry.

Furthermore, the realization of value from the exploitation of these resources shall also be dependent on the efficiency of the processes involved. Currently, the licensing and regulatory functions in the upstream and midstream subsectors, are handled by the MEMD and PAU respectively. On the other hand, the Petroleum Supply department under the MEMD handles both licensing and regulatory functions for the downstream subsector. The business aspects of the petroleum industry are handled by the Uganda National Oil Company in the entire value chain.

There is a need to enhance capacity and strengthen efficiency, transparency and avoidance of conflict of interest in institutions governing the industry across the entire value chain.

2.3 Petroleum Potential and Opportunities

2.3.1 Sedimentary Basins

There are six sedimentary basins in Uganda as shown in Figure 2 and also described below.

(i) The Albertine Graben

The Albertine Graben is the most investigated area with the highest potential for petroleum exploration and production in the country to date. The Graben forms the northernmost part of the western arm of the East African Rift System. It stretches from the border between Uganda and South Sudan in the north to Lake Edward in the south, a total distance of approximately 500 km with an average width of 45 km. The graben straddles both the Democratic Republic of Congo and Ugandan borders, with the Ugandan part measuring approximately 23,000 km^2.

(ii) The Moroto-Kadam

The Moroto-Kadam Basin is located in north-eastern Uganda covering the districts of Moroto, Napak, Nakapiripirit, Katakwi, Kween, Bulambuli, Kumi, Bukedea and Bukwo. It is predominantly a flat terrain measuring approximately 81 km in width and 74 km in length with a total surface area of approximately 5,672 km^2. The petroleum potential of the Moroto-Kadam basin is still under investigation and a lot of work is still needed to de-risk the basin.

(iii) The Hoima-Basin

Hoima basin is an old sedimentary basin which lies to the east of the Albertine Graben, trending parallel to the rift strike direction. The basin occupies the current districts of Kibaale, Hoima, Kikuube, Masindi and Buliisa, covering an approximated area of 3741 km^2. The basin is still under preliminary investigation to establish its petroleum potential.

(iv) **The Kyoga Basin**

Lake Kyoga basin is found in the Central region of Uganda covering parts of Amolatar, Kaberamaido, Dokolo, Buyende, Apac, Serere, Soroti, Pallisa, Ngora and Nakasongora districts with an approximated area of 7,831 km^2. The basin is still under preliminary investigation to establish its petroleum potential.

(v) **The Lake Victoria and Lake Wamala Basins**

The Lakes Victoria and Wamala Basins are situated in the central part of the country (Figure 2). Aeromagnetic surveys conducted in 1992 identified a thin sediment thickness which is considered not sufficient for the generation of petroleum.

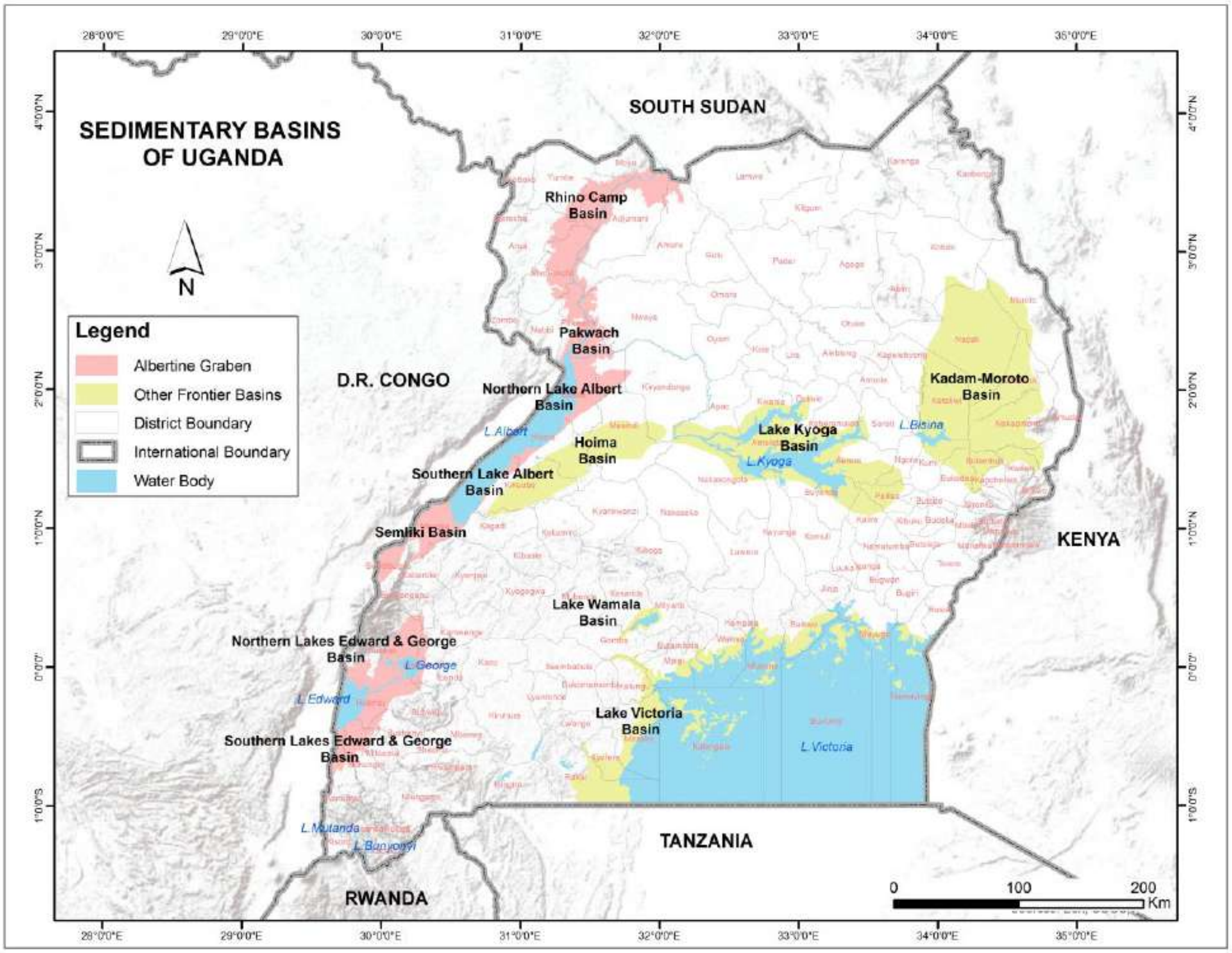

Figure 2: *Map showing the sedimentary basins in Uganda*

2.3.2 Petrochemical Industries

There are several petrochemical industries planned to be set up in the Kabalega Industrial Park. These petrochemical industries are important in value addition and decreasing the petroleum imports of the Country. The Petrochemical study has been carried out and its implementation is ongoing.

2.3.3 Petroleum Products Storage and Pipeline Network

(i) Bulk petroleum products Storage Facilities

The Government also plans to develop regional storage facilities to optimize the marketing and distribution of petroleum products in other regions of the country including Nakasongola, Gulu, Kasese, and Mbale. Engineering Design for the development of the 40 million litres

Nakasongola Tank site is in place. The Ministry has also earmarked 20 acres of land from Nakasongola Military barracks for the development of this project. The Nakasongola project was packaged as a public project.

(ii) Kampala-Kigali petroleum products pipeline

There is a planned 12.5'' and 434 km long pipeline that will distribute products in the western parts of the country and will terminate in Kigali, Rwanda. Feasibility studies were completed and the project awaits funding from potential investors.

(iii) LPG infrastructure

These are sizeable storage facilities, filling plants, cylinder manufacturing and revalidation plants, accessory manufacturing and valves, and transport trucks for LPG that need to be enhanced in the country. This is aimed at reducing the logistical challenges of LPG consumption in Uganda.

3.0 KEY ISSUES AND PETROLEUM POLICY DIRECTION

3.1 Key Issues and Policy Statements

Sustainable exploration, development, production and utilization of petroleum resources in the country raise the following issues:

(i) Petroleum Resource Base

The plans for exploiting the country's petroleum resources are based on the current size of resource estimates which stands at; Stock Tank Oil Initially In Place (STOIIP) of 6.5 billion of oil and recoverable resources estimated at 1.4 billion barrels. The established resources are in only 40% of the explored area in the Albertine Graben. In addition, only 10% of the Albertine graben is currently licensed since part of the explored areas were relinquished. The inadequate exploration for the Albertine graben and the frontier basins is partly attributed to; limited investment, inadequate promotion and lengthy licensing processes.

Significant investment has been planned for the development and commercialisation of infrastructure of up to USD 15 billion. This investment is expected to be recovered, together with the return on investment, within a period of 25 years from the commencement of production. Although the reserves established in the country are sufficient to recover the investment made in putting up the development and commercialisation infrastructure, efforts must be made to increase the country's petroleum reserve portfolio. This will ensure a long-term and sustainable petroleum industry in the country. In addition, the petroleum industry globally is characterized by risks and one such risk is geological risk. This introduces a potential failure to realize the anticipated volumes of petroleum production. Increasing the country's resource base and reserves will therefore safeguard the investment made in the commercialisation infrastructure and avert a potential volume risk.

Therefore, in addition to the work being done in exploration areas already licensed, there will be a need to license other areas with the potential for petroleum production in the country. The areas that were earlier licensed but subsequently relinquished will also require to be considered for relicensing. Whereas recent licensing rounds have been successful, they have not attracted big players who can make significant investments in petroleum exploration of the offshore/lake areas. It is thus necessary that an alternative licensing process which is open-door based, be put in place and implemented alongside the competitive licensing rounds. This will be underpinned by significant efforts made by the Government in preliminary geological, geochemical, and geophysical data acquisition and promotion of areas with petroleum potential.

(ii) Efficient Production and Utilisation of Discovered Resources

There has been a delay in achieving First Oil following the discovery of commercial petroleum resources in 2006. The delayed implementation of petroleum development and production processes has meant that the Policy goal of using the country's petroleum resources to contribute to the early achievement of poverty eradication and create lasting value for society has not yet been achieved. This has been partly attributed to project land requirements together with inadequate national infrastructure such as roads, railways, and airports to facilitate the construction phase of the upstream development projects and the midstream commercialization infrastructure. It will therefore be necessary to fast-track the implementation of the petroleum development and production processes to enable timely and valuable exploitation of Uganda's petroleum resources.

In addition, the value attained from petroleum resources depends on its preservation through cost-efficient operations among other interventions. This includes the administration of the fiscal elements of petroleum agreements and budgetary disciplines in an effective way. This policy shall therefore promote effective cost management during the whole value chain of petroleum activities.

Furthermore, the Government is championing value addition to petroleum through refining and further processing to produce the relevant end products. However, significant delays in establishing the refinery will lead to persistent supply shortages and a high import bill for the said products. There will therefore be a need to expedite the development of a robust and competitive local refining sub-sector with significant private sector participation to ensure local product availability and product export.

(iii) Security of Petroleum Supply

Uganda is currently a net importer of petroleum products. This presents challenges such as oil price shocks, exorbitant prices, shortages, limited access to petroleum products across the country, adulteration and smuggling among others. This is exacerbated by inadequate investment in transport, storage, distribution and marketing infrastructure and a lack of in-country refineries. In order to avert the current situation, there is a need to increase investments in the petroleum supply infrastructure and diversification of supply routes. This shall ensure adequate, reliable, efficient, and economical supply of petroleum products in the country.

It is important to promote the use of the country's petroleum resources to meet domestic demand and support the energy mix, whilst ensuring a sustainable supply of imported products.

(iv) Value Creation and Retention

The government plans to add value to petroleum through refining and further processing into significant end products for industry, such as complex petrochemicals for textile, building, packaging, and agriculture among others. However, significant delays in establishing the refinery and insufficient public-private partnerships for other related industries will lead to persistent supply shortages and high petroleum import bills. This policy recognizes the need to expedite the development of a robust and competitive local refining and petrochemical sub-sector with significant private sector participation to ensure local product availability, product export and feedstock availability to related industries. Furthermore, promote the growth of backward and forward linkages in the petroleum industry.

(v) Participation of Ugandans and Ugandan Enterprises

The extent to which Ugandan enterprises and citizens can participate in the petroleum supply chain and employment is still limited by their skills, qualifications, experience, and financial capacity together with their management and technological skills. The local enterprises have only been able to participate in the supply of lower-value contracts. It is therefore necessary to further acquire and develop the skills and technology necessary to participate in the Country's petroleum industry.

(vi) Environmental and Social Impacts

The exploitation and utilization of petroleum in Uganda presents great socio-economic prospects for the country. However, upstream and midstream petroleum activities and operations are carried out within or in the vicinity of areas of high ecological and biodiversity significance. Similarly, downstream petroleum activities are carried out in areas of higher populations due to the need for market outreach. This presents various challenges for environmental protection, community cohesion, conservation of cultural heritage and protection of social amenities.

Additionally, petroleum developments do cause the transformation of communities with better infrastructure and amenities as well as unintended impacts like influx of people hence pressure on amenities, increase in crime rate, and competition for resources among others.

It is therefore necessary to systematically address environmental, social and climate change risk management issues pertaining to petroleum activities in the country including strategies aimed at reducing greenhouse gas emissions from petroleum. In addition, participation and representation of women and men in petroleum exploitation is important for inclusive socio-economic development. However, women face economic and socio-cultural barriers which restrict their effective participation and representation in petroleum activities. The petroleum industry is highly capital-intensive and requires appropriate technology and enhanced capacity for the participation of men and women on an equal basis.

The policy seeks to promote equity and effective participation and decision-making in the petroleum industry.

(vi) Health, Safety and Security

Health, safety, and security of personnel is a vital component of all operations in the petroleum industry. The processes, products, and working environment in the petroleum industry present significant risks that can pose serious health, safety, and security threats to the workers, the public, and assets.

There are a number of incidents globally that have caused damage to petroleum installations thereby occasioning significant loss of lives and assets. These incidents are a reminder that health and safety should always be the number one priority for any operation in the petroleum industry. It is therefore necessary to engage and influence stakeholders, create knowledge and awareness of health and safety risks, and encourage behaviour change, as well as enhance the health and safety legislation as may be required.

(vii) Public Anxiety and Expectations

There are significant expectations in the country arising from the enormous benefits that are known to accrue from extractive resources. Similarly, there is significant anxiety arising from a perceived lack of transparency in the management of the petroleum industry, especially by the state actors. The latter is born out of the experience of poor management of natural resources in other countries, especially in Africa. Although there are efforts to address these concerns currently, further work will be needed especially during petroleum production when real petroleum revenues are realized. Timely information dissemination will go a long way in establishing and maintaining public trust. A constructive dialogue together with respectful and mutually beneficial relationships between the state, oil companies and other stakeholders will continue to be an important basis for the creation of trust.

3.2 Problem Statement

Petroleum in this policy refers to any natural or refined hydrocarbons or mixture of one or more hydrocarbons (whether in a gaseous, liquid or solid state) or with any other substances. It is made socially beneficial through sustainable commercialization, prudent revenue management and national participation.

The key issues affecting the petroleum industry that were identified through the Regulatory Impact Assessment include; inadequate resource base and size of reserves, inefficient production and utilisation of discovered resources, limited security of petroleum product supply, limited in-country value creation and retention, limited participation of Ugandans and Ugandan enterprises; ineffective management of environment and social impacts, ineffective management of health, safety and security, and increased public anxiety and expectations. These issues are caused by various factors which among others include: Inadequate resource base and size of reserves; inefficient management of the country's petroleum resources; unsustainable supply of petroleum products in the country; limited value addition of the produced petroleum; limited national capacity and technology transfer for the petroleum industry; inadequate national participation in the petroleum industry; inefficient environmental and social management in the petroleum industry; inadequate quality health, safety, security, and work environment in petroleum operations and; limited transparency, accountability and stakeholder participation.

The perseverance of these challenges in the petroleum industry may affect the Country's economy in a number of ways, which include; low contribution of the petroleum industry to the National GDP which is at 3% as of 2021[11], low investment in the petroleum industry which is at USD 6.3 billion as of 2023[12], low petroleum revenue which is at USD 0.046 billion per annum as of 2021[13], low employment opportunities which are at 10,651 Ugandans employed in the petroleum industry as of 2022, low value of contracts awarded to Ugandan Companies at 25% as of 2023, high percentage of petroleum products import bill to the total import bill at 15% as of 2021[7], high greenhouse gas emissions associated with petroleum activities at 30

[11] Republic of Uganda (2020). Third National Development Plan (NDPIII). 2020/21-2024/25. http://envalert.org/wp-content/uploads/2020/06/NDP-3-Finale.pdf
[12] Republic of Uganda (2022). Uganda's Oil and Gas Projects: The Value at Stake. https://www.pau.go.ug/ugandas-oil-and-gas-projects-the-value-at-stake/
[13] Republic of Uganda (2023). Uganda Extractive Industries Transparency Initiative (UGEITI): Report for Fiscal Year 2020-21. https://www.unoc.co.ug/wp-content/uploads/2023/09/UGEITI-Report-FY-2020-2021.pdf

kgCO2e per barrel as of 2022[14], and low social inclusion in petroleum activities at 33% women employed in the petroleum industry as of 2021[15].

3.3 Policy Vision

Excellence in sustainable management and utilisation of petroleum resources

3.4 Policy Mission

To ensure reliable, adequate and sustainable exploitation, management and utilisation of petroleum resources to create lasting value for society.

3.5 Main Policy Goal

To exploit and utilize petroleum resources sustainably to contribute to equitable socio-economic development in Uganda

3.6 Policy Objectives

x. To increase the size of petroleum reserves.

xi. To efficiently manage the country's petroleum resources.

xii. To ensure value addition and commercialisation of the produced petroleum.

xiii. To ensure an efficient and sustainable supply of quality petroleum products in the country"

xiv. To develop national capacity and ensure technology transfer for the petroleum industry

xv. To ensure optimal national participation in the petroleum industry.

xvi. To ensure sound environmental and social management in the petroleum industry

xvii. To enhance quality health, safety, security, and work environment in petroleum operations

xviii. To enhance transparency, accountability, and Management of stakeholder participation.

3.7 Guiding Principles

[14] Republic of Uganda (2022). The oil and gas industry is part of the solution to Uganda's greenhouse gas emission reduction targets. https://www.pau.go.ug/the-oil-and-gas-industry-is-part-of-the-solution-to-ugandas-greenhouse-gas-emission-reduction

[15] Republic of Uganda (2021). PAU Report: Fostering Gender Equity and Inclusivity in Uganda's Petroleum Industry. https://www.pau.go.ug/the-pau-is-fostering-gender-equity-and-inclusivity-in-ugandas-petroleum-industry/

This Policy shall be guided by the following principles:

(i) Efficient Petroleum Resource Management

Petroleum is a non-renewable resource and therefore the resources get depleted with time. To ensure that petroleum production in the country is prolonged as far as possible, additional resources must be discovered. In addition, the resources under production need to be produced as efficiently as possible to achieve prolonged production profiles. This policy shall therefore promote continued petroleum exploration to grow the reserve portfolio and ensure maximum use of the production and commercialisation infrastructure that will be developed in the country. The policy will also promote efficient reservoir management practices to; ensure that as much as possible of the petroleum discovered is produced and the production profiles are prolonged, and ensure efficient development and production of existing and future major oil and gas projects to increase the value creation of these projects to the benefit of Uganda.

Petroleum activities should be undertaken most efficiently and effectively so as to maximize their returns. Cost-efficient choices can be achieved through competition among licensees, operators, and suppliers. The competition enables selection of the most capable and efficient operators, the best quality, and the most reliable suppliers thereby ensuring high levels of productivity. Similarly, efficient technical evaluation of petroleum discoveries enables the most economic choices of field development and profitability of petroleum projects. This Policy therefore strives to ensure that petroleum resources are managed sustainably and efficiently through reducing costs of operations and ensuring that effective technical assessments are undertaken.

Optimal use of Facilities for the production and transportation of oil and gas is important for efficient resource management. In this respect, third-party access and the common use of spare capacity are important in resource management and stakeholders shall be obliged to enable this usage of spare capacity in all facilities in accordance with applicable legislation.

The Policy will support fair competition to improve efficiency and productivity in petroleum operations.

(ii) Expedite Petroleum Developments

Fast-tracking production and commercialisation of any discovered petroleum resources needs to be an overarching objective of the Government. Early production and commercialisation of the resources will ensure an early transformation of resource wealth into the development needs of the country including infrastructure development, industrialization, and human capital development. This Policy shall therefore promote the sustainable and early development and production of any petroleum resources discovered in the country. The

Policy will also promote deliberate government efforts to invest in the requisite national infrastructure to support the early development and production of the resources.

(iii) Support other sectors of the economy

The finite nature of extractive resources means that the revenues accruing from the country's petroleum resources shall be exhausted with time. This justifies the need to safeguard these resources and manage them in a manner that will create lasting benefits to society. The creation of strong linkages with the petroleum industry has the potential to enable the country to achieve its economic goals and objectives. Additionally, the creation of lasting benefits shall include the use of these resources to develop durable and competitive competencies through education, and infrastructure development, together with financial and social capital which will be useful beyond the life of petroleum. This Policy shall promote the development of linkages with other sectors of the economy to spur broad-based growth through industrialization, agricultural production, tourism, and human capital development through education, among others. The Policy shall also promote value addition to diversify the petroleum industry economy and to capture more value-added products across the petroleum value chain.

(iv) Availability of quality petroleum products

The country presently imports all its petroleum products. The use of the country's petroleum resources to substitute imported products can facilitate value addition to these resources, import substitution of the petroleum products, and improved security of supply for these products. In order to reduce the impact of oil price shocks and the erratic supply of imported petroleum products on the economy, this Policy shall support the use of the country's petroleum resources to meet domestic demand and export the surplus within the region and subsequently overseas. This shall include vertical integration into refining and petrochemicals and finished products manufactured in industrial parks that attract private sector and foreign direct investment.

The Policy will also promote effective regulation of the liberalized downstream market to ensure fair competition and consumer protection.

(v) Optimising national participation

The decisive factors to achieve lasting value to society are the people, their natural abilities, education, and training. Therefore, the Policy shall promote the country's human resource development, in particular through education, to participate in the petroleum industry; development of local enterprises, transfer of specialized technology, knowledge, and skills to Ugandan nationals, and use of goods and services locally available in the country.

(vi) Protection of the Environment and Promotion of Social Welfare

Petroleum operations have the potential to cause irreparable damage to the environment, and biological diversity and compromise the health, safety and security of the people if not well managed thereby affecting the sustainable development of the country. It is important that health, safety social, security, environmental and biodiversity issues are integrated into the planning and development of the petroleum industry. Sustainable development entails that the activities of the current generation shall not put a burden on future generations, especially with regard to degradation of the environment, social systems and loss of biodiversity. This policy shall therefore contribute to and promote sound and sustainable practices in the management of petroleum operations and ensure compliance with national and international environmental, health, safety, social and security regulations, and standards. The policy shall ensure that it is the responsibility of licensed oil companies to protect the environment, people and social well-being where they work or any areas in the country impacted by their operations while the government shall legislate, regulate, and monitor compliance.

The emissions from petroleum exploitation have detrimental climatic effects. These depend on a number of factors including; technology and techniques used, climate change mitigation and adaptation measures, the carbon markets and monitoring, reporting and verification of climate change data.

The policy shall support the continued implementation of climate change-relevant strategies and actions (adaptation and mitigation) as set out in the Uganda National Climate Change Policy. This policy shall also support strategies aimed at reducing greenhouse gas emissions during the execution of petroleum-related activities and operations along the entire value chain.

The shared resources with the communities and their social heritage are important aspects of people's lives and well-being. This policy shall promote the common use of these resources in a manner that improves the living standards and is in the best interest of the local population.

(vii) Energy Transition

The global energy landscape is changing both in terms of the energy mix and the dominant energy markets. These changes are currently driven by a number of factors including environmental concerns and technological advancement.

The industry is currently facing the challenge of how to increase energy availability while at the same time reducing environmental effects, especially carbon emissions. According to RHI (2023), petroleum remains the world's leading fuel, accounting for about 33% of global energy consumption[16]. This is a reality that petroleum/ fossils present several and important uses besides transportation fuels such as fuel oils for heating and electricity generation, asphalt and road oil, and feedstocks for making chemicals, plastics, fertilizers, explosives, pharmaceuticals, and synthetic materials.

Uganda, in a balanced approach, will sustainably develop the petroleum resources to create value for Uganda in fulfilment of the National Development Plan and Vision 2040 for the country, as well as the global energy outlook to adapt to the changing energy needs. At the same time, the development of non-fossil energy sources will be pursued as well as other measures in the energy transition.

(viii) Health, Safety and Security (HSS)

Compliance with health, safety and security in the petroleum industry shall be embedded in the life cycle of all petroleum projects. This should start from the planning and design of facilities, through construction, operation, asset management and maintenance as well as decommissioning. To ensure an efficient Health, Safety and Security management of the industry, these processes shall consider the inherent hazards and management of the associated risks to as low as reasonably practicable. This shall entail compliance by the operators with the relevant legal and regulatory framework for health and safety management as well as international standards and best practices.

(ix) Transparency, Accountability and Stakeholder Engagement

This Policy recognizes the important roles different stakeholders have to play in order to achieve transparency and accountability in petroleum activities. Openness and access to information are fundamental rights in activities that may positively or negatively impact individuals, communities, and states. It is important to ensure disclosure of information that will enable stakeholders to assess how their interests are being affected. It will also be necessary to foster partnerships and collaborations with stakeholders to achieve respectful and trustful relationships.

The Policy shall therefore promote high standards of transparency and accountability in licensing, procurement, exploration, development, and production operations as well as management of revenues accruing from petroleum. The Policy will also support the disclosure of payments and revenues from petroleum using simple and easily understood principles in line with acceptable national and international financial reporting standards.

3.8 Justification/Rationale

[16] https://www.linkedin.com/pulse/role-oil-gas-global-energy-mix-luke-bennett

The Petroleum Industry of Uganda has witnessed steady growth under the National Oil and Gas Policy for Uganda (NOGP) 2008 and Energy Policy 2002. With the emerging issues within the industry, a significant need has arisen to ensure that: the entire petroleum value chain is governed by one policy, the resource base is expanded, value creation and retention are realised, there is increased participation of Ugandans and the production and utilization of discovered resources is efficient. The key interventions in this policy will lead to: increased contribution of hydrocarbons to GDP, improved livelihood, and reduced global warming/greenhouse gas emissions associated with hydrocarbons. It is important to address the emerging issues to support the current development strategies of the country to achieve the objectives of Vision 2040.

3.9 Policy Outcomes

i. Increased contribution of the petroleum industry to the National GDP from 3% as of 2021 to 12% in 10 years[11]
ii. Increased investment in the petroleum industry from USD 6.3 billion as of 2023 to 20 billion in 10 years[12]
iii. Increased petroleum revenue from USD 0.046 billion as of 2021 to USD 2.8 billion per annum in 5 years[13]
iv. Increased employment opportunities from 10,651 Ugandans employed in the petroleum industry as of 2022 to 161,700 in 10 years
v. Increased value of contracts awarded to Ugandan Companies from 25% as of 2023 to 40% of the total contracts' value in 10 Years
vi. Reduced percentage of petroleum products import bill to the total import bill from 15% to 1% in 10 years[7]
vii. Reduced greenhouse gas emissions associated with petroleum activities (from 30 kgCO2e to 20 kgCO2e in 10 years[14].
viii. Increased social inclusion in petroleum activities from 33% women employed in the petroleum industry to 50% of the total employees in 10 years[15]

4.0 POLICY INTERVENTIONS

Strategic Objective 1: To increase the size of petroleum reserves

Actions:

i. Carry out preliminary data acquisition
ii. Enhance resource assessment to obtain a better understanding of the petroleum potential of the country.
iii. License new exploration areas in the Albertine Graben

iv. Carry out the promotion of acreage to attract further investment in petroleum exploration in the country.
v. Opening up and licensing new prospective basins in the country for petroleum exploration.
vi. Avail quality petroleum data and improve the accessibility of the data to potential investors.
vii. Establish alternative licensing approaches to attract investment in petroleum exploration.
viii. Promote technology that ensures an increase in recovery factor
ix. Undertake effective evaluation of licensed acreage
x. Ensure regular licensing

Strategic Objective 2: To efficiently manage the country's petroleum resources.

i. Enhance the capacity of Government institutions to promote, license, monitor, regulate, administer and carry out petroleum activities and operations.
ii. Develop systems to increase efficiency in data management and leverage the use of digital technologies
iii. Enhance technical and economic assessment of petroleum projects
iv. Strengthen efficient licensing, monitoring and regulation of petroleum activities.
v. Enhance the investment in development, production and commercialization infrastructure.
vi. Expedite the processes in the acquisition of land for the establishment of the production and commercialization infrastructure.
vii. Enhance state capacity to participate in the development and production of the country's petroleum resources.
viii. Promote efficient reservoir management during petroleum production to achieve an extension of the life of the fields.
ix. Build additional capacity in fiscal management and negotiation in the petroleum industry.
x. Strengthen the regulatory framework for metering, tariffs and decommissioning
xi. Promote efficient cost management of petroleum operations
xii. Enhance coordination between relevant institutions and agencies
xiii. Enhance common-use of infrastructure through third-party access

Strategic Objective 3: To ensure value addition and commercialisation of produced petroleum.

Actions:

i. Support the development of infrastructure for petroleum processing in the country
ii. Support the development of efficient transportation and storage infrastructure for petroleum in the country
iii. Promote research and technology initiatives geared towards optimal use of products from the intermediates and feedstock

Strategic Objective 4: To ensure efficient and sustainable supply of quality petroleum products in the country

Actions:

i. Monitor the quality of petroleum products
ii. Increase investment in product pipelines and storage
iii. Enhance affordability of petroleum products to consumers
iv. Promote the use of natural gas as an alternative source of energy
v. Promote competition in the downstream petroleum industry
vi. Establish and manage data effectively in the downstream sub-sector
vii. Increase investment in blending infrastructure
viii. Diversify petroleum supply routes and transportation modes
ix. Strengthen the framework to efficiently manage the downstream sub-sector and ensure separation of policy and licensing from regulation of petroleum supply
x. Initiate and support the development of standards to regulate petroleum supply

Strategic Objective 5: To develop national capacity and ensure technology transfer for the petroleum industry

Actions:

i. Enhance the training of Ugandans in the management of petroleum operations.
ii. Support the review of the education curricula in the country to develop the workforce required for petroleum activities
iii. Strengthen the frameworks to enhance technology and knowledge transfer in the petroleum industry
iv. Establish a petroleum research and development Centre
v. Strengthen the capacity of the country's persons and enterprises to participate in the delivery of goods and services for the petroleum industry
vi. Strengthen the requirements for joint-venture partnerships between local and foreign companies to promote national capacity development
vii. Ensure training of Ugandans by licensed oil companies and their subcontractors.

viii. Support specialized training Institutions in becoming centres of excellence in petroleum training.

Strategic Objective 6: To ensure optimal national participation in the petroleum industry.

Actions:

i. Support the enhancement of the financial and technical capacity of local enterprises to participate in petroleum and to partner with foreign firms.
ii. Foster and harness the creation of linkages between the petroleum industry and key sectors of the economy.
iii. Enhance the capacity of the national oil company to participate in petroleum activities
iv. Evaluate the need for the establishment of more state-owned enterprises to participate in other strategic areas for the petroleum industry value chain
v. Enhance indigenous capability in the petroleum industry

Strategic Objective 7: To ensure sound environmental and social management in the petroleum industry

Actions:

i. Support the development of infrastructure required for proper waste disposal
ii. Support climate smart research, technology, knowledge and skills for prudent environment management
iii. Enhance the environmental legal frameworks for the petroleum industry
iv. Strengthen capacity to monitor, inspect and enforce environmental provisions
v. Strengthen mechanisms for addressing environmental and social grievances, disputes and conflicts arising from petroleum activities.
vi. Promote usage of Liquefied Petroleum Gas to mitigate deforestation.
vii. Develop tools and protocols for biodiversity measurement and monitoring to maintain species diversity and abundance
viii. Support the climate change adaptation and mitigation interventions in the petroleum industry
ix. Strengthen the monitoring and enforcement of laws and regulations on gender in the petroleum industry.
x. Support the participation of the vulnerable and marginalized groups in the petroleum activities
xi. Create awareness programs on gender and equity for petroleum communities.
xii. Support mechanisms to minimize emissions from facilities and processes as much as possible

xiii. Support the development of infrastructure required for proper decommissioning
xiv. Create awareness about the energy transition to the public
xv. Enhance sectoral linkages to facilitate the energy transition

Strategic Objective 8: To enhance quality, health, safety, security, and work environment in petroleum operations

Actions:

i. Strengthen and enforce the regulatory framework for health safety and work environment in petroleum operations.
ii. Develop and implement health safety and security regulatory tools for compliance monitoring in the petroleum industry.
iii. Coordinate with security agencies involved in the petroleum industry to avert any security threats to operations.
iv. Promote quality control and assurance of substances and equipment used in the industry
v. Promote a sound health safety and security culture and best practices among stakeholders.

Strategic Objective 9: To enhance transparency, accountability, and management of stakeholder participation.

Actions:

i. Develop and implement a responsive and dynamic communication framework for the petroleum industry.
ii. Strengthen coordination and collaboration within Government entities and with other key stakeholders.
iii. Ensure publication and disclosure of information in line with international best practices and standards
iv. Improve access to information in the petroleum industry.
v. Establish strategic partnerships with key stakeholders.
vi. Embrace a sustainable and inclusive corporate social investment culture for local economic and social development.

5.0 POLICY LINKAGES AND CROSS-CUTTING ISSUES

5.1 Linkages to other policies and legislations

5.1.1 International and Regional Commitments

Uganda is a signatory to a number of both international and regional instruments with critical implications for the sustainable development of petroleum resources. Key principles in these obligations include; the protection and promotion of human rights, including the rights of women and children, workers; community development, protection of the environment, health and safety, transparency and accountability. The international and regional instruments include; The United Nations Framework Convention on Climate Change, Paris Agreement, United Nations Guiding Principles on Business and Human Rights, Extractive Industries Transparency Initiatives, the Africa Mining Vision (2009), African Agenda 2063 on ambition for development and transformation of Africa, EAC Industrialization Policy 2012-2032, East African Community Guidelines on Environmental assessment for shared eco-systems in EAC (2007), among others.

In the exploitation and development of Uganda's petroleum resources, the country is committed to complying with the principles of the regional and international obligations for the sustainable exploitation of petroleum resources.

The policy, therefore, seeks to uphold the above commitments for the social and economic development of its petroleum resources.

5.1.2 National Policy Linkages

The successful implementation of the National Petroleum Policy will contribute to and require the support of the Constitution of the Republic of Uganda and other national policies and legislative frameworks as amended.

The constitution of the Republic of Uganda of 1995 as amended, is the supreme law of the country. Article 244 provides for Government ownership and control of minerals and petroleum in, on or under any land or waters in the country. The constitution also empowers parliament to make laws regulating the exploration and exploitation of minerals and petroleum, the management of accruing revenues, payment of indemnities, and the conditions for the restoration of derelict. Article 245 further provides for the protection and preservation of the environment, human health and property.

National Policies relevant to the petroleum industry include;

i. Energy Policy for Uganda, 2023. This provides for the management of universal access to sustainable, affordable and quality energy services for all Ugandans by 2033
ii. Local Content Policy for the Oil and Gas Industry, 2018. This provides for the participation of Ugandan citizens and enterprises in the petroleum industry of Uganda

iii. The National Environment Management Policy, 1994. Requires all production activities to be undertaken in a manner that leads to the protection of the environment
iv. The Oil and Gas Revenues Management policy for Uganda, 2012. Provides for the management of petroleum revenues to achieve sustainable economic and social transformation for the country.
v. Climate Change Policy, 2015. Provides for ensuring that all stakeholders address climate change causes and impacts through appropriate measures while promoting sustainable development and a green economy
vi. Environment and Social Safeguards Policy, 2018. Provides a framework to ensure that all environmental and social safeguards are adequately addressed in Uganda.
vii. The National Land Policy, 2013. Provides for land acquisition, compensation, and resettlement for the development of projects.
viii. The Gender Policy, 2007. Provides for gender inclusion in the petroleum development
ix. National Industrial Policy, 2020. Provides a framework for Uganda's industrialization, Employment and Wealth Creation.
x. Agriculture Policy, 2013. Provides linkages to transform subsistence farming into sustainable commercial agriculture.

The laws relevant to the petroleum industry include:

i. The Petroleum (Exploration, Development and Production) Act 2013 which operationalized the National Oil and Gas Policy, 2008. It provides for the regulation of upstream petroleum activities and the establishment of an effective legal framework and institutional structures to ensure that the exploration, development and production of petroleum resources in Uganda is carried out sustainably to ensure good resource management. The major achievements under the Act include; the enhancement of institutional framework through the establishment of institutions for Policy making and implementation, regulation of the subsector and managing the commercial/business aspects, two-competitive licensing rounds, repealing of the Petroleum (Exploration and Production) Act, Cap 150, among others.
ii. The Petroleum (Refining, Conversion, Transmission and Midstream Storage) Act 2013 provides for the regulation, management, coordination and monitoring of midstream operations. Under the Act, progress has been made towards the development of a refinery, EACOP and product pipelines and storage terminals.
iii. The Petroleum Supply Act, 2003 which provides for the regulation of the downstream petroleum activities. The major achievements under the Act include; the

establishment of a petroleum supply department and maintaining the product supply into and within the country.

iv. East African Crude Oil Pipeline (EACOP) (Special Provisions) Act, 2021. This provides for the implementation of the East African Crude Oil Pipeline Project in Uganda and to fully implement the obligations of Uganda under the Intergovernmental Agreement and the Host Government Agreement.

v. The Public Finance Management Act, 2015 (as amended) which provides for management of the petroleum revenue. The Act established the petroleum fund and provided for the management of the petroleum revenue investment reserve.

vi. The National Environment Act No.5, 2019 provides for the sound management of the environment for sustainable development and emerging environmental issues including climate change. NEMA is mandated to coordinate, monitor, regulate and supervise all activities relating to environment enhance enforcement and establish environmental protection forces among others

vii. The Income Tax Act (as amended) that provides for the taxation of the petroleum operations

The National Petroleum policy also has linkages with relevant contractual frameworks including the Model Production Sharing Agreement (PSA). This provides a basis for negotiating PSAs and preparing resource extraction company(ies) to the industry/sector requirements. The model PSA is reviewed occasionally to take into account the new policies, the changing business environment in Uganda's petroleum industry and global dynamics.

5.2 Crosscutting Issues

This Policy recognizes issues in sectors other than the petroleum industry, which will be impacted by petroleum activities. The potential impacts of these activities on the different sectors together with the desired outcome of the impact are presented below. This Policy does not define the strategies and actions required to achieve the desirable outcomes in the non-petroleum sectors because they are best articulated in the respective sector policies. The Policy shall promote positive impacts of petroleum activities on the non-petroleum sectors and provide mitigation methods against any relevant negative impacts.

The most direct impacts of petroleum activities will be the generation of additional revenue sources for the country and the addition of available hydrocarbons to the country's energy mix. The Policy also recognizes the importance of proper macroeconomic management of the country's petroleum revenues to avoid the paradox of plenty.

5.2.1 Impact on the National Economy

This Policy shall, together with other relevant national policies, promote the use of petroleum activities to have a positive impact on the economy. These activities will lead to the generation of revenues for investment in the non-petroleum sectors resulting in higher growth rates of the economy, expansion of the country's gross domestic product and higher per capita incomes among others.

Uganda's economic Policy focuses on promoting private-sector-led economic growth in such a way that growth leads to middle-income status in the country by the year 2025. The development of the petroleum industry in the country will contribute significantly to the early achievement of this goal by enhancing the country's capacity to invest in productive sectors of the economy, economic and social infrastructure, development of new industries and businesses, creation of new jobs and boosting of national and household incomes. This development shall be undertaken in line with the country's relevant National Development Plan.

(i) Impact on Land Ownership, Planning and Use

Implementation of petroleum activities will affect and be affected by existing land policies, laws, regulations and practices. Petroleum exploration, development, production, processing and transportation will impact land ownership and use.

It will be essential for oil companies and/or the Government to acquire land for the different aspects of the petroleum value chain like provision of transportation corridors, i.e. pipelines, roads together with that infrastructure such as well pads, petroleum processing facilities and refineries. Agreements will have to be entered into with landowners to cover aspects like compensation for their land surface interests. This Policy promotes the implementation of petroleum activities in accordance with the Policy and legal framework on land ownership and use in the country and the development of appropriate procedures for compensation.

Urban centres resulting from the development of petroleum activities need to be well-planned to meet the challenges of urbanization. This Policy, when read together with other relevant national Policies, shall endeavour to ensure organized urbanization in and around areas where petroleum activities are conducted. It will be necessary to support efforts to design and implement physical planning in pace with, or preferably before, the development phases of petroleum activities. All infrastructure and other spatial developments shall be phased by the prepared structure and detailed plans. In addition to the areas with petroleum activities, improved and timely physical planning shall be encouraged in the other parts of the country to maintain balanced infrastructure across the country. These measures will contribute to avoiding any undesirable population migration.

This Policy promotes effective physical planning and urban development of the ring of towns that exist, and those that will develop within and at the periphery of the petroleum-producing regions.

(ii) Impact on Fiscal and Monetary Policy

The expected revenues from the development and production of petroleum will boost the total revenues of the Government thus increasing fiscal space for development expenditure. On the other hand, a significant increase in forex inflows from petroleum-related activities and an increase in money supply from Government spending may put appreciation pressures on the real exchange rate. The appreciation of the shilling, if not managed, would make the exports expensive thus harming the tradable sector.

This Policy, therefore, recognizes the important relationship between fiscal and monetary policy and the country's petroleum policies and shall promote their harmony. It further recognises the need to enhance prudent spending of any revenues generated from petroleum activities within the domestic economy. The Policy shall support the priorities of reducing the fiscal deficit and prioritising spending that promotes increases in productivity and competitiveness of other sectors in the economy. It discourages the use of petroleum resources to increase public spending in areas that do not add value to the economy.

(iii) Impact on the Balance of Payments

This Policy shall, together with other relevant national policies, encourage a positive impact on the country's balance of payments by petroleum activities. Depending on the volumes of petroleum reserves in the country, the levels of commerciality of the different fields and the management of the revenues accruing there-from, petroleum should positively contribute to the country's balance of payments position. As of the 2019/2020 financial year, the cost of importing petroleum products into the country was more than USD 2 billion per annum constituting over 15 percent of the country's import bill. The extent to which Uganda reduces its position as a net importer of petroleum products on account of domestic oil production and processing will largely determine the improvement in the balance of payments. Any export of the country's petroleum or its products will provide additional opportunities for the country to have a significant positive balance of payments. Additional import substitution arising from the country's use of goods and services, primarily developed to support the petroleum industry, shall also contribute to a positive impact on the country's balance of payments. It is recognized that as the money supply increases due to increased petroleum-related activities, there is a potential for increased importation of consumer goods, among others. In addition, appreciation of the shilling because of significant forex inflows could make imports cheaper than domestic products. This Policy supports prudent fiscal and monetary policies that will not exacerbate pressures on the exchange rate. Moreover, policies that promote local content participation and value addition in the petroleum industry will be promoted to harness the potential the industry can have to improve the Balance of Payments Position.

(iv) Impact on National Industry and Manufacturing

Petroleum activities provide opportunities for both forward and backward linkages in the country's drive to industrialization. On one hand, petroleum activities provide raw materials which can be used as inputs during manufacturing processes. On the other hand, petroleum activities act as a market for industrial products, both directly and indirectly.

These activities also provide an opportunity for the country to develop a petrochemical industry. This includes industries like oil refining, the off-shoot industries utilising the refinery by-products, together with industries arising from the utilisation of natural gas. Refinery by-products can be processed to produce inputs for soap, plastics, pesticides, paints, medicine, asphalt, petrochemicals and polymers among others. Industries arising from the utilization of natural gas include mineral processing industries, like smelting of iron ore, agro-processing, natural gas conversion to liquids (GTL), manufacture of fertilizers, production of compressed Natural Gas (CNG), production of carbon black used in tyre manufacturing and others. This Policy shall promote the development of appropriate and efficient petroleum-related industry in the country, including the participation of private sector investment in these developments. Industrial development will also provide an opportunity for the development of national content, especially through the development and strengthening of industries in the country which can provide goods and services to the oil industry.

(v) Impact on Agriculture

Petroleum activities have a tendency of making people abandon agricultural activities and migrate to the petroleum industry. This Policy shall, in collaboration with other relevant national policies, support the significant and positive impact of petroleum activities on the country's agricultural sector in line with the country's objectives for the development of Agricultural sector.

(vi) Impact on Tourism

The discovery of petroleum in the country presents immense opportunities for tourism and other sectors of the economy. The petroleum industry has been well regulated and planned to avoid the destruction of the country's heritage by ensuring that it promotes the development of the significant and surging tourism sector. The industry will strengthen and complement tourism and other productive sectors to build a robust national economy.

The development of petroleum in the country and especially in the Albertine region has led to economic growth through the construction of enabling infrastructure such as roads and an international airport, the development of hospitality and recreational facilities that accelerate tourism growth, offer potential economic linkages with other sectors and generates foreign direct investment in the country.

This policy shall build on the existing tourism infrastructure to promote the development of the tourism sector.

5.2.2 The Social Impacts

(i) Impact on Education and Research

Education in every sense is one of the fundamental factors of development. The goal of achieving sustainable economic development is only possible with substantial investment in human capital. This therefore aligns with the need to enrich people's understanding of themselves and the world to improve the quality of their lives, raise their productivity and creativity and promote entrepreneurship and technological advances. This policy recognises that under the Universities and Other Tertiary Institutions Act 2001 as amended, The National Council for Higher Education (NCHE) has the mandate to support the implementation of this policy through the development and training of requisite national expertise and to promote relevant research in all sectors. This policy, through linkages with the education sector, will support the training necessary to meet the national demand from the various sectors.

This policy shall, in collaboration with responsible institutions, support the promotion of education and research to generate information on socio-economic impacts, scientific innovations and new technological designs to foster research-oriented development in the petroleum sector as well as other sectors of the economy.

(ii) Impact on Population Distribution

Experience from some countries shows that the perceived lucrativeness of the petroleum-producing regions may attract labour from other regions thus, leading to population explosion.

This Policy recognizes the need to guide population movements and settlements triggered by petroleum activities. This Policy will support the implementation of regulations restricting population movements and settlements in the protected wildlife and biodiversity areas.

(iii) Impact on Energy Availability

The main sources of energy in Uganda are 87.18% biomass, 11.19% petroleum products and 1.63 % electricity[17]. The petroleum products used in the country are diesel, petrol, aviation fuel, fuel oil, kerosene, lubricants and bitumen. All are imported thereby exposing the

[17] African Union (2021). The African Energy Commission (AFREC) report on Africa Energy Balances and Indicators - 2021 Edition. https://au.int/sites/default/files/documents/41603-doc-African_Energy_Balance_and_Indicators_2021_ANG_24-02-20221.pdf#page=7&zoom=100,408,173

country's economy to fluctuating and exorbitant prices together with a significant level of uncertainty about their availability.

To reduce the impact of oil price shocks and the erratic supply of imported petroleum products on the economy, this Policy shall support the use of the country's petroleum resources to meet domestic demand, which is 39,000 barrels/day through the refinery of a capacity 60,000 barrels/day, export the surplus within the east African region whose demand are close 200,000 barrels per day increasing at 7% per annum and subsequently overseas. The use of the country's petroleum resources to substitute imported products will facilitate value addition to these resources, import substitution of petroleum products, and improved security of supply for petroleum products in the country. Pricing of petroleum products refined from the country's petroleum resources shall not distort the value of the country's resources through subsidies.

Petroleum resources can be used to support the energy through their utilization to generate electricity and address the increasing demand. This Policy will support the use of best lessons and practices in utilizing petroleum resources to enhance the availability and efficient use of energy.

(iv) Impact on Employment Opportunities and Patterns

Petroleum activities tend to be capital-intensive and mainly generate direct employment for science and engineering professionals and technicians, among others. These activities are not labor-intensive and therefore the number of people directly employed on a sustainable basis may not be large. However, the industry provides significant employment opportunities through chain or multiplier effects. Businesses that come into being to provide goods and services to the petroleum industry will provide employment opportunities. Expansion of other sectors of the economy as a result of the development of the petroleum industry will also lead to induced growth of employment opportunities.

This Policy shall promote the employment of nationals in the petroleum industry and the resulting employment created by the industry's chain or multiplier effect.

(v) Impact on Climate Change

The products from the petroleum industry are some of the contributors of greenhouse gas emissions to the environment that lead to detrimental climatic effects. As a result of this, the global energy landscape is changing both in terms of the energy mix and the dominant energy markets. These changes are currently driven by a number of factors including environmental concerns and technological advancement.

Greenhouse Gas Emissions -reductions shall be achieved by the planned use of the country's petroleum resources to produce liquified petroleum gas which is a cleaner fuel. The production of liquified petroleum gas and its use both in the country and in the region shall significantly reduce dependency on wood fuel, which is responsible for massive deforestation in Uganda.

The policy seeks to ensure that the carbon footprint in the petroleum industry is low as possible through the use of the best available technology.

(vi) Impact on Gender mainstreaming and equity

Participation and representation of women and men in the petroleum industry are important for inclusive socio-economic development. However, some marginalized groups face economic and socio-cultural barriers which restrict their effective participation and representation in petroleum activities. The petroleum industry is highly capital-intensive and requires appropriate technology and enhanced capacity for the participation of men and women on an equal basis. Globally Uganda's Gender equity ranks 131 out of 161 countries in the 2019 Gender Inequality Index.

The policy seeks to promote equity and effective participation and decision-making in the petroleum industry.

5.2.3 Impact on Governance

(i) Ccorruption

The discovery of petroleum and the subsequent transition of the country to a petroleum-producing province present numerous opportunities which are meant to improve the standards of living. These opportunities include employment of Ugandan nationals, contracts for the provision of goods and services to the industry as well as enhancement of government revenues.

However, these potential opportunities can be undermined by corruption if not averted. This is especially so because of the numerous examples of oil-producing countries, particularly in Africa, where the discovery and production of petroleum have not resulted in the improvement of the well-being of citizens.

This policy shall therefore promote and support the initiatives geared towards averting corruption in the industry.

(ii) Human rights

Petroleum activities take place in areas with host communities, employ people and impact shared resources such as water. These activities also require access and acquisition of land that may be privately owned. As such, the management of petroleum activities entails dealing with people and their assets and therefore increases the potential of these interactions to cause violation of human rights.

The policy recognizes that human rights contribute positively to economic growth and shall therefore support measures to address the human rights issues linked to petroleum operations

(iii) Transparency and accountability

Citizens are the major key stakeholders of the petroleum resources in the country and as such resource wealth is managed on their behalf to create sustained prosperity. Information sharing and disclosure at all levels of resource exploration, exploitation and utilization is critical in ensuring public accountability and inclusiveness. Information about the industry must be accessible to stakeholders for their updates, contributions and appreciation of the manner in which the industry is managed. The register of beneficial ownership is a good consideration in this regard.

Uganda joined the Extractive Industries Transparency Initiative in an effort to improve transparency and accountability in the petroleum industry. This is in line with Uganda's Vision 2040, which emphasizes the need to foster transparency in the management of the petroleum industry as stated in objective 2 of the Sustainable Development of Petroleum Resources Program.

This policy recognizes that transparency is not only a cornerstone for accountability but also ensures scrutiny of behaviour which provides a strong deterrent against corruption and an incentive for improved performance across all levels of government in the Petroleum value chain.

(iv) Relation With Neighbouring Countries

The petroleum activities are carried out in areas that sometimes border or even cross bordering with other neighbouring countries. Commercial infrastructure developments such as pipelines or Refineries also serve the transboundary interest in the region.

In view of the above, the Policy shall promote transboundary cooperation based on existing foreign Policy principles and agreements. Furthermore, the policy shall complement the programmes, projects and protocols formulated within the Great Lakes Region which are aimed at transforming the region from tensions, hostilities and underdevelopment; to security, stability and prosperity.

This Policy shall also support the negotiation and implementation of the Cooperation Agreements and the application of the principle of unitisation as a basis for sharing any oil and gas fields falling across any borders. In addition, the Policy will, where necessary, support the enhancement of the existing foreign Policy principles to facilitate harmonious implementation of petroleum activities.

(v) Relation With Other Countries

The exploitation and utilization of petroleum products is an international phenomenon. The markets and technologies exist in complex global dynamics and as such international community cooperation is key to Uganda's resource development. Uganda's petroleum industry benefits from many Treaties, Conventions, Protocols, Bi, Tri and Multi-lateral agreements and Memoranda of Understanding (MoUs) with different Countries across the globe.

The sub-industry shall continue to engage in various international commitments as a way to foster sustainable exploitation of the country's petroleum resources.

6.0 IMPLEMENTATION FRAMEWORK

6.1 Implementation Approach

The implementation of this policy shall be underpinned by a ''whole government'' approach to integrate and align various plans and resources across government MDAs. To operationalize the policy, five-year implementation plans will be developed, identifying specific actions, responsibilities and timeframes for action in line with National Development Plan III and Vision 2040. From each 5-year Implementation Plan, an Annual Costed Work Plan will be developed and funded by the government through MDAs' Ministerial Policy Statements plus support from Development Partners. District Local Governments will be provided with technical support by line MDAs to integrate/ mainstream policy implementation interventions into their 5-year rolling plans and annual work plans and budgets across responsible sectors. The first 5-year Implementation Plan covers the period FY 2023/2024 - FY 2028/2029.

6.2 Coordination and Leadership Framework

The Ministry responsible for overseeing and coordinating the implementation of the policy will be the Ministry of Energy and Mineral Development (MEMD). The ministry guided by the Cabinet shall provide strategic direction for the overall Petroleum industrial development agenda. The implementation of the policy objectives will be multi-sectoral and cut across different Ministries Departments and Agencies (MDAs) and therefore, the MEMD shall provide the coordination and consultation forum. Within the Ministry, two other institutions were established to undertake regulation and Commercial roles on behalf of the government i.e., PAU and UNOC respectively.

At the sub-national level, the District local government shall offer support in matters regarding the exploitation and utilization of petroleum resources in respective areas.

6.3 Communication and Dissemination

The MEMD shall take the lead in communicating and disseminating the policy to ensure that every stakeholder understands their responsibilities and benefits of petroleum exploitation and utilization in Uganda. The communication strategy shall be developed to guide the communication and dissemination efforts. In addition, a simplified version of the policy shall also be developed. Resources shall also be committed to translating the policy into several languages.

6.4 Stakeholders, roles and responsibilities

The National Petroleum Policy shall also be implemented through the existing Institutional Framework. The roles of the stakeholders will vary depending on their mandates and functions. However, changes in the institutions, structures, systems, procedures and regulations may take place to improve efficiency and effectiveness in implementation.

The Petroleum Industry is mainly governed by the Ministry of Energy and Mineral Development (MEMD) as the lead agency under the current framework. The MEMD provides policy guidance and monitors the work of the petroleum agencies placed under it, namely; the Petroleum Authority of Uganda (PAU)and the Uganda National Oil Company (UNOC). The MEMD is responsible for policy making; coordinating the development of the industry; undertaking licensing; promoting investment; and building the national capacity to optimally participate in the petroleum industry among other roles. PAU regulates the different players in the industry, including enforcing compliance and monitoring the operations of oil companies. UNOC is a separate commercial entity responsible for state participation in the licenses and other related business aspects. The roles of other institutions to deliver a multi-disciplinary petroleum industry, are provided for under sections 6.4.2 to 6.4.8 of the policy.

6.4.1 Institutional Capability and Coordination

The current institutional framework has implemented the state functions of policy and licensing, regulatory and commercial across the value chain, facilitating the exploration and confirmation of commercial quantities of oil and gas in the country, together with the management of downstream petroleum supply. The development and production phases of the industry result in increased activities which require the adoption of the institutional model that creates efficiency, avoids duplication of roles, and makes the coordination of activities much easier. The complexities of the current phases of development and the trends in the industry necessitate the establishment of specialist centres for research, investment promotion and project-dedicated desks under the MEMD to facilitate institutionalized implementation of the programs and projects emanating from the policy, offer technical support in promoting projects and keep regular track of local and international developments.

There is a need to enhance capacity building, and institutional coordination and strengthen the efficiency of these institutions to ensure that the Policy and Licensing, Regulatory and Commercial aspects are handled appropriately across the entire value chain. This shall be achieved through the identification and adoption of any necessary changes in the regulatory framework.

6.4.2 Regulatory Best Practice

This policy recognizes Regulatory Best Practice (RBP) as the cornerstone of the Government's institutional reform policy. RBP is based on the principle that a regulatory agency should be separate and independent from the entities being regulated, in this case, oil companies. The RBP further stipulates those institutional roles and responsibilities should be clearly defined and understood by all stakeholders. This is critical in improving government functions and enabling the public to bring to account those institutions that fail in their duties. In addition, building and retaining capacity in government institutions and reducing political interference, are key in enabling the institutions to respond appropriately to the demand for better performance and to make effective decisions. This policy recognizes the need to continue harnessing the RBP principles in the management of petroleum activities, maintain separate institutions and streamline the policy, regulatory and commercial roles in the entire value chain.

The following sections indicate the different institutions and their roles in the implementation of petroleum activities in the country.

6.4.3 The Roles of the State

i. Establishing and implementing the Petroleum Policy.
ii. Establishing and developing legislation.
iii. Organizing the state's petroleum administration.
iv. Planning and implementing licensing.
v. Monitoring operations and administering compliance.
vi. Managing data from petroleum operations.
vii. Ensuring the right national participation in petroleum operations.
viii. Managing the impact of petroleum activities on the economy, environment and social life.
ix. Using petroleum revenues to build durable capacity through education, development of infrastructure and a competitive economy in line with the goal of this Policy.
x. Adjusting institutional framework conditions to meet any changes.

6.4.4 The Roles of Cabinet

i. Putting in place a National Petroleum Policy
ii. Authorizing drafting and approving submission of the required petroleum legislation to Parliament.
iii. Approving the petroleum administration.
iv. Consenting to Production Sharing Agreements.

6.4.5 The Roles of Parliament

i. Enacting petroleum legislation.
ii. Enacting legislation for the management of petroleum revenues.
iii. Monitoring performance in the petroleum industry through Policy statements and annual budgets.

6.4.6 The Roles of Petroleum Companies

The role of petroleum companies will be to sustainably exploit and utilize petroleum resources to contribute to the development of the Country. In order to achieve this, the companies are required to have highly competent staff, financial strength, the ability to manage risk and the ability to work with the Government. The companies shall be good corporate citizens by, among others, abiding by the policies and laws existing in the country as well as managing emergencies that may arise out of the petroleum activities.

6.4.7 The Roles of the Ministry Responsible for Petroleum

The ministry is responsible for the overall supervision of the petroleum industry. It is charged with critical roles of Policy formulation and implementation, promotion and licensing. These roles are key in setting the pace for the industry and attracting the required investment. As such, the Policy recognizes the need to strengthen the capacity of the Ministry to efficiently carry out its roles.

The specific roles of the Ministry shall include:

i. Undertake the technical roles of the Minister.
ii. Undertake promotion of the country's petroleum potential.
iii. Undertake preliminary investigation of the resource potential for frontier areas.
iv. Initiate, develop and implement petroleum policies, laws and regulations.
v. Undertake licensing for the entire petroleum value chain.
vi. Undertake the evaluation, assessment and reporting of the country's petroleum resource potential.
vii. Approve the field development plans.
viii. Promote investment in the Petroleum Industry.
ix. Ensure monitoring and evaluation of the Policy implementation.
x. Propose Petroleum Administration.

xi. Supervise the performance of government institutions in the Petroleum industry.
xii. Negotiate and endorse relevant Petroleum agreements
xiii. Initiate and/or support the development of national standards relevant to the petroleum industry
xiv. Promote the development of petroleum refining, gas conversion, pipelines, transmission pipelines and midstream storage facilities
xv. Promote public safety and protection of public health and the environment in relation to the petroleum industry
xvi. Promote transparency in the petroleum industry.
xvii. Develop and manage integrated petroleum information systems
xviii. Establish and maintain a petroleum data bank
xix. Approve the data management systems.
xx. Ensure appropriate communication and dissemination of information on petroleum activities.
xxi. Ensure coordination of petroleum activities
xxii. Promote and ensure capacity building and technology transfer in the petroleum industry
xxiii. Promote the participation of nationals in the petroleum industry.
xxiv. Foster and harness intersectoral linkages in the petroleum industry.
xxv. Promote Research and Development in the petroleum industry.
xxvi. Ensure acquisition of land for petroleum infrastructure projects.
xxvii. Determine the option to exercise state participation.
xxviii. Pre-empt petroleum and petroleum products marketed under any license in the event of a national emergency

The Ministry currently undertakes regulatory roles in the petroleum products supply through the monitoring and enforcement division. This Policy recognizes the need to strengthen the capacity of this division to effectively undertake its mandate. The specific downstream regulatory roles shall include;

i. Ensure Consumer protection in the downstream petroleum activities
ii. Monitor the compliance with national standards and guidelines in the entire value chain
iii. Establish, maintain and periodically update the National Petroleum Information System and the evaluation and dissemination of the information derived from the petroleum information system

iv. Organize, implement and coordinate with other Government agencies the monitoring process of the operations, installations and participants in the supply chain including domestic and international markets

v. Encourage, monitor and enforce the implementation of, and the observance of the principles of free market and fair competition in the coordination of the government agencies

vi. Create and implement effective and adequate procedures to receive and resolve without undue delay, all enquiries and complaints by other Government agencies, consumers, recognized consumer organizations or participants in the supply chain concerning the safety of petroleum operations and installations or the quality, or quantity or prices of petroleum products distributed or sold in Uganda

6.4.8 The Roles of the Petroleum Authority of Uganda (PAU)

The Authority regulates licensed players in the upstream and midstream Petroleum Segments.

The specific roles of PAU include:

i. Enforce compliance with the petroleum laws, regulations, contracts and agreements as established.

ii. Establish and report petroleum resource volumes in the licensed areas.

iii. Approve implementation of any petroleum activities undertaken by licensed companies

iv. Monitor petroleum activities undertaken in the licensed areas

v. Ensure optimal development of discovered petroleum fields

vi. Ensure optimal petroleum recovery and production from the fields

vii. Ensure establishment and optimal utilization of petroleum facilities

viii. Ensure effective measurement and valuation of produced petroleum

ix. Approve the transmission, storage, refining and gas conversion tariffs, levies, and fees in accordance with the pricing frameworks.

x. Ensure that the licensed operators maintain competition and fair business practices.

xi. Manage petroleum data from the licensed areas.

xii. Monitor and enforce prudent health, safety, security and environment management practices.

xiii. Monitor and ensure adherence to the national content requirements by the licensees

6.4.9 The Roles of the Uganda National Oil Company (UNOC)

UNOC will continue to handle the State's commercial interests in the industry. The specific roles of UNOC shall include:

i. Managing Uganda's commercial interests in the petroleum industry.
ii. Managing the participating interests of the state in the petroleum agreements and in petroleum activities.
iii. Managing the marketing of the country's share of petroleum received in kind.
iv. Managing the commercial aspects of the State including State participation.
v. Developing in-depth expertise in the petroleum industry.
vi. Optimising value to its shareholders
vii. Participating in accordance with the terms of the petroleum agreements, and in joint ventures in which it holds an interest on behalf of the State.
viii. Participating in meetings of the operating committees in furtherance of its participation in the respective joint operating agreements.
ix. Investigating, proposing and implementing new upstream, midstream and downstream ventures initially locally but later internationally.
x. Administering contracts with co- ventures.

The government shall support the business effectiveness of the UNOC and enhance its recognition by international oil companies as a partner through the following strategies:

i. Insulating UNOC from bureaucracy and political interference.
ii. Promoting healthy competition among oil companies.
iii. Reaping benefits of diversified expertise and approach.
iv. Allowing correct bench-marking of the oil companies' performance.
v. Avoiding power concentration (i.e., a state within a state).
vi. Facilitating UNOC's expansion abroad (with the Government's approval).

6.4.10 Roles of other key stakeholders

This Policy recognizes the roles of other key Stakeholders in facilitating the desirable implementation of petroleum activities. The roles of other key stakeholders are indicated in Table 1 below.

Table 1: Key actors and their responsibilities in the implementation of the National Petroleum Policy

Key Actors	Roles and Responsibilities

Ministry responsible for Justice and Constitutional Affairs	i. Participating in petroleum Policy formulation. ii. Drafting of legislation governing the petroleum industry iii. Provide legal advice in relation to petroleum agreements and other petroleum-related legal issues
Ministry responsible for Finance, Planning and Economic Development In general, the role of this Ministry is to ensure macroeconomic stability, which includes prudent fiscal management and ensuring appropriate distribution of Government funds to provide efficient and effective delivery of services.	i. Ensuring appropriate management of petroleum revenues. ii. Responsibility for administering the collection and utilization of petroleum revenues in line with the relevant laws. iii. Promoting and sustaining transparency of revenue management in the petroleum industry. iv. Participating in the formulation of the law to regulate the collection, use and management of petroleum revenues. v. Defining the roles of different institutions with regard to the collection of petroleum revenues. vi. Monitoring and assessing the impact of petroleum revenues on the economy. vii. Providing Policy guidance in the management of the Petroleum Fund. viii. Ensuring that fiscal and other economic issues are appropriately addressed in the PSAs. ix. Participating in petroleum Policy formulation. x. Participating in the administration of PSAs. xi. Participating in the formulation of petroleum legislation. xii. Providing the necessary funding to support the undertaking of the additional responsibilities for the different Ministries and operational/managerial agencies arising out of this Policy. xiii. Ensuring development and harmonization of accounting standards in petroleum activities including implementing principles of the Extractive Industries Transparency Initiative (EITI).
Ministry Responsible for Local Governments This Policy recognizes that Local Government Authorities	i. Formulating and monitoring local government policies which are in harmony with this Policy.

undertake development plans, capacity building and infrastructure development, among other activities, in accordance with the Local Government Act, of 1997.	ii. Guiding local governments to undertake plans and capacity building that take cognizance of petroleum activities. iii. Implementation of physical plans to avoid the development of slums arising out of petroleum activities. iv. Integrating petroleum activities in local governments' plans and Programmes. v. Mobilizing local governments to support petroleum activities including provision where possible of the necessary infrastructure.
Ministry responsible for Works and Transport	i. Planning and regulating transport services i.e., road, rail, air and waterways. ii. Providing technical guidance on mechanical engineering aspects of machinery used in petroleum activities imported into the country. iii. Issuing approvals for movement along Uganda's roads of heavy equipment (above 56 tonnes) on roads in the country. iv. Supporting the development of the necessary infrastructure for petroleum activities. v. Participating in the verification of the structural integrity of oil rigs and other production facilities.
Ministry responsible for Water and Environment.	i. Ensuring that petroleum activities conform to the requirements of the policies and applicable legislation regarding the protection and utilization of water bodies and aquifers. ii. Management of any potential impact of toxins from petroleum activities and development of infrastructure like laboratories to handle toxins. iii. Monitoring the impact of petroleum activities on the quality of ground and surface water bodies, surrounding flora and atmosphere. iv. Regulating water use and pollution load into water bodies through the issuance of water permits. v. Ensuring compliance with conditions provided for in the water permits. vi. Ensuring protection of water catchment and drainage areas.

	vii. Ensuring respect for Uganda's commitments towards cooperative frameworks for basin-wide transboundary water resource management. viii. Ensuring self-monitoring by the oil companies for compliance with wastewater effluent standards together with ground and surface water quality standards. ix. Participating in monitoring and management of oil spill emergencies.
Ministry responsible for Tourism, Wildlife and Antiquities	i. Ensuring that petroleum policies are in harmony with wildlife conservation and tourism development policies. ii. Ensuring that petroleum activities are in harmony with wildlife conservation and development of infrastructure and services for tourism. iii. In collaboration with relevant stakeholders, monitor the impact of petroleum activities on wildlife conservation and, the development of tourist infrastructure and services together with the harmonious coexistence between ecotourism and petroleum operations. iv. Monitoring the impact of petroleum activities on antiquities.
Ministry Responsible for Gender, Labour and Social Development	i. Carrying out regular statutory inspections to ensure health and safety in the petroleum industry. ii. Issuing certificates of registration of petroleum activities. iii. Formulating and enforcing guidelines on safety and health in the petroleum industry. iv. Ensuring gender and equitable participation for all v. Monitoring compensation for occupational injuries and diseases. vi. Mediating labour disputes and participating in conflict resolution. vii. Monitoring compliance with the labour standards. viii. Ensuring that the equipment and technologies brought into the country are environmentally friendly

	and comply with the desired safety and health standards.
Ministry Responsible for Education	i. Promoting the development of education and training programmes/institutions to create requisite national manpower and expertise for the petroleum industry on a sustainable basis. ii. Promoting relevant research and studies in collaboration with the Ministry responsible for petroleum, and any other relevant institutions. iii. Identifying and proposing measures to mitigate any adverse effects of petroleum activities on the education sector.
Ministry Responsible for Industry	i. Ensuring that petroleum policies are in harmony with the country's industrial policy. ii. Promoting guided development of a petrochemical industry in the country. iii. Promoting the use of petroleum by-products to support industrial development in the country.
Ministry Responsible for Foreign Affairs	i. Ensure cordial bilateral relations with neighbouring countries. ii. Advocate for joint exploration and exploitation of any petroleum resources along the country's common border. iii. Participate in the negotiation of bilateral agreements on petroleum.
Ministry Responsible for Information and Communication Technology	i. Initiating the formulation and implementation of information technology laws and regulations that will provide a conducive and secure environment for data transmission and storage for petroleum activities. ii. Promoting, supporting and guiding the use of ICT to among others enhance efficiency and effectiveness in petroleum operations and transactions. iii. Ensuring that the infrastructure necessary for data and voice communication including telephone, internet and broadcasting are put in place.

Ministry Responsible for Agriculture	i. Ensuring that petroleum policies are in harmony with the country's Agriculture policies ii. Advising Government on the impact of the petroleum industry on the Agricultural Sector iii. Promote Agricultural initiatives and outputs that have linkages with the petroleum industry.
Ministry responsible for security	i. Keep the security of personnel and property in the petroleum industry ii. Ensure vetting of all personnel plus other persons who are employed in the petroleum industry iii. Promote and coordinate protective security arrangements in the industry iv. Ensure that explosives are transported, stored, and used according to established laws & regulations.
Ministry responsible for Land, Housing and Urban Development	i. Support initiatives in the petroleum industry as regards land acquisition, housing and urban development processes. ii. Liaise with relevant stakeholders for the mobilization of resources in support of projects' land acquisition. iii. Conducting physical planning for the areas where petroleum activities are to be undertaken. iv. Approving change of user in provided physical plans for any areas. v. Monitoring compliance with guidelines to discourage the development of slums. vi. Evaluate land and assets during land acquisition
The Central Bank	i. Advising the Government on the impact of the petroleum industry on the national economy. ii. Ensuring that petroleum activities do not impact negatively on monetary Policy and macroeconomic stability. iii. Managing and administering the Petroleum Fund.
Uganda Revenue Authority	i. Administering the collection of revenue and taxes from petroleum activities in line with the relevant laws.

	ii. Assisting in monitoring and assessing the impact of petroleum revenues on the economy. iii. Participating in the formulation of tax measures to regulate the collection of the right revenues from petroleum activities.
The Uganda National Bureau of Standards	i. Formulation and promotion of the use of standards in the petroleum industry; ii. Enforcing standards in the protection of public health and safety and the environment against dangerous and sub-standard products; iii. Ensuring fairness in trade and precision in the industry through reliable measurement systems, particularly in the petroleum industry; and iv. Strengthening the economy of Uganda by assuring the quality of petroleum products to enhance the competitiveness of exports in regional and international markets.
National Planning Authority	i. Leading national planning for effective incorporation of petroleum activities into the national economy. ii. Conducting an in-depth evaluation of the effectiveness and cost of petroleum-related activities. iii. Studying and publishing independent assessments of key economic and social issues and options to increase public understanding and participation in petroleum activities. iv. Participating in monitoring the relationship between the different agencies of the State's petroleum administration.
National Environment Management Authority (NEMA)	i. Coordinating the processes of environmental impact assessments for petroleum activities. ii. Carrying out, alongside other stakeholders, environmental monitoring and audits of petroleum activities. iii. Ensuring and monitoring compliance of petroleum activities with environmental guidelines. iv. Issuing guidelines for strategic environmental assessment.

	v. Harmonizing national performance standards in the petroleum industry on environmental sustainability with international standards.
The Uganda Wildlife Authority (UWA)	i. Monitoring compliance of petroleum activities to regulations governing operations in wildlife-protected areas. ii. Harmonizing national and international performance standards on wildlife-protected areas iii. Monitoring the impact of petroleum activities on wildlife-protected areas. iv. Participating in the evaluation of Environmental Impact Assessments (EIA) and environmental audits for petroleum activities. v. Issuing consent to undertaking petroleum operations in wildlife-protected areas.
The Auditor General	i. Providing an independent oversight of Government petroleum operations through financial and other management audits in accordance with the constitutional provisions and any other relevant legislation. ii. Ensuring adherence to national and international accounting standards in the petroleum industry.
Civil Society Organizations	i. Collaborate with government to foster rapid growth of the Petroleum industry ii. Undertake policy research to inform Petroleum Policy making and implementation. iii. Partner with the government on the development and implementation of Petroleum development projects. iv. Create Awareness on Petroleum exploitation and community mobilization.
Academia	i. Produce the labour force suitable for employment in the Petroleum industry. ii. Provide industrial research and technology development infrastructure like laboratories and student incubation facilities that support petroleum industrial product development and innovations.

Media	i. Produce and disseminate programs and media articles that rally public appreciation of and participation in petroleum industry development. ii. Support monitoring of petroleum industry development initiatives.
Development Partners	i. Provide technical support and guidance ii. Provide funding and budgetary support to develop, implement, monitor, supervise and evaluate the policy implementation.
Private Sector	i. Invest capital and other resources into the petroleum industry ii. Produce and sell Petro-technologies and products iii. Utilize and consume petroleum products
Cultural institutions	i. Support the sensitization of local communities ii. Support supervision and monitoring of petroleum projects and programmes
Religious Institutions	i. Support the sensitization of local communities ii. Support supervision and monitoring of petroleum projects and programmes
Local Communities	i. Participate in the execution of petroleum activities ii. Support supervision and monitoring of petroleum projects and programmes iii. Hold the responsible parties accountable

7.0 FUNDING MECHANISMS

Financing the policy will require a concerted effort from the Government of Uganda (GoU), Development Partners and non-state actors including the Private sector, Civil Society and Local Communities. The primary funding mechanisms shall be: (i) GoU funding from both domestic revenues and, (ii) development support through budget support.

8.0 MONITORING AND EVALUATION OF THE POLICY

The monitoring of this Policy and its evaluation shall be undertaken by the MEMD. The MEMD in consultation with other ministries, departments, agencies and other stakeholders shall produce regular reports as part of its Policy implementation and monitoring role. This report shall be made available to the other ministries, as well as the public.

At the highest level, it is the responsibility of the Office of the Prime Minister to monitor and evaluate all government policies. This Policy recognizes that under the National Integrated

Monitoring and Evaluation Strategy (NIMES), the Office of the Prime Minister has developed Policy monitoring systems that can be enhanced, where necessary, to incorporate petroleum monitoring and evaluation systems. These systems shall be used to monitor and evaluate the successes and failures of implementing this Policy and its effectiveness in achieving the desired goal and objectives.

9.0 POLICY REVIEW AND AUDIT

The policy shall be reviewed after ten (10) years. Periodic appraisals will also be made every after five (5) years to assess the progress of implementation and make mid-term course corrections, if and when required.

EITI International Secretariat

28 February 2024

Validation of Uganda

Draft assessment of progress in implementing the EITI Standard

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Contents

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Acronyms

ASM	Artisanal and Small-Scale Mining
ACODE	Advocates Coalition for Development and Environment
BO	Beneficial Ownership
CSO	Civil Society Organisations
CNOOC	China National Offshore Oil Corporation
DGSM	Directorate of Geological Survey and Mines
EACOP	East African Crude Oil Pipeline
EITI	Extractive Industries Transparency Initiative
ESAAMLG	Eastern and Southern Africa Anti-Money Laundering Group
FATF	The Financial Action Task Force
FUR	Follow Up Reports
GRA	Global Rights Alert
IA	Independent Administrator
ICNL	The International Center for Not-for-Profit Law
KML	Kilembe Mines Limited
MEMD	Ministry of Energy and Mineral Development
MMA	Mining and Minerals Act (2022)
MoFPED	Ministry of Finance, Planning and Economic Development
MSG	Multi-stakeholder group
NEMA	National Environmental Management Authority
NDP	National Development Plan
NGO	Non-Governmental Organisation
NMC	National Mining Company
NPA	National Planning Authority
NPC	National Pipeline Company
PAP	Project Affected Person
PAU	Petroleum Authority of Uganda
PEP	Politically Exposed Person
PFMA	Public Finance Management Act (2015)
PSA	Production Sharing Agreement
QFE	Quasi-Fiscal Expenditure
SOE	State Owned Enterprise
ToR	Terms of Reference
UGEITI	Uganda Extractives Industries Transparency Initiative
UNOC	Uganda National Oil Company
UBOS	Uganda Bureau of Statistics
UPR	Universal Periodic Review
URA	Uganda Revenue Authority
URHC	Uganda Refinery Holding Company
URSB	Uganda Registration Services Bureau

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Executive summary

This draft Validation report presents the findings of the International Secretariat's Validation of Uganda which commenced on 1 October 2023. The draft report was finalised for review by the multi-stakeholder group (MSG) on 27 February 2024. Following comments from the MSG expected on (deadline COB 27 March 2024), the Validation report will be finalised for consideration by the EITI Board. The preliminary assessment suggests that Uganda has not exceeded any EITI Requirements, fully met 9, mostly met 16 and partly met 4 requirements, with 5 requirements assessed as not applicable.

Key achievements

- Over the last decade, Uganda has sought to build a robust framework to manage the expected oil wealth. Most recently it has also addressed the need to set a similar robust mining regulatory framework by passing the 2022 Mining and Minerals Act. In both cases, a fresh institutional setting has been put in place. Extractive stakeholders and the public in general have seen transparency as a key element to ensure this setting could deliver its objectives of good governance. After years of pondering the adoption of a tool like the EITI, Uganda started in 2020 to implement the Standard. The country has set a vibrant EITI process including an engaged multi-stakeholder group, a capable national secretariat, and an active civic society component, that has managed to ensure public debate in an otherwise challenged civic space.

- UGEITI has contributed to advance both processes. On the oil and gas sector, UGEITI has been particularly active in engaging stakeholders, debating issues such as contract transparency, beneficial ownership, fiscal justice, and local impact, and preparing companies for when material revenues will come to stream as the industry enters the production phase. UGEITI has also accompanied the 2022 mining reform by explaining the new regulatory framework and preparing for when the institutional setting is fully implemented. In the meantime, UGEITI has filled some of the mining information gaps. All in all, UGEITI has been a key, engaged and active tool contributing to improved governance of the extractive sector.

- As UGEITI has completed its first reporting cycle, the EITI has served as a diagnostic tool establishing the basis for full implementation, especially when future oil revenues will come to stream from the nascent oil industry. In the mining side, EITI Reports and debate have identified a number of gaps from where improved systems could be built to ensure the sector is well governed and addressed the risks associated with high opacity of small-scale gold mining and from being in a region with widespread challenges including trading on conflict minerals.

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Areas for development

- As the different components of both the oil and mining institutional framework are put in practice, UGEITI, with the leadership of the government, needs to ensure that open, comprehensive, and well documented debate happens on all issues of interest for stakeholders and the public in general. In particular, the government needs to preserve an unobstructed civic space where civil society organisations can exert its monitoring role without fear of reprisal and repercussions.

- The government needs to act upon the many recommendations and address the information and process gaps identified in the EITI process in the first reporting cycles. These include full publication of oil and gas contracts and beneficial ownership information, especially on the mining licenses including mid-stream actors along the gold value chain. Similarly, full availability of audited financial information of companies including the SOE UNOC will allow full scrutiny of transactions and monitoring of provisions such as contribution to the petroleum fund and the financing of UNOC contractual obligations. On the mining side, producing reliable information concerning production, exports and traceability of gold processing is crucial to address the opacity of the contribution of this sector to the Ugandan economy. Another key area of improvement is in completing full information of mining licensing, including awarding and transfer of all licenses.

- UGEITI has enjoyed both government and development partners support during these first years of implementation of the EITI. Moving to the future, the government needs to ensure the sustainability of implementation of transparency practices, including robust information systems that guarantee data is timely produced at the source on continuous basis and trusted by stakeholders. The government needs to make sure that future resources for the MSG are available including ensuring an efficient national secretariat.

- The hydrocarbon industry operates, including transportation through oil pipelines, in areas of high social and environmental impact. UGEITI has initially contributed to bring clarity on the institutional arrangements designed to address these impacts. To strengthen public scrutiny and good governance of environmental regulations, UGEITI needs to bring data and analysis on actual performance of those regulations and provisions.

Progress in implementation

EITI Validation assesses countries against three components – “Stakeholder engagement”, “Transparency” and “Outcomes and impact”.

Stakeholder engagement

Uganda has established a robust multi-stakeholder group to oversight EITI implementation. UGEITI’s MSG has effectively steered the EITI during the first reporting cycles following Uganda becoming an EITI implementing country in 2019. The MSG is well supported by an active and engaged national secretariat. Stakeholders from all constituencies have worked effectively to establish MSG routines, agreeing key documents such as work plans and implementation priorities, to produce two EITI Reports and disseminate and debate findings. Government's agencies are well engaged in the MSG and have contributed to address key issues like mining reform, oil and gas regulations, the legal framework for the state-owned enterprise UNOC participation in the oil business. The civil society constituency has long been engaged in advocating for the EITI before 2019 and since then in the multi-stakeholder group's core functions. CSOs have led on a significant number of dissemination and debate activities, especially in the oil and gas region. It has been remarkable that CSO's participation has not been restricted or impaired despite an otherwise challenged civic space. The constituency has been fully active and engaged in debating issues including as contract transparency, beneficial ownership, fiscal justice, and local impact. Finally, industry engagement has been uneven. While the oil and gas sector has been fully and actively engaged the private mining sector has seen the non-metallic companies participating in the reports and the artisanal and small-scale association engaged in the MSG. However, MSG engagement with actors involved in the opaque gold mining has been limited. Getting this subsector into the EITI process will be key to bring transparency to this challenging area.

Transparency

The EITI process, including the production of two reports in the first reporting cycles, has served as a thorough diagnostic tool for extractive sector's data and processes. EITI Reports have explained the institutional arrangement put in place for managing the nascent oil industry and the reforms passed in 2022 to update mining regulations. This has set the foundations for future disclosures and monitoring of how these frameworks work in practice. The EITI has identified a number of gaps in the data currently available for the sector. These include data on the contribution to the economy of the informal mining sector, including the controversial opaque gold mining. Despite some systematically disclosed information from sources like the Auditor General and the Bureau of Statistics, there are still unreconciled discrepancies in the data of gold mining and processing. The reports have also revealed deficiencies in the quality assurances of information given the lack of full publicity of companies' audited statements including the state-owned company UNOC. UGEITI has also made little progress on the lack of full disclosure of contracts in the oil sector. Beneficial ownership data is not available despite the recent reforms put in place to create a national BO data system. The reports have provided information on the environmental framework affecting the extractive industry. In all cases, the EITI process has served to identify a baseline of the state of transparency as demanded by the EITI. In turn, this sets solid basis for future disclosures of data with the required quality once the oil sector is in full operation, including transportation of crude through the East Africa pipeline and generation of significant revenues. Similarly, as the 2022 mining reform is implemented, the EITI process is set to bring the necessary transparency across the mining value chain.

Outcomes and impact

UGEITI has generated and promoted debate on key issues affecting the extractive industry. The EITI process in the first years of implementation has served to map the regulatory framework for both oil and mining and discuss progress on key transparency efforts in areas such as oil contracts and beneficial ownership. UGEITI has reached out especially to the oil industry's region

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and discuss local impact and fiscal regime. The UGEITI website is a focal point for information on the sector and EITI Reports have included thorough information on the institutional frameworks for both sectors. Future EITI implementation could benefit from the progress made in the first years of implementation to ensure that key data is brought to monitor the sector including priority issues like conflict mineral's risks associated with unregulated mining activity. Crucially, UGEITI is well set to bring credible data on the operations of the nascent oil sector including its contribution to the Uganda economy and compliance with the requirements from operating in an environmental-sensitive area.

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Validation scorecard

Component & module	EITI Requirement	Progress	Score
Outcomes and impact		Moderate	67/100
Extra points	Effectiveness and sustainability indicators		1
Outcomes and impact	Work plan (#1.5)	Mostly met	60
	Public debate (#7.1)	Fully met	90
	Data accessibility and open data (#7.2)	Mostly met	60
	Recommendations from EITI (#7.3)	Mostly met	60
	Outcomes & impact (#7.4)	Mostly met	60
Stakeholder engagement		Moderate	82.5/100
Multi-stakeholder oversight	Government engagement (#1.1)	Fully met	90
	Industry engagement (#1.2)	Fully met	90
	Civil society engagement (#1.3)	Mostly met	60
	MSG governance (#1.4)	Fully met	90
Transparency		Moderate	61.5/100
Overview of the extractive industries	Exploration data (#3.1)	Fully met	90
	Economic contribution (#6.3)	Mostly met	60
Legal and fiscal framework	Legal framework (#2.1)	Fully met	90
	Contracts (#2.4)	Partly met	30
	Environmental impact (#6.4)	Not assessed	-
Licenses	Contract and license allocations (#2.2)	Mostly met	60
	License register (#2.3)	Mostly met	60
Ownership	Beneficial ownership (#2.5)	Partly met	30
State participation	State participation (#2.6)	Mostly met	60
	In-kind revenues (#4.2)	Not applicable	
	SOE transactions (#4.5)	Mostly met	60
	SOE quasi-fiscal expenditures (#6.2)	Partly met	30
Production and exports	Production data (#3.2)	Mostly met	60
	Export data (#3.3)	Partly met	30
Revenue collection	Comprehensiveness (#4.1)	Mostly met	60
	Barter agreements (#4.3)	Not applicable	-
	Transportation revenues (#4.4)	Not applicable	-
	Disaggregation (#4.7)	Mostly met	60
	Data timeliness (#4.8)	Fully met	90
	Data quality (#4.9)	Fully met	90
Revenue management	Distribution of revenues (#5.1)	Fully met	90
	Revenue management & expenditures (#5.3)	Not assessed	-
Subnational contributions	Direct subnational payments (#4.6)	Mostly met	60
	Subnational transfers (#5.2)	Mostly met	60
	Social and environmental expenditures (#6.1)	Mostly met	60
Overall score		Moderate	70.3/100

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How EITI Validation scores work

Component and overall score

The three components of EITI Validation – "Transparency", "Stakeholder engagement" and "Outcomes and impact" – each receive a score out of 100. The overall score represents an average of the component scores.

Assessment of EITI Requirements

Validation assesses the extent to which each EITI Requirement is met, using five categories. The component score is an average of the points awarded for each requirement that falls within the component.

- Exceeded (100 points): All aspects of the requirement, including "expected", "encouraged" and "recommended" aspects, have been implemented and the broader objective of the requirement has been fulfilled through systematic disclosures in government and company systems.
- Fully met (90 points): The broader objective of the requirement has been fulfilled, and all required aspects of the requirement have been addressed.
- Mostly met (60 points): Significant aspects of the requirement have been implemented, and the broader objective of the requirement is mostly fulfilled.
- Partly met (30 points): Significant aspects of the requirement have not been implemented, and the broader objective of the requirement is not fulfilled.
- Not met (0 points): All or nearly all aspects of the requirement remain outstanding, and the broader objective of the requirement is far from fulfilled.
- Not assessed: Disclosures are encouraged, but not required and thus not considered in the score.
- Not applicable: The MSG has demonstrated that the requirement doesn't apply.

Where the evidence does not clearly suggest a certain assessment, stakeholder views on the issue diverge, or the multi-stakeholder group disagrees with the Secretariat's assessment, the situation is described in the assessment.

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1. Effectiveness and sustainability indicators

The country is awarded 0, 0.5 or 1 point for each of the five indicators. The points are added to the component score on Outcomes and impact.

1.1 National relevance of EITI implementation

This indicator considers the extent to which EITI implementation in Uganda addresses nationally relevant extractive sector challenges and risks.

Ugandan stakeholders considered the national objectives, development strategies, and programs associated to the extractive sector and outlined in the National Development Plan (III). This resulted in three overarching objectives behind UGEITI's implementation, broadly centred on transparency and accountability, domestic revenue mobilisation, and enhanced institutional capacity. However, most of the work plan activities are more driven by EITI implementation than by national challenges.

Uganda's MSG has actively sought to enhance the relevance of the EITI process by providing pertinent inputs to reforms relevant to the extractive sector, and by promoting EITI implementation through different channels and with different stakeholders. Additionally, the civil society constituency has been particularly vocal, urging reforms based on EITI Report findings. Additionally, the MSG has formally communicated findings and recommended changes to extractive sector oversight bodies and affected institutions. These initiatives carry significance in addressing the transparency gaps and addressing the need for more reliable information (see here and here). EITI has informed public debates on relevant sector challenges, as evidenced by various media articles (see here, here and here).

The government constituency has shown commitment to the EITI implementation and there is evidence from public statements of government officials acknowledging its relevance. The MSG has also served as an icebreaker for dialogue and as a channel for direct communication between the sub-constituencies (and within different entities of the same constituency) fostering trust-building. Civil society representatives found that the MSG allowed to coordinate and achieve common positions on the extractive sector issues and challenges. The industry constituency recognised EITI as conducive platform for dialogue.

Stakeholders have expressed optimism on progressive disclosures although challenges persist, especially in areas such as contract transparency, which is lacking granularity in actions and steps in Uganda's EITI work plan. While most stakeholders agreed that the informal mining sector needed major efforts and there are hopes behind the recently approved Mining and Minerals Act (2022), EITI's work plan appears to include few activities geared to support ongoing formalisation efforts and mineral traceability.

Secretariat proposes that 0.5 additional points be added to the score on Outcomes and impact for this indicator. In the context of broader efforts to improve domestic revenue mobilisation, and

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with historical transparency challenges in the mining sector, Uganda is encouraged to use the EITI to ensure the highest levels of transparency and accountability in the mineral sector and on its nascent petroleum sector.

1.2 Systematic disclosures of extractive industry data

This indicator considers the extent to which data is systematically disclosed, as well as plans to strengthen systematic disclosures.

Uganda's has recently adopted its Open data policy and has complemented its EITI Report by releasing summary data. The 2022-2023 work plan outlines diverse activities aimed at reinforcing data mainstreaming, enhancing data collection mechanisms and promoting its use. Planned activities involve establishing up a centralised database for all UGEITI data, conducting a feasibility study for mainstreaming EITI implementation, and engagements with stakeholders. On the capacity building front, the work plan envisions training sessions to strengthen the use and collection of extractive sector data.

While Uganda has not yet published information of its reports in open data format, the MSG could have benefited of mapping systematic disclosures through the Validation templates. This approach is useful assess the extent to which data within the scope of the EITI Standard is already routinely disclosed through government reporting and company systems that do not rely on annual EITI data collection.

The Secretariat proposes that zero additional points be added on Outcomes and impact for this indicator. Uganda is encouraged to conduct an assessment of systematic disclosures of EITI data by government entities and extractive companies.

1.3 Environment for citizen participation in extractive industry governance

This indicator considers the extent to which there is an enabling environment for citizen participation in extractive sector governance, including participation by affected communities.

Although the MSG indicated on its Outcomes and impact template that there is an enabling environment for citizen participation, insights gathered through stakeholder consultations reinforce the view that Uganda's civic space is characterised by a legislative and regulatory framework that poses constraints. However, it is noteworthy that these constraints are not exclusive to the oil, gas, or mining sector. In general, consulted stakeholders have conveyed concerns about a restrictive operational space, attributing it to an excessive number of interlinked laws that civil society organisations must adhere to for their functioning. While a minority of stakeholders perceive this as creating a disabling environment, the majority perceives an opportunity for action despite the stringent regulations. Notably, it was observed that numerous dialogues concerning the extractive sector are underway. Representatives from the MSG acknowledged a shifting landscape, highlighting the suitability of the EITI as a platform for discussions that previously risked leading to legal consequences. CSO representatives noted the current ability to engage in conversations at the national level without resorting to legal

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proceedings. Stakeholders expressed caution due to the prevailing laws, which, despite a noticeable shift in practices, remain in force.

The MSG has partially reviewed practices oriented to strengthen citizen participation by gathering inputs through sub-national consultations. In collaboration with the industry and CSO constituencies the MSG has conducted dissemination and outreach activities in regions with extractive activities to create awareness among subnational stakeholders on the availability of the EITI Report to promote participation of local communities. These forums provide a relevant space for citizen participation and awareness, particularly relevant given the gaps of information that is relevant for the subnational level and the lower capacity of local governments (see here). It is also noteworthy that Uganda's Association of Artisanal and Small-scale Miners is actively engaged in the EITI process. In this regard, EITI has had a positive impact in providing relevant information. Uganda's has also produced summary versions of its reports, which can be found on its website.

There is evidence that there are financial constraints preventing stakeholder engagement in the EITI in the longer term. Consulted stakeholders emphasised that funding was a major challenge for EITI implementation, and for outreach and dissemination efforts to be undertaken widely beyond Kampala, Uganda's capital. Similarly, minutes from meetings held in local districts demonstrate a need for more engagements with local communities. It appears that the EITI has contributed to certain changes in civic space related to extractive governance, yet these remain very vulnerable to change. Further efforts are also needed to fully incorporate the voices of affected communities and address funding challenges.

The Secretariat proposes zero additional points to be added to the score on Outcomes and impact for this indicator.

1.4 Accessibility and use of extractive industry data

This indicator considers the extent to which extractive sector data is accessible and used for analysis, research and advocacy.

In general, the comprehensiveness of systematic disclosures from government agencies and companies could be improved. Currently EITI reporting, through the annual EITI Report and the EITI website, remains the main source of accessible and comprehensive data on the mining and oil and gas sector, although some information on projects is available on the website of UNOC[1]. Contracts and beneficial ownership disclosures have been mentioned by stakeholders as a key improvement in the near future, with the possibility to link each contract to the corresponding permit on the online cadastre. The recent effort of publishing an information bulletin on main projects, production volumes and values by the government is a welcome development. Stakeholders have not mentioned any other reforms underway in the areas covered by the EITI Standard. Disclosure of the information required by the EITI Standard on the websites of SOEs and private actors generally remains limited, with no audited financial statements being available

[1] https://www.unoc.co.ug/upstream/the-tilenga-project/

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on the website of the companies. The national website and EITI Reports remain the central means of disclosing information on the extractive industries and related government revenues.

Also, government and industry constituencies appear to be reluctant to publish information in an open data format, which was attributed to fears of potential manipulation or misuse. They expressed a preference to provide information to the MSG for publication, rather than directly publishing it on government websites. Nevertheless, stakeholders acknowledge the benefits of sharing information, as it serves to counter criticism based on misinformation and enhances overall workflow efficiency. A considerable portion of the disclosed information is not in an open format, making it less directly usable for analytical purposes. Uganda's information on subnational contributions currently falls short of meeting stakeholder needs.

The Secretariat proposes zero additional points be added to the score on Outcomes and impact for this indicator.

1.5 EITI-related changes to extractive industry policy and practice

This indicator considers the extent to which EITI has informed changes in extractive sector policies and practices.

There are several ways in which Uganda EITI has informed changes in both policies and practices in the governance of the extractive industries. For instance, Uganda EITI has been one of the main drivers of establishing a public beneficial ownership register, in providing input to the amendments to the Companies acts for beneficial ownership provisions covering companies in all sectors. It has also worked with the Mining Cadastre Office to integrate beneficial ownership disclosure into the mining licensing process.

Several stakeholders consulted considered that the EITI had contributed to the government's articulation of the Mining and Minerals Act 2022 to address the weaknesses in the extractive sector. The EITI has also played a significant role in the discussions on the EACOP pipeline, ensuring a multistakeholder dialogue around the project. UGEITI and the EITI implementation through the first years following a long-standing demand for transparency has led to a change in the practice of making the extractive more accountable, something that was highlighted during consultation for this Validation.

The Secretariat proposes that 0.5 additional points be added to the score on Outcomes and impact for this indicator.

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2. Outcomes and impact

This component assesses EITI Requirements 7 and 1.5, which relate to progress in addressing national priorities and public debate.

Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in annex to this report.

EITI Requirement / past corrective action and preliminary assessment	Summary of progress in addressing the EITI Requirement
Work plan (Requirement #1.5) *Mostly met*	The International secretariat's preliminary assessment is that Requirement 1.5 is mostly met. The current work plan (2023/2024) is the product of input and support from all constituencies. Stakeholder consultations found that the process for developing and updating annually the work plan was transparent and inclusive of the views of members of each constituency. However, while the 2022/2023 and 2023/2024 work plans do include general linkages to national priorities, most of the activities are tied to the implementation of the EITI and the first Validation of the country. The reference to recommendations from reporting and independent studies, on artisanal mining and gold smuggling, is limited. The work plan references the goals of the National Development Plan (NDP) III to increase the extractive sector's overall relevance for the economy, such as in local content, investment, exploration and processing. Chapter 6 and 7 of the NDP III are respectively dedicated to the mining and oil and gas sector and highlight the need for a strengthened legal and fiscal framework of ASM and improvement of the legal and institutional framework of both sectors (p.71) as important pillars – which the work plan explicitly reference. The work plan does not include activities on local content or environmental mitigation, and only one activity in the second quarter on the regularisation of the ASM sector, which are stated objectives of the NDP III. The 2023-2024 work plan is largely costed but does not indicate the source of funding apart from the government. It includes rough time indications per activity (per quarter). It includes activities on the dissemination of EITI Reports and one activity on gender. It addresses the removal of the legal obstacle on contract disclosure (but no beneficial ownership) and contains two additional activities on the publication of contracts and licences. Several capacity building activities targeting MSG members, companies and government, are included (see activities 3.3.a and c). In terms of consultation with stakeholders on objective of the workplan, several activities were held where the draft plan such as a workshop in the eastern region of Mbale district in August 2022.

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	The National Development Plan notes the relevance of ASM for the country, as noted in section 6.3.1 of the 2020-2025[2] version. Ensuring inclusion of activities that result in providing estimates on ASM activities (production and export as a minimum, see also assessments of Requirements 3.2 and 3.3) and to address issues such as gold smuggling, would benefit from more activities in the work plan. Future work plans may wish to draw on findings and recommendations from existing research on small-scale mining and gold smuggling as those are governance issues that may benefit of MSG oversight to ensure priority recommendations are addressed. A thematic report on ASM in the country has been prepared but not yet published. Finally, the MSG is planning to link the work plan to a monitoring framework, as encouraged by the EITI Standard (see activity 1.3.3 of the work plan).
Public debate (Requirement #7.1) *Fully met*	The Secretariat's preliminary assessment is that Requirement 7.1 is fully met. Most stakeholders consulted considered that the overall objective to enable evidence-based public debate on extractive industry governance through active communication of relevant data to key stakeholders was fulfilled, although shortcomings in the critical aspect of the public debate were noted by some stakeholders. The Secretariat's view is that the objective is fully met in the first three years of Uganda's implementation after joining the EITI. The two (2019-2020 and 2020-2021) EITI Reports published in the period under review were posted on the Uganda EITI website, The MSG has produced summaries on the findings of EITI Reports. Civil society representatives contributed to Uganda EITI's communication by organising conferences on the EITI 2019 and 2023 Standard and advocacy for the formalisation of the mining sector. There is evidence[34] of use of extractive data by civil society, companies or government institutions, including in the discussion on EACOP, the pipeline between Tanzania and Uganda. Industry has disseminated each report produced, while the Uganda EITI secretariat organised dissemination events supported by civil society and government representatives related to the recent thematic reports on Beneficial Ownership, (Hoima City the 23 August 2023), Dialogue on relevant governance issues has also been supported by partner organisations at multiple events[56]. In May 2021, the MSG and Global Rights Alert (GRA) jointly organised a community engagement and field visit for MSG members to the Kagaba Hill in Kitumbi Sub-County, Kassanda district and Mubende District to create awareness about the EITI and its potential in transforming the ASM sector. Some stakeholders highlighted financing and resource constraints as a barrier to develop further dissemination and awareness activities but were overall satisfied with the current communication efforts.

[2] https://www.health.go.ug/cause/third-national-development-plan-ndpiii-2020-21-2024-25/
[3] https://www.independent.co.ug/ugandas
[4] https://www.youtube.com/watch?v=Yg-D6PLAYlc
[5] https://www.ugeiti.org/regional-stakeholder-engagement-to-disseminate-the-ugeiti-report-fy2029-21-and-beneficial-ownership-in-hoima-district/
[6] https://www.ugeiti.org/regional-stakeholder-engagement-to-disseminate-the-ugeiti-report-fy2029-21-and-beneficial-ownership-in-hoima-district/

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	Uganda EITI has developed a five-year Communication Strategy with support from the European Union (EU) Justice and Accountability Reform (JAR) program. An MSG communications sub-committee was formed to oversee the EITI communication work plan. In addition, there is abundant documentation of press articles, radio and TV-programs where EITI stakeholders discuss transparency in the extractive industries and raise awareness about the EITI. All MSG constituencies appear engaged in the communication of relevant data to key stakeholders, as documented on the Uganda EITI website and the 'Outcomes and impact' template for this Validation. There is some evidence of the MSG explicitly considering the information needs and access challenges of different stakeholder groups, and Uganda EITI appears to have prioritised outreach to civil society and journalists, including communities hosting extractive activities. The implementation of the last work plan (*see Requirement 1.5)* has highlighted the need to build the capacity of stakeholders at the national and regional levels, and stakeholder consultations emphasised the need for capacity building within government agencies and ministries in order to empower more use of EITI data and findings.
Data accessibility and open data (Requirement #7.2) *Mostly met*	The Secretariat's preliminary assessment is that Requirement 7.2 is mostly met. The Secretariat's view is that the objective of enabling broader use of EITI data is in the process of being achieved. Uganda EITI publishes summary data files alongside each EITI Report, not yet published. However, the data contained in the EITI Reports are not available in open format, and there are opportunities to increase the volume of data in open format, on the EITI national website and through systematic disclosures. Stakeholders consulted did not express any particular views on progress towards the objective of data accessibility. Uganda EITI has agreed an open data policy in October 2023 which clearly articulates the policy related to the release, use and reuse of Uganda EITI data. Summary EITI data on revenues and payments is available in open format through the summary data files prepared for the 2020-2021 and 2019-2020 EITI Reports. There is very little data from the extractive sector that have been published in open format in accordance with Requirement 7.2.b.
Recommendations from EITI implementation (Requirement #7.3) *Mostly met*	The Secretariat's preliminary assessment is that Requirement 7.3 is mostly met. Uganda EITI has made progress in identifying and addressing the causes of information gaps or discrepancies in EITI implementation, and progress in responding to the recommendations made by the Independent Administrator. MSG mechanisms for following up on recommendations and discrepancies were established in early 2022 and it is too early to conclude whether they are fully effective in practice, given that it is the first Validation of Uganda and the country has published two EITI Reports. In practice, there has been limited progress on follow-up on recommendations stemming from the 2020 and 2021 EITI Reports and implementation for most of the period under review.

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	Overall, the MSG, supported by the Uganda EITI secretariat appear to operate as the mechanism for following up on recommendations from EITI Reports. The minutes of MSG discussions (such as the MSG's 13 April 2023 meeting) and other Uganda EITI documents, such as the 'Outcomes and impact' template and the 2021 EITI Report, describe the establishment of a mechanism to identify, investigate and address the reasons for gaps in EITI reporting and the recommendations stemming from thematic studies and EITI Reports. The 2021 EITI Report provides a table listing eight recommendations from the 2020 EITI Report and an update on progress in their implementation to date. The table confirms that seven of the recommendations are currently in progress, and one has been fully implemented. Uganda EITI's 2023-2024 work plan notes in its objective 2.1 that activities to implement the recommendations will be undertaken, but only includes detailed activities for contract disclosure. There is further evidence of measures taken by the MSG to follow-up on implementation gaps after the publication of the 2020 and 2021 EITI Reports in MSG meetings minutes, with letters sent and meetings organised with key government agencies and departments. One of the central recommendations stemming from the 2023-2024 work plan and MSG meetings relates to capacity building for stakeholders, in particular MSG members, civil society from national and local communities and civil servants. On balance, the Secretariat considers that the technical aspects of Requirement 7.3 are in the process of being addressed, pending confirmation that the recently established mechanism for following up on EITI recommendations is robust and sustainable in practice.
Review the outcomes and impact of EITI implementation (Requirement #7.4) *Mostly met*	The Secretariat's preliminary assessment is that Requirement 7.4 is mostly met. Although the MSG has published one annual progress report covering two of the three years under review and has taken gender into consideration, such exercise is yet to be replicated for the period July 2022-June 2023. Combined with the apparent lack of consultation of broader constituency on the APR, it is the view of the Secretariat that the objective is mostly fulfilled. The review of impact has not yet led to the identification of reform efforts, but states that the EITI has delivered on its own objectives. In July 2022, Uganda EITI produced a two-year progress report combining reflections on the impact of the EITI. Supported by the EITI International Secretariat, the objective of this study was to identify, document and analyse the impact and concrete reforms generated by the implementation of the EITI Standard in the governance of the mining, oil and gas sector in the country over the period June 2020-July 2022. This Annual Progress Report includes a dedicated section to lessons learned, good practices resulting from the implementation of the EITI Standard and recommendations. The document also includes a consistent documentation on progress in meeting each EITI Requirements of the 2019 Standard, a thorough summary of EITI activities, an overview of the MSG's responses to EITI recommendations stemming from the 2020 EITI Report, an assessment of progress in meeting work

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	plan objectives and a narrative account of efforts to strengthen the EITI's impact. Stakeholders outside of the MSG do not seem to have been consulted on the outcomes and impact of the EITI ahead of the preparation of the Annual Progress Report. For the period July 2022-June 2023, stakeholders consulted indicated that a similar report was in preparation at the time of the Validation.
New corrective actions and recommendations	
• In accordance with Requirement 1.5, Uganda should clearly frame its objectives for EITI implementation to reflect national priorities for the extractive industries and steps to mainstream EITI implementation in government and company systems. • To strengthen implementation of Requirement 7.1, the MSG is encouraged to continue exploring alternatives to strengthen timely dissemination of data, such as through the publications and regular updates on the EITI national website. • In accordance with Requirement 7.2, Uganda should make data from its EITI Reports available in open format to facilitate its accessibility and use and agree and publicise its open data policy. • In accordance with Requirement 7.3, Uganda should take steps to ensure that there is a robust mechanism for systematic follow-up on recommendations from EITI reporting and Validation that is effective in practice. • In accordance with Requirement 7.4, Uganda should seek and document stakeholders' views on the EITI process and the impact of the EITI, and have their views reflected in the annual review of outcomes and impact. To strengthen implementation of Requirement 7.4, Uganda could consider more clearly linking EITI work plan activities with the reforms in the extractive sector and linking the impact assessment recommendation to the subsequent work plan.	

3. Stakeholder engagement

This component assesses EITI Requirements 1.1 to 1.4, which relate to the participation of constituencies and multi-stakeholder oversight throughout the EITI process.

Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in annex to this report.

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EITI Requirement / past corrective action and preliminary assessment	Summary of progress in addressing the EITI Requirement
Government engagement (Requirement #1.1) *Fully met*	The Secretariat's preliminary assessment is that Requirement 1.1 is fully met. The International Secretariat assessment is that the objective that the government is fully, active, and effective engagement in the EITI process has been achieved. Throughout consultations with stakeholders, there was a strong consensus that the government has led and facilitated EITI implementation since Uganda was admitted to the EITI in 2020. This has happened through leading EITI implementation with high-level participation, enabling EITI implementation, including MSG functioning, reporting and dissemination and debate. The government has, since declaring its intention to join the EITI in 2019 and throughout the first years of implementation, continuously expressed clear commitment to implement the EITI, as documented in the stakeholder engagement template. The government constituency involves several high officers as evidenced by the appointment of three co-EITI champions. Two ministers of state (from Ministry of Energy and Mineral Development, and Microfinance and Small Enterprises) and the Director of Economic Affairs in the Ministry of Finance has together led the constituency and the MSG as well. Through the consultations it was evident that the holders of these posts have the authority and confidence from stakeholders to coordinate action and resources for EITI implementation. Government priorities for the EITI have been aligned with the current national development plan (2020-2025). The government's constituency is highly engaged and well-coordinated through a well-established national secretariat, led by two staff, national coordinator, and the head of the secretariat, which provided coordination and steering for the different government agencies involved in EITI work (scoping, policy, multi-stakeholder group activity – incl. work plan, annual progress report-, and dissemination and debate). The participation of government agencies has gone beyond the leading agencies mentioned above. The National Planning authority (NPA), Ministry of Justice, Uganda Revenue Authority (URA), the Petroleum Authority of Uganda (PAU), Bank of Uganda, National Environmental Management Agency (NEMA) have also been engaged in EITI implementation. The participation of the government agencies in the MSG is well organised through the MSG ToRs and followed a mapping exercise led by the Ministry of Finance. Two additional agencies (NPA and PAU) were added to the initial representation during the period under review. The evidence documented in the Validation template confirm that the constituency has been involved in multi-stakeholder group regular activities, in different working groups set by the MSG, ad-hoc consultations, dissemination and debate activities and through the preparations and consultations of Validation. Stakeholders from all constituencies confirmed that the government, though not only the co-Champions, is fully and actively engaged in the EITI. EITI implementation has benefited in the period under review from resources coming mainly from two sources, government own budgetary allocation and development partners (European Union's technical and budget

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	support). For the period 2023/2024 the government support totalled Ush 2.2 billion (USD 580,000). The national secretariat is generously staffed and hosted in the Ministry of Finance. While acknowledging the adequate funding during the period under review, various stakeholder expressed concerns about the sustainability of current resourcing when external support is reduced or stopped. The government expressed its commitment to continue supporting EITI implementation at an adequate level. All in all, the government is fully, actively, and effectively engaged, through both high-level political leadership and operational engagement.
Industry engagement (Requirement #1.2) *Fully met*	The Secretariat's preliminary assessment is that Requirement 1.2 is fully met. This assessment is based on that there is evidence that the organised part of the industry, represented through the umbrella association, the Uganda Chamber of Mines and Petroleum, is fully, actively and effectively engaged in the EITI process. The oil and gas subsector and the non-metallic and small-scale organised mining sector have been fully engaged in core aspects of EITI implementation. The mining sector is engaged in the EITI, especially through active non-metallic operators that are part of the Uganda Chamber of Mines and Petroleum. Non-metallic companies that have reported data in the EITI Reports and engaged in the MSG. While these organised stakeholders have been fully engaged, there is part of the industry actors that is relevant for gold production, refining and export that seem absent from engaging on the EITI. The data about this part of the industry is limited as it is discussed in the assessment of requirements 6.3, 3.2 and 3.3, preventing from understanding the materiality of this part of the industry. The industry constituency is composed of three parts: the oil and gas sector, the formal mining sector, and the informal and small mining subsector. The first two are grouped under an umbrella chamber called Uganda Chamber of Mines and Petroleum which has over 200 members. The other under the Uganda Association of Artisanal Small-scale Miners which consists of over 158 associations. As such, industry is adequately represented in the MSG. The Validation templates document that the baseline situation for the industry was that it was very fragmented and that the chamber has been instrumental to bring the constituency together to engage in the EITI implementation. Hence that, at the level of MSG activity, there is adequate participation of representatives of companies and the representatives from the two chambers in MSG business such as work planning, annual reviews, etc. Regarding requirement 1.2.b, this assessment confirms that this representation was mainly selected and agreed via the chambers and with the direct engagement of individual oil and gas companies with current interest in the sector (the SOE Uganda National Oil Company (UNOC), Total, Oranto, CNOC, Armour Energy). The 'Stakeholder engagement' template provided evidence that this process was independent and properly conducted. Consultations did not raise any concerns about industry representation in the MSG.

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	Regarding requirement 1.2.a, the template also documented that the industry constituency was engaged in the development of work plans and annual progress review. Similarly, the constituency participated in dissemination activities and in debate of controversial issues like the development of the East African Crude Oil Pipeline (EACOP). During the period under review, the oil and gas subsector was mostly in the development phase. In the FY 2021 this sector reported payments for USD 47 million but it is expected that during the full production phase these revenues will be larger. Validation consultations confirmed that the oil and gas sub-constituency is highly involved and committed to the EITI. The picture in the mining sector is mixed. The sector contribution to government revenues is more limited. In FY 2021 the sector reported 25% of total government revenues from extractives (USD 16 million). Despite this minor contribution compared to oil and gas, the mining sector faces challenges such as widespread informality and a lack of reliable information about production and mining activities. The more formal part of the subsector is the non-metallic sector (quarries) that is represented on the MSG and represented most of the reported payments from mining. From consultation to stakeholders, this assessment concludes that the oil and gas companies are fully active in EITI implementation, while the mining industry is engaged mainly through the non-metallic companies represented in the Uganda Chamber of Mines and Petroleum. This lack of participation from gold mining is linked to challenges in formalising mining activity rather than legal obstacles for participation. Notably, the mining reform passed in 2022 set a framework for formalising small producers. Consulted stakeholders highlighted that this would facilitate an improved engagement from the ASM subsector. In particular, the Uganda Association for Artisanal and Small-scale Miners expressed, in the consultations, their committed to be more effectively engaged as the 2022 mining reform is implemented. In preparing for the full operations in the coming years, consultations with oil and gas companies showed they were committed and prepared for future EITI implementation when their projects will come to stream. All in all, the current engagement of industry, especially oil and gas companies is full, active and effective and has set the foundation for meaningful engagement when their future operations are in full and they will be the main fiscal contributors. However, good governance of the sector will not be fostered until all components from the mining sector are fully engaged in the transparency practices brought by the EITI. This will need to include not only upstream companies but refiners and traders if the challenges related to the gold subsector are to be fully addressed. All in all, this assessment concludes that in the period under review, the organised part of the industry, notably the nascent oil and gas sector, the non-metallic mining subsector and the association represented the artisanal and small-scale subsector have been fully engaged in the EITI. It is strongly recommended that future EITI

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	implementation engaged with gold producers and operators through the gold value chain in order to tackle the many challenges of this subsector.
Civil society engagement (Requirement #1.3) *Mostly met*	The Secretariat's preliminary assessment is that Requirement 1.3 is mostly met. Civil Society Organisations (CSOs) in Uganda have been sufficiently engaged on the EITI process from core activities of EITI implementation to discussing key issues like fiscal justice, oil revenue management, beneficial ownership, environmental regulation, and removing obstacles for civic participation in key extractive regions. This has happened within a challenging environment for civil society derived from restrictive regulations that made CSOs vulnerable to reprisals and sanctions. While there is sound evidence that CSOs have actively participated in the EITI process, this assessment has equally identified obstacles that prevent an enabling environment for full, sustainable engagement to occur over time. The breaches to crucial parts of the EITI CSO Protocol such as freedom of expression, capacity to operate freely in relation to extractive governance, and fully engage in the EITI process, explain why the objective of this requirement is not considered as fully met. CSO's engagement has occurred against a civic space environment that, at a closer view, raises concerns, especially about the vulnerability, ability to cover all difficult issues affecting good governance of the sector and the sustainability of this space for CSOs to operate. First, there have been incidents of repressive responses to protest on issues of importance to good governance of extractives such as environmental impact of the oil pipeline being built to transport future Ugandan crude oil. Second, crucial and acute problems related to the illegal gold mining in central Africa[7] in which Uganda's opacity to deal with gold refining and exports have been widely exposed by international bodies such as Interpol[8] have not received the same level of discussion as the issues related to the oil and gas sector. This assessment concludes that active CSO participation has occurred notwithstanding a limited enabling environment that don't guarantee full engagement on the issues that lead to greater accountability and improved governance of oil, gas and minerals resources. The following sessions analyse this enabling environment for civil society through the different aspects covered in the EITI civil society protocol. <u>Expression</u> According to international rankings of civic space, the environment for CSOs in Uganda is considered poor and challenged. For example, Freedom House rated Uganda's global freedom as not free with an score of 35/100 (100 being the best score). Civicus' s 2023 assessment of Uganda's civic space is repressed (score of 30/100, with 100 being the best). The US Department of State's 2022 Report on human rights practices in Uganda documents abundant human rights violations. Amnesty International's latest report

[7] See Annex 1 for a selection of international sources covering the issue of illicit gold in Uganda and the surrounding region.
[8] See Annex 1 for a selection of reports from international sources addressing the issue of illicit gold in Uganda and the sorrunding region.

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	(2022) on Uganda questioned the response of the government to suggestions to address challenges on freedom of expression, association, and assembly. The reports says "The government did not accept the universal periodic review (UPR)'s recommendations to end the intimidation and harassment of human rights defenders, civil society actors, bloggers and journalists". Uganda's ranking in the ICNL 2023 Rule of Law index was 128 (worst being 140). Against this wider background, the CSOs operating in the EITI sphere have nonetheless managed to be meaningfully engaged in the EITI as documented earlier in this section. In practice, CSOs in UGEITI have been able to engage in public debate. The section "Media engagements" in the Validation templates (see page 69-74 of the Stakeholder engagement Validation template) documents a number of CSOs opinions on themes from revenue mobilisation, royalties' allocation, fiscal justice, contract transparency and socio-economic impact. Stakeholders consulted during the Validation mission did not report the occurrence of any reprisal following this CSO activity on EITI issues during the period under review. Through the consultations, a number of stakeholders observed that issues of natural resource governance have been openly discussed in the public by CSOs. However, as noted in this assessment above, crucial issues related to illicit gold mining and processing in Uganda and the regions, have not received the same attention that oil and gas issues. Some stakeholders added that, in their view, other spaces for public opinion were shrinking. They pointed out to CSOs being arrested for activities genuinely related to raising concerns on aspects affecting the extractive sector[9] and legal reforms that limit the funding available for these organisations. <u>Operation</u> CSOs are actively engaged in the EITI, including the core processes like work planning, scoping, and reporting, dissemination, and debate (see pages 51, 53-57& 62 of the Stakeholder engagement Validation template). Notably, CSOs have advanced outreach activities to regions, especially in the Bunyoro sub-region (see pages 60-61 & 64 of the Stakeholder engagement Validation template). The Validation templates documented that in August 2023, CSO provided additional reflections on areas such as environment and climate change, and the theory of change for Uganda's EITI (see page 52 of the Stakeholder engagement Validation template). The constituency has particularly been engaged in dissemination of EITI Reports through different fora -including parliamentary debates - and in the capital and regions (see p.53-55 of the Stakeholder engagement Validation template). Similarly, CSOs have made use of the EITI data as documented in page 57 of the Validation template. All in all, the International Secretariat concludes that the CSO constituency has been able to operate through several dimension of the EITI

[9] See Annex 1 for a selection of public domain's coverage and account of the incidents affecting civic space in 2022 and 2023.

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	process, including MSG work, dissemination, and debate, and reaching out to regions and beyond the MSG. However, consulted stakeholders acknowledged that while they have been able "to operate with some level of freedom in relation to the EITI process", there are restrictions to operation coming from "the stringent administrative and regulatory framework which have limited the CSO engagement effort" (See page 59 of the Stakeholder engagement Validation template). Two main obstacles derived from this framework related to the NGO Act 2016 and NGO 2017 regulations, that imposed cumbersome and discretionary written approval from the district authorities on CSO activity despite being licensed to operate nationally. In addition, access to funding have been curtailed by the restrictions to donor's operations derived from this legal norm, and by the reduction of international sources of financing following closure of the multi-donor Democratic Governance Facility (DGF) and more generally the global recent trend to prioritise funding for other areas of development. In relation to the stringent approval required for public activity by CSOs it was striking to hear a comment in the consultations conducted with more than 25 CSOs during the Validation mission that the mere meeting where these consultations were held could be declared illegal. The general view was that EITI activities, as illustrated by this meeting, are tolerated but the legal framework still could be used to obstruct these activities or even worst to penalise organisers. This situation of a selective lax enforcement of this stringent rule leaves CSOs vulnerable to reprisal. <u>Association</u> Before Uganda decided to join the EITI, a number of CSOs were already engaged in advocating for EITI membership. When the government decided in 2019 to apply for the EITI, the process of engaging CSOs for participating in the EITI process was then organic and straightforward. The Validation template documents this process thoroughly. The process of independent nominations was mainly channelled through the umbrella civil society forum (see page. 50 of the Stakeholder engagement Validation template). These umbrella associations, in turn, were composed of more than sixty organisations nationwide. Consulted stakeholders confirmed that the selection of CSO nominees for the MSG was conducted openly and independently. During the period under review, no members of the CSO constituency were replaced in the MSG. The evidence discussed earlier in this requirement on CSO widespread and meaningful engagement attests to the ability of CSOs to communicate and cooperate with each other. Consulted stakeholders commented that this has been largely facilitated by the coordination role played the umbrella CSOs associations involved in EITI work. The evidence also points out to adequate communication channels between the CSOs represented in the MSG and the wider space of society actors including media and parliamentarians.

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	<u>Engagement</u> The evidence shared in the Validation template and verbal discussions during the Validation consultations confirm that the CSO constituency has been actively involved in the design and implementation of the EITI in Uganda. This can be seen through CSOs participation in the various committees set by the MSG to discharge core functions like work planning and reporting. Some of these committees were chaired by CSOs members. CSOs have been actively engaged in dissemination and debate on issues like tax justice, beneficial ownership, contract transparency, legislative bodies' s capacities to oversee oil and gas sector, modernisation of regulatory framework to tackle problems of artisanal and small scale-mining and issues of civic space in affected regions. Stakeholders acknowledged, though, that their engagement in monitoring and evaluation of the EITI process was limited, due to resourcing constraints. While funding of EITI work for CSOs was available at the beginning of the period under review, current sources of funding has dried up as some donor's funding is no longer available. Stakeholders noted that the oil and gas sector will enter in full operation and mining reforms are to be implemented, CSOs will require capacity building to be able to monitor the sector. With reduced funding available the ability to engage meaningfully is limited. Funding constraints was not the only concern expressed by stakeholders on future engagement. The permanent vulnerability of CSOs to reprisals while conducting their mandate of open discussions and citizen monitoring, is a significant concern. As noted in this assessment, there is a common view among CSOs that their engagement in the EITI process has been possible during the period under review but that if the restrictive regulations would have been enforced, they could have faced consequences against them. <u>Access to public decision-making</u> In addition to the well-documented engagement of CSOs in the EITI process, dissemination and public debate, in earlier part of this requirement, the Validation template highlights that CSOs were involved in reviewing aspects of revenue management in the Public Finance Management Act, the recent mining reform (2022 Mining and Minerals Act) and drafting of the petroleum laws. During the Validation consultations, stakeholders reminded of the advocacy efforts made by UGEITI (including CSOs) for the introduction of beneficial ownership disclosures. The template also documented reaching out to parliamentary discussions (see page 66 of the Stakeholder engagement Validation template). Consulted stakeholders did not raise any further frustrations on the lack of access to public debate.
Multi-stakeholder group (Requirement #1.4)	The Secretariat's preliminary assessment is that Requirement 1.4 is fully met. The International Secretariat concludes that the objective of an independent and balance MSG exercising active and meaningful oversight of all aspects of EITI implementation has been achieved. This has happened through inclusive

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Fully met	and well organised MSG functioning, facilitated by a well-staffed and proactive national secretariat. Regarding the formation of the MSG as established in Requirement 1.4.a, it is worth noting that Uganda decided to implement the EITI in January 2019 via a Cabinet decision after years of consideration and pondering the value of the EITI. Notably, civic society had for years lobbied the government and other stakeholders for Uganda to join the EITI. Therefore, when the government decided to join the EITI a good amount of the outreach and discussions with CSOs were already advanced, facilitating the selection of the representation of this constituency. As documented in the 'Stakeholder engagement' template, the formation of the government constituency for the MSG was led by the Ministry of Finance. The process was thorough and effective (*see Requirement 1.1*). Consultations with stakeholders confirmed that industry was also engaged by the government to form the EITI's MSG in an open and independent way. On the MSG's internal governance as established in Requirement 1.4.b, the government adopted a comprehensive set of norms for the multi-stakeholder group (ToR MSG). The ToR address all the areas expected by this requirement. These include clear role and responsibilities of MSG members, nomination procedures for representatives of each constituency, decision making procedures including quorum and voting, replacement and cessation of membership, observers' policy, circulation of documents and convening meetings and recording of proceedings. The ToR also provides for the code of conduct of MSG members, the MSG policy on working groups and committees for discharging various functions and addressing specific aspects of the MSG mandate (the MSG has established nine committees to address areas from scoping and materiality, contracts, reporting, environment and validation) and establishing a national secretariat. The national secretariat is headed by the National Coordinator, with more than 12 staff and is funded from the budget of the host Ministry of Finance and Planning. The MSG in the period under review has maintained a slightly more than 20% of female representation overall. The MSG has a clear mandate to address its obligations under the Standard such as approving the work plan, overseeing reporting and data disclosures, and engaging with stakeholders including wider audiences for dissemination and debate and ensuring relevant involvement of relevant institutions, among others. In supporting the MSG, the ToR also set the composition and functions of the national secretariat. The MSG has established a modest compensation for attendance to the MSG meetings meant to cover the cost of transportation to meetings in Kampala. Throughout all consultations different stakeholders confirmed that they were pleased with the functioning of the MSG, including the support from the national secretariat. Stakeholders outside the MSG did not raise any concerns about representation including nomination processes. For the period under review, the membership of the MSG was based on the initial selection in 2019 and the provision of renewing the duration for three more years. The

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	replacement of individual members is well documented in the 'Stakeholder engagement' Validation template and has followed the self-adopted rules in that regard. No stakeholders consulted raised any concerns about this aspect or any other that could constitute a non-trivial deviation from the adopted terms of reference. Review of documentation provided in the Validation templates, MSG documents and consultations confirmed that UGEITI's MSG exercises meaningful oversight of all aspects of EITI implementation with the meaningful involvement of all three constituencies which are represented in a balance way with inclusive decision-making.

New corrective actions and recommendations

- To strengthen implementation and in accordance with Requirement 1.1., the government is urged to ensure the availability of funding for UGEITI in the mid to long term. This needs to ensure sustainability of the EITI in Uganda, including the feasibility of a national secretariat that continues to be well resourced while financially viable.
- To strengthen implementation and in accordance with Requirement 1.2 and to strengthen company engagement in the EITI process, all relevant actors of the mining sector must be fully, actively and effectively engaged in the EITI. UGEITI should engage all relevant actors involved in the production, processing, and export of gold along the value chain.
- In accordance with Requirement 1.3 the government is required to ensure that all civil society organisations can engage in the EITI process in an environment where they do not feel vulnerable to reprisals or sanctions derived from the discretionary application of restrictive norms affecting their operations. The multi-stakeholder group should monitor how CSO engagement in the EITI process occurs and identify any circumstances or incidents that affect CSOs capacity to freely operate and participate in public debate. In the event of these breaches, the government should address these concerns in order to guarantee the conditions for civil society participation established in the EITI protocol for civil society.
- To strengthen implementation and in accordance with Requirement 1.4.a.ii, UGEITI should endeavour for making further progress for achieving gender parity in the MSG's membership.

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4. Transparency

This component assesses EITI Requirements 2 to 6, which are the requirements of the EITI Standard related to disclosure.

Overview of the extractive sector (Requirements 3.1, 6.3)

Overview of progress in the module

Uganda EITI Reports and systematic disclosures on government websites provide comprehensive information about the extractive sector in Uganda, including information on main projects, companies, and exploration activities as well as information on the contribution of the sector to the economy, as required by the EITI Standard. Much of the information associated to the informal sector is primarily disclosed through EITI reporting and through third-party sources.

UGEITI has played an instrumental role in improving the accessibility of information on the extractive industries' contribution to the economy, including by centralising information on their contribution to GDP, government revenues, exports and employment. Nevertheless, there is potential for greater integration of third-party assessments of the informal sector into EITI reporting, as well as ensuring the reliability and comprehensiveness of Uganda's exports and their contribution to the national trade balance. Currently, the extractive sector contribution to state exports is solely based on ore exported (to Kenya), which represent a 0.011% of the total state exports.

Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in annex to this report.

EITI Requirement / past corrective action and preliminary assessment	Summary of progress in addressing the EITI Requirement
Exploration (Requirement #3.1) *Fully met*	The Secretariat's preliminary assessment is that Requirement 3.1 is fully met. Public access to an overview of the mining, oil and gas sector in the country and its potential, including recent, ongoing and planned significant exploration activities is provided through EITI reporting and through systematic disclosures in government portals such as Petroleum Authority of Uganda, the Directorate of Petroleum, and the Directorate of Geological Survey and Mines. This ensures public's access to an overview of Ugandan extractive sector and its potential. Consulted stakeholders did not express any view on this objective. The 2021 EITI Report for Uganda provides a brief introduction to the history of its extractive industries. Likewise, the website of

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	the Petroleum Authority of Uganda presents an overview of the petroleum exploration, covering the period from 1925 to 2017.Information on reserves is also included. The report provides estimated values of prospective oil and gas resources and discoveries (drawing from systematically disclosed information in governmental websites, see here, here and here) as well as the volumes and geographic locations mineral reserves, including a map showing mineral occurrences. This is systematically disclosed by the Directorate of Geological Survey and Mines through the Handbook Investment Opportunities in Uganda's Mineral Sector. Additionally, the report lists key players and projects with significant economic potential. For the oil and gas sector these descriptions focus on two major projects—the Tilenga project and the Kingfisher project, also described in detail on Uganda's National Oil Company's website. Supplementary links for a comprehensive overview of Uganda's extractive industries and main developing projects are available in Uganda's EITI website. The informal mining sector is a relevant source of employment and income in Uganda. The report incorporates an account of artisanal and small-scale mining (ASM), its contribution to the country's workforce in 2018, active ASM areas in Uganda, the type of minerals produced by the sector, and recent government initiatives aimed at formalising.
Contribution of the extractive sector to the economy (Requirement #6.3) *Mostly met*	The Secretariat's preliminary assessment is that Requirement 6.3 is mostly met. The objective of ensuring public understand of the extractive industries' contribution to the national economy and the level of natural resource dependency is mostly fulfilled through government publications and EITI reporting. However, the estimates on ASM contribution to the employment and disaggregated data on formal ASM contribution to national revenues included in the 2021 EITI Report (see page 35) relies on a consultancy report that is not available for public scrutiny. In light of the critical importance of the size of the informal gold sector in Uganda it's important to clarify how these estimates were produced to further strengthen public's understanding of the contribution of this sector. The International Secretariat considers that until this is clarified the objective is not fully met. Various government publications and websites display information on the contribution of the extractive industries to the economy (see here and here). This is complemented through EITI disclosures, constituting a more centralised and comprehensive source. The mining, oil, and gas sector' contributions to the economy are provided both in absolute and relative extractive sector including to GDP, government revenues, exports and employment (broken down by sector, gender and company). There are some with some weaknesses in the underlying export data (see *Requirement 3.3*). Informal mining and quarrying contribution to the GDP is also disclosed. The 2021 EITI Report dedicates a section to ASM. The section cites a 2021 consultancy report which is not publicly available. Information disclosed includes ASM employment and its geographical distribution (based on 2018

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	data), aggregated estimate of formal ASM contribution to the national revenues for years 2014-2021, challenges and recent reforms.
New corrective actions and recommendations	
• To strengthen implementation of Requirement 3.1, Uganda is encouraged to ensure that the brief story and overview of extractive industries published on governmental websites is updated regularly. Uganda is encouraged to improve accessibility on the overview and exploration activities of the mining sector through routine government systems. • In accordance with Requirement 6.3, Uganda must disclose of information about the contribution of mineral sector to national economy including the gold sector. To strengthen implementation, Uganda is encouraged to disclose information on investments in the extractive sector and to further disaggregate employment data by occupational level.	

Legal environment and fiscal regime (Requirements 2.1, 2.4, 6.4)

Overview of progress in the module

The legal and regulatory framework for the extractive industries is disclosed and EITI reporting serves as a central point of reference to find links to government sources and to explain the main features of the framework. Uganda has in last decade established a comprehensive framework for managing the oil and gas industry and has gone through a comprehensive overhaul of mining regulations in the past years. The EITI has been used to inform, explain and be a focal point for reference to all aspects of the legal framework. Full disclosure of future mining licensing developments is established in the mining new legal norms and will be tested as the 2022 mining law is implemented. The full publicly availability of the contracts regulating oil and gas activities is still to be implemented despite society demand for full transparency and the ongoing debate with stakeholders for some time. The regulatory framework related to environmental laws is referenced in the EITI Report but actual practices and key documents such as environmental impact assessment are not available.

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Progress by requirement and corrective actions

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EITI Requirement / past corrective action and preliminary assessment	Summary of progress in addressing the EITI Requirement
Legal framework and fiscal regime (Requirement #2.1) *Fully met*	The Secretariat's preliminary assessment is that Requirement 2.1 is fully met. Stakeholders did not provide any commentary on this requirement. UGEITI both, through the 2021 EITI Report and its website provides a thorough overview and links to the legal framework governing the extractive industry. This includes the laws, policies, regulations for both the oil and gas sector and for mining and minerals. For the oil and gas sector it includes the fiscal regime (including detailed information on payments in pages 47-50), a model contract for the production sharing agreements, revenue management, specific obligations related to environment and health, the national petroleum policy, and the special provisions of the East African Crude Oil Pipeline (EACOP). It also includes a summary of the roles of government institutions involved in the extractive sector. Similar information is provided for the mining sector. The 2021 EITI Report also discusses the 2022 comprehensive mining reform. The Mining and Mineral act of 2022 introduced a significant number of new provisions to govern the mining sector. The report gives a summary of those (see pages 52-56) including the functions of the mining regulator DGSM (Directorate of Geological Surveys and Mines), the introduction of the state equity participation in large and medium scale mining and the mining royalty system and its distribution between national and subnational governments. UGEITI has provide the necessary information for a public understanding of all aspects of the regulatory framework applicable to extractive activities.
Contracts (Requirement #2.4) *Partly met*	The Secretariat's preliminary assessment is that Requirement 2.4 is partly met. The objective of public accessibility of all licenses and contracts has not been achieved in Uganda. All consulted stakeholders, across all constituencies, acknowledged that the lack of publication of oil and gas contracts is a serious gap that needs to be addressed. The government policy on contract transparency is stated in the 2021 EITI Report (see page 87) making a reference to Uganda's 2005 Access to Information Act and the Public Procurement and Disposal of Public Assets Act 2003, both of which provide a generic legal basis for the disclosure of information, including contract. The report also refers to the 2022 Mining Law that stipulates full disclosure of mining agreements to be entered by the Uganda Mining company. The MSG has not provided any other information on their policy beyond reference to these two laws or commentary on deviations from the policy stipulated in the laws. In practice, disclosure of contracts is limited. In the oil and gas sector, the government has made public the model of the production sharing agreements, but not actual contract has been made

	public. In the mining sector, the 2022 Mining Law introduces several types of licences according to scale (large, medium, small, artisanal) with clear parameters and a model for future mining agreements, but actual licenses have not been made available. The list of mineral rights that were awarded during FY 2020-21 is available in the report (See Annex 1) and the active licenses to 2021 (Annex 5). However, it is not clear the contractual terms associated to those licenses that seems to have been awarded in accordance with the previous mining law. On actual disclosures the report explains that access to actual documents can be provided upon the regulations of the access to information laws (for oil and gas) and upon paying a fee for mining licenses. However, full publication of those petroleum contracts is currently prevented by a consideration of confidentiality taken by the government and acknowledged by UGEITI in the 2021 EITI Report and through the Validation consultations. The MSG has formed a committee to address contract disclosures. Discussions on this issue have been maintained for more than 2 years, including a roadmap to full disclosures. However, for the period evaluated in this Validation, this remains work in progress. Two petroleum companies, holders of oil and gas licenses, have committed to make contracts public. On the mining sector, the 2022 Mining Law stipulates disclosure of mining contracts via the cadastre online and that access to copies of the licenses will be granted upon formal request and payment of a fee. Consulted stakeholders confirmed this situation and the commitment to address the issue of full disclosures in the future but no specific timeline was shared. All in all, despite some efforts by UGEITI in bringing the information available on contracts, both in oil and gas and mining, full contracts are not publicly available.
Environmental impact (Requirement #6.4) *Not assessed*	The 2020-2021 Report provides an overview of the relevant legal provisions regarding environmental regulations for the oil and gas sector (see pages 40-45), the mining sector (see pages 51-54) and the regulatory agency National Environment Management Authority (NEMA) (see pages 132-135). However, information on actual practices, and availability of, for example, environmental impact assessments, monitoring procedures, liabilities and rehabilitation programmes as encouraged in Requirements 6.4.a and 6.4.b are not available. The Secretariat's preliminary assessment is that Requirement 6.4 remains not assessed, given that several encouraged aspects of this requirement remain to be addressed by the EITI.

New corrective actions and recommendations

- In accordance with Requirement 2.4, all contracts regulating the activities of the oil and gas and mining licenses in accordance with the applicable legal provisions must be publicly available.
- In order to strengthen contract transparency of the mining sector, it is recommended that the EITI process is used to ensure that the full transparency of mining licensing and agreements established prior to the passing of the 2022 Mining and Minerals Act.
- In accordance with Requirement 6.4 and in order to strengthen environmental transparency in the Uganda’s extractive sector, UGEITI is encouraged to include information on actual practices

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and ensure availability of key instruments like the environmental impact assessments and environmental licenses for public scrutiny.

Licenses and property rights (Requirements 2.2, 2.3)

Overview of progress in the module

In recent years, Uganda has undergone legislative reforms aimed at unlocking the potential of its mining sector, seeking to address concerns regarding the sector's declining contribution to national economy, attributed in part to a weak legislative framework. A significant milestone in this effort was the enactment of the Mining and Minerals Act (MMA) in 2022. The MMA brought crucial changes, including the introduction of new mineral rights categories and a restructuring of government entities to enhance efficiency. The newly established law provides a clear definition of artisanal mining operations, outlines criteria for establishment of artisanal mining areas, and introduces a progressive mining licensing scheme. To align with the new framework, the issuance of mining licenses was temporarily halted between 2022 and 2023 to allow for the development of guidelines post-MMA enactment. Uganda has been developing an online application system and consulted stakeholders have commended the introduction of the mining cadastre as a noteworthy achievement in the digitalisation of applications, enhancing overall effectiveness. There remains a need for further enhancement in the robustness of licensing practices to align with the provisions of the new mining code which have widened the pool of applicants eligible for mineral rights to include a body corporate registered under the laws of Uganda. This expansion aims to increase players in the mining industry. Clear and well-defined licensing processes help ensure transparency and accountability in the allocation of mineral rights.

In general, procedures for the allocation and award of contract and licenses for the extractive sector are clearly described in governmental websites and through EITI Reports. Furthermore, there appears to be comprehensive systematic disclosures on property rights related to extractive deposits and projects, with online portals providing most of the data listed under Requirement 2.3.

Progress by requirement and corrective actions

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EITI Requirement / past corrective action and preliminary assessment	Summary of progress in addressing the EITI Requirement

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Contract and license allocations (Requirement #2.2) *Mostly met*	The Secretariat's preliminary assessment is that Requirement 2.2 is mostly met. Uganda has disclosed comprehensive information on procedures governing mining, oil and gas contract and license allocations. The MSG prepared a robust risk-based diagnostic on licensing practices in the mining sector. An Independent Administrator reviewed a representative sample, identifying minor deviations from statutory procedures. While stakeholders held different opinions on the significance of these findings, the IA regarded them as weaknesses warranting improvement. The IA also made recommendations to licensing authorities regarding potential legal loopholes. Given the lack of new oil and licenses awards and transfers in 2020-2021, the MSG did not carry out the same type of diagnostic work on petroleum licenses. Uganda's EITI falls short in presenting the complete list of bidding applicants to Uganda's second petroleum licensing round initiated in 2019. General information on the process for transferring licenses can be found in Uganda's regulatory frameworks. The Secretariat's view is that while EITI and government disclosures provide a public overview of awards and allocations of permits, licenses and rights for oil, gas and mining sector, to fulfil the objective of this requirement Uganda should discloses the full list of applicants to the second petroleum licensing round in accordance with Requirement 2.2.c. Information provided through the Validation templates and the 2021 EITI Report initially indicated that (mining) 158 licenses were awarded during fiscal year 2020-21. However, during consultations DGSM representatives clarified that the number of licenses awarded were 3 and that 158 were the total number of active licenses (also confirmed by the Independent Administrator). It was also noted that only mining leases are awarded while other mineral rights and permits are granted. An annexed table breaks down the full list of active licenses by type, recipient, commodity, grant and expiry dates, area, and district. Uganda has published information about awarding procedures for mining licenses and other permits through EITI reporting and through systematic disclosures on DGSM website (see here and here). The 2021 EITI Report provides a comprehensive account of licensing process, the entities involved in different stages, and the application requirements for each type of permit/license. DGSM confirmed that no weighing scheme was applied in the granting of mining license. The MSG, IA and DGSM stakeholders confirmed the use of a risk-based approach through a representative sample to assess non-trivial deviations from statutory procedures. The IA identified small deviations, which although not regarded as weaknesses by the MSG, were deemed worthy of consideration by the IA. The IA also noted weaknesses arising from legislation loopholes whereby a company explores an area for several years but loses the mining lease to another company due to not being able to comply with the requirements to retain or renew the license. Concerning mining rights and mining lease transfers, stakeholders explained that these are subject to ministerial approval (as prescribed under sections 131 and 156 of MMA 2022) and that no transfers took place during year 2020-2021. This was attributed to movement restrictions during the COVID-19 pandemic and due to halt on licensing process as the MMA was being passed. For the oil and gas sector, the report provides a detailed list of licenses and permits necessary throughout the exploration, development, and production

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	phases. The information encompasses the specific requisites for each type of right, permit or license and the associated regulatory framework. There were not new petroleum license/permits granted or transferred for the period under review (as confirmed by the Directorate of Petroleum). The 2021 EITI Report presents a brief narrative of contract awarding process, along with information about the first licensing round (2015) and a description of the second licensing round (2019-2020), the pre-qualified applicants (but not the full list of applicants) and the technical and financial criteria used. Consulted stakeholders from the Petroleum Authority of Uganda confirmed that a weighing scheme is applied to allow assessing financial capability and technical competence for granting licenses and contract awards. Regarding the transfer of petroleum rights, the process mandates obtaining written consent of the Minister of Energy and Mineral Development, and applications must follow a prescribed form and manner (in accordance with Section 87 of the Petroleum EDP Act, 2013).
Register of licenses (Requirement #2.3) *Mostly met*	The Secretariat's preliminary assessment is that Requirement 2.3 is mostly met. Uganda systematically discloses information on licenses within the oil, gas, and mining sectors. The mining cadastre provides information on active licenses, including dates of application, award and expiry, commodity, and districts. EITI reporting includes a comprehensive list of active mineral licenses from fiscal year 2020-21, including expired ones, though lacking application dates and coordinates. In the realm of oil and gas, the Petroleum Authority of Uganda has taken strides in transparency by releasing detailed information on both active and inactive licenses. Stakeholders did not express any specific views on progress towards the objective, however government stakeholders considered that there was good public information on property rights. To fully achieve the objective of ensuring public access to comprehensive information on property rights related to extractive deposits and projects, Uganda should disclose the coordinates of mining licenses/permits held by material companies during the fiscal year 2020-2021, and the application dates for all petroleum licenses. Uganda has recently developed the mining cadastre portal, an interactive platform facilitating access to information on all active mining licenses. This tool is accessible to the public without any associated fees or restrictions. Users can filter licenses by type, either by selecting categories or interacting directly with the map. Detailed information, including license holders, application dates, award and expiry dates, commodities, and specific areas, becomes available upon clicking the designated area on the map. Licensed areas are distinguishable on the map and coordinates are also presented. Currently, the portal does not allow the download of data in open format. Consulted stakeholders from the government constituency confirmed that the cadastre portal maintains up-to-date information and therefore expired licenses are not available in the portal. The full list of licenses in mining sector active during fiscal year 2020-21 is annexed to the 2021 EITI Report, however without application dates but indicating the area and the district. In accordance with the stipulations outlined in the Petroleum Act of 2013, Uganda manages a repository of all petroleum licenses. This platform currently publishes of all active licenses: 9 production licenses with expiry date between

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	2036 and 2038, and 4 exploration licenses. Additionally, information of inactive licenses with data spanning from 1991 to the day includes data of 11 exploration licenses, 13 appraisal licenses and 1 production license. Information is downloadable in excel format which include effective date and expected expiry date, production sharing agreement (PSA) associated, license name, license type, license alias and period. It appears that the register covers all active licenses including those held by non-material companies. Section "licensing activities" of the repository breaks down information by bidding round or direct licensing. Section "PSAs" has published general information on production sharing agreements (PSA), including PSAs aliases, signature data, effective and expiry dates, and PSA associated licenses. An accompanying map facilitates the identification of the respective fields; additionally, the repository provides information on the acreage and name of licensed blocs.
New corrective actions and recommendations	
• In accordance with Requirement 2.2 Uganda is required to disclose the full list of applicants to the second petroleum licensing round. To strengthen the implementation of Requirement 2.2 Uganda is encouraged to publish more detailed information on mechanisms used by Minister of Energy and Mineral Development to confirm the legal and technical capacity, competence, and financial strength of the person to whom the license is to be transferred. To strengthen the implementation of Requirement 2.2 Uganda is encouraged to engage with relevant agencies and stakeholders with the aim of identifying risks and assess whether additional regulatory steps are needed to safeguard licensees investing time and resources in exploration activities. • In accordance with Requirement 2.3 Uganda is required to disclose the coordinates and application dates of mineral licenses/permits active during fiscal year 2020-2021 that are no longer in the cadastre portal. Uganda is also required to disclose application dates of petroleum licenses. To strengthen implementation of Requirement 2.3 Uganda is encouraged to publish the history of mining rights and license transfers and withdrawals which would allow users to identify the history of license transfers.	

Beneficial ownership (Requirement 2.5)

Overview of progress in the module

Adherence to Requirement 2.5 on beneficial ownership is assessed in full in Validation as of 1 January 2022 as per the framework agreed by the Board in June 2019.[10] The assessment consists of a technical assessment and an assessment of effectiveness.

Technical assessment

The technical assessment is included in the Transparency Validation template, in the tab on Requirement 2.5.

[10] https://eiti.org/document/assessing-implementation-of-eitis-beneficial-ownership-requirement.

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It demonstrates that there is a clear government policy on beneficial ownership disclosure in the extractive industries and an enabling legal and regulatory environment for the collection and public disclosure of beneficial ownership data from Ugandan companies in all economic sectors, although the data collected is not yet fully available to the public. Appropriate legal provisions defining 'beneficial ownership' and setting thresholds for disclosures have been enacted. In parallel, the reporting templates used by Uganda EITI to collect beneficial ownership data have requested information on any beneficial owner, including PEPs, with this information disclosed in the 2021 EITI Report, although only three companies provided BO data.

A permanent public beneficial ownership register has recently been established by the Uganda Registration Service Bureau (URSB) for all companies[11]. The 2022 Mining and Minerals Act introduced BO disclosure requirements for companies applying for a mineral right license, including provisions to make beneficial ownership information accessible to the public on its website. To date, the data collected can be consulted for a UGX 25 000 (USD 6.5) fee per search, which may constitute a barrier in case of multiple searches. It is unclear if the mining and petroleum regulators, the Directorate of Geological Survey and Mines (DGSM) and the Petroleum Authority of Uganda (PAU) respectively, have requested beneficial ownership information from all companies holding mining and petroleum rights since 2023. Stakeholder consultations confirmed however that beneficial ownership data has been requested as part of the license and contract application process in both mining and petroleum since 2023. On its website, it is noted that over 12 000 entities' BO forms have been processed by the URSB, which also estimates the pending unprocessed forms to be 18 000. Review of beneficial ownership reporting templates indicates that all data points strictly required in Requirement 2.5.d have been requested. The data disclosed through the 2021 EITI Report includes name of companies/persons, nationality, and percentage ownership of control, as well as the beneficial owner's country of residence.

While the Uganda EITI Reports have provided most but not all legal ownership information on all extractives companies, the URSB maintains a company register that provides access to legal ownership information on companies in all sectors, although the online request was not available at the time of the Validation.

Assessment of effectiveness

Uganda's commitment to continuous work on ensuring beneficial ownership transparency has been consistently recognised by various stakeholders, including civil society organisations such as ACODE which published a case study[12] in 2022 on beneficial ownership. Work on ensuring beneficial ownership disclosures of extractive companies is included in the broader reform agenda of Uganda and goes beyond the EITI platform. The register established by the Uganda Registration Service Bureau covers all companies that are registered in Uganda and, therefore, the work on further improvements of disclosures involves a wide range of stakeholders from all sectors. There is ample evidence that EITI stakeholders are actively engaged in those discussions. The International Secretariat's assessment of the technical aspects of Requirement 2.5 suggests gaps in the actual data publicly disclosed through the 2021 EITI Report. To date,

[11] https://ursb.go.ug/forms/business-ownership-forms
[12] https://www.acode-u.org/uploadedFiles/BO-Case-Studies-Uganda.pdf

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the lack of beneficial ownership information on many extractives companies is a concern, as is the absence of the level of legal ownership.

The 2022 study on beneficial ownership in Uganda by the civil society organisation ACODE highlighted the key steps towards a fully operational BO register, which included the question of accuracy of beneficial ownership data through appropriate verification and updating requirements.

In the absence of public disclosures of BO data and given that the data collection has only recently started, there does not seem to be a review of beneficial ownership data disclosures by the MSG according to requirement 2.5.c, not even of their own BO data collection through EITI reporting.

While the last GAFI-FATF mutual evaluation dates from 2016, there have been five follow-up reports (FUR) since, tracking the country's progress in strengthening anti-money laundering and counter terrorist financing measures. In the last FUR from September 2023[13], it is noted that Uganda has made significant overall progress in resolving the technical compliance shortcomings previously identified, notably on the definition and inclusion of Politically Exposed Persons (PEP) in the legal framework. Following this report, ESAAMLG agreed to re-rate Uganda as Partial Compliant since moderate shortcomings still remain. The report also notes that Uganda remains in enhanced follow-up status and will continue to inform the ESAAMLG of the progress made in improving the implementation of its anti-money-laundering measures.

Progress by requirement and corrective actions

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EITI Requirement / past corrective action and preliminary assessment	Summary of progress in addressing the EITI Requirement
Beneficial ownership (Requirement #2.5) *Partly met*	The Secretariat's preliminary assessment is that Requirement 2.5 is mostly met. The MSG's 'Transparency' Validation template considers the objective of enabling the public to know who ultimately owns and controls the companies operating in the country's extractive industries as fulfilled. Some government stakeholders consulted considered that the objective was close to being fulfilled although all consulted stakeholders agreed that full transparency in beneficial owners of extractive companies was not yet achieved. The Secretariat agrees that the objective is not yet fulfilled but welcomes the government efforts and recent reforms and encourages stakeholders to accelerate progress on the public disclosures of beneficial ownership information that is being collected by the Uganda Registration Service Bureau.

[13] https://www.esaamlg.org/reports/FUR_Uganda-%20September%202023.pdf

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	Uganda has established an enabling legal and regulatory environment for the collection but not the public disclosure of beneficial ownership information on companies in all sectors. Beneficial ownership disclosures are governed by the amended Companies Act 2022 , the Partnership Act 2022 and included in the 2022 Mining and Minerals Act. Uganda agreed on a definition of beneficial owner, threshold (5% per the 2022 Mining Act) and politically exposed persons in the national legislation and has started beneficial ownership data collection in January 2023[14], including those of mining and petroleum companies. It remains however unclear if the information collected is available to the public. The MSG did not have access to the data and has not performed a review of the currently existing data. In parallel, Uganda EITI has requested the beneficial owners of extractive companies for its 2021 EITI Report. The results lack comprehensiveness as the data collection process solely focuses on material companies, and only three of 12 material companies reported in fiscal year 2020-21. Uganda EITI has published a review of beneficial ownership data collection and acknowledged in the 2021 EITI Report the weaknesses of the information. Some information on legal owners of all extractive companies (182) is located in the annex 12 of the 2021 EITI Report, without indicating the percentage of shareholding held by each individual. Uganda EITI reporting has not yet referenced filings to stock exchanges by extractive companies in Uganda that are wholly owned subsidiaries of publicly listed companies.

New corrective actions and recommendations
• In accordance with Requirement 2.5, Uganda should disclose the beneficial, as well as legal, owners of all corporate entities that apply for or hold a participating interest in an oil, gas or mining license. Uganda EITI should also assess the currently available data, including an assessment of the materiality of omissions and the reliability of beneficial information.

State participation (Requirements 2.6, 4.2, 4.5, 6.2)

Overview of progress in the module

The Uganda EITI definition of SOEs is in line with guidance in Requirement 2.6.a, and three entities were included for the purpose of EITI Reporting. Two mining companies, KML and NMC were not active for the year under review. In the oil and gas sector, UNOC is the sole active SOE in the sector.

Transparency around UNOC financial management is a key issue for Uganda given that the SOE will be managing the state's interests in oil and gas projects that will soon enter in the production phase. Stakeholders have already raised concerns about the recent legal reforms aimed at enabling the company to retain certain earnings. The audited financial statements of extractive

[14] https://ursb.go.ug/storage/publications/downloads/requirement-to-submit-beneficial-ownership-information-1673425355.pdf

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SOEs are not publicly accessible in Uganda even if the IA and the Auditor General of Uganda have access to them. According to the last annual report from the Auditor general of Uganda, UNOC is not efficiently utilising their current assets or short-term financing facilities.

While there has been little progress in public disclosure of extractive SOEs' full financial statements to date, the participation of UNOC in the two oil and gas projects are systematically disclosed on its website. Its responsibility for holding the state's interests in oil and gas companies and projects means it will be an important SOE for EITI reporting in future years with the expected development of its oil and gas sector.

There are currently no in-kind revenues from the oil and gas sector in Uganda, as the state continues to receive only the cash proceeds of sales of its entitlement to in-kind oil and gas revenues that are sold by the operator. Uganda has used its EITI reporting to disclose some information on transactions related to SOEs, but there is scope for strengthening these disclosures to cover all forms of state support for SOEs, including any government transfers.

Regarding quasi-fiscal expenditures, Uganda EITI has explained that UNOC and KML did not report on any quasi-fiscal expenditures, although it remains unclear which flows have been considered, such as UNOC paying the cash call to the EACOP project.

Progress by requirement and corrective actions

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EITI Requirement / past corrective action and preliminary assessment	Summary of progress in addressing the EITI Requirement
State participation (Requirement #2.6) *Mostly met*	The Secretariat's preliminary assessment is that Requirement 2.6 is mostly met. The objective of this requirement is to ensure an effective mechanism for transparency and accountability of SOE's and state participation through a public understanding of whether the SOE's management is undertaken in accordance with the relevant government framework. Stakeholders consulted were of the opinion that it is not yet possible for the public to understand how SOEs operate within the established government framework. It is the Secretariat's assessment that SOE participation in mining projects remains unclear, that there is insufficient information on the loans and loans guarantees to mining and oil and gas companies operating within the country, and that the objective has mostly been fulfilled. In the mining sector, the National Mining Company (NMC) has been created by the 2022 Mining and Minerals Act and was therefore not active in the year under review. Kilembe Mines Limited (KML), a 99% state-controlled company in charge of the maintenance of the mining assets of the Kilembe mines, has no active

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	project in the sector. The company is subject to annual audits from the auditor general, which resulted in an unqualified opinion in 2022. KML is also required to submit its audited financial statement, although not to the public. Overall, the Companies act contains information on the statutory financial relationship between the government and the two mining SOEs, including the rules governing transfers of funds between the SOEs and the state, retained earnings, reinvestment and third-party financing. In practice, there is no information on loans and loans guarantees from SOE or the state to mining companies. The 2021 EITI Report does not contain a list of state participations in mining companies, although it is noted that according to the 2022 Mining and Minerals Act the state will be entitled to participation of up to a maximum of 15% in the large-scale and medium-scale mining licences, managed by NMC. In the oil and gas sector, UNOC is the only active SOE along with its two subsidiaries in the midstream sector, the Uganda Refinery Holding Company Limited (URHC) and the National Pipeline Company (Uganda) Limited (NPC). These subsidiaries are identified and described in the 2021 EITI Report. Information on the participation of UNOC in the two oil and gas projects is systematically disclosed. The PSA model available online[15] indicates that the terms attached to UNOC's equity are carried equity. The 2021 EITI Report describes the rules related to SOEs' financial relations with government, with information on statutory financial relations systematically disclosed through the Petroleum Act and the Companies Act. Any profit that is made by UNOC that does not go to the petroleum fund should be declared as dividend and sent to the treasury. A recent legal reform (review of the Public Finance Management Bill 2021 enables UNOC to retain earnings to meet cash calls, rather than transferring them into the Petroleum Fund. Stakeholders have expressed concerns regarding this development. On the practice, the figures associated with these financial relations are not reported in the 2021 EITI Report and the SOE's audited financial statements are not publicly available. EITI reporting does not include information on loans or loan guarantees in the period under review. UNOC's website systematically discloses information on SOEs' interests in subsidiaries and joint ventures, including the terms attached to equity in companies and projects.
Sale of the state's in-kind revenues (Requirement #4.2) *Not applicable*	The Secretariat's preliminary assessment is that Requirement 4.2 is not applicable in the period under review. There was consensus among stakeholders consulted that extractive companies do not make in-kind payments to government collecting agencies. The Secretariat's view is that the objective of ensuring transparency in the sale of in-kind revenues of minerals in the period under review is not applicable given that the government does not collect any such revenues at present.
Transactions related to state-owned enterprises (Requirement #4.5)	The Secretariat's preliminary assessment is that Requirement 4.5 is mostly met. Due to the weakness of the disclosures on the financial relations between the state and extractive SOEs and the unavailability of the audited financial statements of the SOEs, the Secretariat's assessment is that the objective to

[15] https://www.unoc.co.ug/wp-content/uploads/2021/07/MPSA.pdf

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Mostly met	ensure the traceability of payments and transfers involving SOEs to strengthen public understanding of whether revenues accruable to the state are effectively transferred to the state and to assess the level of state financial support for SOEs is mostly met. Stakeholders consulted did not express any views on the fulfilment of this objective. Transfers from SOEs to government are not considered material by the MSG, but transfers from government to SOEs are, with respective transfers of UGX 34 billion and UGX 0.8 billion to UNOC and KML indicated in the Annual report from the Auditor general of Uganda. However, the MSG's 'Transparency' Validation template indicates that the transfers stemmed from the SOEs to the state, contradicting the audit report. The audited financial statements of UNOC, its subsidiaries or KML are not publicly accessible. The results of the annual audit by the Auditor General are available for the two active SOEs, UNOC and KML. The 2021 EITI Report documents that SOEs do not collect revenues on behalf of the state and did not make any material payments to the state. The 2021 EITI Report does not comment or include items from the audited financial statement that could confirm the financial flows between the SOEs and the State. It is therefore not clear that disclosure of SOE payments and government revenues can be considered comprehensive and reliable.
Quasi-fiscal expenditures (Requirement #6.2) *Partly met*	The Secretariat's preliminary assessment is that Requirement 6.2 is partly met. The objective of this requirement is that where state-owned enterprises undertake extractive-funded expenditures on behalf of the government that are not reflected in the national budget that these are disclosed to ensure accountability in their management. It is the Secretariat's opinion that this objective has been partly fulfilled. The 2021 EITI Report copied the definition of quasi-fiscal expenditures from the EITI Standard and notes that UNOC and KML did not report on any quasi-fiscal expenditures. There are no minutes or explanation provided to allow the International Secretariat to understand how the MSG came to the definition as it applies to Uganda's SOEs, and how it concluded that such expenditures were not undertaken by UNOC or KML. It does not appear that there have been discussions on projects and activities that could potentially fall within the scope of QFEs. According to stakeholders consulted, the MSG has not agreed and communicated to the SOEs a clear definition of quasi-fiscal expenditures (QFEs). Hence, the Secretariat is not able to confirm that extractive SOEs are not, for example, providing subsidies or undertaking infrastructure investments that could be considered as QFEs.

New corrective actions and recommendations

- In accordance with Requirement 2.6, Uganda should ensure that an explanation of the prevailing rules and practices regarding the financial relationship between the government and material extractive SOEs, including loans or loan guarantees to mining, oil and gas companies operating within the country is made public.
- In accordance with Requirement 4.5, Uganda must ensure that comprehensive and reliable information on transactions related to SOEs is publicly disclosed, including any material

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extractive company payments to SOEs, SOE transfers to government agencies and government transfers to SOEs. To strengthen implementation, Uganda may wish to use its EITI implementation to strengthen systematic disclosures of this information through government and SOE portals.

- In accordance with Requirement 6.2, Uganda is required to develop an EITI reporting process for material SOEs' quasi-fiscal expenditures with a view to achieving a level of transparency commensurate with other payments and revenue streams and should include SOE subsidiaries and joint ventures. These disclosures should cover all material SOEs' expenditures that could be considered quasi-fiscal, such as payments for social services, public infrastructure, subsidies and national debt servicing, among others, undertaken outside of the national government budgetary process.

Production and exports (Requirements 3.2, 3.3)

Overview of progress in the module

Uganda has used EITI reporting to provide data on production of minerals commodities produced through large-scale industrial mining and on exports primarily associated to data from refineries and smelters. Production is available by type of mineral, and exports by company level. Uganda's reconciliation of export data between various government entities has allowed them to identify different methodologies and legal loopholes which led to significant discrepancies in mineral export data.

Uganda does not yet include estimates of the informal sector contribution to mineral production and exports, despite this being a long-standing issue. The import of gold exceeding exported quantities by 2,435 kilograms raises concerns about the undisclosed final destination or utilisation of this surplus. This discrepancy underscores the urgent need for increased transparency and accountability in Uganda's mineral sector, particularly in light of media reports highlighting the country's expanded refining capacity juxtaposed with limited production output (see here and here). Government publications indicate that the government ban to unprocessed raw materials exports had led to a decrease in mineral exports and that gold remains Uganda's biggest export in terms of value, albeit predominantly traded within the informal sector. Existing data impedes an accurate assessment the materiality of informal mineral production and exports, and to address issues such as the relationship between gold and the illicit revenue streams.

Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in the annex to this report.

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EITI Requirement / past corrective action and preliminary assessment	Summary of progress in addressing the EITI Requirement
Production (Requirement #3.2) *Mostly met*	The Secretariat's preliminary assessment is that Requirement 3.2 is mostly met. The Secretariat's view is that the objective of this requirement, to ensure public understanding of extractive commodities production levels and the valuation of extractive commodity output is mostly fulfilled given gaps in the disclosures related to artisanal and small-scale mining production that imply that a comprehensive view of the country's mineral output has not yet been disclosed. The 2021 EITI Report discloses total volumes and values of mining production disaggregated by mineral. There is not associated production for the oil and gas sector, still at the pre-production phase. Estimated production associated with the informal sector was not disclosed even though this sector accounts for 90% of metallic mineral and for the majority of gemstones production. It is also a relevant source of employment and local development. Consulted stakeholders considered the objective was not yet fully achieved with this being an area for further improvement. Representatives from the Directorate of Geological Survey and Mines (DGSM) and from the Ministry of Energy and Mineral Development (MEMD) described ongoing efforts to increase monitoring of artisanal operations and to develop reliable mineral production statistics. The report provides a breakdown of volumes and values for fourteen different types of minerals, sourced from the DGSM. A graph represents the contribution to mining production by mineral product. Information is not yet disaggregated by state, region, company, or project. While most stakeholders considered that the formal sector was well captured in the 2021 EITI Report, they highlighted that the informal sector remained a weakness, with information gaps yet to be addressed and work still to be done. Some stakeholders acknowledged that local mining production was predominantly associated to the construction sector and highlighted ongoing efforts to curve the opacity of the mining sector, including legal reforms, ASM formalisation initiatives and the exploration of funding sources to strengthen informal production monitoring. The national secretariat and the Independent Administrator (IA) noted that although third-party sources were considered during the preparation of the 2021 EITI Report, these were not deemed reliable enough to be included. During a field visit the IA noted un-reported mineral production with companies holding exploration licenses. In general, consulted stakeholders emphasised the outstanding inability to ascertain the extent of Uganda's informal mining sector. Other challenges highlighted by stakeholders were the lack of capacity and financial support for ASM sub-sector, seen an obstacle to the effectiveness of new initiatives and regulations.
Exports (Requirement #3.3) *Partly met*	The Secretariat's preliminary assessment is that Requirement 3.3 is partly met. While the export volumes and values are disclosed and reconciled in the 2021 EITI Report, there are discrepancies in export figures presented by different entities and a lack of sufficient work on informal mining exports. Consulted

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	stakeholders expressed the need for greater transparency mineral trade, especially associated to the gold trade flows for this requirement to be fully met. The Secretariat considers that providing estimates of informal mineral exports and reliable export data is crucial to fulfilling the objective of ensuring public understanding of mineral export levels and the valuation of extractive commodity exports, given the significance of the informal sector contribution to Uganda's total export levels. According to the EITI Report, Uganda exported solely gold and iron ore during fiscal year 2020-2021. The values and volumes exports are disaggregated by refinery, but not yet by project or location. While the DGSM declared 7,500 tons of iron ore exported, and URA reported 9,859 tons. For gold exports, the report notes that the overall quantity of gold imported is higher than gold exported, with one refinery presenting exports without associated imports. The 2021 EITI Report does not include an explanation on the basis of these differences. Representatives from the government constituency attributed the mismatch to a regulatory gap, wherein some actors or companies report to URA but not to DGSM. During consultations stakeholders pointed out that this issue had been recently addressed with new regulations in place to ensure clear and consistent reporting obligations for all licensees and actors involved in the mineral value chain. It was noted that data consistency should be expected in the next reporting cycle. Government publications are inconsistent when it comes to mineral exports. For instance, DGSM's Fiscal Year 2020/21 Performance Report published in July 2021, declares no exports attributing this to the ban on raw mineral exports. Additionally, the DGSM 100 Magazine notes that while gold is Uganda's biggest export in terms of value, it remains concentrated in the informal sector. Similarly, the 2021 Statistical Abstract states that gold and gold compounds were Uganda's leading commodity export during 2020. Some consulted development partners noted that export data disclosed in the EITI Report did not capture ongoing events on the ground, especially given the lack of consistency and comprehensiveness of gold exports. A shared view among development partners was that the gold trade was highly opaque and that current gold statistics were still weak despite this being a pervasive issue. Civil society representatives also noted significant gold mineral trade flows despite Uganda's relatively low gold production and expressed optimism in EITI implementation to address this gap. The IA pointed out to routes of trade with neighbouring countries and recommended Uganda to develop monitoring mechanisms to capture these routes, asses their materiality and conduct legal reforms to enhance the mineral traceability. The absence of an estimate of informal mineral exports as part of EITI implementation means that the necessary data to address issues related to exports is not available. As in the case of production (see *Requirement 3.2*), the IA informed that estimates associated to the informal sector (including unlicensed movement of gold) were excluded due to their perceived insufficiency. Consulted government

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	representatives expressed hope in recent legal reforms to pre-empty any allegations of involvement with conflict minerals.

New corrective actions and recommendations
• In accordance with Requirement 3.2, Uganda should disclose estimates of production volumes and values related to informal sector, including but not limited to artisanal, small-scale mining. To strengthen the implementation of Requirement 3.2, Uganda is encouraged to disaggregate production volumes and values at region, company, and project levels, which could further strengthen public's understanding of mineral production level and its output. • In accordance with Requirement 3.3, Uganda must publish estimates of informal mineral exports volumes and values, in order to fulfil the objective of providing a basis for addressing export related issues in the mining sector. It is recommended that the government entities comprehensively disclose and harmonise export data. Uganda is also encouraged to describe the methods for calculating export volumes and values with a view to supporting improvements in the government's oversight of mineral exports. To strengthen implementation of Requirement 3.3 Uganda could enhance the granularity of export data by further disaggregating it based on projects and regions.

Revenue collection (Requirements 4.1, 4.3, 4.4, 4.7, 4.8, 4.9)

Overview of progress in the module

Uganda has used its EITI reporting to disclose government revenues collected from the extractive industries. Uganda's EITI Reports provide the most disaggregated data available to the public on extractive revenues broken down by revenue stream and companies but not yet by project. There is scope to strengthen both government and companies' systematic disclosures of payments and revenue data.

There are currently no government revenues stemming from transportation of extractive commodities. In the oil and gas sector, the pipeline EACOP is still under construction but will give rise to material government revenues in future once completed.

The timeliness of EITI reporting has remained within the two-year deadline. The Supreme Audit Institution, the Auditor General, has caught up with the publication schedule for the general government accounts and SOE audits, publishing its 2020-2021, 2021-2022 and 2022-2023 audit reports on its website. Meanwhile, while the 2021 EITI Report states the comprehensiveness of disclosures of government revenues, it does not cover the transfer of Tullow's assets to Total in November 2020 which is subject to license fee payment, not recorded by the 2021 EITI Report.

On the reliability of the financial data, auditing systems of the country from the Auditor General work well, and companies and government agencies are audited each year, with Reports published in a timely way every year. Despite several companies not providing the agreed quality

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assurances for their payments, the 2021 EITI Report contains the IA's assessment of the comprehensiveness and reliability of the reconciled financial data. In order to further improve the data quality of government data, Uganda EITI organised a training of the Auditor General to strengthen its capacity to carry out quality assurances for government's EITI reporting. Consultation with industry stakeholders indicated opportunities to strengthen the assurance practices by extractive companies.

Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in the annex to this report.

EITI Requirement / past corrective action and preliminary assessment	Summary of progress in addressing the EITI Requirement
Comprehensive disclosure of taxes and revenues (Requirement #4.1) *Mostly met*	The Secretariat's preliminary assessment is that Requirement 4.1 is mostly met. Most stakeholders consulted seemed satisfied with the country's EITI reporting coverage in terms of companies and revenues. The Secretariat believes that the objective is almost being met regarding full adherence to reporting by government entities and major companies, although it appears that the 2021 EITI Report did omit at least one payment of license fee, casting a doubt on the comprehensiveness of the disclosure of revenue data. There is also room to strengthen the systematic disclosure of payments and revenues by government and companies. Uganda has published two conventional reconciliation reports since it joined the EITI, with a high coverage for the EITI reconciliation. The 2021 EITI Report claims to provide comprehensive disclosure of government revenues from the extractive sector, as well as an assessment of the comprehensiveness and reliability of these disclosures. Material government entities, revenue streams and companies are clearly identified, and the materiality thresholds discussions are documented in the 2021 EITI Report. All reporting entities have provided their reporting templates, and full government disclosure (including nonmaterial revenues) is provided, disaggregated by revenue stream, company and government agency. Audited financial statements are publicly available for 25% of the material companies (3 out of 12). Disaggregated disclosure coverage for the oil and gas and mining sector of, respectively, 90 and 96%, suggest that this information is comprehensive, which is confirmed by the assessment from the Independent Administrator of the comprehensiveness of the revenues reported. However, the transfer of Tullow's assets to Total in November 2020, subject to a fee, should have been materialised by a license fee payment, which is not recorded by the 2021 EITI Report.

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	While the 2021 EITI Report contains a review of the audit status of significant companies, audited financial statements of extractive companies are not all accessible to the public.
Infrastructure provisions and barter arrangements (Requirement #4.3) *Not applicable*	The Secretariat's preliminary assessment is that Requirement 4.3 is not applicable for the year under review. The 2021 EITI Report confirms the absence of such agreements in the mining and oil and gas sector.
Transportation revenues (Requirement #4.4) *Not applicable*	The Secretariat's preliminary assessment is that Requirement 4.4 is not applicable for the year under review. The only project that could give raise to government revenues tied to transportation of extractive commodities is the EACOP project, which was still under construction for the year under review.
Level of disaggregation (Requirement #4.7) *Mostly met*	The Secretariat's preliminary assessment is that Requirement 4.7, which is to enable the public to assess the extent to which the government can monitor its revenues as defined by its fiscal framework, and that the government receives what it ought to from each individual extractive project. is mostly met, given the lack of disaggregation of the project-level payments stemming from companies holding several projects. Financial data is adequately disaggregated in the 2021 EITI Report per government agency, company and revenue stream. On project-level reporting, the MSG has approved a clear definition of project in the country for the mining and oil and gas sector. On the methodology, the 2021 EITI Report claims that all revenue streams specific to the oil and gas and mining sector are disclosed at a project-level and lists them. The unique government agency responsible for the collection of all revenue flows is the URA. The actual practice of disclosure for the fiscal year 2020-2021 includes the 12 material companies. Each company reported their non-tax payments, disaggregated by revenue stream but not for different projects. However, material mining companies such the National Cement Company Uganda seem to hold at least four licenses, including one production and three explorations licenses. It is unclear if the company did not make any payments from its three exploration licenses or if it is a gap in the payments reported on a project basis. In addition, while revenue flows like annual mineral rents seem to be due for each exploration license, there is no trace of these payments disaggregated per mining license. For the oil and gas sector, the definition adopted by the MSG leads to consider the Tilenga or Kingfisher area as one single project. This results in aggregated reporting of payments from the operators such as Total or the CNOOC from the different blocks. However, in its payments to governments report, Total does disclose the payment of license fees disaggregated per block, in direct contradiction with the definition and the reporting adopted by the MSG.
Data timeliness (Requirement #4.8)	The Secretariat's preliminary assessment is that Requirement 4.8 is fully met. Most stakeholders consulted considered that the objective of timely EITI disclosures to inform policy making and public debate had been fulfilled. The

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Fully met	Secretariat noted that both EITI Reports were published within the two-year allowance. The FY 2020 (to June 2020) was published in May 2022 and the FY 2021 (to June 2021) was published in June 2022. There is scope for further improvements in the timeliness of EITI disclosures by increasingly building on new systematic disclosures by the government. The MSG has consistently approved the period for reporting and adopted cash-based accounting for EITI disclosures.
Data quality and assurance (Requirement #4.9) *Fully met*	The Secretariat's preliminary assessment is that Requirement 4.9 is fully met. Most MSG members consulted expressed satisfaction at the reliability of financial data disclosed in Uganda EITI reporting. Consulted stakeholders' opinions were split over whether the EITI was contributing to strengthening routine government and company audit and assurance systems and practices, with some stakeholders considering that the EITI recommendations were more focused on the process of EITI reporting rather than broader audit and assurance practices. It was also noted that the data reported through EITI benefited from a greater credibility due to the work of an independent consultant for the production of the Reports. Auditing systems of the country from the Auditor General work well, and companies and government agencies are audited each year, although the Auditor General report covering the fiscal year 2020-21 could not be reconciled with the receipts reported by URA in their reporting templates given that the figures of the annual report of the Auditor General were not disaggregated. All government agencies provided the agreed quality assurances for the year under review. Nine (9) out of 12 companies did not provide the agreed quality assurances for their reporting template (22% of the total revenues, or 32% of the reconciliation). However, considering that the payments of these nine companies have been reconciled with the government revenues that were subject to credible, independent audit, applying international auditing standards, the 2021 EITI Report contains the IA's assessment of the comprehensiveness and reliability of the reconciled financial data, judging that the data is comprehensive and reliable. The 2021 EITI Report provides a review of audit and assurance procedures and practices in both government revenue-collecting entities and material extractive companies and sets out the methodology and results of the reconciliation. The 2021 EITI Report includes the IA's clear assessment in line with its carrying out the agreed upon procedures. There is scope for Uganda to expand its use of EITI reporting as a regular diagnostic of government revenue collecting systems and controls as well as extractive companies' practices, with a view to formulating recommendations for broader reforms in government and company audit and assurance policies and practices.
New corrective actions and recommendations	
• In accordance with Requirement 4.1, Uganda should ensure comprehensive disclosures of company payments and government revenues from oil, gas and mining. To strengthen implementation of Requirement 4.1, Uganda is encouraged to use its EITI process to strengthen	

systematic disclosures of information on company payments and government revenues in the extractive industries.

- To strengthen implementation of Requirement 4.4, Uganda is encouraged to closely monitor the EACOP project and develop a reporting process to capture the revenue stemming from the pipeline when it enters into operation.
- In accordance with Requirement 4.7, Uganda is required to publish financial data on company payments and government revenues disaggregated by company, revenue stream and government beneficiary, and by project where payments are levied at a project level. To strengthen implementation, Uganda could publish a comprehensive mapping of revenues levied on a project basis in both oil and gas and mining sector, indicating the legal source from which these payments arise. Uganda EITI is encouraged to document which legal agreements are substantially interconnected or overarching.
- To strengthen implementation of Requirement 4.8, Uganda is encouraged to consider innovative approaches to EITI reporting that build on government and company systematic disclosures with a view to improving the timeliness of EITI disclosures as a precondition for stimulating public debate and policymaking.
- To strengthen implementation of Requirement 4.9, Uganda could consider using its annual EITI reporting as a tool for disclosing a detailed assessment of audit and assurance practices in both public and private sectors, with a view to issuing recommendations for reform in broader audit and assurance practices of government entities, state-owned enterprises, and extractive companies. Uganda may also wish to consider alternatives to conventional EITI reconciliation as a means of ensuring comprehensive and reliable disclosures of company payments and government revenues from the extractive industries.

Revenue management (Requirements 5.1, 5.3)

Overview of progress in the module

The Ministry of Finance, Planning, and Economic Development consistently discloses details about the budget process. The 2021 EITI Report compiles information sourced from government websites, and provides additional information disclosed by government entities through EITI reporting. Uganda's regulatory frameworks, accessible to the public, offer comprehensive insights into the distribution of extractive revenues. Looking ahead, it is recommended that Uganda leverages its EITI platform to enhance transparency concerning revenues that will not be recorded in the budget. This pertains specifically to funds allocated for investment and meeting operational needs of the SOE UNOC. Through EITI reporting, Uganda can ensure that such revenues are transparently communicated, fostering accountability and public awareness.

The 2021 EITI Report outlines the budgetary process; however, it lacks supplementary details regarding the assumptions shaping future years in the budget cycle. Including such information could enhance public comprehension and foster debate on matters related to revenue sustainability and resource dependence.

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Progress by requirement and corrective actions

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EITI Requirement / past corrective action and preliminary assessment	Summary of progress in addressing the EITI Requirement
Distribution of extractive industry revenues (Requirement #5.1) *Fully met*	The Secretariat's preliminary assessment is that Requirement 5.1 is fully met. The objective of this requirement is to ensure the traceability of extractive revenues to the national budget and ensure the same level of transparency and accountability for extractive revenues that are not recorded in the national budget. EITI reporting and systematic disclosures confirms that all of Uganda's extractive revenues generated during the period under review were recorded in the national budget. Stakeholders consulted generally concurred those legal provisions and mechanisms, including provisions for potential off-budget revenues in the future, contribute to traceability. The Secretariat's view is that extractive revenues generated during the period under review and disclosed both through government disclosures and EITI reporting, are traceable ensuring public oversight. The Uganda Revenue Authority (URA) holds the responsibility of collecting all the revenues from the oil and gas sector. These revenues are directly deposited into the Petroleum Fund (set in the Bank of Uganda). As stipulated by the Public Finance Management Act (PFMA) 2015, oil and gas revenues in the Petroleum Fund can be either transferred to the Consolidated Fund to support the annual budget, or to the Petroleum Revenue Investment Reserve. Currently, oil and gas revenues collected by the URA are relatively modest (pending the commencement of commercial production) thus all transferred to the Consolidated Fund and duly accounted for in the national budget. These revenues are systematically disclosed in the Petroleum Fund's 2020/2021 audited financial statements (see here), with this information also being published through EITI reporting. It is noteworthy that in the future, as oil and gas production gains momentum, there is a possibility of disbursements to the Petroleum Revenue Investment Reserve, which would be an extra-budgetary allocation. However, the PFMA 2015 establishes statutory guidelines on the Petroleum Fund performance through annual and semiannual reports and financial statements which should be audited by the Auditor General and submitted to the Parliament. In addition to the Investment Fund, a recent amendment to the PFMA 2015 allows UNOC to retain and spend at source revenues generated from the sale of oil and gas instead of remitting them firstly to the Petroleum Fund. Although CSO had expressed concerns about the impact of the reform on public's overview of public resource management (see here and here), stakeholders from the government constituency affirmed that the current legal framework incorporates extensive checks and balances, leading to the establishment of a resilient and transparent system and enabling the traceability of revenues, including those that may arise off-budget in the future.

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	It was highlighted the UNOC has a Board that must report to the Parliament, and that this reform was addressing UNOC's need to meet cash calls. Consulted stakeholders from Uganda's Petroleum Authority noted that the intent was to make cash calls transparent and UNOC representatives explained that the balance of retained earnings are to be submitted to the Parliament within 90 days to the beginning of the calendar for budget approval. Concerning the mining sector, the 2021 EITI Report explains that all mining revenues are budgetary and directly remitted to the Consolidated Fund. The 2021 EITI Report falls short in clarifying which payments are collected by the National Environmental Management Authority (under the Ministry of Energy and Mineral Development).
Revenue management and expenditures (Requirement #5.3) *Not assessed*	The Secretariat's preliminary assessment is that Requirement 5.3 remains not assessed, given that some encouraged aspects of this requirement remain to be addressed by Uganda EITI. There is a comprehensive disclosure of the budgeting process and audit mechanisms, as well as publicly available information on earmarked petroleum revenues. However, the 2021 EITI Report does not include assumptions underpinning forthcoming years related to production, commodity prices and revenue forecasts. Therefore, Requirement 5.3 remains not assessed, pending comprehensive disclosures of all information encouraged to be disclosed in accordance with the requirement. Uganda addressed some of the required aspects of Requirement 5.3 though EITI reporting and through information hosted in government websites. Information on earmarked revenues is publicly accessible in the Public Management Finance Act of 2015 (PFMA, part VIII). The PFMA section on transfers to the consolidated fund establishes that petroleum revenues shall be used for the financing of infrastructure and development projects of Government and not the recurrent expenditure. Additionally, the legislation allows for withdrawals from the Petroleum Fund to the Petroleum Revenue Investment Reserve, subject to authorisation from Parliament and approval by the Auditor General. Additionally, the government publishes a comprehensive description of the budget and audit processes through the Ministry of Finance, Planning and Economic Development (MoFPED) portal. Various sections within the website are geared towards public's understanding of the budgeting process. For instance, the Know Your Budget section includes an introductory page on Budget Basics, along with other sections specifically describing the process, timelines and tools. This information is also summarised in 2021 EITI Report which presents a comprehensive description of Uganda's budgeting process based on the PFMA and on the MoFPED website. The 2021 EITI Report specifies that oversight entities include the Budget Monitoring and Accountability Unit, the State House Monitoring Units, the Office of the Prime Minister and Office of the Auditor General. Reports on performance against set budgets as well as budget releases and expenditure data are published in open data format. However, release and expenditure data for years under review is yet to be published. Uganda's MSG has not yet addressed information related

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	to production and commodity price assumptions that would shed light on revenue sustainability and revenue dependency.

New corrective actions and recommendations
• To strengthen the implementation of Requirement 5.1, Uganda is encouraged to include an explanation of which payments are collected by the National Environmental Management Authority. To strengthen implementation of Requirement 5.1, Uganda is encouraged to use the EITI process to ensure the transparency and accountability in regard to future off-budget revenues. • To strengthen the implementation of Requirement 5.3, Uganda is encouraged to use its EITI disclosures to provide timely information from the government that will further public understanding and debate around issues of revenue sustainability and resource dependence, which may include assumptions underpinning forthcoming years in the budget cycle related to production, commodity price assumptions and revenue forecast arising from the extractive industries and the proportion of future fiscal revenues. Uganda is also encouraged to strengthen disclosure of earmarked mining revenues.

Subnational contribution (Requirements 4.6, 5.2, 6.1)

Overview of progress in the module

Subnational contributions exist and are of public interest in Uganda. The country has leveraged the EITI process to disclose the extractive sector contributions to subnational levels. This includes unilateral disclosures by companies, detailing direct payments to regional and local authorities and mandatory and discretionary social and environmental expenditures. Transfers of mining royalties to subnational levels are also included. In the fiscal year 2020-2021, subnational contributions constituted about 4.2% of the total extractive revenues.

Regarding subnational transfers, the report details the diverse components comprising the oil-revenue sharing formula. This is particularly pertinent to local stakeholders, including cultural and traditional institutions in oil-rich regions, as they seek to plan and manage public expectations. The 2021 EITI Report further discloses transfers from the Ministry of Energy and Mineral Development to local governments and landowners in accordance with relevant regulations. Third-party publications have highlighted that royalty payments in Uganda are distributed with limited transparency through the national budget, often failing to reach landowners and failing to foster long-term social and economic development in communities near mining projects. Consulted stakeholders have underscored the necessity for heightened transparency and comprehensive information, particularly concerning statutory entitlements and the transfer of revenues to local entities. The disclosure of subnational transfers serves as a critical step towards enhancing transparency and accountability in the extractive sector, providing valuable insights for local stakeholders and addressing outstanding challenges.

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As highlighted by industry stakeholders, social and environmental expenditures may either be mandated by law or specified by contract. Some mining, oil, and gas companies have disclosed both voluntary and mandatory expenditures within the scope of the 2021 EITI Report. However, the lack of clarity regarding regulatory frameworks for mandatory expenditures and the absence of published contracts to date impede independent and comprehensive verification of provisions related to mandatory expenditures and companies' compliance with their obligations. Progressive disclosures on subnational contributions can help build trust among local communities, inform meaningful engagements and strengthen citizen accountability.

Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in the annex to this report.

EITI Requirement / past corrective action and preliminary assessment	Summary of progress in addressing the EITI Requirement

Subnational payments (Requirement #4.6) *Mostly met*	The Secretariat's preliminary assessment is that Requirement 4.6 is mostly met. The Secretariat's view is that while some information on subnational payments was disclosed through EITI reporting, the objective of enabling stakeholders to gain an understanding of the benefits accruing to local governments through transparency in companies' direct payments is mostly fulfilled as the MSG decision on materiality appears to have relied solely on company reporting. Stakeholders consulted did not express any views on the objective of this requirement. In Uganda, companies make diverse direct payments to districts, with some specifically designed to generate additional revenue for local governments. Seven out of twelve companies (two in the oil and gas sector and five in mining sector) retained in the reconciliation scope unilaterally disclosed subnational payments through MSG-approved reporting templates. Subnational payments encompass local service taxes, property taxes, trading licenses and ground rents. During consultations, both the MSG and the national secretariat indicated that subnational payments for the fiscal year 2020-2021 were not deemed material, constituting 0.4% of government extractive revenues.

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Subnational transfers (Requirement #5.2) *Mostly met*	The Secretariat's preliminary assessment is that Requirement 5.2 is mostly met. Uganda discloses the revenue-sharing formulas through governmental publications and the 2021 EITI Report discloses amounts transferred from the central government to three subnational levels on aggregate. However, while the report discloses total transfers (See page 108) to the three level of subnational government in accordance with the formula and the individual transfers to each recipient (See Annex 2), it is not possible for each beneficiary to assess if those transfers were calculated in accordance with the formula or additional criteria that are not disclosed. Consulted stakeholders confirmed that subnational government entities lack information on subnational transfers. The Secretariat's view is that the underlying objective to enable stakeholders at the local level to assess whether the transfers and management of extractive revenues are aligned with statutory entitlements is mostly fulfilled given this gap. The 2021 EITI Report notes that the MSG agreed to include information on subnational transfers through unilateral disclosures by relevant government agencies. Revenue sharing formulas are systematically disclosed through the Petroleum Fund Management Act 2015 (schedule 6), and in the MMA 2022. The inclusion of information on recent reforms and visual aids in the 2021 EITI Report serves to enhance public understanding of extractive revenue allocation mechanisms to subnational government entities. According to regulatory provisions, it is established that 6% of petroleum royalties are to be transferred from the central government (Uganda Revenue Authority) to local governments. Concerning the mining sector, the 2021 EITI Report presents the total expected royalties (in per the formula) and the aggregated amounts disbursed to three different subnational governments levels: local government, lower local government (sub county, town, council) and landowners. However, the report does not elaborate on the allocation mechanism to each entity within these three levels. An analysis of transfers disclosed does not allow to understand how each subnational entity was entitled the amount received. Stakeholders consulted highlighted that subnational entities often lack awareness of receiving transfers from mining royalties due to insufficient dissemination and notification mechanisms. They stressed that the obligation to inform is crucial for transparency, and providing more information on revenue transfers to districts would bolster Uganda's anti-corruption efforts. Consulted members of the civil society constituency stressed the lack of sufficient information prevent them to o assess the accuracy of the information disclosed in the 2021 EITI Report regarding subnational transfers. They would like more outreach, dissemination and funding to ensure a broader understanding of the disclosed information.
Social and environmental expenditures (Requirement #6.1) *Mostly met*	The Secretariat's preliminary assessment is that Requirement 6.1 is mostly met. The International Secretariat considers that a number of gaps identified in this assessment, relating to legal basis for mandatory expenditures, comprehensiveness of reported expenditures and clear distinction between expenditures and payments, prevent a public understanding of social and

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	environmental contributions. Stakeholders did not express any additional view on the general objective of this requirement. First, the 2021 EITI Report includes both mandatory and discretionary payments. While the 2021 EITI Report provides a brief definition of social expenditures, a clear legal basis for reported mandatory expenditures is not indicated. Most mandatory social expenditures reported are related to compensations for resettlement of affected by the Tilenga project and expenses associated to the education and training of government officials, but the legal basis for this is not explained. Second, from the disclosures it is not possible to assess comprehensiveness of the reported expenditures. For example, only a mining company disclosed a mandatory social expenditure, but it is not possible to understand why the identified material companies did not report. Consulted MSG members noted that social and environmental expenditures these were not in the materiality scope and were included through unilateral disclosures from companies within the reporting scope. The limited number of companies that reported mandatory expenditures raises questions about the comprehensiveness of EITI disclosures. There is no evidence of the MSG considering a specific threshold for such expenditures, or additional documentation on the basis of this assessment. Despite the MSG establishing of a Local Content Committee tasked with informing on the materiality of companies' social payments, there is no additional explanation of the MSG approach to materiality. In the report, information is disaggregated by company, beneficiary, geographic distribution (districts/areas), and whether expenditures are made in cash or in-kind. In some instances, information on the nature of the expenditure and the parties involved is inconsistent or missing. Thirdly, relating to environmental expenditures, the report alludes to the legal framework governing the environment noting some environmental obligations. All the environmental expenditures disclosed are mandatory apart from one. However, payments and expenditures are conflated within the same category (such as environmental assessments, waste management fees and a payment to the petroleum fund). The nature, function or beneficiary of mandatory environmental expenditures declared by some mining companies lack clarity.

New corrective actions and recommendations

- To strengthen the implementation of Requirement 4.6, Uganda is encouraged to publish a comprehensive overview of the legal and regulatory provisions applicable to subnational direct payments. To strengthen implementation of Requirement 4.6, Uganda's MSG is encouraged to engage with subnational government entities to report on revenues received from companies in the scope of EITI reporting.

- In accordance with the Requirement 5.2, Uganda is encouraged to disclose guiding mechanisms to allocate mining royalty revenues to each individual subnational entity. To strengthen implementation of Requirement 5.2, Uganda is encouraged to enhance its

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notification processes to ensure that local governments receive timely and accurate information about the funds allocated. Uganda's EITI MSG is encouraged to support dissemination and capacity building activities geared towards increased public awareness among subnational stakeholders.

- In accordance with the Requirement 6.1, UGEITI must document its approach to determine whether extractive companies make mandatory social and environmental expenditures. UGEITI must include the legal provisions that mandate social and environmental expenditures. UGEITI should distinguish between companies' social and environmental expenditures and payments. To strengthen the implementation of Requirement 6.1, the MSG may wish to consider the importance of these revenue streams for stakeholders and local communities.

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Background

Overview of the extractive industries

An overview of the extractive industries is accessible on the country page of the EITI webpage for Uganda.

History of EITI implementation

The history of implementation is accessible on the country page of the EITI webpage for Uganda.

Explanation of the Validation process

An overview of the Validation process is available on the EITI website.[16] The Validation Guide provides detailed guidance on assessing EITI Requirements, while the more detailed Validation procedure include a standardised procedure for undertaking Validation by the EITI International Secretariat.

The International Secretariat's country implementation support team include Edwin Wuadom Warden and Gilbert Makore, while the Validation team was comprised of Francisco Paris, Jessica Sanchez and Hugo Paret. The internal review for quality assurance was conducted by Nassim Bennani, Alex Gordy, Gilbert Makore and Mark Robinson.

Confidentiality

The detailed data collection and assessment templates are publicly accessible, on the internal Validation Committee page here.

The practice in attribution of stakeholder comments in EITI Validation reports is by constituency, without naming the stakeholder or its organisation. Where requested, the confidentiality of stakeholders' identities is respected, and comments are not attributed by constituency. This draft report is shared with stakeholders for consultation purposes and remains confidential as a working document until the Board takes a decision on the matter.

Timeline of Validation

The Validation of Uganda commenced on 1 October 2023. A public call for stakeholder views was issued on 1 July 2023. Stakeholder consultations were held in person from December 4th, 2024. The draft Validation report was finalised on 26 February 2023. Following comments from the MSG expected on 26 March 2023, the Validation report will be finalised for consideration by the EITI Board.

[16] See https://eiti.org/validation

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Resources

- Validation data collection file – Stakeholder engagement
- Validation data collection file – Transparency
- Validation data collection file – Outcomes and impact

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Annex A – Additional information on CSO space and public debate

The following cases have been reported in public sources on arrests following activities related to the extractive sector during the period under review in this Validation.

2022: NGO AFIEGO activists arrested for lack of permission in accordance with regulations.

https://news.mongabay.com/2021/10/ugandan-activists-arrest-slammed-as-threat-to-space-for-rights-defenders/

2022-23: Arrests following protest the environmental impact of the oil pipeline.

https://www.hrw.org/news/2023/11/23/ugandan-authorities-should-drop-charges-against-environmental-protesters

https://www.business-humanrights.org/en/latest-news/uganda-9-students-arrested-for-supporting-eu-resolution-on-halting-controversial-eacop-project-over-human-rights-environmental-concerns/

https://www.stopeacop.net/our-news/activists-arrested-for-protesting-east-african-crude-oil-pipeline

https://srdefenders.org/uganda-violent-arrest-and-alleged-arbitrary-detention-of-hrds-from-the-students-against-eacop-movement-joint-communication/

https://www.independent.co.ug/arrests-and-intimidation-over-eacop/

https://www.globalwitness.org/en/campaigns/environmental-activists/sta…

Public debate

The following international coverage of the issue of illicit flows in the gold sector of Uganda and the surrounding region shows how this issue have been reported in the public domain.

Global Initiative against transnational organised crime's report on illicit gold

https://riskbulletins.globalinitiative.net/esa-obs-017/04-gold-rush-how-illicit-gold-flows-through-uganda.html

https://globalinitiative.net/analysis/illicit-gold-east-southern-africa-policy-guidance/

Interpol and Enact's report on illegal gold mining in Central Africa

https://www.interpol.int/content/download/16493/file/2021%2007%2027%20ENGLISH%20PUBLIC%20VERSION_FINAL_Illegal%20gold%20mining%20in%20Central%20Africa.pdf

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https://enactafrica.org/enact-observer/is-ugandas-thriving-gold-trade-being-compromised-by-criminal-networks

U4 (Norway) report on illicit gold in Central and East Africa

https://www.u4.no/publications/illicit-gold-flows-from-central-and-east-africa

UN Security Council's report on DRC including smuggling to Uganda

https://documents.un.org/doc/undoc/gen/n21/113/46/pdf/n2111346.pdf?token=t7fmyQ2cPhPHXQme4E&fe=true

https://apnews.com/general-news-9f78e7cf2b78fc495a017d17b94939c9

US State department's report on Africa gold

https://www.state.gov/africa-gold-advisory/

Kenya and Uganda named as major smuggling hubs for gold from South Sudan:

https://www.standardmedia.co.ke/health/national/article/2001477456/kenya-and-uganda-named-as-major-smuggling-hubs-for-gold-from-south-sudan

Uganda's exports of gold

https://www.economist.com/middle-east-and-africa/2019/05/23/how-can-uganda-export-so-much-more-gold-than-it-mines?utm_medium=cpc.adword.pd&utm_source=google&ppccampaignID=18151738051&ppcadID=&utm_campaign=a.22brand_pmax&utm_content=conversion.direct-response.anonymous&gad_source=1&gclid=Cj0KCQiAxOauBhCaARIsAEbUSQRiiH-8HB5T1jHIZuTbU3T6iEBQCEyuYAkyVIy_z0XqCkKc1JAOCj4aAo7GEALw_wcB&gclsrc=aw.ds

https://www.worldpoliticsreview.com/uganda-s-illegal-gold-market-is-bustling/

Other selected news coverage of cases related to gold exports and smuggling in the region.

https://pulitzercenter.org/stories/ugandas-illegal-gold-market-bustling

https://www.congoresearchgroup.org/en/2023/05/15/all-that-glitters-the-struggle-over-congolese-

https://apnews.com/article/business-africa-global-trade-uganda-kampala-079b2216cf9578b871eb92c0c558ed9c

https://www.theeastafrican.co.ke/tea/news/east-africa/ex-kenya-minister-stephen-tarus-uganda-prison-gold-smuggling-4488836

https://www.theafricareport.com/275655/drc-uganda-if-there-is-any-evidence-to-prove-that-i-smuggle-gold-id-like-to-see-it-says-alain-goetz/

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