

# UGANDA'S CRUDE OIL RESERVES STAND AT 6.5 BILLION BARRELS

By John Odyek

The Extractive Industries Transparency Initiative board (EITI) has called on Uganda to focus on contracts disclosure in the oil, gas and mining sectors.

Contract disclosure, making a public register of beneficial ownership of companies in the sector, the display of audited accounts of Uganda National Oil Company and reconciling gold refining and trade figures are the four areas the EITI board has asked the country to focus on over the next three years.

Uganda achieved a moderate score of 78.5 points in implementing the 2019 EITI Standard in May 2024.

## WHAT THEY SAY

The EITI executive director, Mark Robinson together with Kaimal Suneeta, president and chief executive officer of the Natural Resource Governance Institute have held various meetings with government and civil society officials.

Robinson and Suneeta are members of a UN secretary panel on critical energy transition minerals that attended a meeting in Nairobi earlier in the week, so they

# EITI WANTS UGANDA TO FOCUS ON OIL, GAS MINING CONTRACTS DISCLOSURE

PHOTO BY JOHN ODYEK



Suneeta (centre) addressing stakeholders in the oil, gas and mining sector with Robinson (right) and Fatma Nyambura (left), the policy manager EITI International Secretariat. This was at Sheraton Kampala Hotel

independently decided to visit Uganda since it was nearby. Robinson, while speaking to stakeholders in the sector at the Sheraton Kampala Hotel, on Thursday said by addressing the four areas, Uganda will be building greater transparency and accountability in the sector.

He explained that there has to be identification of owners of companies including politicians.

Robinson added that this information has to be easily accessible by the public.

## UNOC

On Uganda National Oil Company Limited (UNOC), he said the company will be managing big resources and they need to be publically accounted for.

He noted that this has been done in Nigeria and other countries.

On gold, he said there has to be traceability mechanisms and reconciliation of the figures.

Suneeta added that there is a great promise that oil will start flowing in Uganda next year.

He indicated that the oil revenues should be a pathway for a new economic future for Uganda.

## MINERALS

On critical minerals that are available in Uganda and other developing countries, Suneeta said there is need to ensure

that Uganda and developing countries endowed with transition minerals benefit from them.

She emphasised that the transition minerals should be a transformative sector for people around the world.

Suneeta argued that assumptions should not be made that some civil society can speak on behalf of some communities.

She proposed that the impact communities have to be spoken and not only the elite members.

She said there was tension between fossil fuels and donors who want to walk away from the industry and potentially hurt countries who are negligible polluters.

## EITI IMPLEMENTING COUNTRY

Uganda was admitted as an EITI implementing country in August 2020, to leverage transparency to enhance public trust, improve the investment climate, and strengthen revenue collection and ensure that Uganda's extractive sector is managed in the interest of its citizens.

Uganda's proven crude oil reserves stand at 6.5 billion barrels with 1.4 billion barrels that are commercially recoverable. The country has a large artisanal and small-scale mining sector.

The East African Crude Oil Pipeline (EACOP)

currently under construction, is poised to transport 6,000 barrels of oil per day from Uganda's Albertine Graben to Tanzania's Tanga port, promising substantial revenue streams for Uganda. The Uganda's Companies (Amendment) Act 2022, the Companies (Beneficial Owners) Regulations 2023 and the Mining and Minerals Act 2033 provide the legal framework mandating the disclosure of beneficial ownership.

Uganda plans to use the EITI to collect legal and beneficial ownership data in the absence of the legal framework for full disclosure while advocating for the establishment of a

beneficial ownership register.

## OTHER VOICES

Saul Ongaria, the national coordinator of Uganda Extractive Industries Transparency Initiative (UGEITI), said they are looking at gaps and challenges that the country faces to improve its ranking and score on transparency-related issues.

"We want to see the improved management of Uganda's natural resources. We shall acquire new knowledge and information on how we can go forward," Ongaria said.

David Sebagala, senior inspector of mines at the

energy ministry, said the discrepancies in Uganda's gold figures were being addressed.

He added that some different agencies, ministries were making different reports about the gold figures and that documentation gaps were being addressed.

James Muhindo, in charge of board and corporate affairs at the National Environment Management Authority, said corruption was holding Uganda back on its development trajectory.

Muhindo observed that the government, civil society and other stakeholders were now speaking at the same table on issues of the extractives sector.

Onesmus Mugenyi, the deputy executive director of the Advocates Coalition for Development and Environment (ACODE), said there has been great improvement in the level of consensus on issues between government and non-state actors.

Mugenyi recalled that it was not easy in the past for state and non-state actors to dialogue on issues.

"A lot of capacity building has enabled civil society to articulate the natural resource governance issues. Government was hesitant to take on recommendations from the civil society," he explained.

Uganda aims to use EITI

membership to strengthen efforts in ensuring overall transparency in the sector, strengthen tax collection, promote public debate, improve the investment climate, build trust and create lasting value from petroleum and mineral resources.

To achieve these objectives, the Uganda EITI's (UGEITI) workplan includes activities such as the development of a policy and plan on contract and licence publication, the documentation of planned reforms on beneficial ownership transparency, a scoping study on state participation in the extractive sector and activities relating to communication and dissemination of data.

UGEITI seeks to enhance revenue management and accountability, for example through the publication of data on social and environmental expenditures, quasi-fiscal payments and the documentation of environmental impact.

The EITI board called on Uganda to make efforts to ensure that civil society representatives can engage in public debate on the EITI process and express their opinions without restraint. It said that disclosing the ultimate owners of extractive rights and companies will help close avenues for corruption and conflicts of interest.

## UN VIEW

The UN Secretary-General António Guterres noted that to achieve net zero by 2050, demand for critical minerals, such as copper, lithium, nickel, cobalt, and rare earth metals, is projected to grow three and a half times over the course of this decade.

For developing countries with large reserves, the "renewables revolution" is a critical opportunity to create jobs, diversify economies, and boost revenues, ensuring they can reach the SDGs, he underscored.

Acknowledging toxicity, pollution, child labour, and benefits not reaching communities among the challenges associated with critical minerals' extraction, Guterres said addressing them requires investments, an institutional framework, adequate laws, and adequate relations between UN member states and the companies that exploit those resources.