

Summary of Recommendations of the UGEITI Report FY 2021-2022

1. [Establishing a legal basis for the UGEITI reporting process \(EITI Requirement 4.1\)](#)

The key issue is the absence of a legal framework obliging companies to engage fully in transparency initiatives. Without mandatory provisions requiring compliance, companies often display reluctance or hesitation, creating barriers to achieving comprehensive and accurate reporting in line with EITI Requirement 2.1, which emphasizes the need for transparent systems for the disclosure of extractive sector information.

The following steps are recommended:

- **Agreeing on a Roadmap for Legal Reform:** to enhance the legislation for reporting. The: UGEITI MSG should advocate for establishing or strengthening the legal framework that mandates the participation of both companies and government agencies in transparency reporting.
- **Increase Participation and Training for Focal Points:** In addition to targeting senior officials, ensure that the actual reporting focal points—those responsible for filling out the declaration forms—attend meetings and workshops.
- **Improve Communication Mechanisms:** Establish clear and consistent communication channels between senior officials and focal points to ensure that reporting instructions are properly relayed.

Targeted institutions: Government Entities, Extractive Companies

2. [Improving the Identification of Extractive Revenues \(EITI Requirement 4.1\)](#)

Some extractive revenues collected by the Uganda Revenue Authority (URA) are recorded without clear identification of the type of payment. For instance, URA's system does not specify royalty payments but rather presents the names of the corresponding minerals. Gaps in the identification of similar payment flows may result in the underestimation or misallocation of budgetary resources. Such shortcomings hinder the government's ability to effectively allocate funds toward national priorities, undermining the transparency and credibility of the budgetary process.

The following steps are recommended:

- **Enhance Payment Flow Identification:** URA should implement more specific payment identification to ensure that revenues related to the extractive sector are comprehensively compiled and accurately categorized based on their specific tax types (e.g., royalties, corporate taxes) rather than using names that may not match the legislation.
- **Provide Targeted Training:** Conduct targeted training sessions for URA officials and other relevant staff on best practices for EITI reporting.

Targeted institutions: Uganda Revenue Authority (URA)

3. [Incorporating TIN and historical information in the mining cadastre](#)

To fully comply with EITI Requirement 2.3, it is recommended that the Directorate of Geological Survey and Mines (DGSM) update the Mining Cadastre: Ensure the inclusion of the license holder identification numbers and detailed license history for all licenses that have been granted, transferred, retroceded, or expired. This should be regularly updated and verified for accuracy.

Targeted institutions: Directorate of Geological Survey and Mines (DGSM)

4. Enhancing comprehensiveness of data on beneficial ownership (Requirement 2.5)

EITI Requirement 2.5 states: “Information about the identity of the beneficial owner must include the name of the beneficial owner, their nationality, and their country of residence, as well as identifying any politically exposed persons.”

The beneficial ownership data collected for the national registry does not include information on politically exposed persons.

The MSG should agree on the comprehensiveness of the beneficial ownership data and consider including information on politically exposed persons as required by EITI Requirement 2.5.

Targeted institutions: MSG, URSB

5. Disclosure of Financial Statements for reporting companies (EITI Requirements 2.6.b and 4.1.c)

EITI Requirements 2.6.b and EITI Requirement 4.1.c are to the effect that State Owned Enterprises (SOEs) and Companies, respectively, are expected to publicly disclose their audited financial statements, or the main items (i.e. balance sheet, profit/loss statement, cash flows and effective tax rates) where financial statements are not available at country level.”

The State-owned enterprises (SOEs) and private companies included in the reconciliation scope did not publish their financial statements.

SOEs and companies making material payments should publicly disclose their financial statements.

In cases where audited statements are not available, the following key financial items should be disclosed:

- Balance sheet, profit and loss statements, and cash flows.
- Documentation of any legal or regulatory obstacles inhibiting timely disclosure.

Targeted institutions: UNOC, Kilembe Mines Ltd., MSG, Ministry of Finance.

6. Disclosure of Project Costs (EITI Requirement 4.10)

The Petroleum Authority of Uganda (PAU) should ensure the timely and

None of the companies nor PAU reported data on project costs such as CAPEX (Capital Expenditure) and OPEX (Operational Expenditure) for extractive projects as required by EITI Requirement 4.10. Complete disclosure of project costs, including CAPEX and OPEX would improve transparency on these costs and allow stakeholders to better understand the financial landscape of Uganda’s extractive sector.

Targeted institutions: PAU, Ministry of Finance, MSG

7. Greenhouse Gas Emissions (EITI Requirement 3.4)

There is no framework for reporting greenhouse gas (GHG) emissions from the extractive industries in Uganda. This lack of data may hinder efforts to monitor environmental impacts and comply with national and international climate goals. The government of Uganda should develop and implement a framework for disclosing greenhouse gas (GHG) emissions from extractive industries. This framework should:

- Require extractive companies to report on their GHG emissions.
- Align with international best practices and climate commitments.
- Include guidelines on the calculation and reporting of emissions data

Targeted institutions: Ministry of Energy, Ministry of Environment, NEMA URA, PAU, MSG