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REMARKS FOR THE CHAIRPERSON OF THE MULTI-STAKEHOLDER GROUP FOR THE EITI PRESS CONFERENCE SCHEDULED FOR 10TH AUGUST 2023 AT THE UGANDA MEDIA CENTER, AT 9:30A.M.

Honorable Ministers,

Officials of Government present,

Private sector members present,

Civil Society Organizations,

Members of the press present

1. Introduction

I warmly welcome you to this press conference aimed to disseminate Uganda's second Extractive Industries Transparency Initiative (EITI) Report. For those who don't know what EITI is, I'll give a brief background for your information.

The EITI is a global standard aimed to promote transparency and accountability in the management of extractive industries that mainly include oil, gas and mineral resources. The EITI standard is the tool that sets out the criteria and it requires the disclosure of information along the oil and mineral sector value chain. The information

disclosed includes contracts and agreements signed, contract and licence award processes, production volumes, revenue collections and allocation and social and environmental expenses incurred.

2. Multi-Stakeholder Group

The implementation of the EITI Standard is spearheaded by the Multi-Stakeholder Group (MSG) which is that is consultative in nature comprised of various stakeholders from three constituencies including government, civil society and the private sector. The MSG committee is responsible for overseeing the implementation of EITI in Uganda. Following the set-up of the committee and fulfillment of other sign up steps, Uganda was admitted to EITI in August 2020.

3. The UGEITI Work plan

Activities of EITI implementation in Uganda are guided an annual work plan that is prepared by the MSG. The work plan has specific objectives that include;

- a) To enhance transparency in the extractives sector
- b) To strengthen revenue management and accountability so as ensure effective collection, optimization and allocation of revenues
- c) To build the operational and technical capacity of the MSG and the Secretariat to ensure that EITI is effectively implemented in Uganda

4. Opportunities and benefits

EITI implementation presents various opportunities which include;

- Enabling a fair and favorable business environment – rules and procedures are open to all and apply equally;
- Promoting accountability and public finance management
- Enhancing understanding and participation of local communities to enable them draw benefits easily
- Safeguard against corruption and mismanagement of resources
- Access to the right information

Once the information is regularly disclosed, it promotes public and investor confidence in the government's management of the sector. Furthermore, the public is able to hold duty bearers to account on how expenditure is apportioned and to outline what they consider to be their development priorities from extractive revenue expenditure.

5. Summary of the EITI Report findings

A few highlights from the second EITI report include;

- a) The reporting period covered is FY 2020/2021.
- b) Total revenues from oil companies were UGX 180 billion and mining contributed UGX 61 billion. Total revenue from sector therefore was UGX 241 billion.
- c) The sector contributed 1.8% to the country's GDP which was slightly higher than the 1.6% contribution from the FY 2019/2020.
- d) Payments of four oil companies (TotalEnergies, CNOOC Uganda Ltd, Oranto Petroleum and Armour Energy) were reconciled
- e) Payments of eight mining companies were reconciled including among others Tororo Cement, Hima cement, National Cement Company Ltd, Kampala Cement Co. Ltd, Goodwill Ceramic Co. Ltd, Wagagai Mining Ltd, Mota Engil and Virat Alloys Ltd.

- f) The eight companies made payments above 6 billion which was the materiality threshold for reconciliation in the mining sector.
- g) Nonetheless, payments of more than 200 companies were disclosed by government unilaterally.
- h) The top minerals produced were Marble, Iron ore, Limestone, Pozollana, Cassiterite, Granite and Gold
- i) Mining royalties totaled up to UGX 8.7 billion for the reporting period of FY 2020/2021 and UGX 1.3 billion was transferred to Local Governments and land owners in the mining regions.

6. Recommendations of the Second EITI Report

The report also came up with a number of recommendations on how to improve the sector and transparency within the sector.

They include:

- a) Need for further studies be conducted to document the contribution of the informal mining sector to the country's economy. This would support DGSM and MEMD in their regulation and oversight of the mining sector.
- b) The analysis of gold quantities traded in the country would need to be completed in future by undertaking a study to generate information on quantities of gold production, refining and export in order to minimize variations in the value chain.
- c) To enhance transparency it is recommended that the full text of the mining licenses be made publicly accessible.
- d) There is need to disclose the Production Sharing Agreements (PSAs) and in that regard we need to set out a short-term work plan for the publication of the agreements.

- e) We are encouraged to put in place a roadmap for the implementation of an open data platform that centralizes all EITI data.
- f) Need for all stakeholders to comply with the EITI requirement on proper certification of data templates by auditors for future reports.
- g) The need to expedite the process of disclosing Beneficial Owners of extractive companies.

7. Next steps

The press conference is one of the many activities that are lined up for the dissemination of the EITI report findings. The MSG is planning an official launch of the report in Kampala on 15th September, 2023 and you are all invited to engage widely on discussions regarding the extractive sector. We also planned to have dissemination outreaches in communities hosting operations of oil, gas and mining.

With those few remarks, I want to thank you for attending this very important engagement and I wish you all of you a fruitful discussions on the report.