Validation of Uganda

Final 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
ToRs	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 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 on 27 March 2024, the Validation report was finalised for consideration by the EITI Board. The assessment suggests that Uganda has not exceeded any EITI Requirements, fully met fifteen, mostly met eleven and partly met three requirements, with five 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 the oil framework and the mining reform. 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 several 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.

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 oversee 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 to produce key documents such as two EITI Reports, work plans and implementation priorities, 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

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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. However, the assessment has documented restrictions to the enabling environment that affected organisations and citizens engaged in extractive issues. Lack of a full enabled environment that guaranteed freedom of expression and operation of CSOs prevents the objective of CSO engagement to be fully met. 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 beneficial ownership 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 to 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

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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
Overall score		**Moderate**	**78.5/100**
Outcomes and impact	Extra points: Effectiveness and sustainability indicators		1
	Work plan (#1.5)	Fully met	90
	Public debate (#7.1)	Fully met	90
	Data accessibility and open data (#7.2)	Mostly met	60
	Recommendations from EITI (#7.3)	Fully met	90
	Outcomes & impact (#7.4)	Fully met	90
Component score: Outcomes and impact		**High**	**85/100**
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
Component score: Stakeholder engagement		**Moderate**	**82.5/100**
Overview of the extractive industries	Exploration data (#3.1)	Fully met	90
	Economic contribution (#6.3)	Fully met	90
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)	Fully met	90
	License register (#2.3)	Fully met	90
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)	Mostly met	60
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
Component score: Transparency		**Fairly low**	**67.5/100**

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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 a platform 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 them 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.

The 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 with historical transparency challenges in the mining sector, Uganda is

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

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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 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

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

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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 UGEITI 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 annexes to this report.

EITI Requirement assessment	Summary of progress in addressing the EITI Requirement
Work plan (Requirement #1.5) *Fully met*	The International secretariat's assessment is that Requirement 1.5 is fully met. In its comments on the draft Validation report, the MSG explained what priorities from the National Development Plan III (NDP) have been adopted, including BO transparency and ASM framework. They noted how the EITI activities in the 2023-2024 work plan addressed both objectives. 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 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. In its comments on the draft Validation report, the MSG indicated that the government is funding all activities except those related to ASM that will come from the program IMPACT. 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 licenses. 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,

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	several activities were held where the draft plan such as a workshop in the eastern region of Mbale district in August 2022. 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 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[3][4] 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[5][6]. 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

[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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	develop further dissemination and awareness activities but were overall satisfied with the current communication efforts. 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. 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 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. 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. In its comments on the draft Validation report, the MSG confirmed the open data policy and the MSG's intention to make all data public, including contracts. Stakeholders consulted did not express any 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) *Fully met*	The Secretariat's assessment is that Requirement 7.3 is fully met. In its comments on the draft Validation report, the MSG explained both how relevant recommendations have been acted upon by external stakeholders such as the Directorate of Geological Services, Uganda Revenue Authority, Uganda Registration Bureau Service and Ministry of Justice. 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

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	early 2022. 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 Uganda's 2020-2021 EITI Reports and implementation for most of the period under review. 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 Uganda's 2020-2021 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 Uganda's 2020-2021 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 Uganda's 2020-2021 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. In its comments on the draft Validation report, the MSG explained their strategy for future monitoring and evaluation, including following up on recommendations. They have included a specific action in the 2023-2024 work plan, to establish a MSG committee for that purpose and hired and monitoring and evaluation resource.
Review the outcomes and impact of EITI implementation (Requirement #7.4) *Fully met*	The Secretariat's assessment is that Requirement 7.4 is fully met. In its comments on the draft Validation report, the MSG shared the link to the June 2022-June 2023 annual progress report that was recently published. Together with previous exercises of reviewing outcomes and impact, this published report allows the International Secretariat to conclude that the objective of public accountability of EITI implementation in Uganda is fully met. In July 2022, Uganda EITI produced a two-year progress report combining reflections on the impact of the EITI. The objective of this study was to identify, document and analyse the impact and concrete reforms generated by the

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	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 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 during the Validation mission indicated that a similar report was in preparation at the time of the Validation. It has been later confirmed that this report is published. The report contains a summary of activities undertaking in the year covered, including preparing the Uganda's 2020-2021 EITI Report, capacity building and dissemination activities. The report also included an overview of MSG responses to previous recommendations, lessons learnt and main achievements and efforts to strengthen EITI implementation. The International Secretariat's view is that the objective of regular public monitoring and evaluation of implementation was fully met.

New corrective actions and recommendations

- To strengthen EITI implementation of Requirement 1.5, Uganda may wish to, in future work plans, clearly identify the sources of funding, clearly link 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 of data.
- To strengthen EITI implementation of Requirement 7.3, Uganda may wish to take steps to ensure that the mechanism for systematic follow-up on recommendations from EITI reporting and Validation is fully implemented to ensure EITI's own public accountability.
- To strengthen EITI implementation of Requirement 7.4, Uganda is encouraged to conduct prompt review of outcomes and impact of EITI implementation to ensure public accountability of EITI implementation is done timely, taking advantage of the mechanisms established for monitor and evaluation of EITI implementation.

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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 annexe to this report.

EITI Requirement assessment	Summary of progress in addressing the EITI Requirement
Government engagement (Requirement #1.1) *Fully met*	The Secretariat's assessment is that Requirement 1.1 is fully met. The International Secretariat assessment is that the objective that the government is fully, active, and effectively engaged 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. Since declaring its intention to join the EITI in 2019 and throughout the first years of implementation, the Government of Uganda has continuously expressed clear commitment to implement the EITI, as documented in the 'Stakeholder engagement' template. The government constituency involves several high-ranking officials as evidenced by the appointment of three co-EITI champions. Two ministers of state, one from the Ministry of Energy and Mineral Development, and the other from the Ministry of Microfinance and Small Enterprises, as well as the Director of Economic Affairs. Together they have spearheaded the constituency and the MSG. Through the consultations it was evident that the holders of these posts have the authority and garner 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 EITI national secretariat, led by two staff, a National Coordinator, and the head of the secretariat, which provide coordination and steering to the different government agencies involved in EITI work, including scoping, policy, MSG activity (such as developing work plans and annual progress reports),, as well as facilitating dissemination and debate on EITI-related matters. The participation of government agencies has gone beyond the leading agencies mentioned above. Entities such as 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 efforts. The participation of the government agencies in the MSG is well organised through the MSG ToRs and was preceded by 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.

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	The evidence documented in the Validation template confirms that the constituency has been involved in MSG's regular activities, various working groups established by the MSG, ad-hoc consultations, dissemination, and debate activities, as well as the preparations and consultations of Validation. Stakeholders from all constituencies confirmed that the government, beyond just the co-Champions, is fully and actively engaged in the EITI process. EITI implementation has benefited in the period under review from resources coming mainly from two sources, the government's own budgetary allocation and development partners (European Union's technical and budget 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 assessment is that Requirement 1.2 is fully met. This assessment is based on the evidence indicating that the organised part of the industry, represented by 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 remains a segment of relevant industry actors involved in gold production, refining and export that seem absent from engaging on the EITI process. Limited data about regarding this part of the industry is discussed in the assessment of requirements 6.3, 3.2 and 3.3, preventing a comprehensive understanding of its significance. 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 representing over 158 associations. As such, the industry is adequately represented in the MSG. The Validation templates document that the baseline condition of the industry was marked by significant fragmentation. The chamber has been instrumental in bringing 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 affairs. Regarding requirement 1.2.b, this assessment confirms that this representation was mainly selected and agreed via the chambers and with the direct involvement from individual oil and gas companies currently active in

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	the sector (the SOE Uganda National Oil Company (UNOC), Total, Oranto, CNOC, Armour Energy). The 'Stakeholder engagement' template provided evidence that this selection process was independent and properly conducted. Consultations did not raise any concerns about industry representation in the MSG. Regarding requirement 1.2.a, the template also documented that the industry constituency was engaged in the development of work plans and the review of annual progress. 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 totalling USD 47 million but it is anticipated that revenues will significantly increase during the full production phase. Validation consultations corroborated that the oil and gas sub-constituency is highly involved and committed to the EITI process. 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 dearth of reliable information regarding production and mining activities. The more formal part of the subsector is the non-metallic sector (quarries), which is represented on the MSG and accounted for the majority of reported payments from mining activities. 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 to participation. Notably, the mining reform passed in 2022 set a framework for formalising small-scale producers. Consulted stakeholders highlighted that this would pave the way for an improved engagement from the ASM subsector. In particular, the Uganda Association for Artisanal and Small-scale Miners expressed, in the consultations, their commitment to more effective engagement 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 are fully, actively, and effectively and has set the foundation for meaningful engagement when their future operations reach full scale positioning them as significant 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 also refiners and traders if the challenges related to the gold subsector are to be fully addressed. In summary, 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 representing the artisanal and small-scale subsector, have been fully engaged in the EITI process. It is strongly recommended that future EITI implementation prioritise engagement with gold producers and operators through the gold value chain in order to tackle the myriad challenges facing this subsector.
Civil society engagement (Requirement #1.3) *Mostly met*	The Secretariat's assessment is that Requirement 1.3 is mostly met. In its comments on the draft Validation report, the MSG asked for clarification on whether this assessment was due to the engagement of the constituency in implementing the EITI or due to the enabling environment that they considered to be beyond their capacity to influence. The objective of this requirement includes both the engagement of the constituency and the enabling environment for this engagement to occur. The International Secretariat considers that the objective is mostly met due to weaknesses in the enabling environment documented in this assessment. Civil Society Organisations (CSOs) in Uganda have been sufficiently engaged on the EITI process participating in core activities of EITI implementation and discussions on key issues such as 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 and capacity to operate freely in relation to extractive governance 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 and sustainability of this space for CSOs to operate. 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. The stringent regulations governing the registration, renewal, and conduct of activities, including public meetings, for NGOs operating in the extractive sector, represent a constant burden. CSOs face the constant risk of reprisals and other reprisals for non-compliance with these regulations. Sometimes, these reprisals have exceeded the mere administrative penalties and include arrests. In its comments on the draft Validation report (Annexe 11), CSO stakeholders noted that these restrictions have not been seen in other sectors of the economy. They also acknowledged that reduction of funding derived from the closure of the Democratic Governance Facility (DGF) has significantly impacted many NGOs, particularly those focused on areas related to governance and human rights. In the same comments, the MSG submitted further evidence of public debate, including the participation of ACODE, a CSO represented in the UGEITI's MSG, on discussing crucial and acute problems related to the illegal gold mining in

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	central Africa[7], an issue[8]. The International Secretariat acknowledges this evidence but maintains the view that there have been breaches of the EITI protocol. Specifically, there have been instances of civil society being hindered due to retributions against CSOs substantially engaged in extractive issues, such as the civil society activists and human rights defenders. This includes arrests of protesters opposing the EACOP project. <u>Incidents in relation to the East African Crude Oil Pipeline (EACOP)</u> The International Secretariat conducted a desk review based on publicly available references to several occurrences of restrictions to the expression and operation of organisations and citizens that have campaigned on the issue of the EACOP, a thermally insulated and more than 1400 kilometres long pipeline that will transport oil produced from Uganda's Lake Albert oilfields to the port of Tanga in Tanzania (80% of the pipeline is in Tanzania) for further commercialising it to world markets. This infrastructure is key to the oil industry being developed in Uganda. Environmental organisations both in Uganda and globally have heavily criticised EACOP on the grounds of environmental risks, impact on local communities, and climate change overall concerns. Between 2021 and 2023, the consulted references show evidence of a number of arrests, including violence used against protesters, office raids and intimidation against individuals (mostly students) and organisations like the Africa Institute for Energy Governance (AFIEGO) in Kampala and in the oil regions (notably in towns like Hoima and Buliisa). The incidents reported, while are not directly linked to activities undertaken and organised as part of the UGEITI work, are related to issues like environmental impact, land acquisition for the pipeline route and the compensation process to affected population, that are directly related to the governance and development impact of extractive activities. The International Secretariat considers that the arbitrary detentions, use of violence against protesters, and intimidations against organisations campaigning on extractive issues constitutes breaches of the freedom of expression and capacity to freely operate in relation to the EITI process. <u>MSG comments to draft Validation report.</u> In its comments on the draft Validation report, the MSG argued for an upgrade in the assessment of Requirement 1.3 to 'fully met' given their view that there has been a great improvement in the engagement of CSOs involved in the extractive sector, save for a few cases, over the years. They stressed that CSOs have worked with government to undertake UGEITI public awareness activities, a practice that was previously uncommon. The MSG highlighted evidence of public debate and civil society participation in discussions on all mining-related topics. They confirmed that they have remained actively

[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 surrounding region.

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	engaged in the EITI process, including using EITI platform to raise awareness about governance challenges. In its comments, the MSG acknowledged the existence of arrests of civil society activists and human rights defenders, including arrests of EACOP protesters. They added that "Nevertheless, many Civil Society Organizations remain active in Uganda and have complied with the country's legal framework. It should be noted that the CSOs that have complied with the statutory requirements have not faced challenges operating in the country. This is attested to by the vibrant participation of Civil Society at the UGEITI MSG engagements and other for a regarding EITI implementation". The International Secretariat concludes that it appears that there have not been government actions aimed at restricting civic space in relation to the activities undertaking by the EITI on public debate on natural resource governance during the period under review. However, it is the Secretariat's view that the objective of an enabling environment for civil society engagement in all aspects of the EITI process is mostly met given the breaches of the EITI protocol: Participation of civil society, as evidenced in the arrests and restrictions imposed on CSOs documented through this assessment. These restrictions have affected organizations and individuals engaged in public debate of issues directly related to extractive sector impact and governance. The following sections analyse this enabling environment for civil society through the different aspects covered in the EITI civil society protocol. *Expression*: According to international rankings of civic space, the environment for CSOs in Uganda is considered poor and constrained. In its comments on the draft Validation report, the MSG noted that this is also in accordance with CSOs in Uganda following the restrictions imposed by the Public Order Management Act and the NGO Act. Freedom House rated Uganda's global freedom as "Not Free" with a score of 35/100 (100 being the best score). Civicus' 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 (2022) on Uganda questioned the response of the government to suggestions aimed at addressing challenges on freedom of expression, association, and assembly. The reports states "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 journa*lists*". 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' template) documents several CSOs opinions on themes from revenue mobilisation, royalties' allocation, fiscal justice, contract

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	transparency and socio-economic impact. Stakeholders consulted during the Validation mission did not report the occurrence of any reprisal during UGEITI-organized activities. Through the consultations, several stakeholders observed that issues of natural resource governance have been openly discussed in the public by CSOs. Stakeholders consulted though pointed out to members of CSOs, included members of AFIEGO, 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. In its comments on the draft Validation report, the MSG noted that public debate has included broader mining sector issues, not solely those related to illicit gold mining. However, they also acknowledged that "There have been arrests of civil society activists and human rights defenders, including arrests of EACOP protesters with the government declaring that their activities contravene the law". The International Secretariat concludes that the inability to freely express opinions, such as opposing the EACOP or demanding adequate or prompt compensations for the affected parties by that infrastructure, without risking restrain or reprisals, constitutes a breach of the ability to speak freely. *Operation*: 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 efforts" (see page 59 of the 'Stakeholder engagement' 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 its comments on the draft Validation report, the MSG added that they had faced stringent and unprecedented penalties for the renewal of NGOs registration. In addition, access to funding have been curtailed by the restrictions to donor's operations derived from this regulation, 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. Several civil society organisations represented on the MSG access funding from this fund, and the restriction affects their ability to operate. In its comments on the draft Validation report, the MSG noted that public debate has included broader mining sector issues and not only those related to illicit gold mining. They equally acknowledged that "the operating environment for civil society organisations in Uganda has faced some challenges in the recent past. In 2021, the Government enhanced the enforcement of the regulatory framework by subjecting CSOs to registration, licensing, and reporting obligations. As a result, in August 2021, the operations of 54 NGOs in Uganda were suspended by the NGO Bureau, most

[9] See Annexe 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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	of these working on governance areas, while some of them working on the extractive sector". 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 worse to penalise organisers. This situation of a selective lax enforcement of this stringent rule leaves CSOs vulnerable to reprisal. 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. In its comments on the draft Validation report, the MSG clarified that this was due to both internal and external factors. 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 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. The International Secretariat concludes that the legal and administrative restrictions affecting the ability of CSOs to participate in advocacy and debate on extractive issues have in the case of Uganda, for the period under review, affected the operation of CSOs in two aspects, the reprisals affected public advocacy in 2021-2022 and the vulnerability that EITI activities could have triggered sanctions selectively enforced. *Association:* 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 submit its candidature of application to join the EITI, the engagement of CSOs for participating in the EITI process unfolded organically and seamlessly. The Validation template documents this process thoroughly. Independent nominations were mainly channelled through the umbrella civil society forum (see page. 50 of the Stakeholder engagement Validation template). These umbrella associations, PWYP and CSCO, 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 regarding the widespread and meaningful CSO engagement attests to the ability of CSOs to communicate and cooperate with each other. Consulted stakeholders

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	commented that this has been largely facilitated by the coordination role played by 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. *Engagement*: 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 process, including MSG work, dissemination, and debate, and reaching out to regions and beyond the MSG. The evidence shared in the Validation template and 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. *Access to public decision-making*: 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.

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Multi-stakeholder group (Requirement #1.4) *Fully met*	The Secretariat's 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 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

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	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 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 of 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 implementation in Uganda, including the feasibility of a national secretariat that continues to be well resourced while financially viable.
- To strengthen implementation of 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 operate, freely express opinions and meaningful 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 to guarantee the conditions for civil society participation established in the EITI protocol for civil society. The MSG and the government are encouraged to ensure that CSOs engagement is made possible through adequate capacitation and access to available funding.
- To strengthen implementation of Requirement 1.4.a.ii, UGEITI should endeavour for making further progress for achieving gender parity in the MSG's membership.

4. Transparency

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

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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 annexe to this report.

EITI Requirement assessment	Summary of progress in addressing the EITI Requirement
Exploration (Requirement #3.1) *Fully met*	The Secretariat's 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 Uganda's 2020-2021 EITI Report for Uganda provides a brief introduction to the history of its extractive industries. Likewise, the website of 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.

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	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) *Fully met*	The Secretariat's assessment is that Requirement 6.3 is fully met. The objective of ensuring public understand of the extractive industries' contribution to the national economy and the level of natural resource dependency is fulfilled through EITI reporting, government disclosures, and stakeholders' attempts to provide an overview of the ASM sector contribution to the economy, ensures a public understanding of the extractive industries contribution to the national economy and the level of natural resource dependence. Uganda's 2020-2021 EITI Report provides information about extractive industries contribution to the economy, including contributions of informal mining and quarrying to the GDP, with data sourced Uganda Bureau of Statistics. Additionally, contextual information on the ASM sector is provided, drawing from a report commissioned by UGEITI in an effort to collect reliable estimates. The ASM report discloses official DGSM statistics of ASM license-holders' contributions to national revenues for years 2014-2021. In its comments on the draft Validation report, the MSG submitted the ASM report as an annexe, albeit indicating that this report had originally not been public since not all the relevant stakeholders in the MSG were content with publishing it. 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 of information. Uganda's 2020-2021 EITI Report provides in absolute and relative terms the extractive industries' contribution to GDP (including from informal mining and quarrying), government revenues, exports, and employment, broken down by sector, gender and company. It is noteworthy that underlying export data presents some weaknesses (as highlighted under the assessment of *Requirement 3.3*). Uganda's EITI reporting provides an overview of the location of the main extractive activities in the country, also systematically disclosed through government websites. The 2020 EITI Report also addresses the ASM sector, incorporating (outdated) estimates of ASM employment, geographical distribution, and formal ASM contributions to national revenues from 2014 to 2021, types of commodities produced, along with current challenges and recent reforms. Information references a 2021 report on ASM stakeholder mapping. In its comments to the Validation draft assessment, the MSG noted that the consultancy was commissioned by UGEITI in an effort to gather reliable data and statistics on the ASM sector. The study methodology was based on a desk review of relevant ASM documentation with key informant

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	interviews conducted remotely due to the COVID-19 lockdown. This consultancy was used by the IA in its preparation of the 2nd UGEITI Report. However, the MSG also noted that the consultancy report had not been validated by all relevant stakeholders raising questions over the ASM estimates are taken as the view of the MSG or not. In its 27th meeting minutes the MSG opted to include another source, although information from the ASM report was included in the EITI Report. During stakeholder consultations the IA confirmed that third-party estimates were not included because they were considered unreliable.

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. • To strengthen implementation of Requirement 6.3, Uganda may wish to continue and strengthen its efforts to provide updated and methodologically sound estimates of the informal sector to the national economy including but not necessarily limited to artisanal and small-scale mining. 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.

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 annexe to this report.

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EITI Requirement assessment	Summary of progress in addressing the EITI Requirement
Legal framework and fiscal regime (Requirement #2.1) *Fully met*	The Secretariat's assessment is that Requirement 2.1 is fully met. Stakeholders did not provide any commentary on this requirement. UGEITI both, through the Uganda's 2020-2021 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 Uganda's 2020-2021 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 assessment is that Requirement 2.4 is partly met. In its comments on the draft Validation report, the MSG documented its efforts to seek full publication of oil and gas contracts, including the MSG decision to escalate the issue of contract disclosure to the Cabinet on 7 December 2023. The International Secretariat welcomes this additional information on the efforts made but retains its assessment that the objective of ensuring public accessibility of all licenses and contracts has been partly met. The objective of full public accessibility of all licenses and contracts has not been met 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 Uganda's 2020-2021 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 contracts. 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 confirmed their policy reiterating that this refers to the official 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 no concluded contract has been made public. In its comments on the draft Validation report, the MSG documented progress in the direction of publication of contracts. Two

	companies, Total and CNOOC, holders of the licenses for the largest petroleum projects in development have in principle agreed to publish their contract once it becomes Uganda policy. The International Secretariat welcomes these steps but notes that only represents limited progress toward full accessibility to contracts. In the mining sector, the 2022 Mining Law introduces several types of licenses 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 annexe 1) and the active licenses to 2021 (annexe 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 Uganda's 2020-2021 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 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 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 accordance with Requirement 2.4.c.ii future EITI reporting should include an overview of which contracts and licenses are publicly available. To strengthen implementation of contract transparency of the mining sector, it is recommended that the EITI process is used to ensure the

full transparency of mining licensing and agreements established prior to the passing of the 2022 Mining and Minerals Act.

- To strengthen the implementation of Requirement 6.4, Uganda is encouraged to include information on actual practices 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

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

EITI Requirement assessment	Summary of progress in addressing the EITI Requirement

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Contract and license allocations (Requirement #2.2) *Fully met*	The Secretariat's assessment is that Requirement 2.2 is fully met. The Secretariat's view is that EITI and government disclosures provide a public overview of awards and transfers of oil, gas, and mining licenses, statutory procedures, and practice adherence, allowing stakeholders to identify and address possible weaknesses in licenses allocation process. Uganda has disclosed comprehensive information on procedures governing mining, oil and gas contract and license allocations. The Independent Administrator (IA) undertook a robust diagnostic of the licensing practices 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 Reports present a partial list of bidding applicants to Uganda's second petroleum licensing round but, during the period for comment, the MSG submitted the full list of applicants. General information on the process for transferring licenses can be found in Uganda's regulatory frameworks. Based on available documentation and stakeholder consultations, the Secretariat's assessment is that the objective has been fulfilled. A detailed breakdown of active licenses by type, recipient, commodity, grant expiry date, area and district is provided in an annexed table within the 2020-2021 EITI Report. Uganda has disclosed information about awarding procedures for mining licenses and other permits through EITI reporting and through systematic disclosures on the DGSM website (see here, here and here). The Uganda's 2020-2021 EITI Report offers a comprehensive account of the licensing process, entities involved, and application requirements for each type of permit/license. DGSM confirmed that no weighing scheme was applied in the granting of mining license. Consulted stakeholders, including the MSG, IA and DGSM, confirmed the use of a risk-based approach through a representative sample to assess non-trivial deviations from statutory procedures. Additional details of the methodological analysis for mining rights issued in the fiscal year 2020-2021 were provided in the addendum to 2020 UGEITI Report. 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 fiscal year 2020-2021. This was attributed to movement restrictions during the COVID-19 pandemic and due to the halt on licensing process as the MMA was being passed. In its comments to the draft Validation report, the MSG supplemented the information with annexe 2 of the addendum to the 2020 UGEITI Report. This annexe clarified the absence of transfers and weighing schemes for mining license transfers or applications. For the oil and gas sector, the report provides a detailed list of licenses and permits necessary throughout the exploration, development, and production

	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 Uganda's 2020-2021 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), pre-qualified applicants and the technical and financial criteria used. During the period for comment, the MSG submitted an addendum to the UGEITI 2020-2021 Report. Annexe 1 of the addendum submitted by the MSG discloses the names of two more applicants: Foxhill Investments Ltd and Sarova Petroleum Resources Limited JV, and M/s Profile International Limited. 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) *Fully met*	The Secretariat's assessment is that Requirement 2.3 is fully met. Uganda's systematic disclosures and EITI reporting ensure public accessibility of comprehensive information on property rights in the extractive industries. The Mining Cadastre Map (MCP) provides information on active mining licenses, including all the data points listed in section 2.3.b of the Requirement, but it does not maintain a register of expired licenses. Thus, EITI reporting provides a more comprehensive list of active mineral licenses from fiscal year 2020-21. In its comments to the draft Validation report, the MSG explained that efforts are underway to comprehensively disclose information, including for all licenses held by entities not covered by the EITI reporting process and that information in the MCP has been updated to ensure comprehensive disclosure of information related to all licenses held by companies in the scope of EITI reporting. 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. Consulted government stakeholders considered that there was good public information on property rights. Uganda has recently developed the Mining Cadastre Map, an interactive platform facilitating access to information on active mining licenses. This tool is accessible to the public without any associated fee or restriction. 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, location, and size becomes available upon clicking the designated area on the map. Coordinates are also disclosed. Currently, the portal does not allow the download of data in open format. Consulted stakeholders from the government constituency confirmed that the Mining Cadastre Map 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 Uganda's 2020-2021 EITI Report, but without application dates and coordinates. During consultations stakeholders noted that application dates for licenses were usually available in the MCP. However, the Validation team found that application dates for some licenses held by companies in the EITI

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	scope were not published in the MCP. The MSG submitted this information in the addendum and notified the DGSM, which reflected the information on the MCP system, meaning that information for the licenses held by companies in the scope of EITI reporting can be now found in the MCP. In accordance with the stipulations outlined in the Petroleum Act of 2013, Uganda manages a repository of all petroleum licenses. This platform currently publishes all active licenses: 9 production licenses with expiry date between 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 "activity start date" (application date), "effective date" (grant date), expected duration, production sharing agreement (PSA) associated, license name, type, and alias. 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 dates, effective/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

- To strengthen 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. To strengthen implementation of Requirement 2.2, Uganda is encouraged to publicly disclose commentary on the efficiency and effectiveness of license and contract allocation systems.

- To strengthen implementation of Requirement 2.3, Uganda is encouraged to ensure that its publicly-accessible Mining Cadastre Map includes information about licenses held by all entities, including companies and individuals or groups that are outside the agreed scope of EITI implementation. 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.

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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.

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 Uganda's 2020-2021 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 Uganda's 2020-2021 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.

[10] https://eiti.org/document/assessing-implementation-of-eitis-beneficial-ownership-requirement.
[11] https://ursb.go.ug/forms/business-ownership-forms

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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 Uganda's 2020-2021 EITI Report. To date, 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 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

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

EITI Requirement assessment	Summary of progress in addressing the EITI Requirement
Beneficial ownership (Requirement #2.5)	The Secretariat's assessment is that Requirement 2.5 is partly 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

[12] https://www.acode-u.org/uploadedFiles/BO-Case-Studies-Uganda.pdf
[13] https://www.esaamlg.org/reports/FUR_Uganda-%20September%202023.pdf

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Partly met	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 concludes 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 (URSB). 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, the Trustees Incorporation (Amendment) Act 2022, the Cooperative Societies (Amendment) 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 its comments on the draft Validation report, the MSG noted the progress reported by the URSB on the collection of BO information as part either of new registration or updating information in the Online Business Registration System (OBRS). The MSG noted the recent removal of Uganda from the "grey list" of FATF given progress with collecting BO data. However, as this system does not categorise companies by economic sector, it is not possible to assess how many companies of the universe of extractive companies have filled BO data. In any case, BO data will only be accessed by competent authorities, and public access to BO information is not possible at present. For these reasons, the International Secretariat maintains its assessment of partly met in accordance with established criteria in similar cases of limited progress in enabling public knowledge of who ultimately owns and control companies operating in the country's extractive industries. In parallel, Uganda EITI has requested the beneficial owners of extractive companies for its Uganda's 2020-2021 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. In the MSG comments and input submitted on 27 March 2024, the MSG noted that four companies submitted BO data including two publicly listed. The International Secretariat welcomes this clarification but retains its assessment that this represents only limited progress. Uganda EITI has published a review of beneficial ownership data collection and acknowledged in the Uganda's 2020-2021 EITI Report the weaknesses of the information. Some information on legal owners of all extractive companies (182) is located in the annexe 12 of the Uganda's 2020-2021 EITI Report, without indicating the percentage of shareholding held by each individual. Uganda EITI reporting has

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

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	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 oil, gas, or mining licenses. Uganda EITI should also assess the currently available data, including an assessment of the materiality of omissions and the reliability of beneficial ownership 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 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.

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Progress by requirement and corrective actions

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EITI Requirement assessment	Summary of progress in addressing the EITI Requirement
State participation (Requirement #2.6) *Mostly met*	The Secretariat's 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. Uganda has disclosed information on state participation in extractive industries through EITI reporting and systematic disclosures. Information appears to be more comprehensive from the side of the oil and gas sector, particularly with UNOC's website disclosures. Reports of the Office of the Auditor General (AOG) containing limited financial information of the SOEs are publicly available. In its comments to the draft Validation report assessment, the MSG provided additional information on state participation in extractive industries. However, it is the Secretariat's view that SOE participation in mining sector remains unclear, primarily due to the lack of a list of state participation in mining companies. Additionally, the current regulatory framework does not facilitate a full disclosure of financial information, necessary for a comprehensive understanding of practices governing transfers of funds between the SOE(s) and the state, retained earnings, reinvestment, third-party financing, and loan/loan guarantees. The Secretariat retains the assessment that this objective is mostly met. 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 project in the sector. Both companies are subject to annual audits conducted by the OAG as mandated by law. Overall, the Companies Act 2012 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. This information could be found through OAG's report to Parliament. In practice, the OAG's reports for the year ended 30th June, disclose some financial information concerning KML, such as outstanding receivables, profitability, return on assets and liquidity (see here and here). The Uganda's 2020-2021 EITI Report does not contain information on loans and loans guarantees from SOE or the state to mining companies. However, a section of the OAG report includes an analysis of SOEs that had taken loans. According to the 2022 Mining and Minerals Act the state is entitled to participation of up to a maximum of 15% in the large-scale and medium-scale mining licenses, managed by NMC. The Uganda's 2020-2021 EITI report also indicates that since 2001 KML has a 25% shareholding in Kasese Cobalt Company Limited. However, it remains unclear IF KML's level of participation in companies, subsidiaries or joint ventures operating within the country's mining sector expands beyond these cases.

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	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 Uganda's 2020-2021 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 Uganda's 2020-2021 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 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. UNOC, established as a Limited Liability Company, is not mandated by law to publish its Audited Financial Statements (AFS). Instead, UNOC's accounts are disclosed to OAG, which conduct the audit of the AFS. The findings of this audit are included in the OAG's report to the Right Honourable Speaker of Parliament. In its commentary to the draft assessment, the MSG provided additional documentation confirming this information. The OAG's general report on the AFS for the two SOEs in the extractive sector for FY 2020-21 are publicly available. The report on the AFS of UNOC disclose some aggregated figures of revenue performance and absorption of funds, along with comments on the state participation in the oil and gas Industry. However, it lacks fully disaggregated figures concerning to transfers, reinvestment and third-party financing related to UNOC joint ventures and subsidiaries. The EITI reporting does not include information on loans or loan guarantees in the period under review. The addendum submitted by the MSG in the commentary period, further explains that according to legal requirements, UNOC must obtain clearance and advice from the Ministry of Finance (MoF) before acquiring any loans, as the company's assets are considered state assets. Consulted UNOC stakeholders clarified that in the event of loans or loan guarantees, such information would be disclosed through their AFS to the OAG. UNOC's website systematically discloses information on SOEs' interests in subsidiaries and joint ventures, including the terms attached to equity in companies and projects. Additional written clarification was provided by UNOC stakeholders in the commentary phase with regards to its upstream equity participation.
Sale of the state's in-kind revenues (Requirement #4.2) *Not applicable*	The Secretariat's 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

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

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	applicable given that the government does not collect any such revenues at present.
Transactions related to state-owned enterprises (Requirement #4.5) *Mostly met*	The Secretariat's 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 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 Uganda's 2020-2021 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 Uganda's 2020-2021 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) *Mostly met*	The Secretariat's assessment is that Requirement 6.2 is mostly 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. In its comments on the draft Validation report (see annexe 8a), the MSG clarified that the Public Finance Management Act allows for appropriation of petroleum revenues to fund infrastructure development projects. For the period under review however, the SOE UNOC did not incur in any expenditure on the development of common facilities in the Kaabale Industrial Park (See annexe 8b of the MSG comments). Considering this clarification, the Secretariat's opinion that this objective has been mostly met. The Uganda's 2020-2021 EITI Report adopted the definition of quasi-fiscal expenditures from the EITI Standard and notes that UNOC and KML did not report on any quasi-fiscal expenditures (QFEs). 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). In its comments on the draft Validation report, the MSG clarified that they had indeed adopted a definition of QFEs. However, the Secretariat was still not

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	able to confirm that extractive SOEs are not, for example, providing subsidies or undertaking infrastructure investments that could be considered as QFEs in the period under review. The MSG also noted that the SOE UNOC has informed that future revenues will be transferred to the Petroleum Fund. Given that the law also allows for appropriation of oil revenues for development infrastructure, it is required that future EITI Reports make transparent the occurrence or not of such appropriations.
New corrective actions and recommendations	
• In accordance with Requirement 2.6, Uganda should use its EITI reporting to disclose financial information related to SOEs' activities in the mining sector and consider enhancing its regulatory frameworks to ensure the detailed reporting of fund transfers, retained earnings, reinvestment, third-party financing arrangements and loans. 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, includes 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 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, if they are incurred, 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.

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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 annexe to this report.

EITI Requirement assessment	Summary of progress in addressing the EITI Requirement
Production (Requirement #3.2) *Mostly met*	The Secretariat's 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 Uganda's 2020-2021 EITI Report discloses total volumes and values of mining production disaggregated by mineral. There is no associated production for the oil and gas sector, still at the pre-production phase. Estimated production associated with the informal sector was not disclosed despite its significant contribution to metallic mineral and gemstone production. 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. In its commentary to the draft assessment, the MSG highlighted that current estimates were outdated and that discussions with the Planet Gold Project are underway to conduct a study to generate reliable and updated information on gold production quantities. Given the lack of updated estimates and the sector's relevance, the Secretariats retains the assessment that this objective is mostly met. The Uganda's 2020-2021 EITI 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 Uganda's 2020-2021 EITI Report, they highlighted that the informal sector remained a weakness, with information gaps yet to be addressed and work still

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	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 Uganda's 2020-2021 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. In the addendum to the Uganda's 2020-2021 EITI Report, submitted by the MSG it is noted that UGEITI work plan 2023/2024 includes the production of a study to document the size of ASM.
Exports (Requirement #3.3) *Partly met*	The Secretariat's assessment is that Requirement 3.3 is partly met. While the export volumes and values are disclosed and reconciled in the Uganda's 2020-2021 EITI Report, there are discrepancies in export figures presented by different entities. Consulted stakeholders expressed the need for greater transparency mineral trade, especially associated to the gold trade flows for this requirement to be fully met. In its comments to the draft Validation report assessment, the MSG noted that these inconsistencies were the basis for recommendations included in the 2020 EITI Report and provided additional documentation proofing proactive engagement on this topic by government entities. Nonetheless, the Secretariat considers that reliable export data and estimates of informal mineral exports are 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 2020-21. 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. Although the Uganda's 2020-2021 EITI Report does not include an explanation for these differences, consulted 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,

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	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 representatives expressed hope in recent legal reforms to pre-empty any allegations of involvement with conflict minerals. During the commentary phase, the MSG submitted additional information on follow-up to EITI reporting recommendations. Annexe 5 of the submission comprises a letter addressed to the Commissioner Customs (URA) requesting the inclusion of MEMD (through DGSM) in the Electronic Single Window System. This integration aims to harmonise and establish controls that will ensure mineral imports and exports are accompanied with permits issued by the Ministry. The respective entities met and discussed a clear way forward, as reflected in the minutes attached to the annexe 5. This topic has been also discussed by the MSG during its meetings (see for instance here).here).

New corrective actions and recommendations

- In accordance with Requirement 3.2, Uganda should disclose estimates of production volumes and values related to the 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 by projects and regions.

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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 Uganda's 2020-2021 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 Uganda's 2020-2021 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 assurances for their payments, the Uganda's 2020-2021 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 annexe to this report.

EITI Requirement assessment	Summary of progress in addressing the EITI Requirement
Comprehensive disclosure of taxes and revenues (Requirement #4.1) *Mostly met*	The Secretariat's assessment is that Requirement 4.1 is mostly met. In its comments on the draft Validation report, the MSG clarified that during the period under review there were no transfer fees given that the licenses transferred from Tullow to Total was still valid at the time of transfer. Considering this clarification, it is still not clear why the Licenses fees, as described in Table 20 of the Uganda's 2020-2021 EITI Report ("Fees to be paid when applying for grant renewals, or transfers of petroleum licenses"), were not applicable for that

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	transaction. The International Secretariat retains its assessment that the objective of ensuring comprehensive disclosures of company payments 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 Uganda's 2020-2021 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 Uganda's 2020-2021 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 Uganda's 2020-2021 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 Uganda's 2020-2021 EITI Report. While the Uganda's 2020-2021 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 assessment is that Requirement 4.3 is not applicable for the year under review. The Uganda's 2020-2021 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 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)	The Secretariat's 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

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Mostly met	disaggregation of the project-level payments stemming from companies holding several projects. Financial data is adequately disaggregated in the Uganda's 2020-2021 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 Uganda's 2020-2021 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) *Fully met*	The Secretariat's 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 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 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

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	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 Uganda's 2020-2021 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 Uganda's 2020-2021 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 Uganda's 2020-2021 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

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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 Uganda's 2020-2021 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 Uganda's 2020-2021 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.

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 annexe to this report.

EITI Requirement assessment	Summary of progress in addressing the EITI Requirement
Distribution of extractive industry revenues (Requirement #5.1) *Fully met*	The Secretariat's 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.

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	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 semi-annual 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. 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 Uganda's 2020-2021 EITI Report explains that all mining revenues are budgetary and directly remitted to the Consolidated Fund. The Uganda's 2020-2021 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 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 Uganda's 2020-2021 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.

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	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 Uganda's 2020-2021 EITI Report which presents a comprehensive description of Uganda's budgeting process based on the PFMA and on the MoFPED website. The Uganda's 2020-2021 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 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.

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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 Uganda's 2020-2021 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.

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 Uganda's 2020-2021 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 annexe to this report.

EITI Requirement assessment	Summary of progress in addressing the EITI Requirement

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Subnational payments (Requirement #4.6) *Mostly met*	The Secretariat's assessment is that Requirement 4.6 is mostly met. Consulted stakeholders did not express any views on the objective of the objective of enabling stakeholders to gain an understanding of the benefits accruing to local governments through transparency in companies' direct payments and to strengthen public oversight of subnational governments' management of their internally generated extractive revenues. In Uganda, companies make diverse direct payments to districts. 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, the MSG indicated that subnational payments for the fiscal year 2020-2021 were not deemed material, constituting 0.4% of government extractive revenues. In its comments to the draft Validation report, the MSG reiterated that these payments were not significant to be considered material. The Secretariat's view is that while some information on subnational payments was disclosed through EITI reporting, the objective of this requirement remains mostly met as the MSG decision on materiality relied based on company reporting led to consider these payments as material. The Uganda's 2020-2021 EITI Report included unilateral disclosures by companies. The lack of disclosure of the receipt of these payments is problematic and was not explained in the report".
Subnational transfers (Requirement #5.2) *Mostly met*	The Secretariat's assessment is that Requirement 5.2 is mostly met. Uganda discloses the revenue-sharing formulas through governmental publications. The Secretariat's view is that while information provided in the EITI Report and additional clarification by the MSG enables stakeholders at the local level to an understanding of royalty-sharing mechanisms, the current practice of mineral royalty transfers does not yet allow for an assessment of whether the transfers of extractive revenues are aligned with statutory entitlements. This is also in line with views of consulted stakeholders which expressed that subnational government entities lack information on subnational transfers. Uganda's 2020-2021 EITI Report discloses mineral royalties transferred from the central government to three subnational levels, in aggregate and the individual transfers to each recipient. In its comments on the draft Validation report, the MSG provided additional information, clarifying the differences between expected and disbursed transfers. There remains a need to ensure that stakeholders at the local level have access to sufficient information that enables them to assess whether these transfers are in line with statutory entitlements. The international Secretariat retains is assessment that this requirement is mostly met. The Uganda's 2020-2021 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 Uganda's 2020-2021 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

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	Uganda's 2020-2021 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. The report highlights an overall discrepancy between the expected amounts and the disbursed amounts. In its commentary to the draft assessment, the MSG explained that the discrepancy was an ongoing concern arising from disbursements that overlap financial years. In this sense a meeting would be held with the respective entities to address this matter. An additional analysis of the subnational transfers disclosed in the Uganda's 2020-2021 EITI Report revealed that certain entities received higher amounts and more frequently than others. The MSG elaborated in their comments on the draft assessment that there were payments not reflected because of delays in royalty transfers either until beneficiaries submit their bank account information or resolve land issues. Third-party reports have also found that payment problems are compounded by the complex nature of land ownership (see here). Regarding the frequency of disbursements, the addendum specified that this is contingent upon the level of activity or production in mining. Consulted stakeholders highlighted that subnational entities often are unaware of 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 noted that the lack of sufficient information prevents an assessment of the information disclosed in the Uganda's 2020-2021 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 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 environmental contributions. Stakeholders did not express any additional view on the general objective of this requirement. In its commentary to the draft assessment, the MSG reiterated its decision of including these payments through unilateral disclosure of companies on the scope of EITI reporting. The Secretariat's view is that this does not provide new information, and therefore retains its assessment of mostly met. First, the Uganda's 2020-2021 EITI Report includes both mandatory and discretionary payments. While the Uganda's 2020-2021 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.

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	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

- In accordance with Requirement 4.6, Uganda is required to strengthen its methodology for the disclosure of subnational direct payments, including a review of regulatory provisions, with a view of ensuring its comprehensiveness. The MSG should identify local government units collecting the payments and, whether it exists, identify the central government agency responsible for monitoring them to gain a better understanding of the applicable revenue streams.

- In accordance with the Requirement 5.2, Uganda is required to use is EITI platform to strengthen local stakeholders' understanding of mineral-royalty transfer mechanisms. The MSG might wish to consult relevant stakeholders to undertake additional analysis and formulate recommendations to improve transparency in revenue-sharing mechanisms. To strengthen implementation of Requirement 5.2, Uganda is encouraged to enhance its notification processes to ensure that local governments receive timely and accurate information about the funds allocated.

- In accordance with the Requirement 6.1, Uganda must document its approach to determine whether extractive companies make mandatory social and environmental expenditures. In accordance with Requirement 6.1, Uganda 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 and consult with extractive companies and industry associations to

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understand the type and nature of any social or environmental expenditures. Uganda is encouraged to document the findings in its MSG meeting minutes or in EITI reporting.

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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 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 on 4-8 December 2024. The draft Validation report was finalised on 26 February 2023. Following comments from the MSG on 27 March 2023, the Validation report was 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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Annexe A – Additional information on CSO space and public debate

This annexe compiles several links to news and reports that document a) incidents in relation to the East African Crude Oil Pipeline (EACOP) and b) public debate on the issue of gold smuggling into Uganda from mainly the Democratic Republic of Congo (DRC).

The annexe compiles link to documents from sources like the Global Initiative against transnational organised crime, ENACT (funded by the EU), UN Security Council, US State Department, The Economist and Norway-based CMI-U4 Anti-Corruption Resource Centre that show evidence of public debate on the issue of gold smuggling to Uganda from the DRC. It has been included in this Validation assessment as evidence of a salient issue captured in the public domain by international sources.

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.

Business & Human Rights Resource Centre. (Year, Month Day). Uganda: 9 students arrested for supporting EU resolution on halting controversial EACOP project over human rights, environmental concerns. 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/

Human Rights Watch. (2023, November 2). Crackdown against environmental defenders in Uganda. https://www.hrw.org/report/2023/11/02/working-oil-forbidden/crackdown-against-environmental-defenders-uganda

Human Rights Watch. (2023, November 23). Ugandan authorities should drop charges against environmental protesters. https://www.hrw.org/news/2023/11/23/ugandan-authorities-should-drop-charges-against-environmental-protesters

Mongabay. (2021, October 15). Ugandan activists' arrest slammed as threat to space for rights defenders. Mongabay. https://news.mongabay.com/2021/10/ugandan-activists-arrest-slammed-as-threat-to-space-for-rights-defenders/

Strategic Initiative for Women in the Horn of Africa (SIHA) Network. (n.d.). Uganda: Violent arrest and alleged arbitrary detention of HRDs from the Students Against EACOP Movement [Joint communication]. Retrieved from https://srdefenders.org/uganda-violent-arrest-and-alleged-arbitrary-detention-of-hrds-from-the-students-against-eacop-movement-joint-communication/

StopEACOP. (n.d.). Activists arrested for protesting East African Crude Oil Pipeline. Retrieved from https://www.stopeacop.net/our-news/activists-arrested-for-protesting-east-african-crude-oil-pipeline

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The Independent. (n.d.). Arrests and intimidation over EACOP. Retrieved from https://www.independent.co.ug/arrests-and-intimidation-over-eacop/

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.

AP News. (n.d.). UN experts: Gold from Congo going to armed groups, criminals. Retrieved from https://apnews.com/general-news-9f78e7cf2b78fc495a017d17b94939c9

Congo Research Group. (2023, May 15). All That Glitters: The Struggle Over Congolese Gold. Retrieved from https://www.congoresearchgroup.org/en/2023/05/15/all-that-glitters-the-struggle-over-congolese-gold/

Global Initiative Against Transnational Organized Crime. (n.d.). Gold Rush: How Illicit Gold Flows Through Uganda. Retrieved from https://riskbulletins.globalinitiative.net/esa-obs-017/04-gold-rush-how-illicit-gold-flows-through-uganda.html

Global Initiative Against Transnational Organized Crime. (n.d.). Illicit Gold in East and Southern Africa: Policy Guidance. Retrieved from https://globalinitiative.net/analysis/illicit-gold-east-southern-africa-policy-guidance/

Hunter, M. (2022, November 18). Combating illicit gold markets in eastern and southern Africa. Global Initiative Against Transnational Organized Crime. https://globalinitiative.net/analysis/illicit-gold-east-southern-africa-policy-guidance/

Interpol. (2021, July 27). Illegal gold mining in Central Africa [PDF document]. Retrieved from Interpol website: https://www.interpol.int/content/download/16493/file/2021%2007%2027%20ENGLISH%20PUBLIC%20VERSION_FINAL_Illegal%20gold%20mining%20in%20Central%20Africa.pdf

The Economist. (2019, May 23). How can Uganda export so much more gold than it mines? [Web log post]. Retrieved from https://www.economist.com/middle-east-and-africa/2019/05/23/how-can-uganda-export-so-much-more-gold-than-it-mines

U4 Anti-Corruption Resource Centre. (n.d.). Illicit Gold Flows from Central and East Africa. Retrieved from https://www.u4.no/publications/illicit-gold-flows-from-central-and-east-africa

U.S. Department of State. (n.d.). Africa Gold Advisory. Retrieved from https://www.state.gov/africa-gold-advisory/

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

AP News. (n.d.). Uganda's thriving gold trade is being compromised by criminal networks. Retrieved from 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

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Pulitzer Center. (n.d.). Uganda's Illegal Gold Market: Bustling. Retrieved from https://pulitzercenter.org/stories/ugandas-illegal-gold-market-bustling

Congo Research Group. (2023, May 15). All That Glitters: The Struggle Over Congolese Gold. Retrieved from https://www.congoresearchgroup.org/en/2023/05/15/all-that-glitters-the-struggle-over-congolese-gold/

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