

REMARKS FOR THE CO-CHAMPION (MEMD) AT THE LAUNCH OF UGANDA'S FIRST EITI REPORT HELD ON 10TH JUNE 2022, AT SHERATON KAMPALA HOTEL

Honourable Ministers present,

Permanent Secretaries,

Heads of Government Agencies,

Members of the Private Sector,

Government Officials present,

Development partners,

Members of the Press,

Ladies and Gentlemen

1. Introduction

It is my honour and pleasure to welcome you all to the launch of Uganda's first Extractive Industries Transparency Initiative (EITI) report. As most of you are aware, in January 2019, the Government of Uganda through Cabinet approved that Uganda

join the EITI with the objective of promoting transparency, accountability and prudent use of oil, gas and mineral resources. Today, I am happy to state that, Uganda is among the 54 countries implementing EITI globally.

EITI is the global standard for the implementation of international best practices in the management of a country's extractive resources. The EITI has been adopted in Uganda to complement the existing Ugandan institutions, by providing information, to ensure that public resources reach and work for the common person.

Before joining EITI Uganda had to first put in place the necessary legal, policy institutional and regulatory frameworks to oversee the sector's operations, and engage in expanding and positioning Uganda's technical capabilities for its management. I am happy to inform you that, the implementation of EITI is timely and has found a strong legal, policy and institutional cornerstone that includes:

- The Petroleum (Exploration, Development and production) Act, 2013
- Public Finance Management Act, 2015
- Income Tax Act, 2003
- National Environment Act, 2019
- National Oil and Gas Policy, 2008
- National Content Policy

- The Mining and Mineral policy, 2018

Owing to the strong legal, policy and regulatory safeguards put in place, and the signing of the Host Government Agreement, Tariff and Transportation Agreement, Shareholders Agreement and finally the Final Investment Decision (FID), I am glad to point out that the country is now ready to advance to the next level with expected substantial oil revenues into the country by 2025.

I take this opportunity to commend the international oil companies who have committed to invest and exploit Uganda's natural resources.

2. Developments in the oil sector

In addition, the government has embarked on a number of key projects to develop the oil and gas sector. The major projects that are in progress include:

- **The Kingfisher Development Project** that is operated by CNOOC Uganda Limited. This will include the development of a Central Processing Facility with a capacity of 40,000 barrels of oil per day and 31 well pads.
- **Tilenga project** for the Buliisa fields operated by Total Energies
- **The Front-End Engineering Design (FEED)** studies for the two planned Central Processing Facilities and feeder

pipelines is in progress. I am happy to note that the FEED for the Kingfisher Development area was completed.

- **Uganda Refinery Project.** The project framework agreement for the development of 60,000 barrels of oil per day has been signed with the Albertine Graben Refinery Consortium (AGRC) as the lead investor. So far, all the Project Affected Persons (PAPs) have been relocated and resettled, and land titles were recently handed over to beneficiaries.
- **The East Africa Crude Oil Pipeline Project** - Preparations for the construction of the 1443 km crude pipeline from Kabaale in Hoima to Tanga in Tanzania are in full gear. The government has approved the Final Resettlement Action Plan for the crude oil pipeline to pave way for compensation and resettlement of project affected persons (PAPs). This will ensure smooth land acquisition, as well as compensation and resettlement of project affected people.
- **There are also other important infrastructure that are currently under development such as the oil roads** in Hoima, Bulisa, Masindi and Kikuube districts have been completed while others are being worked on. The Kabaale International Airport in Hoima to handle cargo and passengers is at 79% completion rate. It is expected to be handed over to government by February 2023.

Developments in the mining sector

- The government has established three beneficiation centres in Moroto, Ntungamo and Fort Portal to add value to raw minerals and create more jobs
- Air borne surveys especially in the areas of Karamoja aimed at establishing more mineral deposits are being undertaken by the government
- The artisanal and small small-scale miners have been formalised under the new Mining and Mineral Bill, 2021 that was passed by Parliament and awaiting assent by the President. This will expand the contribution of the artisanal and small-scale mining sector which currently employs more than one million people directly and indirectly.

3. Benefits of implementing EITI

As I already mentioned, EITI will support the existing frameworks and systems to strengthen governance, transparency and accountability in order to enable Government maximise revenues and ensure accountable use of extractive resources. More specifically, EITI will help the government to among others;

- Build public trust through information disclosure

- Improve the policy making process through the tripartite oversight arrangement by government, civil society and industry under the auspices of the Multi-Stakeholder Group.
- Attract investment through applying international best practice in the management of extractives.
- Maximise revenues and minimise revenue leakages
- Streamline information sharing among various MDAs

4. Efforts made to strengthen EITI implementation

- Engagements to disclose beneficial owners
Engagements between the relevant institutions of Government are going on to provide for beneficial ownership disclosure in the laws.
- Engagements to disclose contracts and agreements
Engagements between the relevant institutions of Government and oil companies are ongoing to ensure that consensus is reached on the nature and process of contract disclosure.
- Engagements for better Inter-agency collaboration and coordination
Engagements between stakeholders under the MSG has created an opportunity for strengthened collaboration and coordination between the key institutions of Government especially DGSM and URA.
- Review of policies and laws

Currently, a number of laws are being reviewed to incorporate the principles of EITI and this will strengthen the EITI implementation process.

- More awareness creation will be undertaken

The MSG will be conducting more awareness campaigns and sensitization engagements to enhance the involvement and participation of the citizens in the EITI process.

5. Conclusion

I wish to assure the public that the government of Uganda is committed to complying with the requirements of EITI because this is part of the government strategy under the NDP III as well as the Domestic Resource Mobilisation Strategy, to harness additional revenues in order to deliver services to the people.

We shall work with all stakeholders to ensure that the concerns and recommendations in this report are addressed.

The participation of you all gathered here shows and demonstrates strong commitment by various players to participate in the process of implementing EITI in the country.

I wish to thank the Multi-stakeholder Group members as well as acknowledge the support provided by the European Union towards EITI Implementation.

With these few words, I congratulate you all upon this great achievement and milestone.

For God and My Country

Hon. Peter Lokeris

Minister of State for Energy and Mineral Development