REPUBLIC OF UGANDA

MINISTRY OF ENERGY AND MINERAL DEVELOPMENT

REMARKS

BY

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AT

6TH EITI GLOBAL CONFERENCE

IN

SYDNEY, AUSTRALIA

23RD MAY 2013
INTRODUCTION

Distinguished Delegates, Ladies and Gentlemen

1. On behalf of the Ministry of Energy and Mineral Development of Uganda, I would like to thank the organisers for inviting us to participate in this 6th Extractive Industries Transparency Initiative (EITI) Global Conference.

2. As you may be aware, Uganda has had a successful mining industry which has continued to grow, and is also set to join the oil producing nations, following successful oil and gas exploration. In addition to being endowed with significant mineral resources, Uganda’s estimated petroleum resources now stand at 3.5 billion barrels of oil equivalent in place from 21 oil and/or gas discoveries. The sector has progressed from exploration and appraisal to the development phase, in preparation for production, which is slated for 2016. Over US$1.7 billion has been invested in the oil and gas sector to date. We are, therefore, humbled to participate in this conference not only to share our experiences in as far as joining the EITI is concerned, but most importantly to learn from nations well advanced in the implementation of the EITI.

3. It is my belief that transparency and accountability should be encouraged in all sectors of the economy as this will not only help governments overcome
enormous development challenges, but also ensure that socioeconomic inequalities among citizens are alleviated.

4. The government of Uganda is putting in place mechanisms to ensure transparency not only in Revenue Management, but also in aspects of Efficient Management of natural resources, which are the source of the revenues.

5. In Uganda, transparency and accountability is one of the guiding principles of the National Oil and Gas Policy, 2008 and is one of the key objectives of the policy. This objective states; **to ensure collection of the right revenues and use them to create lasting value for the entire nation.** The policy has strategies to ensure that this objective is met, and these are being championed under the guidance of the Ministry of Finance, Planning and Economic Development.

**EFFORTS TOWARDS ACHIEVING TRANSPARENCY IN THE OIL AND GAS AND MINING SECTORS**

6. The Government of Uganda is committed to ensuring transparency and accountability in the extractive sectors, and various efforts have been undertaken in this regard. Allow me at this juncture, to briefly highlight the efforts that have been taken in the oil and gas sector as an example.
7. Firstly, Government suspended licensing of new acreage following commercial discovery of oil in 2006. This was meant to allow updating of the key regulatory, institutional and legal frameworks for the sector. Thereafter, the National Oil and Gas Policy was developed in 2008, through a comprehensive consultative process.

8. During 2012, my Ministry tabled two pieces of legislation in Parliament; the Petroleum (Exploration, Development and Production) Bill and the Petroleum (Refining, Gas Processing and Conversion, Transportation and Storage) Bill which among others, provides for Competitive Licensing, Efficient Management of Petroleum Resources and Value Addition, among others. The former has become law, and is operation, while the latter was passed by parliament and is awaiting presidential assent. These are in addition to the Public Finance Bill 2012 that was tabled by the Ministry of Finance, which provides for Management of Petroleum Revenues among others. The above new legislation involved significant stakeholder input, and are regarded as one of the key foundations for Transparency and Accountability in the oil and gas sector.

9. The National Oil and Gas Policy of 2008 spelt out the roles of key institutions involved in the oil and gas sector. For example the Ministry of Energy and Mineral Development is responsible for efficient resource management and
assessment of the right oil and gas volumes, the Ministry of Finance has to ensure appropriate management of petroleum revenues, whereas the Uganda Revenue Authority has to assess the right amount of taxes due to government from petroleum activities. Bank of Uganda on the other hand has the duty of advising government on the impact of oil and gas sector on the national economy and also managing and administering the petroleum fund. Parliament plays a great oversight role and therefore can ensure that proper allocation, utilisation and accountability are done to obtain improved social outcomes. In addition to the government institutions mentioned, several Non-Governmental Organisations and Civil Society organisations are also playing their roles to ensure good governance and transparency in the sector.

10. My Ministry reports to the Natural Resources Committee of Parliament on a regular basis and issues annual Policy Statements on activities undertaken and accountability before budgets are passed. In addition, all copies of Production Sharing Agreements entered into with International Oil Companies have been given to parliament.

11. The Ministry of Finance, Planning and Economic Development has developed and Oil Revenue Management Policy and is in the process of updating the Public Finance and Accountability Act, through the Public Finance Bill, 2012 that is now before Parliament, to provide for Petroleum Revenue Management.
12. Although oil production has not yet commenced, all revenue received so far from operational obligations of the oil companies and taxation on capital gains are paid into the Consolidated Fund. Expenditure is governed by the Budget Act, Public Finance and Accountability Act and the Appropriation Act.

13. In addition to the above efforts, the Access to Information Act, 2005 is aimed at, among others, promoting transparency and accountability in all organs of the State by providing the public with timely, accessible and accurate information.

PARTICIPATION IN EITI

14. At this point, allow me to say a few words on Uganda’s readiness to participate in the EITI process.

15. The National Oil and Gas Policy of 2008 indeed explicitly commits the government to participate in the processes of the EITI implementation in order to ensure collection of the right revenues and use them to create lasting value for the entire nation. The policy also provides for government to publish the earnings that will accrue from oil and gas. In addition, as pointed out earlier, government is in the process of putting in place the necessary
institutions and legal framework, all of which I believe, are some of the criteria for implementing EITI.

16. In the past year alone, my Ministry has participated in a number of engagements on EITI, involving other Government agencies; Members of Parliament; CSOs; the Media; Oil Companies and the Private sector. These engagements were aimed at informing the stakeholders about their roles in the EITI process, and benefits of adopting and implementing EITI among others.

CONCLUSION

17. Uganda is committed to ensuring that the natural resources the country is endowed with are exploited to the benefit of citizens.

18. Significant progress has been made in preparing to country to join the EITI. I, therefore, have no doubt that very soon we shall apply and be allowed in joining this Global Initiative involving 37 or so committed nations.

19. Once again, I thank the organisers for inviting us to participate in this very important gathering.
For God and My Country!

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