MINISTRY OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT
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PRESS STATEMENT

PUBLIC STATEMENT ON UGANDA JOINING EITI

Uganda's oil and gas sector has transitioned from the exploration and appraisal phase to the development phase in preparation for the production of petroleum resources that have been discovered in the country.

To date, the country's proven crude oil reserves stand at 6.5 billion barrels of which 1.4 billion barrels is recoverable. To date, nine production licenses have been granted to six international upstream companies - Total E&P Uganda, Tullow Uganda Operations, APOC Uganda, and CNOOC Uganda. When production commences, the Government of Uganda will earn revenues from the sale of crude oil through the Pipeline and refined products through the Refinery. Similarly, the mining sector continues to grow and attract more foreign investments.

The existence of a large quantities of extractive resources can translate into prosperity and economic development if the revenue is managed well. The revenue can be used to support infrastructure development and social services that have a potential to lead to sustainable economic growth and development. The resources revenues will increase the country’s public finances if managed in a transparent and accountable manner.

On 28th January, Cabinet approved Uganda to join the Extractive Industries Transparency Initiative (EITI). The decision to join EITI was informed by the appreciation of the values that EITI promotes with regard to disclosure of information about the whole extractive governance chain from allocation and ownership of licences; to the contractual, legal and fiscal terms; the production and export; the payments companies make to Government and the expenditures of revenues by Government. We believe that initiatives such as EITI that emphasize transparency have the potential to strengthen the efforts of Government in ensuring overall transparency in the sector; strengthen tax collection; improve investment climate; build trust and creating lasting value of petroleum resources.

EITI was established in 2003 as a global standard to promote open and accountable management of oil, gas and mineral resources. It provides an avenue for companies, Governments and other agencies and entities engaged in extractive industries to comprehensively report on production, payments and revenues from the sector on a regular basis. Currently, there are fifty-one countries implementing the EITI.

The implementation of EITI will involve multi-stakeholder participation comprising representatives from Government, civil society and the private sector. This approach helps foster fact-based dialogue and understanding of natural resource governance issues. Government is in the process of constituting a multi-stakeholder group whose role will be to oversee the implementation process.

The multi-stakeholder group will include representation from Ministry of Finance, Planning and Economic Development, Ministry of Energy and Mineral Development, Ministry of Justice and Constitutional Affairs, Ministry of Water and Environment, Ministry of Lands and Urban Development, Ministry of Works and Transport, National Planning Authority, Uganda Revenue Authority, National Environmental Management Authority, Petroleum Authority of Uganda, Uganda National Oil Company, Bank of Uganda, extractive companies, and civil society. Donor agencies and other international institutions will also be involved in the process as observers.

I, therefore, wish to inform the public of Uganda’s decision to join EITI, the establishment of the multi-stakeholder group and Government’s commitment to ensuring that the management of extractive sector is done in an accountable and transparent manner to benefit all citizens of Uganda.

FOR GOD AND MY COUNTRY

[Signature]

MINISTER OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT

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