

# PROFILING COMPANIES OPERATING IN THE EXTRACTIVES SECTOR (MINING AND PETROLEUM) IN UGANDA

## Terms of Reference

### Background

Uganda is blessed with extractive resources (various minerals and petroleum). The country is endowed with about 6.5 billion barrels of oil, and over 32 confirmed mineral deposits ranging from precious metal such as gold, and cobalt, to other minerals such as copper, tin, wolfram, and uranium. New discoveries are still being made, for instance, new gold deposits have been identified in several parts of the country, including Buhweju, Mubende, Namayingo, Karamoja, and Zombo districts. Over 500 million tons of Rare Earth Elements (REEs) have been estimated in Eastern Uganda by the Makuutu Rare Earth Project.<sup>1</sup> The country has embarked on the commercial development of some of these resources. Mineral exploration and development licenses have been granted to various companies in many parts of Uganda and operations are on-going. Oil exploration and production licenses have also been granted to a number of companies and first oil is expected in 2025. The development and exploitation of Uganda's extractives (both petroleum and mineral) has the potential to generate revenue to finance development and improve the quality of public services in the country as well as and creation of livelihood-improving opportunities for many Ugandans. Indeed, oil and minerals subsectors are already generating some revenue and even have potential to generate more revenue for the country. However, Uganda's extractive sector is still facing transparency and accountability challenges, which may undermine the potential of the extractives sector to generate the expected revenues.

The extractives sector is dominated by foreign companies and small- scale local operators. These companies play an important role in enhancing transparency, accountability, human and environmental rights. This can be done through their internal policies and practices of openness and disclosure of profits earned and revenues paid to government. The company's profile with regard to transparency and accountability, human rights, environmental management and restoration, and corporate governance are important in determining the credibility of the company. The culture and practices of extractive companies are therefore important in the licensing process. As a result, citizens ought to know which companies have been licensed by their government to develop their natural resources. Establishing a register and profiling of companies and availing the information to the public is therefore useful for sector transparency. The register may contain the profile of these companies, the sectors in which they are involved, location of their licenses and activities.

### The assignment

The Advocates Coalition for Development and Environment (ACODE) and the Civil Society Coalition on Oil and Gas (CSCO), with support from USAID-Domestic Revenue Mobilization for Development (DRM4D) activity are implementing a project titled "Domestic Revenue Mobilization through Transparent, Accountable and Equitable Management of Extractives in Uganda". This project aims to *enhance transparency, accountability, and equity in the management of extractives (oil and gas, minerals) for increased domestic revenue mobilization*. The activity will be achieved through collaborative efforts aimed at strengthening policy and legal frameworks to ensure more transparent and accountable operations in Uganda's extractives sector.

Among other interventions, the project involves undertaking a study to profile licensed entities involved in the extractives sector (mining and petroleum) in Uganda. On one part, the study would provide a profile of the entities holding the petroleum rights in the entire value chain (upstream, midstream, and downstream). On the other part, a profile of licensed entities (large, small, and medium) in the mining sector operating in the various areas of prospecting, exploration, processing, and trading, bearing in mind that Uganda has a large artisanal and small-scale mining group.

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<sup>1</sup> Media statement on the status of Uganda's mineral development programme delivered by the Minister for Energy and Mineral Development on 21<sup>st</sup> February 2023.

This profiling process is expected to be done in line with the EITI requirements for companies operating in a country's extractives sector to publicly disclose what they are payment to government. This intervention is thus expected to support the Uganda EITI Secretariate to establish a register of companies involved in Uganda's extractives industry. The profiling is expected to indicate who the companies are, the mineral sectors in which they are involved, and the location of their activities. We believe that this intervention will be a key tool to promote full disclosure for both Government and private extractive companies.

The entities would be primarily profiled in the following categories:

- a) Entity type/legal status (company/partnerships/etc.);
- b) Entity sub-type (private limited company/public limited company/companies (resident and non-resident));
- c) Vision and strategy of the company
- d) Beneficial ownership (where the information is available) and changes thereto with interest on lifting the veil on persons precluded from holding mineral and petroleum rights in the entities.
- e) Shareholding and management of the company or entity;
- f) Financial soundness;
- g) History of mineral or petroleum operations nationally or globally;
- h) License type and the terms and conditions/licensee obligations unique thereto i.e., the area of operation, duration of license, etc.
- i) Information on regulatory compliance with; environmental laws; labor laws; occupational safety and health; Anti-money laundering; tax and tax incentives if any, with specific attention to the entity's tax policy; mining and petroleum industry good practices, etc.

### **Objectives of the study**

This study is generally intended to serve two purposes; to identify the players in the mining and petroleum sectors operating in Uganda; and establish the history and industry practices of these players in terms of transparency and accountability in their operations.

### **Duration and time schedule**

The consultancy is to be fully completed within a period of 1 month from the start date. Once recruited, the Consultant(s) shall provide a detailed time schedule of various activities to be undertaken during the consultancy, and with respect to the timeline for the delivery of the final report.

### **Location of the assignment**

The assignment is largely a desk review but will involve minimal field work, especially where it is required to interact with the companies and hold direct interviews.

### **Reporting, key deliverables, and deadlines**

Subject to contract, the Consultant will report directly to the Deputy Executive Director, ACODE. The key deliverables of the assignment are:

- (a) A draft report which shall be submitted within two weeks after the commencement of the assignment.
- (b) The final report shall be submitted within one (2) week after presentation of the draft report and receiving comments.

### **Confidentiality and data ownership**

The Consultant shall protect the confidentiality of those participating in the survey at all stages. All data is confidential and is the property of ACODE. No data or other information from this survey will be released to third parties without the written approval of ACODE.

## **Budget**

The Consultant shall provide detailed estimates of the budget including travel, and other related activities, and submit them for discussion during the negotiation of the contracts and in line with ACODE's procurement procedures.

## **Stylistics and ethics**

ACODE, at present, prefers **APA style referencing**. Any cases of plagiarism, where found or reported, may lead to cancellation of the contract, and other penalties as may be considered fit during and after executing the assignment. Researchers are strongly dissuaded from any temptations of plagiarism as widely understood in the research and/or scholarly community.

## **Qualification requirements**

The successful candidate for this assignment should possess the following;

- At least a Master's Degree in Law, Social Sciences; Extractives, Natural Resources Management; or Development Studies; or related fields;
- Excellent understanding of governance issues in the mining and oil and gas sectors in Uganda
- High level of professionalism and an ability to work independently and in high-pressure situations under tight deadlines.
- Must be able to incorporate on the team an experienced legal expert conversant with national mining and oil and gas laws.
- Excellent command of oral (social) and written (academic) English language.

## **Call for Expressions of Interest**

ACODE calls upon interested and competent consultant(s) to express interest to undertake a research study that profiles the licensed entities involved in the extractives sector (mining and petroleum) in Uganda. The Expression of Interest (EOI) should be in response to these ToR, and should consist of the following:

- (i) An understanding of the ToRs.
- (ii) Proposed methodology for executing this assignment
- (iii) Field- and desk-research plan or work plan for executing the assignment
- (iv) Statement of researcher's competencies to undertake the study.
- (v) Any other relevant information

## **The EoI should, in addition to the above, have as appendices:**

A *financial proposal* indicating the resources considered necessary for executing this assignment in UGX; and detailed *Curriculum Vitae* of the Researcher(s)

The **deadline** for submission of an expression of interest is **Thursday 31<sup>st</sup> August 2023**. Expressions of Interest can be sent on emails provided below or delivered by hand.

## **Office location and Emails**

ACODE Offices

Plot 96, Kanjokya Street, Kamwokya

P.O. Box P.O Box 29836,

Kampala – UGANDA

**Emails:** o.mugenyi2@gmail.com / [omugenyi@acode-u.org](mailto:omugenyi@acode-u.org); [oscord.otile@acode-u.org](mailto:oscord.otile@acode-u.org)