



ENVIRONMENT GOVERNANCE INSTITUTE (EGI) UGANDA

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Hon Ruth Nankabirwa,
The Minister of Energy and Mineral Development,
Kampala (U).



Dear Honorable Minister,

RE: PETITION TO PUT IN PLACE REGULATIONS FOR THE MINING AND MINERAL ACT 2022

Greetings from Environment Governance Institute (EGI), a non-governmental Organization passionate and committed promoting sustainable and equitable utilization of natural resources in Uganda and great lakes region.

We commend your diligent work and efforts you have bestowed upon the Ministry of Energy and Mineral Development in Uganda. In all stages, your leadership, commitment and dedication have had a momentous impact in the formulation of key Mining and Mineral Act 2022, which is now a key legal instrument relevant to govern Ugandan sustainable mineral development.

We sincerely appreciate the efforts you have made to invite and include the perspectives of civil society organizations, particularly regarding the protection of the rights of artisanal and small-scale miners and the extraction of minerals conducive to the Just Energy Transition. It is commendable that the Act is aligned with the imperative to address climate change and invest in resources that facilitate a just energy transition.

We would like to highlight that on October 14, 2022, HE President Yoweri Kaguta Museveni signed the Mining and Mineral Act 2022, which serves as a significant step towards replacing the outdated Mining Act of 2003. The primary objective of this new legislation is to introduce administrative and institutional reforms to enhance governance and management within the mining sector.

However, it is regrettable to note that the Ministry of Energy and Mineral Development has not yet put in place the necessary mining regulations in accordance with the requirements outlined in the Mining and Mineral Act 2022, specifically as mandated by section 287 of the Act. The absence

of these regulations poses challenges in effectively implementing and enforcing the provisions of the Act, hindering the desired improvements in the mining sector's governance and management.

According to Section 287 of the Mining and Mineral Act 2022, it is the responsibility of the Minister of Energy and Mineral Development (MEMD) to develop and implement Mining and Mineral regulations in support of the Act's implementation.

We observe that the absence of these regulations could pose significant challenges to the ongoing monitoring efforts, hindering the effective enforcement and implementation of the Mining and Mineral Act 2022. The regulations are crucial as they provide guidance on the conservation and development of mines and minerals in new areas.

It is important to acknowledge that Uganda is currently undergoing rapid development, which has already had adverse impacts on our environment and communities. If not properly managed, these developments, including activities such as oil and gas exploration, large-scale hydropower dams, and sand mining, among others, have the potential to cause further environmental damage.

Considering these concerns, during the months of May and June, the Environmental Governance Institute facilitated a series of engagements involving partner CSOs, district leaders, and local communities in mineral-rich districts. The objective was to address the significant challenge posed by the absence of regulations that would ensure effective enforcement and compliance with the Mining and Mineral Act.

Following these meetings, the collaborating partners have collectively decided to present this petition to you. Through our discussions, we identified several weaknesses in the current legislation, which we believe can be addressed through the formulation of comprehensive mining regulations. Some of the key weaknesses identified include:

- i. **Environmental Degradation in Mining Hotspots:** The Act aims to regulate artisanal and small-scale miners; however, it is crucial to develop detailed regulations outlining the specific measures needed for effective regulation. Unregulated artisanal gold mining activities, particularly in Busia and Mubende districts, have resulted in significant deforestation, soil erosion, and water pollution. These activities have worsened environmental degradation and undermined efforts towards environmental conservation.
- ii. **Land Rights Insecurity in Mineral-Rich Regions:** It is a matter of public knowledge that communities in Karamoja and Bugiri regions have been grappling with land rights insecurity due to unregulated mining activities. This has led to displacement and conflicts over land ownership, impeding inclusive, gender rights, and equitable development. The Act must address these issues by introducing regulations. For example, communities in

Karamoja, such as Moroto and Nakapiripirit, have experienced land conflicts as mining operations encroach on their ancestral lands. The displacement of communities, particularly vulnerable groups like women and indigenous communities, has been reported, disrupting livelihoods and exacerbating the marginalization of already marginalized groups.

- iii. **Health and Safety Hazards in Quarrying Sites:** The stone quarrying sites in Wakiso and Mukono districts continue to pose severe health and safety hazards for workers. These hazards include accidents, injuries, and respiratory illnesses, which compromise the well-being and livelihoods of individuals involved. Urgent action is required to address these issues, as the current situation poses ongoing risks to workers' safety.
- iv. **Limited Community Participation in Decision-Making:** The absence of regulations has resulted in minimal community involvement in mining-related decisions, particularly in Kasese and Moroto districts. This hinders the realization of equitable and sustainable development that prioritizes inclusive decision-making and ensures local communities have a voice in shaping their sustainable future.
- v. **Revenue Leakage and Transparency Gaps:** The lack of regulations has increased the risk of revenue leakage and undermined transparency in revenue collection and management processes. This obstructs efforts to achieve a Just Energy Transition, which seeks to ensure the equitable distribution of mining-related benefits to affected communities. In 2022, Uganda was reported to be among the top countries involved in illegal gold trade, extending beyond its borders. A report by The Sentry estimated that \$4 billion in high-risk gold, mined in war-torn countries like Congo, South Sudan, and the Central African Republic, flows through the international market annually. These activities put Uganda at risk of being blacklisted for engaging in illicit gold trade.
- vi. **Social Conflicts and Injustices in Mining Areas:** In Kabale and Kisoro districts, social conflicts have arisen due to perceived injustices in the distribution of benefits, compensation, and resource allocation from mining operations. These conflicts hinder the establishment of a just and equitable mining sector. A study conducted by Avocates San Frontairs in 2020 highlighted numerous human rights concerns in host communities related to emerging extractive industries. These concerns include loss of land and evictions without compensation or relocation, lack of timely and efficient information for communities to protect, negotiate, and participate in decisions about land ownership and management, and the environmental impact of extractive industry activities leading to health risks. While the human rights issues were similar in both Hoima and Moroto, the impacts on project-affected communities varied.

- vii. **Insufficient Mine Site Rehabilitation Efforts:** Abandoned mines, such as those in Kitumbi, lack proper closure and rehabilitation measures. This poses long-term environmental and safety risks, hindering the achievement of a Just Energy Transition that emphasizes responsible mine site rehabilitation and environmental justice.
- viii. **Limited Corporate Social Responsibility Practices:** Some mining companies in Mubende district have faced criticism for their inadequate corporate social responsibility efforts. These criticisms include neglecting community development projects and failing to provide fair compensation, undermining the principles of a Just Energy Transition.
- ix. **Delayed Opportunities for Sustainable Development and Just Transition:** The absence of regulations hampers the implementation of sustainable mining practices, which could drive local economic development, job creation, and equitable benefits for communities. It also prevents the extraction of minerals that could propel Uganda towards a just energy transition economy. It is crucial to establish regulations that facilitate sustainable mining practices and unlock the potential for sustainable development and a just transition in the mining sector.

RECOMMENDATIONS

We recommend the following steps be taken:

1. **Urgently Formulate and Implement Mining and Mineral Regulations:** We urge your ministry to promptly formulate and implement the Mining and Mineral Regulations to establish a robust legal framework that guides all mining activities and prevents negative impacts. These regulations should address environmental impacts, land rights, health and safety hazards, community participation, revenue transparency, and corporate social responsibility. Clear guidelines should be provided for responsible mining practices, rehabilitation efforts, community engagement, and transparent revenue collection and management.

Specific measures to consider include:

- Establishing a specialized mineral protection unit.
- Assigning technical staff at the district level to coordinate and facilitate the licensing of artisanal and small-scale miners (ASM).
- Requiring large-scale mining (LSM) projects to obtain approval from the District Council to ensure community harmony.
- Providing adequate support and resources to regional offices of the Directorate of Geological Surveys and Mines (DGSM) for effective collaboration with district-level technical staff.

- Encouraging Local Governments to enact mining ordinances to supplement the law once it is passed.
 - Establish a robust district systems to support effective management of online cadaster system introduced under the act, to expedite the process of acquiring mineral rights
 - Enabling Local Governments to capture all relevant data within their jurisdiction.
2. Seek Public Input on the Draft Regulations: We also urge your ministry to share the draft Mining and Mineral Regulations with the public to solicit input. This will ensure that the views of affected communities and experts are considered, leading to the formulation of comprehensive regulations that effectively mitigate negative impacts and facilitate successful implementation.

Conclusion:

While the Mining and Mineral Act 2022 is a progressive piece of legislation, aligned with Uganda's Vision 2040 and national development plans, it alone cannot address all the issues in the mining sector. Formulating and implementing the necessary regulations is crucial to bridge the gaps identified in the new act. By taking these steps, Uganda can establish a well-regulated mining sector that prioritizes sustainable practices, community involvement, and responsible resource management.

Thank you,



Samuel Okulony,
Chief Executive Officer, EGI

CC:

- The Minister for Lands, Housing and Urban Planning
- The Chairperson, Natural Resources Committee of Parliament
- The Executive Director, NEMA

