MUSASIZI CALLS FOR ACCOUNTABILITY AS UGANDA NEARS OIL PRODUCTION

By Sarah Nabakooza

As Uganda edges closer to becoming an oil-producing nation, Henry Musasizi, the Minister of State for Finance (General Duties), challenged the newly constituted Multi-Stakeholder Group under the Extractive Industries Transparency Initiative (EITI) to uphold transparency, accountability and integrity in managing the extractive resources.

He made the remarks during the official handover ceremony of the Uganda EITI Multi-Stakeholder Group (MSG) held last week at Protea Hotel Kampala.

The meeting marked the transition from outgoing to incoming members of the MSG, a body that brings together the Government, private sector and civil society actors to oversee transparency in Uganda's oil, gas and mining sectors.

In his address, Musasizi emphasised that natural resources, if properly managed, can drive inclusive growth, economic transformation and sustainable development. However, he cautioned that poor governance of these resources could erode public trust and undermine national development.

Musasizi congratulated the team and described their new role as one of significant national importance.

"You are assuming office at a critical time in Uganda's extractives sector," he said, pointing out that the country is on the verge of becoming an oil-producing nation. With first oil on the horizon, expectations among citizens are rising regarding the management of oil, gas and mining revenues.

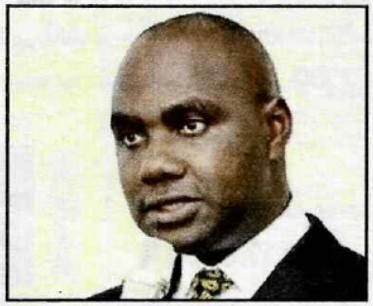
The minister stressed that resource revenues must be effectively integrated into Uganda's broader development planning and public finance management systems.

"With collaboration and commitment, the EITI process in Uganda will progress smoothly," Musasizi said, expressing confidence in the new team's ability to steer the initiative through the country's transition into oil production.

APPRECIATION FOR OUTGOING MEMBERS

"Serving on the MSG is not merely a ceremonial role," Musasizi said, underscoring the technical expertise, patience and balanced judgement required to reconcile diverse stakeholder interests for the national good.

He credited the outgoing team. Among the achievements highlighted were the regular production of reports, improvements in data management and accessibility, as well as enhanced engagement among stakeholders at both national and sub-national levels.



Henry Musasizi

"I extend my sincere appreciation to all of you for the dedicated service," Musasizi said, acknowledging the critical role played by the outgoing members in entrenching transparency mechanisms within the sector.

According to Moses Kaggwa, the outgoing chairperson of the MSG, transparency has not only strengthened governance, but also positioned Uganda as a more attractive investment destination.

"To attract investors, one of the key things we highlighted was how we make this extractives industry transparent," Kaggwa said. "Because when there's transparency, that means an open, fair and competitive business environment.

He said the MSG prioritised production of comprehensive reports that give investors' confidence in the sector.

"We pride ourselves for the efforts and progress made as a multistakeholder group to make sure that we have full reports that an investor can read and say, 'look, I think we can confidently invest in this kind of environment'," he said.

Among the major reforms advanced during the group's tenure was dialogue on contract disclosure, beneficial ownership transparency and revenue management. Kaggwa described beneficial ownership as a breakthrough reform, particularly in addressing concerns about anonymous company ownership.

"A company would exist. It has a name, it's registered. But there's an invisible hand behind that company that you cannot know," he explained. "With beneficial ownership you can tell that actually this company that has a license for this mineral or this extractive is actually owned by so and so." Kaggwa added that transparency in ownership structures and revenue flows has strengthened tax administration and accountability.

"Through revenue management, the industry is now transparent," he said, noting that this creates room for improved tax compliance and collection.

Kaggwa added that the team deliberately broke down technical reports into actionable steps to ensure implementation across government, civil society and industry.

He further highlighted increased public awareness, noting that EITI information is now widely accessible through reports, television and radio engagements.

Gloria Mugambe, the head of the EITI Secretariat, acknowledged that enforcement remains a key challenge due to the absence of a firm legal framework.

"We have challenges with enforcing compliance with companies because we do not have a legal basis. So, we rely on the goodwill of the companies to respond to our questions and give us the information that we require."