

PARLIAMENT OF THE REPUBLIC OF UGANDA

**REPORT OF THE COMMITTEE ON ENVIRONMENT AND NATURAL
RESOURCES ON RECONSIDERATION OF THE MINING AND MINERALS
BILL, 2021**

OFFICE OF THE CLERK TO PARLIAMENT
JULY, 2022

Rt. Hon. Speaker and Hon. Colleagues,

It is against this background that the Rt. Hon Speaker of Parliament on 19th of July, 2022, in accordance with Article 91 (3) b and 91 (4) of the Constitution of the Republic of Uganda, referred the Bill for reconsideration by the Committee on Environment and Natural Resources. The said Articles require Parliament to reconsider a Bill that has been returned to Parliament by the President with a request that the Bill or a particular provision thereof be reconsidered by Parliament.

2.0 GENERAL OBSERVATIONS ABOUT THE IMPUGNED CLAUSES OF THE MINING AND MINERALS BILL, 2021

Clause 8 of the Bill defines “Large Scale Mining” to mean “the intentional mining of minerals in mechanized operations, involving the excavations of large surface pits, sinking of shafts, driving of adits or other underground opening with limitations to the extents of the mining operations dictated by the extent of the ore body and annual ore production volumes or throughput exceeding one million tons”.

Element, Rubanda and Muko Iron Ore which are complex and capital intensive

but may not meet the annual ore production or throughput exceeding one million tonnes. He recommends that this definition should be deleted and instead a new provision numbered 59 (Threshold for Large Scale Mining) be inserted under cross heading: Large Scale Mining. That this would give the Minister powers to prescribe the threshold for Large Scale Mining under the Act for different minerals.

The Committee considered the Presidents' submission justifying the deletion and agreed that the current definition if maintained would indeed have the effect of excluding projects such as Kilembe Mines, Makutu Rare Earth Element, Rubanda and Muko Iron Ore since what may be considered as large scale mining in terms of quantity may not be not be same for another mineral in terms of quality or even in terms of capital investment.

Committee Recommendation:

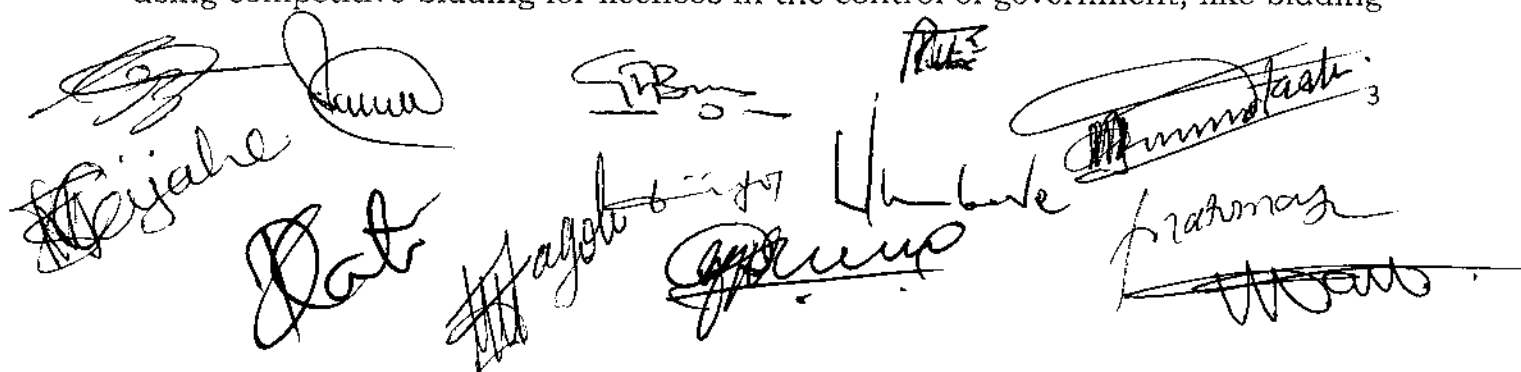
The Committee recommends that;

- 1. The definition of Large Scale Mining be deleted in clause 8.***
- 2. A new provision numbered 59 (Threshold for Large Scale Mining Licence) be inserted under cross heading: Large Scale Mining Licence.***

2.2. ANNOUNCEMENT OF AREAS FOR EXPLORATION, MEDIUM SCALE OR LARGE SCALE MINING LICENCE

Clause 31 (1) provided that "Notwithstanding section 30, the Minister may in a manner prescribed by regulations, announce areas open for bidding for exploration licences, medium scale mining licences or large scale mining licences under this Act". Clause 31 (7) provided that "For the avoidance of doubt competitive bidding shall not apply to areas under a mineral right."

H.E the President argues that this exemption would prevent government from using competitive bidding for licences in the control of government, like bidding

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The Committee considered the clause and the President's argument and agrees to the proposed amendment because it would enable Government to use competitive bidding for the licenses it controls instead of hand picking any company.

*The Committee recommends that clause 31(7) be amended as follows;
For avoidance of doubt, competitive bidding shall not apply to areas
under a mineral right except for a mineral right held by a state owned
enterprise.*

Clause 33(6) provides that “A person aggrieved by the decision of the Minister under subsection (2), may appeal against the decision to the Tribunal within thirty days of receipt of the decision”.

He therefore recommends that such an appeal should be lodged to the High Court and not the tribunal and that the clause should be substituted to read as follows; "*an appeal being made to the High Court within 30 days of receipt of the decision*".

the decision".

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D.L.

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Angelo Rios [Signature]

Tyson-Libbe

[Signature]

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Pratmay

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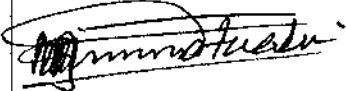

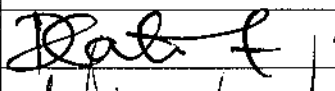
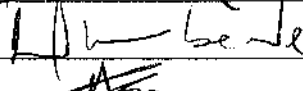

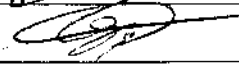
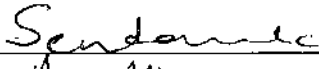
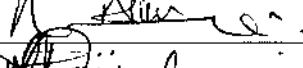
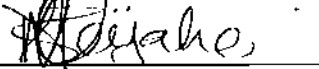
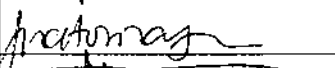
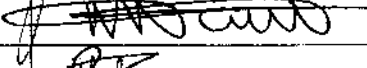

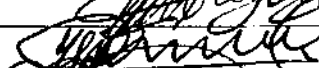
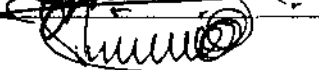
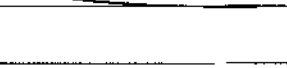
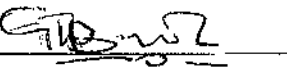
The Committee considered that clause and agrees with the President's argument recommends that clause 33 (6) be redrafted as follows; "A person aggrieved by the decision of the Minister under subsection (2) may appeal against the decision to the High Court within thirty days of receipt of the decision"

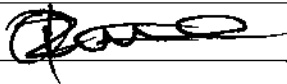
3.0 CONCLUSION:


I beg to report.

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**SIGNATURE SHEET FOR MEMBERS OF THE COMMITTEE ON
ENVIRONMENT AND NATURAL RESOURCES – ON RECONSIDERATION OF
THE MINING AND MINERALS BILL, 2022**

No.	NAME	PARTY	SIGNATURE
1.	Hon. Dr. Otiam Emmanuel Otaala (Chair)	NRM	
2.	Hon. Dr. Kugonza Emely (Deputy)	NRM	
3.	Hon. Biyika Lawrence Songa	NRM	
4.	Hon. Kateshumbwa Dicksons	NRM	
5.	Hon. Wambede Seth	NRM	
6.	Hon. Agasha Juliet Bashisha	NRM	
7.	Hon. Tumwesigye Josephat	NRM	
8.	Hon. Sendawula Christine Bukenya	NRM	
9.	Hon. Akamba Paul	NRM	
10.	Hon. Mugumya Clare	NRM	
11.	Hon. Natumanya Flora	NRM	
12.	Hon. Katalihwa Donald Byabazaire	NRM	
13.	Hon. Ruhunda Alex	NRM	
14.	Hon. John Faith Magolo	NRM	
15.	Hon. Angura Fredrick	NRM	
16.	Hon. Apollo Yeri Ofwono	NRM	
17.	Hon. Twinomujuni Francis Kazini	NRM	
18.	Hon. Otukol Sam	NRM	
19.	Hon. Alion Yorke Odria	NRM	
20.	Hon. Kaaya Christine Nakimwero	NUP	
21.	Hon. Kanyike Ronald Evans	NUP	
22.	Hon. Nalule Asha Aisha Kabanda	NUP	

23.	Hon. Tebandeke Charles	NUP	
24.	Hon. Aol Betty Acan	FDC	
25.	Hon. Nyakato Asinansi	FDC	
26.	Hon. Kayondo Fred	DP	
27.	Hon. Akena James Jimmy	UPC	
28.	Hon. Adidwa Abdu	INDEP.	
29.	Hon. Kamuntu Moses	INDEP.	
30.	Hon. Auma Linda Agnes	INDEP.	
31.	Hon. Musana Eric	INDEP.	

32 POLYCARP OGWARI INDEP. 

PROPOSED AMENDMENTS TO THE MINING AND MINERALS BILL, AS RETURNED BY THE PRESIDENT.

1. Amendment of clause 8.

Amend clause 8 by deleting the definition of the term “**large scale mining**”; and insert a new provision numbered 59 (under the cross heading “*Large Scale Mining Licences*”).

Justification: Clause 8 defines “large scale mining” to mean “the intentional mining of minerals in mechanised operations, involving the excavation of large surface pits, sinking of shafts, driving of adits or other underground openings with limitations to extents of the mining operation dictated by the extents of the ore body and annual ore production volumes or throughput exceeding one million tons”

The current definition if maintained has the effect of excluding projects such as Kilembe Mines, Makutu Rare Earth Element, Rubanda and Muko iron Ore which are complex and capital intensive but may not meet the annual ore production of throughput exceeding one million tonnes.

2. Amendment of clause 31

Substitute sub clause (7) with the following-

“For avoidance of doubt, competitive bidding shall not apply to areas under a mineral right, **except for a mineral right held by a State own enterprise.**”

Justification: The bill as passed by Parliament empowers the Minister to announce areas open for bidding for an exploration licence, medium scale licence or a large scale mining licence. It further states that “competitive bidding shall not apply to areas under a mineral right.” The exemption would prevent Government from applying competitive bidding for licences under control of Government, like Kilembe Mines. The proposed amendment will enable Government to use competitive bidding for licences under its control.

3. Amendment of clause 33.

- a. Amend sub-clause (6) by substituting the words “may appeal against the decision **to the tribunal** within thirty days of receipt of the decision” with the words “may appeal **to the High Court** within thirty days of receipt of the decision”

Justification: The establishment of a tribunal is contrary to the Government’s on-going process of rationalizing and merging of agencies; and since the High Court has unlimited jurisdiction, it’s empowered to handle such grievances.

- b. Delete sub clauses (7) and (8)

Justification: Consequential.

4. Insertion of a new provision.

- a. Insert a new provision numbered 59 (under cross heading “*large scale mining licences*”) to read as follows-

“59. Threshold for Large Scale Mining licence.

The Minister shall, by regulations, prescribe the threshold for large scale mining licence under this Act”

- b. Renumber the provisions accordingly

Justification: Consequential.