ACP-EU Development Minerals Programme
Implemented in partnership with UNDP

THE REPUBLIC OF UGANDA

Assessment and Strategy for the Development Minerals Sector in Uganda

FORMALIZATION AND BUSINESS DEVELOPMENT ACCELERATION FOR ARTISANAL AND SMALL-SCALE MINING ENTERPRISES

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About the ACP-EU Development Minerals Programme: The ACP-EU Development Minerals Programme is an initiative of the Organization of African, Caribbean Pacific Group of States (OACPs), coordinated by the OACP Secretariat, financed by the European Commission and United Nations Development Programme (UNDP) and implemented by UNDP. This €11.1 million capacity building program aims to build the profile and improve the management of Development Minerals in Africa, the Caribbean and the Pacific. The sector includes the mining of industrial minerals, construction materials, dimension stones and semi-precious stones.

Cover Photo: A worker uses a chisel and hammer to shape pieces of white marble at the Stone Kraft factory in Wakiso district. Joshua Sabiiti, the owner, says they source 10 different types of stone from artisanal miners from all over Uganda; and that the ACP-EU Development Minerals Programme has helped him develop the business, and he plans to expand it even further.

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Foreword

Traditionally, the development community has viewed high-value metals and energy minerals as a pathway to economic growth for developing countries, trading materials such as iron ore, gold and copper internationally to generate significant financial revenue. However, real and impactful development benefits of these minerals have too often remained elusive, with local and regional economies and communities rarely benefiting.

The scale of the Development Minerals sector, which produces raw materials such as marble, silica sand and limestone for local application, is enormous. Eight of the top ten produced mineral resources globally are development minerals, constituting 84% of global mineral production. Uganda's Development Minerals sector plays an important role in creating jobs and livelihoods opportunities for local communities, with around 390,000 people employed directly within the sector as of 2018. The sector also supports around 2.5 million Ugandans through indirect human development outcomes such as education, health and wellbeing outcomes stemming from enhanced livelihoods. Still, despite having a significant impact on employment and poverty reduction when compared with commonly mined high-value metals and energy minerals, the Development Minerals sector remains largely outside the realm of policymaking.

Recognizing the significance of the Development Minerals sector to Uganda's socio-economic development, Phase 1 of the ACP-EU Development Minerals Programme was implemented between 2015-2019 and successfully brought development minerals to the forefront of Uganda's development agenda. Phase 2 of the programme has since been rolled out, providing capacity development support to Artisanal and Small-Scale Mining Enterprises (ASMEs), public institutions, and stakeholders operating along the development minerals value chain.

The programme is addressing five key objectives: i) supporting formalization of ASMEs along the development minerals value chain; ii) enhancing business development of ASMEs through business literacy, market information, access to finance, technology and markets; iii) strengthening social and environmental safeguards in and around mining operations; iv) supporting women-led ASMEs through training and skilling; and v) facilitating regional and international knowledge exchange and strengthening capacity of the African Minerals Development Centre.

Despite many enabling factors supporting the start-up and scaling of businesses in the Development Minerals sector, the true impact of the sector on community jobs and livelihoods often remains unrealized. There is an urgent need to support ASMEs across the development minerals value chain through business formalization, ensuring business growth is accompanied by responsible mining practices and considers long-term social and environmental sustainability.

The ACP-EU Development Minerals Programme is supporting ASMEs to formalize business activities in Uganda through on-site training, provision of small grants, and facilitation of extension services to ASMEs by Local Government officials, therefore encouraging business formalization, independence and innovation through integrated capacity development.

It is my sincere hope that this Formalization and Business Development Acceleration Strategy, prepared in a participatory manner involving key stakeholders within the Development Minerals sector, will allow ASMEs to take a structured approach toward transforming their operations and unlocking their potential to transform livelihoods for their own communities and for the people of Uganda.

Elsie G. Attafuah
Resident Representative
UNDP UGANDA

Preface

The Ministry of Energy and Mineral Development which is mandated, "To establish, promote the development, strategically manage and safeguard the rational and sustainable exploitation and utilization of energy and mineral resources for social and economic development" has supported the development of an innovative tool tagged "The Formalization and Business Development Acceleration Strategy for Development Minerals in Uganda" in collaboration with UNDP one of its strong Development Partner, with support from the ACP-EU Development Minerals Programme.

As a way to recognize the huge contribution of ASMs in the mineral sector and the country's socio-economic development, Government is committed to support and promote the organization and legalization of ASM operation country wide and this, forms the basis of the development of this innovative tool.

The Formalization and Business Development Acceleration Strategy aims at galvanizing stakeholder action to transform the lives of ASMs engaged in the extraction, processing and sale of Development Minerals through integrating their informal income generating activities into the formal sector while enhancing the productivity, profitability and sustainability of ASM Development Minerals Sector.

In conclusion, we call upon all the stakeholders and Development Partners to actively join the Ministry to successfully implement all the activities suggested in this document in order to fully realize a well organized and sustainable ASM sector.

Hon. Dr. Ruth Nankabirwa Ssentamu
Minister of Energy and Mineral Development (MEMD), Uganda

Acknowledgements

This study was designed by the UNDP-implemented ACP-EU Development Minerals Programme and performed by the Africa Centre for Energy and Mineral Policy (ACEMP) under the coordination of Ms. Hope Kyarisiima, the Programme's Country Coordinator for Uganda. Our special thanks are due to Lacina Pakoun, UNDP Technical Specialist for the ACP-EU Development Minerals Programme, for his invaluable guidance in structuring and finalizing this report; as well as the UNDP Uganda Programme and Management Team for their input and management of this exercise.

Special thanks also go to the various Government Ministries, Departments (especially the Directorate of Geological Survey and Mines (DGSM) and other Agencies, as well as to the NGOs that willingly provided information. More appreciation also goes to the different ASM groups, operators of Small, Medium and Large Scale Development Minerals Industries; the District Natural Resource Officers and other Local Government Officials who volunteered their time to participate in the data collection and give the research team access to different Development Minerals mining sites under their jurisdictions.

Finally, thanks to the 34 individuals from within and outside Uganda who participated in the online validation of the draft report and offered valuable input.

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Acronyms and Abbreviations

ACEMP	Africa Centre for Energy and Mineral Policy
OACPs	Organization of the African, Caribbean and Pacific Group of States
ASM	Artisanal Mining
ASME	Artisanal and Small-scale Mining Enterprise
AU	African Union
BDS	Business Development Services
BRAC	Bangladesh Rural Advancement Committee
BRASM	Biometric Registration of Artisanal and Small-scale Miners
CBD	Central Business District
CICCO	Chongqing International Construction Corporation
CSO	Civil Society Organisations
DCDO	District Community Development Officer
DGSM	Directorate of Geological Survey and Mines
DLGS	District Local Governments
DNRO	District Natural Resource Officer
EAC	East African Community
EU	European Union
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GNI	Gross National Income
GUC	Grant Under Contract
IEC	Information Education and Communication Materials
IIED	International Institute for Environment and Development
LSM	Large Scale Mining
MEMD	Ministry of Energy and Mineral Development
MoH	Ministry of Health
MSAG	Multi – Stakeholder Advisory Group
MSM	Medium Scale Mining
MTIC	Ministry of Trade Industries and Co-operatives
MUBS	Makerere University Business School
MW	Mega Watts
MWE	Ministry of Water and Environment
NDP III	National Development Plan Three
NEMA	National Environmental Management Authority
NGO	Non-Government Organisation
NMMPU	National Mining and Minerals Policy Uganda
OECD	Organisation for Economic Co-operation and Development
OSH	Occupational Safety and Health
OWC	Operation Wealth Creation
PPE	Personal Protective Equipment
PSFU	Private Sector Foundation Uganda
SDG	Sustainable Development Goals
SHE	Safety, Health and Environment
TREP	Tax Registration Expansion Programme
UGAASM	Uganda Association of Artisanal and Small-scale Miners
UHRC	Uganda Human Rights Commission
UIRI	Uganda Industrial Research Institute
UMA	Uganda Management Authority
UNDP	United Nations Development Programme
UNRA	Uganda National Roads Authority
URA	Uganda Revenue Authority
URSB	Uganda Registration Services Bureau
USSIA	Uganda Small-scale Industries Association
UWEAL	Uganda Women Entrepreneurs Association
VAT	Value Added Tax

Executive Summary

1. Background and Definition

'Development Minerals' constitute the oldest historically-mined commodities in Uganda. Their extraction and exploitation can be traced as far back as the 13th century in Bunyoro Kitara Kingdom, amongst the Banyabindi people who were famous for pottery. At present, and throughout this report, 'Development Minerals' is used as an umbrella term in reference to building and construction materials, industrial minerals, dimension stones and semi-precious stones which are found in every part of Uganda and widely used as raw materials for a variety of local applications. They include minerals such as clay, sand, murrum and aggregates which can be found almost everywhere in Uganda, are easy and cheap to extract with just a spade, shovel, hoe or pickaxe.

The cheap cost of extraction of the Development Minerals has been a major motivator for many ordinary Ugandans to engage in the business of Development Minerals, but it has also contributed to many of them remaining artisanal (or simply, Artisanal Small-Scale Mining (ASM). Hence, only a few individuals who can afford to make substantial investments in the industry have been able to reap good profit while hundreds of thousands of people continue to operate marginally at the ASM level.

2. Case for Formalisation and Business Acceleration

The demand for Development Minerals in Uganda has continues to increase largely due to rapid urbanization but also, due to demands occasioned by infrastructure development and industrialization. However, the ASMs are unable to tap into such opportunities because they are disorganised and lack the basic requirements with which to enter meaningful partnerships with other formal entities such as the financial institutions and equipment suppliers who can in turn, boost their operations. In particular, they neither have the formal documentation nor the business exposure that can enable them participate in local tendering processes and thus, benefit from the huge infrastructure investments being made by the Government of Uganda.

3. Lessons From Global Mining Challenge

The most critical challenge for many mining countries over time has always been that of the inability to find the right formula with which to manage and grow the largely informal ASMs, alongside the formal, medium and large scale mining companies. In Uganda, the drive to formalise ASMs is in its early stages, starting with a review of the country's mining laws in order to recognise and formalise ASMs.

At the continental level, the Africa Mining Vision (AMV) is the recognised joint initiative that was put in place and widely accepted by the African Union (AU) Heads of State in 2009 as the roadmap with which to harness the potential of African States to sustainably exploit their mineral resources. However, since then, AU member states have registered little progress in the process of domesticating the AMV and developing their own Country Mining Visions aligned to the AMV.

4. Mineral Development Priorities Under the Policy Context in Uganda

At the national level in Uganda, the National Development Plan III (2020/21-2024/25) prioritises five minerals for development across the value chain. These are iron ore, gold, copper, phosphates and Development Minerals; specifically marble, silica sand, aggregate and limestone. The NDP III recognises that about 80 percent of the sub-sector is dominated by artisanal miners and that their informality limits government support and participation in the sector.

Uganda's Vision 2040 in turn, goes even further. This major national policy blueprint describes

the kind of support government can give to ASMs. These include the implementation of local content in public procurement in order to promote local benefits through value addition on the minerals. The other is the linking of ASMs to procurement processes of major upcoming projects such as highways connecting Kampala to neighbouring cities; Ayago hydro-power generation plant and regional markets like South Sudan, Democratic Republic of Congo and Rwanda.

5. Formalisation and Business Acceleration

The first part of this report comprises the 'Formalisation Strategy', and outlines the first three stages of the Development Minerals Formalisation Pathway, identified as, Elementary, Organisation and Registration. In sum, the Formalisation Strategy gives guidance on how Development Minerals ASMs can organise themselves, formalise their operations and gradually transform themselves into profitable and sustainable ASM Enterprises (ASMEs) that can meaningfully engage with Government, the Private Sector and other entities so as to develop the sub-sector. For the formalisation to happen successfully, the ASMs have to go through all the above-mentioned three stages before finally ending up with the fourth and final stage of Legalisation.

The second part of the report identifies challenges faced by ASMEs along the six stages of the Development Minerals value chain. The six stages in reference include, Reserves and Resource Estimation, Extraction, Processing, Transport, Marketing and Distribution. On the other hand, seven challenges were identified, namely: poor business practices; inadequate affordable financing; limited access, acquisition and use of equipment; inadequate access to geological information; lack of quality standards; limited opportunity for ASMEs to partner with Medium and Large Scale Mining companies, and; the absence of a unified advocacy front to advance ASM issues.

In seeking to address the perennial challenges, the Formalisation Strategy has been designed to pursue five Strategic Actions and further proposed an accompanying set of activities aimed at managing the challenges and thereby, leading to formalisation of ASMs and subsequently, transforming them into successful, formal and sustainable ASMEs.

The Business Acceleration component proposes twelve Strategic Actions with an accompanying set of activities aimed at managing the challenges and ensuring that the Development Minerals ASMEs successfully develop their businesses and remain sustainable. Legalisation is a critical part of the Business Development Acceleration Strategy and also covered in the second part of the report.

6. A Note on the Study Approach and Implementation Roadmap

For this report to be compiled, in-depth data collection was undertaken out of which six major challenges to formalisation was established. These were identified to include, the absence of a legal and regulatory framework for the management of ASM operations; the lack of a coherent ASM Formalisation Strategy; informal and disorganised ASM operations that discourage private sector involvement; misinformation and lack of awareness about the benefits of formalisation; perceived high costs of formalisation; and conflicts over land and concessions with formal mining companies. The report is accompanied by a detailed five-year road map outlining critical implementation activities that should ensure formalisation and the business acceleration. A detailed Monitoring and Evaluation (M&E) Plan is also included to provide the basis for monitoring progress and performance.

01 INTRODUCING UGANDA'S DEVELOPMENT MINERALS SECTOR

1.1 Defining and Understanding 'Development Minerals'

'Development Minerals' is an umbrella term that refers to minerals and materials that are mined, processed, manufactured and used domestically in industries such as construction, manufacturing, and agriculture, (Franks, Pakoun, and Ngonze, 2016). Development Minerals have a high degree of economic linkage and utilisation close to the location where the commodity is mined. The Development Minerals sector includes industrial minerals, construction materials, dimension stones and semi-precious stones.

Uganda boasts a diversity of Development Minerals that include construction materials such as clay, sand, limestone, marble, kaolin and stone aggregate and dimension stone. (UNDP, 2018, P.35). An estimated 83% of all Development Minerals (by value) in Uganda are mined by Artisanal and Small-scale Miners (ASMs), translating to an estimated $350 million in 2015. Artisanal and Small-scale Mining (ASM) production is approximately 5.3 times the value of the estimated medium and large-scale production of Development Minerals which are a major source of rural and peri-urban employment. Production of clay bricks, sand, stone aggregate, dimension stone, kaolin, salt and pozzolana is estimated to directly employ approximately 390,000 Ugandans, with women constituting 44% of the workforce.

Despite the high value of ASM production, the sector remains highly informal with the majority of the workforce earning very little from their mining activities. Individual incomes average about $300 per annum or less than half of the gross national income (GNI) per person. This is largely attributed to three factors: sharp declines in production and employment during the rainy season; production inefficiencies resulting in low quality, low - priced products; and the informal nature of ASM that puts off financial institutions, resulting in almost half of production value (estimated at 48% on average) accruing to site and pit owners, supervisors, landowners and other economic actors.

1.2 The Challenge of Informality and Illegality in the Mining Sector

In Uganda, just like many countries in the developing world, there is a thin line between illegal and informal mining. In fact, according to some scholars, the definitions of formal, informal and illegal mining not only vary across countries and contexts but are often not clear-cut. Yet, there are important distinctions that need to be understood in order to develop effective policies and laws for the ASM sector (Singo and Seguin, 2018, p.6).

Unlike in the mining of precious metals and minerals, informality is more prominent than illegality in the artisanal mining of Development Minerals in Uganda. The perception between the two may be rather clear at the Central Government level but tends to become blurred at the Local Government level where informal ASM activities are considered legitimate operations. Nevertheless, informality denies the ASM actors opportunities to grow their mining operations and ultimately enhance their incomes, livelihoods and operational safety, in the same way it deprives Local Governments the much-needed local revenues

needed to supplement Central Government budgetary allocations.

Singo and Seguin (2018) explain that the formalisation of ASM Development Minerals provides an opportunity to capture revenues from the sector and redistribute them to other crucial social services. The lack of a formalised sector also makes it difficult for Government to effect policies, strategies and regulations that could minimise negative environmental and health impacts common in ASM.

1.3 Baseline Assessment of Uganda's Development Minerals

In 2018, the ACP-EU Development Minerals Programme in Uganda undertook a comprehensive ***"Baseline Assessment and Value Chain Analysis of Development Minerals in Uganda"*** with a special focus on ASM operations and related Micro and Small Enterprises (MSEs). The study, inter alia, sought to support evidence-based decision-making and enhanced performance of Development Minerals value chains as a means to increase the sector's contributions to inclusive development, sustainable wealth creation and fulfilment of Uganda's Development Goals.

That Baseline Study concluded that an estimated 98% of ASM production and 56% of the MSM production of Development Minerals takes place outside the current legal framework. It further noted that for Uganda to fully capitalise on the tremendous economic potential of Development Minerals, policy, legal and institutional actions needed to be undertaken to integrate this neglected sector into the mainstream economy through formalisation of ASM which can then guarantee Government support to improve performance, increase productivity and incomes and tackle critical issues therein

1.4 Making the Case for a Formalisation Strategy

This report presents a Development Minerals ASM Formalisation Strategy as well as a Business Development Acceleration Strategy for Development Minerals ASMEs in Uganda. It derives from the assignment whose objectives were the following:

i. i. To identify, analyse and propose the most context-appropriate approach to ASM-Development Minerals formalisation in Uganda;

ii. ii. To identify strategies that are most appropriate to facilitate Business Development Acceleration for Development Minerals ASMEs in Uganda through enhancing business development (entrepreneurial skills, access to finance, technology, markets, and market information), and;

iii. iii. To provide a detailed roadmap of action by stakeholders (Private Sector, Government Actors, Development Partners, CSOs, Academia-among others), so as assure implementation of suggested actions in the strategy.

02 DEVELOPING THE STRATEGY: METHODOLOGY AND APPROACH

2.1 A Mixed Method Approach

The Consultant employed several participatory standard approaches and tools designed to ensure that the process for the development of a Formalisation and Business Development Acceleration Strategy for the Development Minerals Sector in Uganda is highly participatory and representative. These included an extensive and in-depth review of literature on the subject, and consultations through focus groups (of limited numbers of participants while observing Covid-19 SOPs), participatory inquiry and oral testimonies from respondents. A total of 198 respondents participated in the inquiry and interview processes.

2.1.1 Literature Review

A comprehensive literature review of relevant published and grey literature, policies, practices, reports and documented experiences was undertaken. Central to this literature was the Baseline Assessment and Value Chain Analysis of Development Minerals in Uganda, the Africa Mining Vision as well as the Uganda National Development Plan III, Vision 2040, The Mining and Minerals Policy, 2018, the Mining and Minerals Bill, 2020 and other national planning documents as well as regulatory, operational and evaluation reports on formalisation of ASMs. The Consultant benchmarked different formalisation initiatives at the international level, in major artisanal and small-scale mining jurisdictions such as Peru and Mongolia that have successfully implemented formalisation strategies for ASMEs and studied how these were developed, while identifying gaps and picking useful lessons.

The Consultant then narrowed it down to Africa, and closely examined countries such as Zambia, Zimbabwe and Mozambique that have implemented ASM formalisation strategies with relative success. At the East Africa Community level, the Consultant studied the ASM formalisation models in Rwanda and Tanzania.

The Consultant relied extensively on the Baseline Assessment of the Development Minerals in Uganda Reports to understand any bottlenecks to formalisation that may have been identified in the reports in order to address them in the Strategy

2.1.2 Scope

The Consultant was cognisant of the four key Development Minerals as identified by the Baseline Assessment of Development Minerals in Uganda i.e., clay, sand, stone and dimension stones and hence ensured that those four minerals are included in the sample of the districts that were visited.

For purposes of this assignment, Uganda's Development Minerals were sub-divided under five broad regions i.e., Karamoja, Eastern, Western, Northern and Central. Field consultations were done in each of the five regions, ensuring that all the key minerals were included as well. In each region, selection of the target district was done purposively, guided by the scale of Development Minerals ASM activity of a given mineral in the district as well as the level of innovation and small-scale industries there. Below are the districts that were visited by the data collection teams:

a) Karamoja: Moroto District

b) Eastern Region: Jinja, Soroti, Bukedea Districts

c) Central Region: Kampala, Wakiso, Mukono, Mpigi Districts

d) Western Region: Mbarara, Rubirizi, Bushenyi, Kasese Districts

e) Northern Region: Gulu and Lira Districts

2.1.3 Stakeholder Consultations

In all, 14 districts1 were visited during data collection in addition to the different national stakeholders in the Uganda Government (Ministries and Agencies), the Private Sector, Civil Society, Development Agencies, International Organisations and others that were interviewed in Kampala.

In-person and telephone interviews were conducted in each of the target districts with ASM leaders and Local Government Officials, specifically the District Natural Resources Officers and Finance/ Production Officers. A total of 198 (126 female and 72 male) stakeholders participated.

2.1.4 Mitigating Against the Spread of Covid-19 During the Assignment

While underlying stakeholder consultations was the need to identify the impact of COVID-19 on the Development Minerals sub-sector in Uganda and devising appropriate strategies to mitigate that impact, the data collection teams took special care in mitigating the possible spread of Covid-19 in the course of the assignment.

The Consultant ensured that the data collection teams complied with existing Government anti-Covid-19 Standard Operating Procedures (SOPs) that were also adhered to while interviewing respondents.

Further, the Consultant minimised contact with respondents, contacting some of them by phone to obtain information. However, for the field travels, the data collection teams travelled with sanitisers, maintained social distance, wore face masks and observed all the other Government SOPs. The focus group discussions were held outdoors and limited to only six people at a time. All in all, the assignment was concluded successfully without any Covid-19 related incident.

2.2 Assignment Limitations

The assignment was conducted amidst the ongoing restrictions occasioned by the Covid-19 pandemic restrictions. This presented some challenges during data collection with many interviews not conducted in person and physical engagements with stakeholders limited. This was however somewhat resolved through virtual and phone meetings in order to collect the data. Furthermore, at the mine sites, it was established that many ASMs do not keep records of their production and sales which presented a challenge in verifying their estimates. The data collection teams were however able to corroborate the information gathered with different members of the same mine site, as well as some of the transporters.

[1] Kampala, Entebbe, Moroto, Jinja, Soroti, Bukedea, Wakiso, Mukono, Mpigi, Rubirizi, Bushenyi, Kasese, Gulu, Lira

03 REVIEW OF RELEVANT LITERATURE AND THE POLICY LANDSCAPE

3.1 Defining Artisanal and Small-scale Mining

Generally, ASM can be defined as "formal or informal mining operations with predominantly simplified forms of exploration, extraction, processing, and transportation."[2] A more localised definition of ASM can, however, be extended to cover a wide range of activities with sometimes quite different characteristics[3] which can include:

(i) Very manual and labour-intensive, using simple tools like shovels, hoes, pick-axes, buckets and basins to carry out mining without conducting any exploration.

(ii) Small in scale, employing small groups of women and men working at small mine sites.

(iii) Large in scale, involving up to thousands of unlicensed, disorganised or loosely organised people across a relatively small area.

(iv) Somewhat mechanised or using light machinery and equipment like generators and crushers.

(v) Organised in the form of a company or association that is legally allowed (licensed) to operate and owns either a location license or an exploration license. In some rare cases, such an entity has conducted some basic exploration.

3.2 Five Categories and Descriptions of Development Minerals in Uganda and Their Value

Development Minerals have been traditionally mined across Uganda as building and construction materials and more recently as industrial minerals in factories. They can be categorised as:

(i) Construction materials (sometimes called 'industrial rocks'): e.g., gravel, limestone (cement), construction sand, aggregate, scoria, glass, ceramics, bricks.

(ii) Dimension stones: Rock quarried for the purpose of obtaining blocks or slabs that meet specifications as to size (width, length and thickness) and shape. These include granite, marble, slate, sandstone, etc.

(iii) Industrial minerals: Substance of economic value, exclusive of metal ores, mineral fuels and gemstones. These include barite, bentonite, borates, calcium carbonate, clays, diatomite, feldspar, granite, gypsum, industrial sand, kaolin, silica, soda ash, talc, wollastonite, zeolite, salt, vermiculite, etc.

(iv) Semi-precious stones: A mineral crystal or rock that is generally cut and polished to make jewellery, but that does not include precious stones. Includes garnet, aqua-marine, opal, pearl, tourmaline, emerald, ruby, etc.

In total, 84% of the value of all Development Minerals production in Uganda is attributed to ASM, with an estimated value of $350 million in 2015. Production of clay bricks, sand, stone aggregate, dimension stone, kaolin, salt and pozzolana is estimated to directly employ approximately 390,000 Ugandans, with women constituting 44% of the workforce (UNDP, 2018, P.67).[4]

A description of the major Development Minerals in Uganda is provided in Table 1 below:

[2] OECD, 2013
[3] National Strategy for the Advancement of ASM in Uganda, 2009
[4] UNDP. Baseline Assessment and Value Chain Analysis of Development Minerals in Uganda, 2018

Table 1: Major Development Minerals in Uganda

Commodity	Description
Clays	Most Ugandan clays are of sedimentary origin and well-suited to moulding and production of ceramics such as bricks, pots, drainage pipes and floor and wall tiles. Many clays assessed in Central Uganda are "fire clays" suitable for production of refractory (high temperature resistant) bricks. ASM extraction of ball clays takes place in and adjacent to streams, rivers and wetlands, particularly in close proximity to urban centres.
Sand	Sand occurs similarly and often adjacent to clay deposits in and on the margins of wetlands throughout the country as well as on lake shores, with extraction most intensive along Lake Victoria south and east of Kampala.
Stone aggregate	Stone aggregate is stone that is crushed within specified size ranges in order to meet the requirements of the construction sector, mainly for use with cement and sand in the production of concrete. ASM extraction favours slightly softer, weathered rock, whereas large-scale extraction, which uses more sophisticated technology, favours harder rock such as granitoids. ASM extraction of rock for use in stone aggregates in Uganda is primarily of quartzite, slate quartzite, sandstone, phyllite, pozzolanic ash and to a lesser extent granodiorite, granite and gneiss.
Dimension stones	Dimension stones refer to slabs or blocks produced from natural stones that meet basic dimension requirements (length, width, thickness, shape) and suitable for use as rough or cut tiles, countertops, tabletops and similar applications. In the case of ASM, the majority of dimension stones in Uganda are produced at stone aggregate sites, with only a tiny fraction of sites dedicated solely to dimension stones. Only a small percentage of ASM produced dimension stones are cut into tiles – most are sold 'rough'.
Limestone and Marble	Limestone, a hard calcium carbonate sedimentary rock, and marble, its metamorphic equivalent, are key constituents in the production of cement. ASM production of limestone is limited to specific sites in Western Uganda (Muhokya in Kasese District) and Eastern Uganda (Tororo), mainly for the production of lime, and as marble and limestone, in Northern Uganda (Moroto District) mainly under concessions held by large, formal companies.
Kaolin	Kaolinite is a clay mineral found throughout the country, most notably at Mutaka, Kibalya and Koki in Bushenyi, Sheema and Rakai Districts (Southwest Uganda), Moni in Mbale District (Eastern Uganda), Buwambo and Migadi Hill in Luwero District (Central Uganda). There are also pockets of small, sporadically exploited kaolin throughout Kabale District in the southwest. These deposits differ substantially, producing kaolin suitable for a wide range of uses such as in paint, ceramics and pharmaceuticals.
Pozzolanic Ash	A type of volcanic ash, pozzolanic ash (pozzolana) produces a strong, chemical resistant cement and reduces requirements for costlier limestone. Exploited deposits are found on the western and to a much lesser degree, eastern flanks of the Great Rift Valley in Kabarole and Rubirizi Districts, respectively, as well as in Kapchorwa on the slopes of Mount Elgon in Eastern Uganda.
Bentonite	Another type of clay mineral used for medicinal purposes, drilling, foundry and cosmetics, among others, is being extracted at a small scale in Rukungiri District in Southwest Uganda from two deposits, Burama and Ntungwa.
Gypsum	Gypsum is a relatively soft sedimentary rock that is in huge demand, mainly as it comprises about 5% of cement. The only known deposit occurs at Kibuku in Western Uganda (Bundibugyo District), where 300-400 tonnes per annum (tpa) were previously produced by artisanal miners and sold to Hima Cement Ltd.
Salt	Salt deposits are located in Western Uganda at Lake Katwe and Lake Kasenyi in degazetted areas within Queen Elizabeth National Park in Kasese District, and at Kibiro in Hoima District. All current production is at an ASM level.
Semi-precious gemstones	Semi-precious gemstones (e.g., opals, labradorite) have been reported to occur in the Karamoja Sub-region. Although geologic conditions are conducive to such occurrences, it is difficult to confirm whether their origin is Ugandan rather than Kenyan.
Agro-minerals	Agro-minerals are rocks with potential to provide essential nutrients or favourably amend chemical or physical conditions of soil. Deposits occur in Eastern Uganda (phosphates at Sukulu and Bukusu and vermiculite at Namekhara) while potassium enriched volcanic rocks occur throughout Western Uganda (Kabale, Kabarole Districts) and under-explored occurrences of diatomite and zeolites are found in the north.

Source: ***Market Study and Value Chain Analysis of Selected Development Minerals in Uganda (2018)***

3.3 Lessons From Global Formalisation Efforts

Globally, the estimated number of people directly engaged in ASM as at 2017 was 40.5 million up from 30 million in 2014[5] (Fritz et al., 2018). More than ever, the sector is attracting numbers because of the increasing prices of mineral commodities and the ability to earn a daily income. This is unlike farming where the benefits are mostly after a season's harvest for majority of the farmers. However, the informal and unregulated nature of the activities of ASM have had negative impacts on the environment and thus, causing degradation and pollution among other impacts.

In many countries, ASM remains predominantly informal. Despite their economic contributions, miners are still considered illegal and are occasionally in running battles with law enforcers. However, this trend is slowly turning the corner with efforts geared towards formalising the sector and integrating it into the main stream economy. To harness the economic contribution of ASM, governments globally are increasingly pro-formalisation. For some scholars, formalisation of ASM is part of an effort aimed at gaining better control of the adverse social and environmental impacts of mining (Hilson and McQuilken, 2014).

Many Governments tend to put in place unrealistic measures such as legalisation timelines with inadequate sensitisation which can result in ASMs resisting the formalisation processes. In Lira District, Northern Uganda, efforts by the Local Government to collect revenue from ASMs were met with resistance because there was no prior sensitisation. Such efforts need to be backed by community acceptance and aligned to community needs and benefits.

3.3.1 The Columbian Approach

In countries where ASM is predominant in the mining sector, useful lessons can be learnt from the two-phased Colombian approach to formalisation. In Colombia, the 2001 Mining Code did not clearly differentiate between LSM and ASM. It prioritised FDI through tax incentives and online applications with no recognition of the varying scales of mining operations. This automatically placed LSM at an advantage over ASMs who did not meet the legal requirements (Singo and Seguin, 2018)[6]. The policy also provided for special ASM reserves known as "special reserve areas for mining," alongside operational contracts for ASM to work under LSM[7] concessions. These efforts did not progress towards formalisation because the areas reserved for artisanal miners were already licensed to LSM. The key lesson here is that formalisation efforts therefore need to be backed by extensive research as well as broad stakeholder involvement for realistic and achievable interventions.

In 2014, the Colombian Government adopted a National Formalisation Policy as a different approach to ASM formalisation. (Singo and Seguin, 2018). This entailed establishment of progressive levels of formalisation to enable ASMs comply with technical, environmental, economic and social requirements in a phased process. The phased approach allows for lessons to be implemented and revision of strategies during implementation.

The Colombian National Formalisation Policy enabled ASMs to work under a legal title and committed to providing occupational training and education. The Government of Colombia also restructured the Ministry of Mines and Energy to create a Directorate of Mining Formalisation which was accorded priority similar to that of the industrial mining sector.

3.3.2 The Case of Mongolia

In Mongolia, as is the case in many countries, ASM is dominated by the rural poor, traders and students among others. Statistical data showed that 61,000 people in 18 of the 21 provinces were ASMs. This undoubtedly had positive and negative impacts. The large-scale environmental destruction and the pollution of pastureland and water sources led to a heavy-handed Government crackdown. Similar to Colombia, the crackdown was unsuccessful because the emergence of ASM in Mongolia was related to the prevailing social – economic conditions.[8] The situation could therefore only be salvaged through policy reforms. After 10 unsuccessful years of marginalisation, criminalisation and gross human rights violations, the government legalised the

[5]The International Institute for Sustainable Development 2018

[6] IMPACT Transforming Natural Resource Management, May 2018

[7] IIED, September 2014

[8]IMPACT Transforming Natural Resource Management, May 2018

sector and developed a formalisation framework as a means to reduce poverty and increase employment opportunities while addressing the its negative impacts (Singo and Seguin 2018).

The New Approach to formalisation involved policy and regulatory reforms to recognise ASM as a legal and alternative form of employment. In 2014, the first ever State Minerals Policy was approved.

Mongolia's five key ingredients for the ASM transformation:

- Good Governance, Legalisation, and Political Will
- Human Rights Based Approach (HRBA) and Investment in People
- Knowledge Sharing
- Engage in supply chain and economic resilience aspects as early as possible.
- Donor Commitment and Local Ownership

Source: Levin Sources

The policy enabled the organisation of a once chaotic ASM sector through creation of partnerships and Co-operatives. These partnerships saw the shift of ASM from a rudimentary to a mechanised sector which undoubtedly increased production and solved an inherent problem of lack of access to finance.

3.3.4 The Africa Mining Vision

The Africa Mining Vision (AMV) represents the main initiative of transforming Africa's mineral resources for economic growth and structural transformation of mining economies. Adopted by the AU Heads of State in 2009, the AMV, seeks to harness the potential of ASM in order to spur local entrepreneurship and enhance socio-economic development. However, historically, little attention has been given to the Development Minerals Sector as an engine of grass root economic development. The AMV therefore aims to foster the establishment of resilient ASM communities through formalising their activities and supporting them with skills, knowledge and technology to enhance their mining operations. It addresses six major areas of intervention, two of which have a direct bearing on ASM, i.e., improving the quality of geological data; and elevating artisanal and small-scale mining by acknowledging its developmental role thereby harnessing this potential through formalisation and integration into local and regional economic development.

Nevertheless, while the AMV was adopted at the continental level, there has been unsatisfactory progress by member States to domesticate the Vision through their own Country Mining Visions. In Uganda, the push to domesticate the AMV through a Country Mining Vision has remained a Civil Society-led affair probably because the Government has chosen to incorporate ASM issues in other national planning documents and policies.

3.4 Historical Legal, Policy and Institutional Bottlenecks

An estimated 98% of ASM production of Development Minerals takes place outside of the current mining sector legal framework (Hinton et al., 2018). Until 2018, the mining sector had been governed by the 2001 Mineral Policy of Uganda which was obsolete and not strategically positioned to address new and emerging issues in the mining sector. Key among those issues was a growing acceptance by political actors, the private sector and development partners that Development Minerals be gazetted as minerals and regulated as such. These views were galvanised by reports (Hinton et al., 2018) that Development Minerals had the potential to contribute as much as 5% to Uganda's GDP.

While the legal framework has been hailed for recognising the social-economic benefits of the ASM sector, specific challenges have been singled out. For instance, while the 1995 Constitution of Uganda did not define building materials as minerals and therefore constitutionally excluded them from the jurisdiction of mining authorities, Ugandan legislation does not distinguish between 'artisanal' and 'small-scale' mining. Indeed, Uganda's Mining Act 2003 does not recognise ASM which creates a perception that ASMs, the largest contributor to production of Development Minerals in the country, are operating illegally. It should be noted that the interpretation section of the Mining Act, 2003 recognises construction materials though it falls short of providing for their regulation. This can be largely attributed to the constitutional exclusion and failure to recognise Development Minerals as minerals in Uganda's Constitution.

3.4.1 Moving Towards Reforming the Mining Sector in Uganda

To address these challenges, the Government of Uganda has embarked on reforming the legal and

institutional framework and already has a National Mining and Minerals Policy of Uganda (NMMPU), 2018 in place as well as a Draft Mining and Minerals Bill (2020) to address current gaps. The latter has already been presented to Cabinet for comment before being sent to Parliament for discussion. This reform process is part of the effort driven by the desire to formalise the ASM sector. This desire is also driven by the realisation that while ASM is an important source of employment and other socioeconomic contributions, it is commonly associated with high social and environmental costs.

In particular, the Draft Mining and Minerals Bill (2020) proposes strong actions to enhance the recognition, formalisation and responsible extraction of Development Minerals. It introduces three mineral rights for the exploitation of building substances, namely; large scale mineral rights, small-scale mineral rights and working permits for artisanal miners. Below is a summary of key observations from the Draft Bill as well as there likely impacts on the Development Minerals ASM.

Table 2 : Impact of the Draft Mining and Minerals Bill (2020) on the Development Minerals ASMs

Clause	What the Bill says	Implications
101	It ring-fences the exploitation of building substances and or development minerals to only **adult Ugandan citizens.** Save for ASM activities, all rights of prospecting, exploration and exploitation of building substances of any nature shall only be granted to incorporated companies owned by Ugandans with 100% equity.	This is a welcome development because it recognises the capacity of Ugandans to develop the sector. The draw-back though is that it locks out Foreign Direct Investment (FDI), technology and international expertise which are necessary when dealing with bulky supply of materials such as aggregates and burrow pit resources to highly technical sectors such as the petroleum sector. There should be room for joint ventures in exceptional circumstances and more so with the large-scale commercial exploitation of building substances.
100	Empowers the Minister to license the exploitation of development minerals as earlier envisaged under the Mining Act, 2003. It further provides for sanctions against non-compliance for both Ugandans and non-citizens.	This settles the lingering question over which government agency has power to regulate the exploitation of Development Minerals.
103 & 104	Introduce a new licensing regime for the exploitation of building substances, creating three special mineral rights for the efficient regulation of the development minerals sub-sector. These clauses ensure that any form of prospecting, exploration or mining is subjected to the same standards required in the exploitation of precious minerals and metals. Mining activities will be licenced and endorsed by NEMA and licenses will only be granted after one has demonstrated financial and technical abilities and secured surface rights from land owners after due compensation.	This provision makes "due compensation" for surface rights mandatory and therefore deprives investors and land owners the opportunity to freely and openly negotiate for alternative shared benefits. These may include acquisition of equity by the land owners in investment by trading off their land rights as contribution to the investment, opting for mineral royalties as provided for under the current Mining Act, 2003 or any other form of negotiated trade-offs between the parties.
105	Introduces obligations of large-scale investors in building substances which may range from payment of prescribed mineral fees, rents, taxes and royalties, complying with the terms of their respective mineral rights to observing environmental standards conditioned to the award of their mineral rights.	This is a positive development. It can be strengthened by ensuring the Local Government plays a significant role in the collection, management and retention of a significant portion of these rents and taxes for local development.

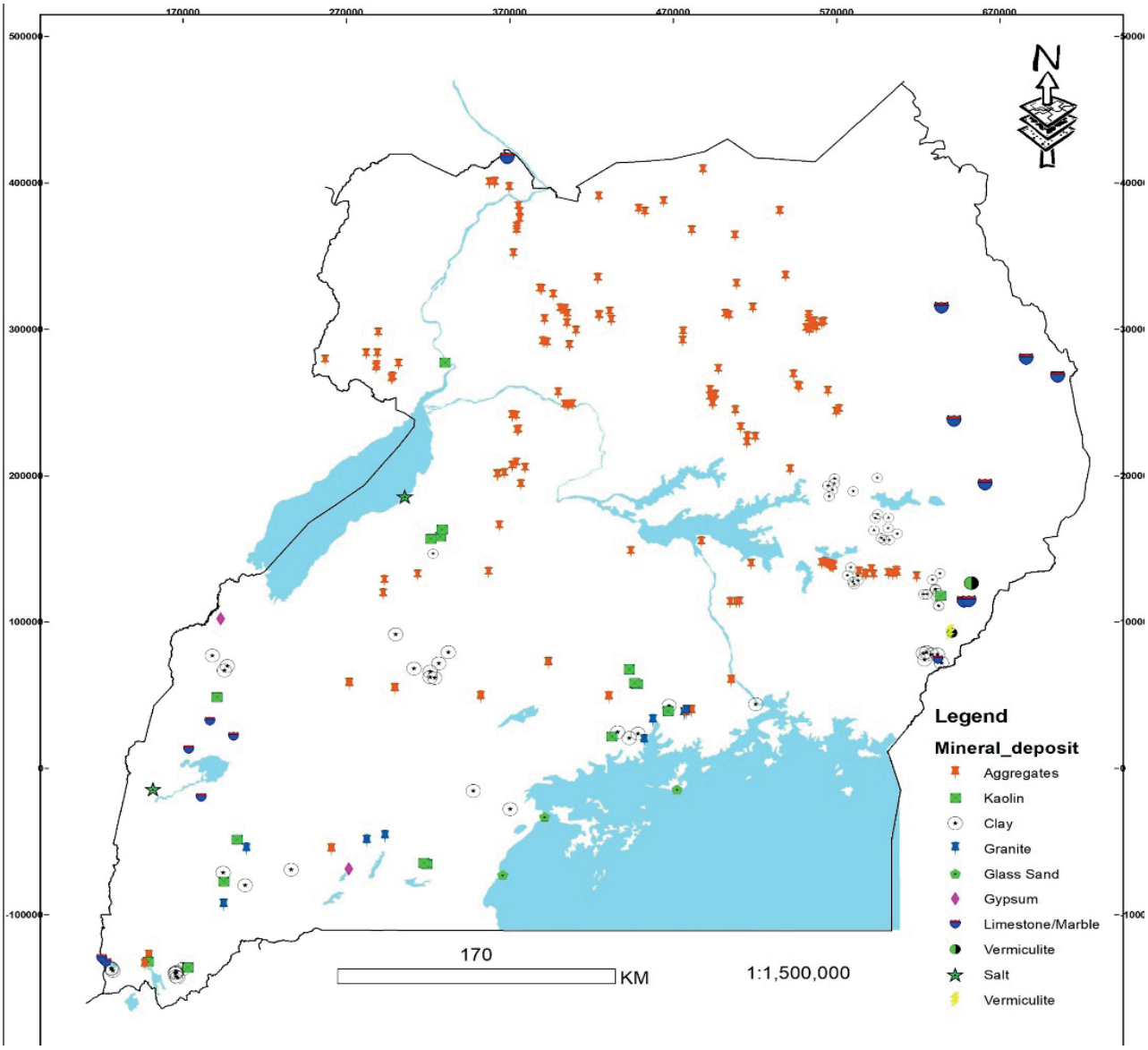
Clause	What the Bill says	Implications
1 0 7 - 109	Contrary to the introduction of competitive bidding for the large-scale exploitation of development minerals, the Bill alternates this with a first-come-first-served model of licensing for small-scale licenses.	The draw-back to the licensing of small-scale and large-scale mining activities is that these powers are retained by the Central Government under the Minister. Considering that almost every Local Government in Uganda is richly endowed with these building substances, it is better if their licensing (from exploration to exploitation) is a preserve for the Local governments. This not only reduces the human resource costs of managing these transactions across the entire country but would enable Local Governments to actively retain value at source within the respective districts while actively managing the heavy environmental footprint and other negative social externalities associated with the exploitation of Development Minerals.
108	Fixes the mining area for small-scale building substances at not more than 0.5 square Km. The obligations of holders of small-scale mineral rights are somewhat relaxed but fundamentally not different from those imposed on large-scale license holders. For example, they are required to observe health and safety standards of workers and report to the Government their annual production and income.	Local Governments are also required to participate in the monitoring of small-scale mining activities though with limited powers. The 0.5 Km^2 seems adequate considering that most of these building substances tend to be concentrated in smaller areas within the stipulated range.
110	Stipulates that artisanal permits for building substances are issued on a first-come, first-served basis. Applications for such permits are to be lodged before the relevant Local Government as shall be laid out in the regulations. These permits shall be valid for 3 years, only be renewable once for an extra 2 years – just like the large-scale licenses. Applicants for artisanal permits are also expected to provide a work programme clearly stipulating details of the building substances such as deposits, date of commencement of resource exploration or exploitation, estimated capacity of production and scale of operations, characteristics of substances and the envisaged marketing arrangements for sale of the substance.	All Development Minerals rights do not exceed 5 years. For large and small-scale minerals rights, this creates a resource mobilisation challenge due to the proposed project time frame within which companies are expected to raise capital, undertake prospecting, exploration and mining activities, recover their investment and wind-up operations. This timeframe does not also consider the average project take-off for minerals and materials projects and neither does it address circumstances where the building materials and substances project lifelines exceed the 5 years. More than 21 years would be ideal. The requirements for a detailed work programme are technical and might deter artisanal miners' full participation in the mining of these Development Minerals.
112	Imposes the same obligations on artisanal mining permit applicants as the ones imposed on small-scale mineral rights holders. These include furnishing Local Government with all information relating to exploration or mining operations as well as their production, rehabilitating and reclaiming mined areas in accordance with the NEMA Act, maintaining health and safety standards for workers, among others.	Policy makers have long realised the technical and financial constraints faced by artisanal miners across all mineral commodities in Uganda. The Policy already provides for the zoning and management of artisanal working areas implying that such areas will have standard working guidelines meeting the environment, health and safety standards whose enforcement is the sole responsibility of the line Ministry. When it comes to building substances, the above model can be replicated. The same working conditions and standards put in place by the Central Government can also be applied by Local Governments. The Local Governments can zone out and monitor operations of artisanal miners in the building materials sector without subjecting the same artisanal working permit applicants to the same burden of undertaking prospecting, exploration, quantification of reserves and other highly technical and capital-intensive requirements as alluded to in the Bill.

3.5 Production Value and Geographical Occurrence of Development Minerals in Uganda

In Uganda, ASMs are easily the most significant players in the mining sector with the sector estimated to employ between 250,000 to 400,000 people[9]. Approximately 390,000 of these Ugandans are involved in the production of Development Minerals[10].
Given that the average artisanal miner is estimated to create 0.4 jobs in the downstream sector, and considering an average household size of 4.7, almost 2.5 million Ugandans or about 7% of the population directly or indirectly benefit from ASM of Development Minerals[11].

In terms of production, ASMs account for more than 90% of Uganda's metallic, industrial and building minerals output (World Bank, 2013)[12]. Development Minerals ASMs are reported to be responsible for an estimated 83 % of all production in Uganda, the value of which was estimated at 350 million USD in 2015 or 5.3 times the value of estimated medium and large-scale production for these minerals.

Figure 1: Map of Uganda showing Development Minerals sites.



Source: Modified data from DGSM, 2021

[9]ILO (1999), MMSD (2003), IIED (2013)

[10] UNDP. Baseline Assessment and Value Chain Analysis of Development Minerals in Uganda (volume 2), 2018

[11] UNDP. Baseline Assessment and Value Chain Analysis of Development Minerals in Uganda (volume 1), 2018

[12]World Bank. Developing Uganda's Mining Sector, 2013 https://www.worldbank.org/en/results/2013/03/19/developing-uganda-s-mining-sector

There are diverse Development Mineral occurrences across the country but ASM production of some of these minerals is specific to particular geographical areas. The 2018 UNDP Baseline Assessment and Value Chain Analysis of Development Minerals in Uganda details these occurrences and the market share control of ASM per mineral. For instance, ASM accounts for 90 % of all production across the country. While sand occurs across the country, intensive production is observed in the districts of Masaka, Wakiso, Buikwe, Mayuge and Jinja. Deposits of glass quality silica sand are found along the shores of and on islands within Lake Victoria at Bukakata, Dimu, Nyimu, Nyabu, Nakimuli, Kome Island.

Geological studies and analysis by DGSM in 2018 shows 22 million tonnes of salt in Lake Katwe, over 103,084,159 tonnes of sand in Masaka District.

The ASMs also dominates the stone aggregate market as it accounts for 90 % of all production. As is the case with sand, while stone aggregate quarries are dispersed throughout the country, exploitation is most concentrated within and around densely populated urban centres with at least 316 stone quarries found in a 150 Km radius of Kampala, where both industrial and ASM production takes place (Hinton et al., 2018).

Throughout the country, ASM extraction of ball clay takes place in and adjacent to streams, rivers and wetlands, particularly in close proximity to urban centres. ASM controls 95 % of all production within and around the capital city Kampala having, by far, the largest concentration of activities, accounting for a total of 576 active and abandoned clay sites within a 150 Km radius of the city. Other areas of highly concentrated activity are in the southwest of the country (Ntungamo and Bushenyi Districts) and Western Region (Mityana and Mubende Districts).

Additionally, ASM are also involved in the production of marble and limestone in Kasese District, Tororo, and Moroto District mainly under concessions held by large, formal companies. Kaolin deposits can be found in several localities across the country notably in the districts of Bushenyi, Sheema and Rakai Districts (Southwest Uganda), Mbale District (Eastern Uganda), Luwero District (Central Uganda) as well as Kabale District in the southwest, currently small-scale production takes place at the Kibalya deposit and is sold to Hima Cement Ltd. Exploited deposits of pozzolana are found in the districts of Kapchorwa, Rubirizi, and Kabarole, where 10% of pozzolana is extracted by ASM producers and 90 percent by mechanized companies, both of which sell mainly to Hima Cement Ltd. and Kampala Cement Ltd. For Gypsum, the only known deposit occurs at Kibuku in Bundibugyo District, where 300-400 tonnes are annually produced by artisanal miners.

Salt deposits are found in Lakes Katwe and Kasenyi in Kasese District, and at Kibiro in Hoima District. All current production is at an ASM level. At the same time, there are major deposits of agro-minerals such as phosphates at Sukulu and Bukusu and vermiculite at Namekara. Potassium enriched volcanic rocks also occur throughout Western Uganda (Kabale, Kabarole Districts) and are under-explored.

3.6 The State of Exploration of Development Minerals in Uganda

Unlike high value minerals that are hidden and must be systematically explored before discoveries can be made, Development Minerals mined in Uganda are exposed on the surface and do not require vigorous exploration procedures. In most locations, mining is already ongoing by ASMs and ASMEs without prior exploration activities. It should however be noted that depending on the type of commodity and final product and intended use, the need for exploration varies and differs for each commodity. For most of the key Development Minerals mined in Uganda such as clays, sand, kaolin, and salt, the ASMs are positioned to determine what material is on demand and can be sold without any value addition. If these materials are required for local consumption and construction needs, the ASMs do not require a lot of technical capacities to extract them. On the other hand, minerals like kaolin for ceramic production and sand for glass production require further tests which are usually performed in an authentic laboratory outside Uganda and this only favours the bigger players and not the local artisanal miners since one requires an appropriate license to be in position to export samples.

Companies producing clay products on a large scale often engage geologists to quantify and evaluate for them the clay deposit before setting up a plant.

Most ASMEs however depend on local suppliers from several locations and would set up a plant anywhere as long as local suppliers can deliver the clay. For stone aggregate and dimension stones, the Ugandan terrain has been strongly reworked and weathered in general and this has altered a major part of the bedrock and fresh surfaces have been destroyed. However, there are still very many areas in Uganda where large volumes of rock bodies with great potential for stone aggregates and dimension stone production are exposed. The outcrop bodies normally form ridges of various sizes and levels in various locations. There is great potential for dimension stone production from the marble, granite and gneissic bodies in Uganda. The presence of operating rock quarries in several locations investigated with similar geological formation presents the geological prospectively required for investment.

Currently, there is a lot of ongoing exploration of new natural stones especially for tile production by bigger players in the sector. The deep evaluation of the many technical and economic aspects of the deposit puts into consideration actors like the colour, market demand, rock strength and availability. Because tile production is an expensive venture, most ASMEs use the rocks purely for aggregate production for the local construction industry and it is upon the contractors and site engineers to ensure the material delivered is suitable for the intended construction stage without employing complicated exploration techniques.

The DGSM is the sole custodian of all geodata sets for all existing Development Mineral prospects in Uganda. The available data includes commodity occurrence/deposit, location, characterisation, suitable use, quantity for some of the locations, among others. All this data is readily availed at the DGSM offices in Entebbe. However, the majority of ASMs and ASMEs are not aware of the availability of this data and neither do they possess the technical capacity to interpret and make use of the available geological information. The quantity and quality of the available datasets also varies from one commodity to another with more information available for most sought-after minerals for industrial use such as silica sand, salt, agro-minerals, pozzolana, limestone and marble.

According to DGSM reports, the following combined quantities of development minerals have been reported:

i. Pure white, smoky white and pink marble in Karamoja: Over 300 million tonnes
ii. Kaolin (3.8 Million tonnes)
iii. Gypsum (2 Million tonnes),
iv. Salt (22 Million tonnes),
v. Glass sand (2 Million tonnes),
vi. Dimension stone (2 Million tonnes)

Several unexploited large granite bodies have also been mapped in various areas in Uganda and certain rock types could have great potential as dimension stone production based on their general appearance, volume, good colour and texture. However, further studies still need to be carried out to establish their real potential.

The lack of exploitation and exploration for dimension stones in Uganda is partly explained by the distinct absence of modern geological maps at all scales. The only attempt to describe Uganda's dimension stone potential was by the GTK Consortium in 2012 where over 24 samples were collected, analysed and polished, from several districts in Uganda including Mbale, Soroti, Katakwi, Dokolo, Gulu, Lira, Mubende, Luwero and Moroto. All these samples and reports are available at DGSM for viewing and further follow up by interested parties.

3.7 The Socio-economic Contribution of Development Minerals Artisanal Mining

According to the 2018 UNDP Baseline Assessment of the sector, if ASM Development Minerals were integrated within official statistics, the country's GDP would increase by 1.4%. The study adds that based on average household consumption patterns in Uganda, miners contribute an estimated $9.9 million per annum to VAT which is equivalent to almost 2% of 2016 VAT collections. Additionally, the study also shows that miners' incomes are estimated to contribute almost $124 million annually spent into local economies, towards education, health care and other family needs and as investment in diversifying economic activities, for instance in agriculture and trade.

Uganda's NDP II (2015-2020) earmarked six key minerals for exploitation namely; Iron ore, Limestone/Marble, Copper/Cobalt, Phosphates, Uranium and Dimension Stones. At the heart of Uganda's developmental ambitions as spelled out in Vision 2040, are massive infrastructure improvements including the rehabilitation and

construction of 30,000 Sq. Km of roads and bridges as well as 1.6 million housing units. This, coupled with the 6 % annual growth of Uganda's construction sector, means that the demand for Developmental Minerals especially clay, sand, stone aggregates, limestone, kaolin, and marble, can only keep growing.

According to the MEMD Statistical Abstract 2018, minerals produced in 2018 in Uganda amounted to 4 million tonnes, indicating an increase of 45% in production from 2.18 million tonnes in 2017. This was mainly propped up by Development Minerals namely limestone accounting for 2.78 million tonnes (69.5%); pozzolana accounting for 1.02 million tonnes (25.4%); syenitic aggregates (3.8%) of the total national production, as shown in Table 3 below.

Table 3: Mineral Production in Tonnes (2018)

Mineral	Total	Percentage
Limestone	2,779,253.7	69.4807%
Pozollana	1,017,676.7	25.4417%
Gold	0.0	0.0000%
Vermiculite	10,381.8	0.2595%
Cobalt	0.0	0.0000%
Wolfram	213.0	0.0053%
Syenitic Aggregate	155,475.1	3.8868%
Kaolin	32,182.9	0.8046%
Iron Ore	4,500.0	0.1125%
Granite	255.0	0.0064%
Lead	0.0	0.0000%
Coltan (30% Purity)	6.8	0.0002%
Tin (75% Purity)	67.9	0.0017%
Beryl (1% Beryllium)	24.0	0.0006%
Manganese (Above 46% Mn)	0.0	0.0000%
Total	**4,000,037.01**	**100.0000%**
Source: MoFPED, 2018 Statistical Abstract		

Source: MoFPED, 2018 Statistical Abstract

The contribution of minerals to Uganda's Gross Domestic Product (GDP) increased from 0.3% in FY2012/13 to 0.6% in FY2017/18 which has also seen the value of mineral production increase from UGX 159.3 billion in 2013 to UGX 179.7 billion in 2017, although the licenses have remained almost the same over the past 3 financial years. By the end of the FY2017/18, the value dropped to UGX 158.754 billion and further to UGX154.5 billion in the FY2018/19. The value was however affected by revoking some mineral licenses in 2015 due to under declaration and evasion of paying royalties by some of the license holders[13].

In spite of all these developments, the potential contribution of Development Minerals to the economy is much bigger. For instance, in 2016, Development Minerals and their products' import bill amounted to 3.2% of Uganda's trade deficit of -2.56 billion USD with ceramics (inclusive of sanitary ware, dishware and other products that can be derived from kaolin); salt (mainly in the form of iodized table salt); cement and other lime products; and gypsum representing the most significant contributors.

3.8 Environmental Impacts

ASM sites rarely adhere to any environmental standards partly because of lack of knowledge as well as inadequate oversight by the responsible institutions. (Hinton et al., 2018). Direct dumping of effluents into water sources, poorly constructed tailings dams, river damage in alluvial areas, river siltation, erosion damage and deforestation are some of the most significant impacts of mining on the environment[14]. Operating without permits also exacerbates irresponsible mining and lack of compliance to environmental and safety provisions due to the absence of this control, monitoring and reporting mechanism. Specifically, the 2018 Baseline Study on the sector reveals that ASM Development Minerals extracted in Uganda are estimated to directly impact approximately 515 Sq. Km, or approximately 0.3% of the country's total land area, far below that affected by agriculture (41%). The study adds that Wetland degradation from clay and sand mining is extensive, covering an estimated 221 Sq. Km. Apart from this, the study also notes that clay brick production alone is estimated to consume 2.9 million tonnes of wood

[13] Budget Monitoring and Accountability Unit, Ministry of Finance Planning and Economic Development, 2019
[14] Hentschel et al, 2002.

per annum, impacting an estimated 457 Sq. Km. of forests annually.

The study largely attributes the Development Minerals Sector's significant impact on the environment to its informality. In particular, limestone and clay and to a lesser extent, stone aggregate, seem to leave a heavier footprint on the environment. According to the MEMD Uganda Bio-Mass Strategy, ASM lime production consumes 270,000 tonnes of wood and 75 tonnes of charcoal annually. Producing a tonne of lime requires 1.5 tonnes of wood. Clay bricks on the other hand are estimated to consume about 6 million tonnes of wood. Production of lime and clay bricks involves burning the raw material in kilns which consume huge quantities of firewood and by implication, has a direct impact on forests. Brick laying is also one of the most serious threats to wetlands in Uganda today. Excavation involves clearing of vegetation and leaves behind wide-open pits, which greatly hinder movement of people and livestock. Sometimes, fires are sparked off in the burning process which disrupts the wetland ecosystem.

Figure 2: An artisanal sand mining area in Mpigi District that shows the extent of environmental destruction. **Source: Field data collection team (2021)**

3.9 The State of Conflict in the Development Minerals Sector

The Development Minerals sector is characterised by tensions because of many different stakeholders with overlapping mandates[15]. In addition to MEMD, other key stakeholders include NEMA and MWE, MGLSD, MoH, URA, OWC and many others. Although some of these institutions have decentralised offices at district and sub-county government levels, they have overlapping mandates that cause inadequate coordination, forum shopping and ultimately conflicts among the different government actors.

The need for conflict sensitivity[16] in the Development Minerals Sector is embedded in the need to harness their economic potential to contribute to the socio-economic development and transformation of Uganda[17]. (Also See Mining and Minerals Bill, 2020). The above is combined with a largely unregulated, conflict prone and non-accounted for contribution of the Development Minerals and ASM sector to GDP.

Over the past decade, there has been a trajectory increase in the number of mining licences issued by the DGSM. Majority of these licensees have turned out to be rent-seekers that circumvent legal processes and have the backing of politically influential individuals. Some that are involved in the mining of Development Minerals such as marble, limestone, sand and aggregate have been found liable to abuse of human rights, such as overseeing dangerous working conditions and long hours of labour without rest or compensating their workers [18]. The limited awareness of individual and collective rights by ASMs has also made the situation worse especially in security of property and other economic rights, GBV as well as lack of access to remedial and supportive social services.

The 2018 Baseline Assessment of Development Minerals in Uganda by ACP-EU and UNDP observed the following three types of conflicts in the Development Minerals Sector:

a) Intra-Development Minerals Mining Site Related Conflicts, characterised as follows:

i) **Miners to Miners:** Intra-site conflict often takes place in the form of petty theft among miners, particularly at night. The more vulnerable (young, working alone or not yet established) are at the highest risk of being subject to this kind of theft.

ii) **Resource Ownership-Related Conflicts**: Certain types of conflicts are more prevalent in certain commodities. For example, conflicts over resources and specific boundaries are common at salt sites, where separate pans operate in very close proximity and share vital resources such as irrigation trenches.

iii) **Social Conflict-Related Issues:** General social discord around mining communities has also been recorded as a potential source of conflict. Resource boomers and miners tend to come from all walks of life with different social and cultural backgrounds and in some cases lead to an increase in petty theft of food and livestock.

iv) **Mining Communities and Local Authority-Related Conflicts:** Some conflicts were reported between miners and local authorities, particularly in cases where miners were working without proper permits. In Tororo District for example, conflicts arose between miners and the local authorities over the issue of mine waste pollution, which caused adverse environmental impacts in the surrounding area.

v) **Miners Vs Buyers**: A commonly reported conflict was between miners and buyers, where buyers load up trucks and take away mineral commodities without paying for them. This nature of conflict was reported in the Districts of Moroto in the Karamoja region over marble and limestone Development minerals, as well as Kasese, Bushenyi and Gulu Districts over stone aggregates.

vi) **Miners and Mining Communities versus Development Minerals Mining Host Landowners:** Some conflicts were reported between miners and landowners, where volatile rent prices which increases or decreases according to how much each miner produces caused discontent among tenants.

[15]UKaid, Pact and Alliance for Responsible Mining: Economic Contributions of Artisanal and Small-Scale Mining in Uganda: Gold and Clay, 2018

[16] A conflict sensitive approach involves gaining a sound understanding of the two-way interaction activities and context and acting to minimise negative impacts and maximise positive impacts of intervention on conflict.

[17]See Mining and Mineral Policy for Uganda (2018) Evans, HRW, '"How can we survive here?" The impact of mining on human rights in Karamoja, Uganda' , 2014

[18] https://www.hrw.org/report/2014/02/03/how-can-we-survive-ere/impact-mining-human-rights-karamoja-uganda,

b) Resource Ownership-Related Conflicts

i) ***Conflicts Related to Sand Mining in Lake Victoria:*** Increased demand for construction and building materials has put pressure on the mining of sand in Uganda. Uganda's rich water bodies are endowed with rich quality sand with different granular components suitable for the booming construction and building industry in Uganda.

ii) ***Cross-Border Conflicts over Sand Mining in the Karamoja Region:*** A weak policy and regulatory framework over sand mining in Ugandan rivers and lakes has led to an increase in unregulated sand mining of these critical natural resources. In the Karamoja region, conflicts over sand mining in Amudat District by Kwen sand miners and truck loaders have intensified in the last five years.

c) Stones and Aggregate Resource Ownership-Related Conflicts

Similar to sand mining, there has been an increase in conflicts associated with resource ownership, compensation and access rights registered in the last five (5) years. Some of these conflicts have resulted in civil suits before the High Court of Uganda involving claims amounting to billions of Ugandan shillings. These cases involve both nationals and foreign companies contracted by the Ugandan Government to construct strategic roads such as the 92 Kilometre Moroto- Nakapiripirit Road in the Karamoja Region and the 600 MW Karuma Power Project in Northern Uganda along Karuma Falls on the River Nile. Compensation of landowners along the newly completed Entebbe-Kampala Express road, Uganda's international airport access road, is another important conflict of resource ownership.

This analysis has profiled these three cases in order to highlight the cost of resource ownership conflicts caused by the lack of adequate policy and regulatory framework for the regulation of Development Minerals and their impacts on development.

3.10 Participation of Women and Children in Uganda,

Participation of women in the extraction of Development Minerals ranges from almost non-existent (pozzolanic ash) to above 70 % (stone aggregate and salt). Female employment is much higher than the LSM/MSM sector (average of 25 %), which presents a significant opportunity. Nevertheless, income and gender inequalities, including resource control, plague the sector and impedes development[19]. Generally, women and girls constitute a significant proportion of the ASM workforce, averaging 40-50% across Africa (Hinton et al, 2003).

However, as is the case with the broad ASM sector, there is a significant gender imbalance in the distribution of benefits from the Development Minerals Sector, as women and men do usually perform the same jobs, yet the women's jobs are generally lower paid. Women earn, on average, only 62% of what men earn.

A 2013 ILO report on child labour in Uganda indicates that there are 257,000 children engaged in hazardous work of which 4.6 % are involved in mining. The 2018 Baseline study of the sector notes children are common at ASM Development Minerals sites, either in part due to absence of alternative childcare arrangements, or due to children working to supplement family income[20]. This may impact access to more formal markets, in particular, export markets, the study adds.

3.11 Co-operatives as a Vehicle to Formalisation

There is an increasing narrative amongst formalised Development Minerals ASMs to register their associations as part of a Co-operative to take advantage of the benefits they offer, based on how much equity each member has contributed. The one major drawback however is that Co-operatives are not typically business entities and even their registration is not done at Uganda Registration Services Bureau (URSB). This limits the extent to which it can operate as a profit-making ASME in a formalised environment. The other gap regards the promotion of equal power sharing between men and women in Co-operatives, as women are usually side lined in the aspect of leadership and equal participation. ASM Co-operatives often follow hierarchical systems or top-down organisation, with a license owner at the top followed by pit holder and then mine workers or diggers (Jønsson and Bryceson, 2009).

[19] https://www.kit.nl/wp-content/uploads/2019/02/The-Gender-Dimensions-of-3Ts-in-the-GLR-1.pdf
[20] UNDP, Baseline study Vol.2, 2018

Since most women in Uganda's Development Minerals Sector are mainly involved in crashing and transportation, or generally in the value addition side of business, as opposed to extraction and land ownership, this disqualifies them from taking on any leadership position in a Co-operative, yet in most cases, they comprise the biggest numbers at mine sites. As an example, the biggest number of ASMs mining Development Minerals in the northern region are women, yet, men tend to dominate leadership roles. Besides, the cultural dynamics in the communities greatly influence the distribution of leadership roles in mining Co-operatives. Traditionally, women do not inherit land in Uganda and therefore, when a Co-operative is formed, they have no chance at taking on leadership roles therein. Such deprivations are also behind women's inability to form strong women-only co-operatives (Weldegiorgis , Lawson and Verbrugge, 2018).

The absence of Government support has been cited as one of the factors encouraging inequalities in power distribution among mining Co-operatives. Although promoting ASM Co-operatives is considered a part of formalisation strategies, governments have generally put more focus on licensing to generate revenue, rather than empowering miners through the establishment of Co-operatives.

Development Minerals ASM Co-operatives in Uganda are rare, but this study came across one in the gold mining district of Buhweju - the Buhweju District United Miners Co-operative Society Ltd. It is newly formed but has already managed to acquire a gold exploration license. It is fully legalised and operates a commercial bank account. However, power struggles are already emerging between the landowners and the members, with the latter accusing the former of not involving them in decision-making. There is also concern on the management of membership fees by the leadership. Co-operatives have the potential to increase production, productivity and value addition and hence are critical for Uganda's transformation towards an inclusive middle-income country. For sustainability and survival in a liberalised market, they should be market-driven. They must compete in the market by offering better incentives, products, and services than middlemen[21].

The challenge with the Development Minerals Sector, however, is that in normal practice, they must oversee the entire value chain from production to marketing in order to control prices and make a profit. Given the non-homogeneity of Development Minerals Sector, this implies that they may be successful as associations in a given area but may not be well-placed to cover a wider area. For example, while it is possible to control the price of agricultural produce for a whole village, it is not possible for stone aggregate or sand because of the diverse buyers and functions. The ASMs themselves invest different inputs in the extraction of Development Minerals and hence can sell at very differing prices.

[21] NPA. Policy Paper for Presidential Economic Council (PEC), 2018

04 THE OPERATIONAL AND LEGAL CONTEXT FOR FORMALISATION LITERATURE AND THE POLICY LANDSCAPE

4.1 Understanding the Meaning of Formalisation

Formalisation can be described as "a process that seeks to integrate the (otherwise informal ASM) sector into the formal economy, society and regulatory system" to ensure:

a) ASM actors (e.g., miners and traders) possess the necessary licenses and permits.

b) ASM actors are organised in legitimate entities that represent their needs.

c) Policies are implemented, monitored and enforced.

d) ASM actors have access to technical, administrative and financial support that empowers them to comply with requirements prescribed by national regulations[22].

Formalisation is the process of integrating rather than controlling extra-legal enterprises by recognising local arrangements in legislation, reducing barriers to legalisation, and creating clear benefits from participation in the formal system[23]. Study findings however reveal different interpretations of the term 'formalisation'. Some miners understand it as organising themselves into a group with a leadership structure. They perceive formalisation as a one-off achievement rather than a gradual process with different stages requiring different inputs.

Yet, formalisation is not the apex of the ASM development chain. Beyond formalisation, ASMs need to achieve legalisation and transform into ASMEs in order to be fully integrated into the formal economy.

From the study findings, formalisation is understood differently by ASM actors, and an analysis of Uganda's Development Minerals Sector reveals four tiers of formalisation namely; Elementary (purely artisanal), Organisation, Registration and Legalisation. The ultimate goal is legalisation.

The ASM Formalisation Strategy gives guidance on how ASM actors can progress to legalisation, in the process transforming into ASMEs. Thereafter, the Business Development Acceleration Strategy details the actions that can be taken to ensure that the ASMEs grow their business operations sustainably and profitably to compete favourably in the formal economy.

There are mixed feelings amongst ASMs on whether formalisation will have a positive impact on their operations and ultimately, their livelihoods. Study findings indicate that while some miners, especially those who have advanced from artisanal to small scale, believe that formalisation can have a positive impact, others perceive formalisation as an inconvenience that will only invite unwanted tax regimes by Central and Local Governments.

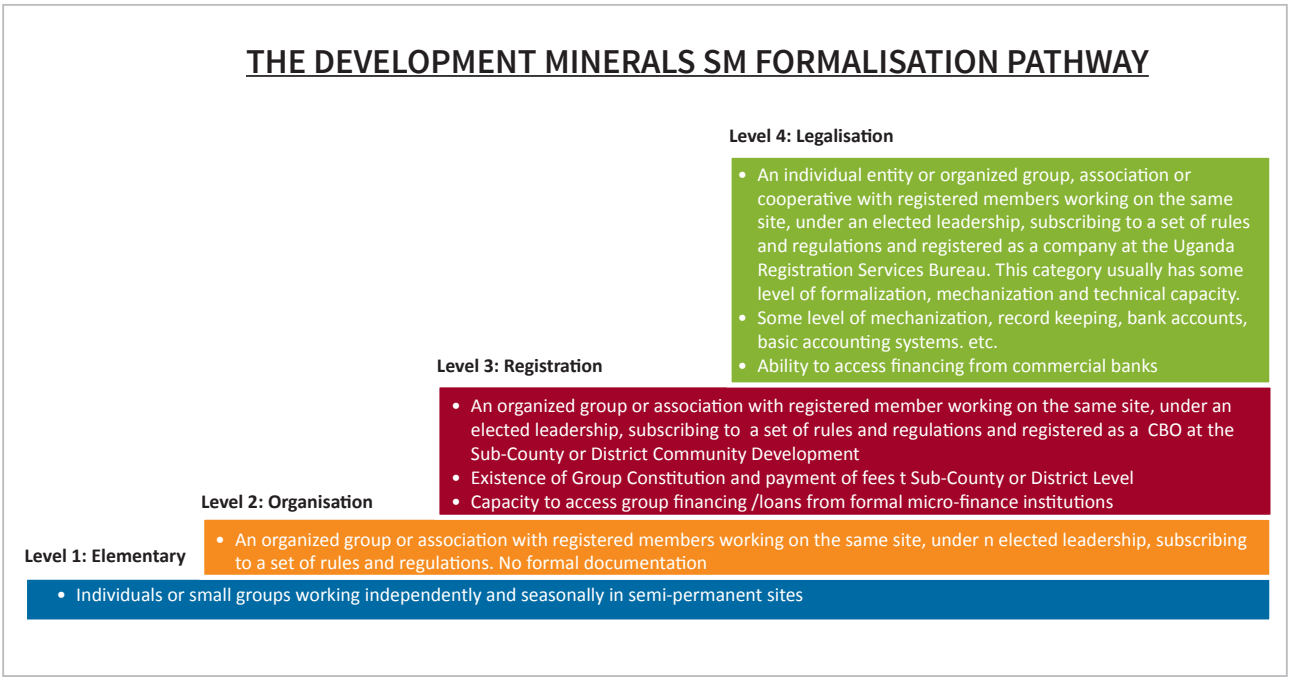
On the other hand, however, license holders, MSM and LSM companies are supportive of formalisation because they see it as an avenue to regulate their relationship with ASMs, rid the sector of illegal mining and streamline, regulate and manage ASM operations. They see formalisation as an avenue for ASMs to access geological data, organise miners into flexible and dynamic organisations and access capital, equipment and technical assistance from the Government.

[22]IGF, Formalising Artisanal and Small-scale Mining for Inclusive Sustainable Development, 2018
[23]J. Hinton, National Strategy for the Advancement of ASM in Uganda, 2009

4.2 The Successful Formalisation Pathway

A successful 'Development Minerals ASM Formalisation Pathway' can be best described as a staircase with four levels as illustrated below:

Figure 3: The Development Minerals ASM Formalisation Pathway



Source: Field findings

As demonstrated above, at the elementary level, the lowest level of the Development Minerals ASM Formalisation Pathway, has absolutely no form of organisation- they are individuals, semi-permanent, working by themselves, or in small groups with no structure at all. In some cases, it may be a landlord who employs people to crush some rocks or extract a particular Development Mineral from their land. In other cases, it may be a few locals extracting a Development Mineral on public land, unsupervised. This level is purely artisanal with most of the miners being indigenous to the communities where they operate, although some may be seasonal, trying to make ends meet.

At the 'Organisation' level, ASMs pursuing similar goals and objectives can mobilise around a working area and commence a mining operation. Usually, they have a known membership created only for purposes of order at the mine site. They are not registered either with the local authorities or district. This group only needs sensitisation and support to register accordingly and advance to the next level.

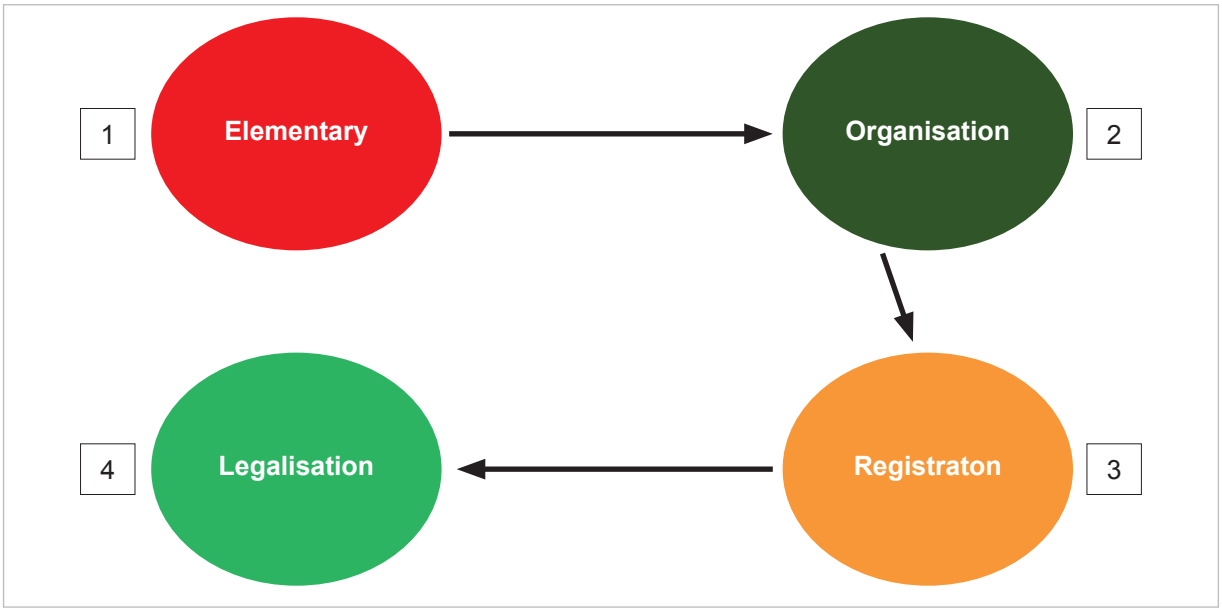
The third level is 'Registration' and here, the groups or associations described under Level Two will have taken an extra step to make a group constitution and register at the Sub-County and District Level. This level usually has groups that can access financing from microfinance institutions.

The final level is 'Legalisation' which is perhaps the most difficult to achieve because it involves registration as a company or formal business entity at the Central Government with the Uganda Registration Services Bureau. It is expensive and involves putting systems in place that will ensure good governance. It is the apex of the legal transformation of ASM Associations to ASMEs.

As seen from the illustration of the Pathway, the height of the steps on the staircase represents the challenge for ASMs to progress from one stage to the next. The staircase gets steeper as one progresses from the elementary stage to the legalisation stage.

4.3 The Formalisation Process

This section focuses on the process of transforming ASMs into ASMEs by becoming legalised and fully compliant with the formal business sector. In this section, the term 'formalisation' refers to the entire transformation process from the elementary level to the legalised level. According to the study findings, the entire process of transformation can last up to 10 weeks. The four stages are illustrated below.



4.3.1 Organisation

This involves ASMs at the elementary level getting together and deliberately deciding to work together as a group. They elect a leadership that is tasked with the responsibility of managing the mine site and ensuring members adhere to a minimum code of conduct. The group is not registered at the Sub-County or District Level but is known in the locality where they work.

This group can be supported to elevate their status to the registration level by sensitising them on the benefits of forming and registering an association. Sensitisation can be done by the Sub-County Community Development Officer with the support of NGOs that work in the area. These can support the group through the process of drawing up a constitution and building a vibrant internal governance structure.

4.3.2 Registration

Having taken a deliberate decision to form an association and make a constitution to govern the entity, the association then has to register at both the Sub-County level and District level as a Community Based Organisation (CBO). At the former, the registration is done by the Community Development Officer while at the latter, the District Community Development Officer. An Association must have a minimum of ten members for it to be taken seriously enough to be registered.

i. The other requirements for registration include:

ii. A group constitution fully endorsed by all members.

iii. A business plan detailing what the Association plans to do in the year, the financial capital available and target income.

Payment of registration fees. These range between UGX 50,000 and UGX 70,000 at the District level; and UGX 20,000 and UGX 50,000 at Sub-County level. The rates are not uniform for all the districts.

After payment, the process can be concluded in a minimum period of a week in some districts and maximum period of a month in others that are less efficient. Upon registration the group is issued with a registration certificate. This registration is renewed annually both at the Sub-County and District Level at the same rate as was paid for registration.

Figure 4: Sample ASM Association Registration Certificate

4.3.3. ASM Operational Permits

Registration as an ASM Association however is not necessarily a ticket to conducting mining operations. They must obtain annual Operational Permits from the Sub-County Office to be allowed to mine legally.[24] The annual fees are computed basing on the volume of production. This fee is negotiable, however. For example, an association in Gulu City was assessed at UGX 1,000,000 in 2020 but they negotiated it down to UGX 800,000.

Upon payment, the Association is issued with an Operational Permit by the Sub-County Office which is valid for one year. However, the applications of this permit beyond mining are very limited. For example, it cannot be used by the Association to access a loan from a financial institution. The short validity of the permit (one year) also deters ASM Associations from thinking long term and implementing proper mine planning, environment management and group savings because their stay in a particular mining place is not guaranteed beyond the one year that the permit grants them.

However, this issue will be resolved by the Draft Mining and Minerals Bill 2020. As indicated in Table 2, Clause 110 of the Bill states that Artisanal Permits will be valid for 3 years, renewable once for an extra period of 2 years.

4.3.4 Legalisation

This is the final level in the transformation of an ASM association into an ASME by registering with the Uganda Registration Services Bureau as a business entity. The Bureau is mandated under the Uganda Registration Services Bureau Act Cap 210 to register all business entities in Uganda.

[24]While this is not a provision in the Mining Act 2003, District Local Governments have been passing ordinances to levy these fees. However, the Mining and Minerals Bill, 2020 will give the DLGs express authority to issue Artisanal Mining Permits for Development Minerals.

A company can be registered as a 'company limited by shares' or a 'company limited by guarantee.' However, study findings recommend that an ASM Association registers as a 'company limited by shares' because it is business specific and all the members can have a stake in the company by way of owning shares. The law allows up to 100 people to register as shareholders of a company limited by shares.

To register a local company limited by shares, one needs to reserve the name to be used at a fee of UGX 20,000 and then file the following documents with the Registrar of Companies after the name has been approved:

a) Companies Registration Form (s.18)

b) Memorandum and Articles of Association

c) Statement of Nominal Capital

When all the documents are ready, the ASM Association leaders can pick assessment forms from the nearest Regional URSB office (in Kampala, Mbale, Mbarara, Gulu and Arua), complete them, conduct a self-assessment and then pay registration and stamp duty fees. The fees vary because they are a percentage of the share capital. Upon registration, the Registrar will issue a certificate of incorporation within two working days.

a) After the company has been registered, the following forms must be filed (Company Returns).

b) Company Form 20 – Particulars of Directors and Secretaries (Within 14 days)

c) Company Form 18 – Notice of Situation of Registered Office & Postal Address (within 14 days)

d) Company Form 10 – Return of allotment (within 60 days)

Form of Annual Return for a company limited by shares (to be filed once every year).

The illustration below summarises the Development Minerals ASM Formalisation process:

Figure 5: The Development Minerals ASM Formalisation process

LEVEL	ORGANISATION	REGISTRATION	LEGALISATION
Responsible Entity	NGOs and CSOs, Mine Site Inspectors, Community Development Officers, Local Council leaders, Regional ASM leaders	Office of the District Community Development Officer (DCDO) at the District, and CDO at the Sub County level.	Uganda Registration Services Bureau through any of their offices in Kampala, Mbale, Mbarara, Gulu and Arua.
Require-ments	Association leaders; Chairperson, Secretary, Treasurer among others.	• Constitution. • LC1 Letter. • LC2 of the parish in which the mine site is located. • Group letter from the leader requesting to register the association on behalf of members. • Group meeting minutes signed by all members. • Business plan. • Registration fees.	• Company registration forms. • Memorandum and Articles of Association. • Statement of Nominal Capital.
Applicable Fees	None, although there are some associations that charge membership fee.	• Approximately UGX 50,000 to 70,000 for registration at the District. • Approximately UGX 20,000 to 50,000 at the sub counties.	• Fees vary according to the percentage of the share capital. • UGX 20,000 for name reservation
Output	Constitution	Certificate of Registration	Certificate of Incorporation
Timeframe	N/A	Between one week to one month	Between two to seven working days.

4.4 The Process of Registering a Co-operative

Alternatively, an ASM Association can choose to register as a Co-operative society. A Co-operative is an association of persons that is owned and controlled by the members to meet their common, economic, social and / or cultural needs and aspirations through a jointly owned and democratically controlled business (enterprise).

The members are those who use its products, supplies, and/or services. However, Co-operatives are often more focussed on services for members than for investments. This is majorly the reason why this report recommends the path of registering an Association as a company limited by shares rather than a Co-operative society.

The registration of a Co-operative differs from that of a company. In Uganda, the Ministry of Trade, Industry and Co-operatives is the Governing Body for Co-operative Societies. Under the Co-operative Society Act Chapter 112, a Co-operative comprises a minimum of 30 persons. The Act outlines nine steps for its formation and registration which are the following.

i) Purchase of the Co-operative bylaws - a set of four books at UGX 15,000 for Savings and Credit bylaws; and UGX 10,000 for multi-purpose bylaws.

ii) Minimum statutory number of members is 30. However, the more members, the better for viability.

iii) Fill the bylaws.

iv) Get a recommendation letter from the District Community Development Officer or the District Commercial Officer of your area of operation.

v) Compile financial statements of the Society. (Income, expenditure and balance sheet). This also includes a comprehensive schedule of all shareholders showing shares held by each member, including entrance fees, shares, savings, and loans if any.

vi) Buy a copy of the Co-operative Societies Act, Cap 112 and the Co-operative Societies Regulations.

vii) Provide photocopies of national identity cards for the founder members and their respective telephone contacts.

viii) Provide Passport size photographs of respective people to handle the Society's accounts.

ix) Pay a registration fee of UGX 50,000 to account No. 6000010330 at Barclays Bank IPS Branch in the names of Audit and Supervision Fund.

4.5 Critical Formalization Challenges in the Development Minerals ASM Sector

The following six issues have been identified as the most critical challenges to the Development Minerals ASM in Uganda:

a) The Legal framework

Overall, the biggest challenge for the ASM Development Minerals Sector is the absence of a legal and regulatory framework. The current framework does not clearly spell out the role of the Local Governments who are mandated to manage the sector. The framework only mandates the Central Government to license. However, this is often done without community consultation or prior notice to the Local Government who are better placed to advise the Central Government basing on the different dynamics in their areas of operation. This often places LSM at an advantage over ASM, causing conflict between the two.

The existing legal framework does not give the Local Government Authorities the mandate to monitor the Development Minerals Sector. This has been a great hindrance to formalisation since aspects like environmental management are not monitored as evidenced from the field visits to some of the Local Governments that lack both the capacity and the finances. However, this issue will be resolved by the Draft Mining and Minerals Bill 2020. As indicated in Table 2, Clause 110 gives authority to the Local Governments to issue permits for building substances. These permits shall be valid for 3 years, only be renewable once for an extra 2 years – just like the large-scale licenses.

b) Lack of a Coherent ASM Formalisation Strategy

There has not been any coherent ASM Formalisation Strategy for the Development Minerals Sector and as a result, there is no comprehensive structured effort to develop and grow it. The Draft Mining and Minerals Bill, 2020 maps out a path to better manage Development Minerals in Uganda, but there still is need to have a strategy focused on formalisation of Development Minerals ASM.

c) Informal and Disorganised ASM Operations

Very few of the ASMs in the Development Minerals Sector work under organised groups or associations registered at the Sub-County or Local Government. This has perhaps made the sector unattractive to Government, investors, Development Partners and other stakeholders. Because of this, ASMs are often unable to acquire sufficient financial support from microfinance institutions or even commercial banks. Because many of the ASMs work independently, at semi-permanent sites, it is also difficult to conduct capacity building training on business skills, financial management, health and safety, etc.

d) Misinformation and lack of Awareness

ASMs, unfortunately, do not have sufficient information about formalisation. Findings from the field data collection exercise reveal that some of them believe formalisation means "taxation by Government." This implies that even though most of them may support formalisation, they believe it will inevitably increase their costs of operation. At the higher level of legalisation, ASMs are not aware of the procedures to follow and the fees required for their associations to be transformed into companies.

e) High Formalisation Costs

Some miners are frustrated by the perceived bureaucracy and high costs of formalisation. The process involves several visits to the Sub-County, District and to the nearest regional Uganda Registration Services Bureau (URSB) office. Depending on the location of the mine site, the transport costs for those trips can be a deterrent. There are additional bureaucratic processes at the URSB that discourage the ASMs.

f) Eviction of ASMs by Licensed Companies

One of the biggest challenges for ASMs in the Development Minerals Sector is their operational areas being licensed out to private entities where ASMs in most cases operate illegally. In fact, in most of the ASM operations, the areas are already licensed out either under an exploration license or mining lease. In Moroto, ASMs quarrying marble in Rupa reported of displacement by a foreign Chinese-owned company from their previous area of operation. Similarly, at Kidere mining site in Gulu District, ASMs were displaced in favour of CICCO, a road construction company which was licensed to extract the same stone aggregates that the ASMs were extracting for sale. The company was licensed by the Gulu District Local Government. Such incidents frustrate ASMs and discourage them from formalising their operations because they believe that the larger, more established companies will always have the upper hand because they are favoured by the Local Governments.

05 THE FORMALISATION STRATEGY UNVEILED

5.1 The Goal of the Formalisation Strategy

The goal of the Formalisation Strategy for the Development Minerals Artisanal Mining Sector is to galvanise stakeholder action to transform the lives of ASMs engaged in the extraction, processing and sale of Development Minerals through integrating their informal income-generating activities into the formal sector. Principle Objective of the Strategy

To guide efforts of different stakeholders engaged in the Development Minerals Sector in transforming ASMs into legally registered and compliant Development Minerals ASMEs.

5.2 Specific Objectives of the Strategy

i. To support Development Minerals ASMs to organise, formalise and legalise their operations to ultimately operate successfully and profitably in the formal economy.

ii. To build the capacity of ASMs to willingly transform themselves into sustainable ASMEs.

iii. To galvanise multi-stakeholder efforts aimed at enhancing the resilience of ASMEs in the formal economy.

5.3.1 Approach

The ASM sector is not homogeneous and therefore to achieve formalisation requires a multi-pronged approach. Two main approaches have been proposed for formalisation of ASM. These include a community-driven approach that incorporates representatives of ASMs; and an economic approach that is mainly focused on value chain development. Given the contextual review of Uganda's Development Minerals ASM Sector, a hybrid of the two approaches will be adopted in order to take care of both interests.

With reference to the Development Minerals ASM Formalisation Pathway, the four stages of the 'staircase' need different approaches because of the unique attributes of the miners and associate enterprises at each stage. For example, while a community-driven approach may apply at stages 1 and 2; stages 3 and 4 may require more of an economic approach.

5.3 Strategic Actions and Key Activities

The following sections highlight the five Strategic Actions (SAs) considered necessary in ensuring a successful formalisation process. The section also lists the important key activities needed in order to operationalise the SAs.

SA #1: Form a Multi-Stakeholder Advisory Group

The successful formalisation of the Development Minerals ASM Sector requires the participation of all the key stakeholders and actors who are connected to the sector. These include the Government Line Ministry (MEMD), as well as other Ministries, Departments and Agencies whose work interfaces Development Minerals. The other stakeholders will be selected from the Private Sector, including the Uganda Chamber of Mines and Petroleum, Civil Society, Local Governments and other sector stakeholders. Representatives from these different stakeholders will be selected to join a Multi-Stakeholder Advisory Group (MSAG) on the Formalisation of Development Minerals ASM. The Terms of Reference of the MSAG, among other things, will be to review the Formalisation Strategy and advice on its content, approach and implementation.

One key role of this MSAG will be to support MEMD and the first Parliamentary Council to ensure the faster passing of the Mining and Minerals Bill, 2020 which lays the framework for the formalisation of the Development Minerals ASM Sector. The Group will also propose any reviews to the Draft Bill in line with their knowledge and experience on the sector

Key Activities

i. Conduct a survey to establish the different stakeholders that should comprise the MSAG.

ii. Invite identified stakeholders to join MSAG.

iii. Convene periodic meetings of MSAG to review and discuss implementation of the Formalisation Strategy.

SA # 2 Expedite the Implementation of the New Policy and Regulatory Framework

Drafting of the Mining and Minerals Bill, 2020 was completed and passed by the First Parliamentary Council. This followed reviews, stakeholder consultations and incorporation of stakeholders' concerns. The Bill was then discussed and passed by Cabinet on 12 April 2021 and forwarded to Parliament for discussion and passing. It is critical now that there are no more delays in passing this Bill into law because it will affect implementation of the progressive clauses therein that set the foundation for the recognition of Development Minerals as minerals under Uganda's mining legislation and subsequent formalisation of ASMs. Passing this Bill into law therefore, needs to be expedited.

Key Activities

i. Engage the Natural Resources Committee of Parliament to expedite the passing of the new mining and minerals law which provides for the regulation of Development Minerals earlier excluded under Article 244(5) of the constitution.

ii. Engage MEMD on the development of regulations for the Development Minerals sub sector.

iii. Support MEMD to disseminate and sensitise ASM stakeholders on the Mining and Minerals Policy 2018 as well as the Act when passed.

iv. Engage local government on enacting of district ordinances that will address unique business challenges that are not of a national nature.

v. Support sensitisation of public and private sector stakeholders on new regulatory provisions affecting the mining and/or utilisation of Development Minerals.

SA # 3: Ensure Meaningful Engagement and Sensitisation of ASMs

The approach for the Formalisation Strategy of Development Minerals ASMs will be highly dependent on the participation of ASMs and their leaders. From the interviews that were conducted, it was established that some of the ASMs involved in Development Minerals were not fully aware of the benefits of formalisation and thus were not very keen on it. Those that were somewhat informed about it were concerned that it would increase their operational costs thereby affecting their incomes. It should also be noted that most of the miners and mineral dealers throughout the Development Minerals Value chain are illiterate and will require step by step support to achieve formalisation. There will be need to sensitise the ASMs on the benefits of formalisation before any mobilisation can start.

All the concerned government ministries and agencies that are charged with any form of responsibility in the sector – MTIC, DLGs, URA, URSB, MLGSD, NEMA, DGSM, UNRA and others – should be supported to build a coalition of public actors with a unified vision of supporting the players to comply.

Key Activities

i. Compile, produce and distribute IEC materials promoting formalisation

ii. Develop a simplified Regulatory Compliance Handbook for the Development Minerals Sector in Uganda

iii. Train ASM sector actors on the new regulatory framework for Development Minerals

iv. Sensitise all local governments on their oversight role and implementation of the new regulatory framework for Development Minerals

SA # 4: Support Development Minerals ASMs to Organise, Formalise and Legalise

Most ASMs engaged in the exploitation of Development Minerals need support to be organised

and prepared for registration. Through the existing Uganda Association of Artisanal and Small-scale Miners (UGAASM) regional leaders, as well as the DNROs, there should be a deliberate effort to reach out to all ASMs and support them to organise themselves into associations. Special attention must be paid to women-led associations in order to ensure that they fully participate. They will need support in terms of registration of members, drafting a constitution and registration at the Sub-County and District. Beyond that, those that have the capacity will also need support to register at the national level with URSB.

Key Activities

i. Outreach engagements through UGAASM to mobilise ASMs, including women.

ii. Legal support in drafting constitutions (for registration level) and incorporation processes (for legalisation level).

SA # 5: Create Opportunities for Dialogue Between ASMs and MSM/LSM

Interview findings indicate a rocky relationship between ASMs and MSM/LSM. Conflicts between them are caused by illegal ASM operations on areas licensed to MSM/LSM; a tendency of MSM/LSM to fence off large chunks of mineral-rich land thereby locking out ASMs; competition over resources, among others. These conflicts create barriers between ASM and MSM/LSM that can only be resolved through dialogue. This SA therefore will be seeking to create communication channels for ASM and MSM/LSM to dialogue about issues of mutual interest, specifically how the latter can support formalised entities in the Development Minerals Sector.

Key Activities

i. Collect baseline information on hotspots of conflict between ASM and MSM/LSM in the Development Minerals Sector.

ii. Engage both ASM/LSM to explore areas of collaboration.

iii. Conduct periodic Dialogue Tables to discuss and resolve conflicts.

iv. Periodically monitor resolutions from Dialogue Tables.

06 BUSINESS DEVELOPMENT AND ACCELERATION STRATEGY

6.1 Case for Business Development and Acceleration for Development Minerals ASMEs

Whereas the previous chapter demonstrated the process of getting ASMs to organise themselves into associations, register at the Sub-county and District and eventually transform into ASMEs through formal registration of their business operations, this chapter now lays out how the ASMEs engaged in Development Minerals can be supported to grow their business operations in a sustainable manner and thereby remain competitive in the formal economy. The support is considered necessary, given the unique challenges that Development Minerals ASMEs face in operating in the formal economy. Key amongst these, is inadequate financing, with respect to challenges surrounding adequate, inclusive and innovative financing, and how this can be addressed within the context of accelerating access to business development services. This report therefore captures the findings and recommendations of the study and suggests strategies that can be used to address key challenges that exist at both enterprise and system level.

The strategy gives guidance on how to overcome the key bottlenecks faced by Development Minerals ASMEs, which include the following:

i. Inadequate access to affordable financing
ii. Inadequate access to affordable, appropriate technology and equipment
iii. Inadequate access to market information
iv. Weak Value Chain Support
v. Inadequate capacity and skills for business management, innovation and value addition, and;
vi. Poor product quality that affects competitiveness

Additionally, this report details out a five-year road map and action matrix that will facilitate collective stakeholder action towards achieving formalisation and business development acceleration outcomes for the Development Minerals Sector in Uganda.

6.2 Key Business Challenges Faced by ASMEs in the Development Minerals Sector

This report has identified at least seven (7) key business challenges faced by the ASMEs in the Development Minerals sector in Uganda as further outlined below.

6.2.1 Poor Business Practices

At enterprise level, ASMEs lack strong internal business management practices that form the foundation for steady growth. The high levels of informality in regulatory compliance have had a significant spill over effect into how they handle their day-to-day operations. There is a high level of casual and lacklustre attitude in handling customers, collection and management of cash, management of critical business data, hiring and management of employees, among others. This level of disengagement, coupled with a significant 'rent-seeking' behaviour practiced by the entrepreneurs all point to the reasons why the sector has so many small businesses that are not growing, innovating or significantly and intentionally growing their undertakings.

As illustrated by the responses to the questions related to presence of internal systems for managing customers, business performance, managing staff and managing inventory, the ASMEs generally scored poorly. Study findings indicate that almost

all the businesses are lacking in these four aspects for which the study elected to gauge the state of internal business management practices employed by the ASMEs.

6.2.2 Inadequate Affordable Financing

The Development Minerals Sector suffers from endemic financing challenges. This problem has been made more profound by the economic impact of the Covid-19 pandemic. Having stayed out of business for the entirety of the lockdown and without any meaningful intervention from Government, the sector has become a high risk one and unattractive to financial institutions. Even with the resumption of operations, the value chain is still operating below pre-Covid-19 levels mainly because of limited working capital.

6.2.3 Limited Access, Acquisition and use of Equipment

Already, before the Covid-19 period, the sector was grappling with this problem mainly because the equipment is generally expensive and there is no specific financing product on the market that has been developed to support ASMEs in this regard. Although the market has various credit and trade financing products, many of those (such as the leasing products offered by DFCU Bank) are generic. Consequently, instead of building mechanisation capacity, the ASMEs employ more people which in many ways does not improve efficiency but further diminishes incomes and revenues. Without equipment, the sector is unable to realise better efficiencies in quality and quantity as well as value addition.

6.2.4 Lack of Access to Geological Information

There has been limited mapping of Development Mineral deposits in Uganda and therefore there is inadequate information of the quantity of deposits which makes planning and investment hard. Moroto District has for instance cited the need to have its revenue streams mapped, including Development Minerals. Such information is useful in planning for the sustainable exploitation of Development Minerals, as well as in developing standards for Development Mineral products.

6.2.5 Lack of Quality Standards

The Uganda National Bureau of Standards does not include some of the Development Minerals products on their list of locally made products that must be certified. As a result, ASMEs that are engaged in value addition and manufacturing lack guidance on how to produce quality items. This impacts on customer perception regarding quality of local products and ultimately on their prices and sales.

Standards for Development Mineral products such as those of clay are non-existent. One of the medium scale clay product manufacturers in Kawotto, Kajjansi Town Council, expressed frustration with the absence of standards and indicated that they have to take their products for testing as opposed to the standardisation body coming to check that their products meet the required standards. Moreover, there is a general lack of awareness and consideration of the linkage between standardisation and efficient/effective value addition. Given Uganda's natural resource-driven industrialisation, in the NDP III, this is a critical hinderance that needs a multi-faceted approach to invest in sensitisation, technical service provision, institutional-level interventions and trade facilitation in this regard to harness compliance to international product standards. In turn, this will ensure market competitiveness of products within the domestic, regional and international markets.

6.2.6 Limited Opportunity for ASMEs to Partner with MSM/LSM

On 20 May, 2020, Uganda's Parliament passed the National Local Content Bill, 2020, (**National Local Content Act**) into law. The Act defines Local Content to 'include the quantum or percentage of locally produced goods, locally produced services and the utilisation of personnel, financing, goods and services by a Local Content entity in any operation or activity carried out in Uganda'. However, this study established that generally, the enforcement of Local Content requirements (e.g. mining companies engaging and working with local communities) in the legal framework is weak. The MSM/LSM companies come into mineral-host communities without necessarily engaging them. Further, ASMEs are losing out on business opportunities at the Local Governments because they do not have capacity to participate in tendering processes for infrastructure projects. As a result, most of the lucrative contracts are won by MSM/LSM companies.

6.2.7 Absence of a Unified Advocacy Front

The Development Minerals Sector lacks a unified voice to spearhead a much-needed advocacy and lobbying function. There has not been significant progress made in the area of self-organisation and as such, the sector does not have an industry association that brings together the key actors. This was even more evident during the Covid-19 induced lockdown and suspension of operations. The sector actors could not quickly organise themselves to engage Government on any meaningful interventions. Additionally, there is no enforceable code of conduct by which ASMEs can call themselves to order and there is a general lack of member-driven services. This gap is currently filled by the local and international development agencies.

6.3 How to Achieve the Required Business Acceleration

To achieve business acceleration for ASMEs in the Development Minerals Sector, interventions have to be implemented by a multitude of stakeholders across the entire value chain; from exploration to marketing and distribution. The illustration here below maps the key challenges faced by ASMEs in the Development Minerals Sector, and the strategic interventions required to enhance ASME performance. The actions, in turn, form the core of the Strategic Actions (SAs) that comprise the Business Development Acceleration Strategy for Development Minerals ASMEs in the subsequent section.

	Reserves and Resource Estimation	Extraction	Processing	Transport	Marketing and Distribution
The bottlenecks	• Geological Data is not available. • High costs of exploration • Conflicts between landowners and DM ASMEs that frustrate access to land for exploration	• Access to more efficient and labour-saving extraction technologies/equipment • Poor Safety Health and Environment Management practices	• Lack of modern equipment for value addition • Poor Operational Safety and Health Management that causes pollution	• ASMEs do not own vehicles and have to rely on outsourced transporters. • Transporters are also middlemen and take a large share of profits from DM ASMEs. • Non-payment for commodities taken on credit, especially for women ASMs • Bad roads to mine sites increase costs of transportation	• No contacts in the market to supply large contractors of infrastructure projects • Lack of marketing skills to open up new markets and recruit new customers • Lack of capacity to compete for tenders and participate in procurement processes at the Local Government and Central level • Lack of standards to ensure quality of supplies
What needs to be done (Actions Required)	• Avail DM ASMEs with geological information in accessible formats at a subsidised cost • Government can set aside an exploration budget to support ASMEs with shared equipment stationed at Regional level • Provide spatial data and information regarding DMs resources to ensure their importance at both local and regional levels is identified and utilised efficiently through planning and development processes of land use and urban planning • Identify the location and extent of known DM resources.	• Work with financing institutions to innovate around leasing or outright purchasing options tailor-made for DM ASMEs • Empower local fabricators to produce some of the equipment locally. • Explore collaboration opportunities with other ASMEs and Large-Scale actors for bulk purchasing of equipment. When the demand is bulked up, better pricing and quality standards can be addressed • Training in proper SHE Management	• Support local and foreign businesses that are looking at manufacturing glass and other sand products. There should be a move towards value addition, mainly for the finest sands. This would ensure that the upstream retains much more value from sand extraction. • Training in proper SHE Management	• Work with financing institutions to innovate around vehicle leasing for ASMEs • Building capacity of ASMEs to enhance their collective bargaining skills while engaging middlemen. • Building capacity of ASMEs, especially those run by women, to put the proper documentation in place to pursue credit defaulters. • Engage Local Governments to continuously maintain the roads in DM producing areas.	• Building the capacity of ASMEs in marketing skills to enable them to attract new customers • Training ASMEs in Government tender application processes • Engage Uganda National Bureau of Standards (UNBS) to introduce standard certification of DM locally made products • Adopt the use of digital marketing media to create market for clay products such as pots, dishes, tiles, etc.

	Reserves and Resource Estimation	Extraction	Processing	Transport	Marketing and Distribution
	• Protect priority resource locations, key extraction areas and extraction areas from being developed for incompatible land uses which could limit future exploitation. • Ensure that the use and development of land for the extraction of DMs does not adversely affect the environment or amenity in the locality of the operation during or after extraction • Provide a consistent planning approval process for extractive industry proposals. • Compile seamless digital datasets for each DM for easy planning and extraction as well as early identification of potential constraints and opportunities to their extraction • Identification of active and inactive quarry sites and DM reserve estimations.				
By whom? (Responsibility)	• DGSM, Ministry of Energy and Mineral Development	• ASME leaders, Private Sector, NGOs and Development Partners	• Private Sector, NGOs and Development Partners	• Private sector, NGOs and Development Partners, Private Sector Foundation Uganda (PSFU).	• NGOs and Development Partners, UNBS

Source: Field findings, 2021

6.4 Overall Goal of the Business Acceleration Strategy

The overall goal of the business development and acceleration strategy has been considered and stated thus:

To enhance the productivity, profitability and sustainability of Development Minerals ASMEs.

6.5 Objective of the Strategy

The objective of the Business Development and Acceleration Strategy is to provide the Development Minerals Sector stakeholders in Uganda with informative tools that they can use to improve the productivity, profitability and sustainability of the ASM Development Minerals Sector.

Specifically, the strategy aims to:

(i) Improve the business skills, management, productivity and profitability of Development Minerals ASMEs;

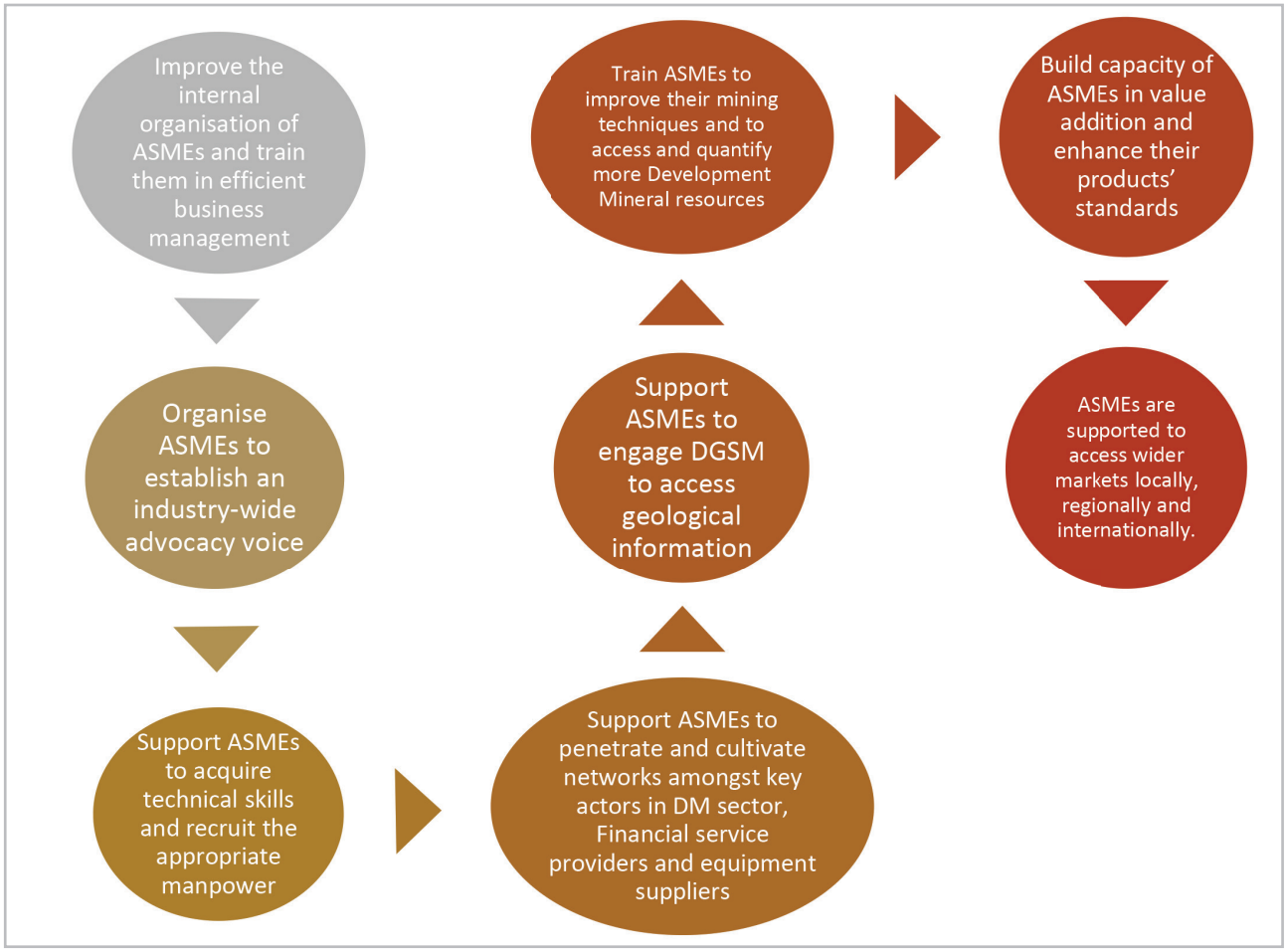
(ii) Foster partnerships between Development Minerals ASMEs and other key actors in the sector like financial service providers, equipment suppliers and others, and;

(iii) Address technical skills and capacity gaps in the Development Minerals ASMEs.

6.6 The Business Development Acceleration Process

The process of Business Development and Acceleration for Development Minerals ASMEs is a multi-stakeholder effort that requires the participation of the ASMEs, Government, Private Sector, Civil Society, Development Partners and others. For the ASMEs to become profitable and self-sustaining in the formal economy, they have to be supported to organise themselves internally by putting the requisite systems in place, hiring the right manpower and having the capacity to access financial and technical resources to ensure their business is competitive in the market.

Here below the report graphically illustrates the key steps that are necessary in enhancing business development of ASMEs in the Development Minerals Sector:



One of the major drivers of business growth for ASMEs is building their capacity to add value to their mineral commodities and sustainably supply the market with quality products, many of which are being imported into Uganda currently.

6.5 Strategic Actions and Key Activities

The key Strategic Actions (SAs) and related specific activities that are required for the Development Minerals ASME Business Acceleration Strategy are outlined below:

SA # 1 Enhance Business and Entrepreneurship Skills of Development Minerals ASMEs

a) Improving ASME Internal business management practices

A key ingredient to being able to access financing by a firm is the ability for internal organisation to prove a business case (or the lack of it) with strong evidence. Unfortunately, the Development Minerals Sector in Uganda is very weak in this area. There is a very high degree of informality, with many ASMEs lacking basic business attributes such as record keeping, stock and inventory management, customer relationship management procedures, cash and banking management, among others. This is not a dis-incentive to the banking and non-banking financial sector alone but it is also a big hindrance to contracting by larger firms that require supplies. Accordingly, the ASMEs have to be supported to steadily but significantly improve their internal business management processes. This can be done in collaboration with key government agencies such as URA which have become more customer oriented over the years; academic institutions like MUBS that are now looking at the informal sector as a new market requiring skilling at the entrepreneurship and business development centre; or the private sector BDS providers.

b) Support Improvements at Enterprise Level

As earlier noted in the literature, there are both systemic and enterprise challenges that have to be addressed. Study findings indicated that ASMEs were generally weak internally. With the exception of the few bigger players that are enjoying the benefits of scale and experience that has come with longevity in the sector, most ASMEs would require support with the following aspects:

(i) Adopting Customer-Centric Business Strategies

Because ASMEs do not offer any customer-centric experience to their customers to ensure they build long-term relationships, their consumers (and these are at different levels and nodes within the value chain) have no loyalty. The turnover of customers is so high and for those that kept some form of records, mainly receipts, it was evident that they had very few repeat customers. Many had no data on their customers and suppliers, no system for managing stock and inventory; there was no clear system for dealing with customer complaints, while filing and documentation was thin. The lack of records makes it difficult for the ASMEs to segment their customers, understand their needs and create value propositions that suit their unique needs. Because of this, enterprises generally have weak customer relationships and this is compromising their ability to grow sales volumes.

(ii) Business Incubation, Research, Mentoring and Coaching

There is little or no product differentiation in the sector. ASMEs compete to sell similar products and this in many ways explains why there is no customer loyalty. In this type of market, customers are so price-sensitive and this was confirmed during the survey as ASMEs noted that they competed less on quality than price. This means the margins keep getting narrower as ASMEs struggle to stay afloat. Not only does this slow growth of the sector in terms of innovation, it also creates fertile ground for unscrupulous business people to penetrate the market. This was a major concern for customers as they noted that the market is awash with substandard materials (especially sand and clay) and that the habit of delivering less than what was ordered is rampant. All this unethical behaviour points to a traditional thin market that is facing an existential crisis. There is need to deepen and widen the product range within the Development Minerals Sector. There is need to deepen and widen the product range within the Development Minerals Sector to support ASMEs to diversify and build niches that they can service at good margins. The ACP-EU Development Minerals programme should support progressive ASMEs in the sector to start looking at new areas to conquer. This support should be in the form of linkages with incubation and research centres such as UIRI and the MUBs Entrepreneurship Centre.

(iii) E-commerce

Study findings revealed that the sector players were concerned about the lack of interest from e-commerce platforms. In fact, one key player wondered why to date, the Development Mineral sector does not have a platform like Jumia; arguing that some of the products can be categorised as fast-moving consumer goods (sand, gravel, concrete products, etc). The sector should be supported to digitise as this would open it up to the wider market, creating transaction transparency, generating real time business data and providing an incentive for the sector to be more responsive to the unique needs of customers. In order to get the youth involved, their knack for the digital age (and edge as well) can be harnessed by supporting them to create an e-commerce platform that not only provides a virtual marketplace but also avails critical sector information such as regulatory compliance requirements, digital location maps of ASMEs with their business details, opportunities and trends in the market, among others. Availing this business on people's smartphones and computers can transform the way ASMEs think about themselves, their products and their customers.

Key Activities under SA#1

(i) Training of ASMEs in business start-ups, management and sustainability.

(ii) Training of ASMEs in establishing internal business management structures.

(iii) Build and operate an online platform dedicated to marketing and selling Development Minerals products with interface provided to both supply and demand sides for direct and easy access.

SA # 2: Promote Value Addition

For ASMEs to enjoy benefits that come with diversification within the Development Minerals Sector, there is need to build linkages with MDAs such as MTIC, incubation and research centres such as UIRI and the MUBS Entrepreneurship Centre.

Makerere University Business Schools (MUBS) Entrepreneurship, Innovation and Incubation

Uganda Industrial Research Institute (UIRI): *A Government parastatal organisation under the Ministry of Science, Technology and Innovation (MoSTI). Established by an Act of Parliament in 2002, it is a competence and capability centre that champions innovations, translates applied research results into practical applications that lead to high quality efficient industrial products, processes and creates highly skilled human resources. This institute is already doing research and offering incubation services in the clays and ceramics product development. They are building capacity to build inroads into sand and other minerals.*

Building a strong collaboration with such centres and other universities such as Makerere University, Kyambogo University, Nkumba University and Uganda Christian University can help the sector think outside its current product offer. The MTIC has a New Industry Policy, Implementation Strategy and MSMEs Policy and Implementation Strategy which all recognize the importance of Extractive Industries and the MSMEs; including ASMs. This policy recognition can be used to align value addition initiatives in the Development Minerals Sector with Government's development ambitions.

Key Activities under SA#2

i. Undertake a scoping study on the status of value addition, required skill sets and skills gap in the Development Minerals Sector
ii. Develop a value addition policy to promote local industry
iii. Training of miners in value addition of development minerals
iv. Create a fund that can be accessed by legalised ASMs to start small scale industries for example cement, building blocks, etc
v. Foster business collaborations with existing innovation, incubation and mentoring centres of excellence.

vi. Build partnerships with Ugandan-owned and operated e-commerce platforms to innovate digital business solutions for the Development Minerals Sector.

vii. Establish regional training and demonstration centres for core Development Minerals across the mining regions.

SA # 3: Expand Market Opportunities for Development Minerals

Study findings established that ASMEs miss out on large supply contracts because they lack the required documentation to participate in Government or Public procurement processes. As a result, such tenders are won by more established firms which in turn buy their supplies from the ASMEs, cutting them short. The ASMEs are also not actively exploring opportunities for synergies and collaboration with contractors of big infrastructure projects because they neither have the negotiation skills to engage them nor the capacity to supply them. Even if such contractors were to work with ASMEs, the latter would face challenges in meeting the demand because of inadequate capacity in terms of quality and quantity.

Key Activities under SA# 3

i. Build the capacity of ASMEs to understand public procurement processes to enable them compete in bidding processes.

ii. Promote producer to consumer links by creating partnerships between ASMs and MSM, LSM, construction companies and other supply chain actors.

iii. Engage the Uganda Bureau of Standards to put in place a quality control, verification, and standardisation system for Development Minerals production.

iv. Support ASMEs to participate in national and international trade fairs.

SA #4: Finance the Development Minerals Sector

Although strides have been made towards creating an enabling environment, Uganda businesses continue to face serious challenges in attracting commercial investments. The cost of finance is high, with interest rates often ranging between 22 to 25 % of the total value of the amount borrowed. The low return on savings fluctuates between 3 to 6 percent annually, and formal financial institutions are located far from ASME operational areas.

Key Activities under SA 4

(i) Creating grants or funds to bridge challenges in accessing capital.

(ii) Promote the use of digital financial and payment solutions at ASM production sites and markets.

(iii) Train and build the capacities of Development Minerals supply chain actors to partner with financial service providers.

SA #5: Enhance Access to Appropriate Equipment

Not only is the equipment expensive, but the financial sector is also unable to extend funding to the operators mainly because they are perceived to be high risk borrowers who are struggling to prove a business case. Without equipment, ASMEs cannot achieve efficiency on one hand and value addition on the other yet they and other associated enterprises also desire to advance to technologies of lower production costs and green technologies that require financing. The situation also prevents ASMEs from initiating and managing stronger supplier relationships with the established manufacturing and construction firms in the country. In the end, this is denying the Development Minerals Sector the funding that it desperately needs.

One way of tackling this challenge is creating a facility that will allow operators and related businesses to acquire the appropriate equipment. This can be in the form of a bank guarantee or an equipment leasing arrangement with big suppliers which can be strategically linked to key performance improvement undertakings to be met by qualifying firms. This will provide a stop-gap solution that will speed up production, processing, transportation and transformation in the short and medium term as the sector develops towards sustainability. The other option is by tapping the knowledge and expertise of local fabricators and heavy equipment assemblers. ASMEs can be supported to work with the Uganda Small Scale Industry Association (USSIA) and the Uganda Manufacturers Association (UMA) to fabricate the equipment locally at a much cheaper cost. ASMEs can then purchase the fabricated equipment using a bank guarantee or an equipment leasing arrangement.

There are several impressive cases of local fabricators supplying ASMEs with custom-made equipment. At one site in Lira City, the ASME was using both locally fabricated as well as imported equipment. Although the former was found to be cheaper and more durable, their product range was limited, itself an indication that the local fabricators need some technical support to improve their innovations to suit the market.

Figure 6: LEFT: A locally fabricated block - making machine at a small-scale factory in Lira City. RIGHT: A Multi-purpose Chinese-made imported block-making machine.

The proprietor reported that his company spent about UGX 40 million on a new machine to replace the locally fabricated one. However, the local one could have been improved were the capacity and technology available, at a cheaper cost.

Figure 7: In the foreground are some of the products made using the imported machine.

Key Activities under SA# 5

(i) Bridge the gap between ASMs and financial institutions to access bank guarantees and/or equipment leasing.

(ii) Boost local capacity in the manufacture/ fabrication of basic ASM mining equipment.

SA # 6: Bridge the Skills Gap

The sector is suffering from an acute deficiency of trained human resource. This problem is even made more profound by the inability of the ASMEs to acquire modern equipment. In order to increase production, they hire an even bigger number of unskilled labourers. This has had a negative impact on consistency in quality of products as well as hindering progress towards value added products. Operators also reported that where they have equipment, the human resource available in the market is not necessarily trained to fit the demands of the sector. This creates a challenge in efficiency for operators even when they are able to address the enormous problem of equipment. There are several solutions to this challenge, including the following:

i) **Curriculum Development:** Vocational training institutions and ASMEs should harness collaborations. While the bigger players do not have challenges with higher level trained staff (especially degree holders), the smaller firms still find it difficult to get diploma and certificate holders who are specifically trained for the sector. Perhaps through the industry association and other key actors, there is need to develop an appropriate curriculum in collaboration with the vocational training institutions across the country.

ii) **Market Oriented Internship Programmes:** Another innovation would be internship programmes with the more established firms so that the sector can benefit from knowledge and skills transfer. The graduates from the vocational schools can undergo apprenticeship and internship so that they can fill the critical human resource gap as efforts to work out a solution between the institutions and the ASM operators take shape. This can be adopted as an industry practice with targeted internship recruitment fairs at the various institutions. The fairs will, in time, make the sector more attractive to skilled graduates and open it to the opportunities that come with acquiring quality manpower. It will also create a platform for partnerships between institutions and the ASMEs.

iii) **Scholarships and grants:** This would require participation of Government, international development partners and the private sector to launch a scholarship programme that would specifically address the skilling and skills gaps in the sector. This scholarship programme should be based on the new curriculum developed by the vocational training institutions and fuelled by a commitment to absorb the graduates. The scholarship programme should have a special interest in women as they are not well represented in the skilled labour market within the mining industry in Uganda.

Key Activities under SA# 6

- Partner with Uganda Industrial Research Institute to develop a training programme in collaboration with vocational training institutions across the country
- Create partnerships between MSM/LSM and the ASMEs in order to enable market-oriented apprenticeship and internship placement programmes.
- Work with partners in government, international development partners and the private sector to launch a scholarship programme that addresses the skilling and skills gaps in the sector.

SA #7: Enhance access to geological data and information

ASMs that are involved in the extraction of semi-precious stones and industrial minerals, gemstones and dimension stones, among others, do not have access to credible geological information that can enable them minimise losses and enhance their production.

Key Activities under SA# 7

(i) Provide geological information to ASMs in simplified and easily accessible formats.

(ii) Engage with Financial Institutions to advocate for utilisation of geodata and reserve estimations to inform credit and other financing decisions.

SA #8: Zone out Development Minerals ASM Sites

There is recurrent conflict between ASMs involved in the extraction of industrial minerals like limestone and dimension stones like marble with MSM/LSM over licensed mining areas in Moroto District. Officials at the district report that companies usually obtain licenses without much of their involvement thereby displacing the ASMs that have worked in those areas for decades. Creating ASM zones in areas of good mineralisation can be a way of protecting ASMs' livelihoods while also taking care of the interests of MSM/LSM companies.

Key Activities under SA#8

(i) Map and gazette Development Mineral rich areas specifically for the ASMs in Karamoja as a form of affirmative action

(ii) Facilitate ease of access top geodata and maps of Development Minerals

(iii) Engage the DGSM to update the Mining Cadastre with information on Development Minerals sites

SA #9: Enhance ASM technical capacity to improve mining and quarrying practices

ASMs engaged in Development Minerals extraction lack the knowledge, skills and tools to conduct proper mining and quarrying. This not only causes accidents at the mine sites, but also slows down their work and ultimately lowers production. The SA, comprising different Government Ministries and Agencies with varied technical expertise, will bridge this gap.

Key Activities under SA#9

(i) Provide soft skills to miners and extractors on best practices in mining and quarrying.

(ii) Train miners and extractors on the use and applicability of mining equipment in resource extraction

(iii) Incentivise good mining practises.

(iv) Support cross-regional learning and sharing among ASMs about good mining practices.

SA #10: Promote participation of women and support women-owned ASMEs

There is a significant gender imbalance in the distribution of benefits in the Development Minerals Sector, as women and men do not tend to perform the same jobs, and the 'women's jobs' are generally lower paid. Women are estimated to earn, on average, 39% less than men and obtain only 13% of revenues accruing to the workforce, despite constituting 20% of the workforce. These findings are more acute when gender participation and wages across the entire value chain are considered. Findings indicate that middlemen tend to pay women ASMs less money because they believe they are more eager than the men to earn money daily to provide for their families. Value chain and market initiatives need to take account of this and seek to redress the gender inequity in terms of income and access to employment.

Key Activities under SA#10:

(i) Build the capacity of women led ASMEs to enhance their business management and negotiation skills.

(ii) Engage Local Governments to give special consideration to women led ASMEs in the local tendering processes.

SA # 11: Address Health, Safety, Social and Environment Management

Mining is considered by ILO as one of the most unsafe human activities. Apart from the medium and large-scale mining sites run by companies, Development Minerals ASM sites in Uganda are generally unsafe and prone to a range of hazards depending on the mineral being mined at the site. HSE Management is very poor at ASM sites mostly because of their informal and unregulated nature with most of them operating outside of health and safety legislation or enforcement. Furthermore, they have no legal obligation to restore mine sites after activities most of which, once abandoned, pose environmental, health, social and economic challenges. This SA will also involve a multi-stakeholder approach to offer guidance on mitigating the adverse effects of mining activities, especially abandoned mines, on the ecosystem and health of adjacent communities while at the same time, promoting a peaceful mining atmosphere among ASMs, construction companies, authorities and communities.

Key Activities Under SA# 11

(i) Develop regulations and guidelines to enhance compliance to national and international standards of health, safety, and environmental protection.

(ii) Establish a mechanism to monitor and enforce compliance to health, safety and environmental standards.

(iii) Undertake sensitisation campaigns to raise awareness among players in the industry and promote use of health, safety and environmentally sound technologies.

(iv) Map and make a detailed assessment of the true extent of the Development Minerals extraction on human and animal health, as well as on ecosystems. Uganda lacks a precise inventory and assessment of abandoned and active mine sites.

(v) Bring together a wide range of stakeholders from government, communities living around mining sites, mining industries, communities involved in ASMs and various other actors such as NGOs involved in the artisanal mining sector to discuss improving the working conditions for better productivity, safety and environmental care.

SA #12: Support the Enforcement of Human and Labour Rights, Including Eliminating Child Labour

Study findings established that the Development Minerals ASM sector in Uganda employs children and there are many violations of human and labour rights. There are many occurrences of forced displacement of ASMs in Karamoja and parts of Northern Uganda as well as limiting access of miners to mining areas.

Key activity under SA # 12

(i) Train the local government and Development Minerals ASMs in equitable participation, ownership and decision-making of vulnerable groups e.g., women, the poor, youths, PWDs, communities, children along value chains.

07 THE ROAD MAP AND CRITICAL IMPLEMENTATION ACTIVITIES

7.1 A Five Year Action Plan

A detailed road map and the critical implementation activities for the *Development Minerals Formalisation* and the *Business Acceleration Strategy* for the ASM sector in Uganda is presented herebelow, by way of a Tabular Matrix. It is presented in terms of proposed activities, expected results, indicators, implementing levels, an indication of the lead and responsible supporting agencies as well as the provisional timelines.

	Proposed Activity	Expected Results	Indicators	Implementation level	Lead Agency	Supporting Agencies	TIMELINE				
							YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
STRATEGIC ACTIONS AND KEY ACTIVITIES FOR THE FORMALISATION OF THE DEVELOPMENT MINERALS ASM SECTOR IN UGANDA											
SA #1	**Form a Multi-Stakeholder Advisory Group**										
1.1	Conduct a survey to establish the different stakeholders that should comprise the MSAG	A comprehensive database of the relevant stakeholders		National	UNDP	DGSM, NGOs, CSOs, local government, private sector, academia					
1.2	Invite identified stakeholders to join MSAG	A well-established and represented national working group	Terms of Reference developed and shared	National	UNDP						
1.3	Convene periodic meetings of MSAG to review and discuss implementation of the Formalisation Strategy	Efficient implementation of formalisation strategy	Number of meetings held by MSAG	National, Sub-national	UNDP	DGSM, CSOs, NGOs, local government					
SA #2	**Expedite the implementation of the new policy and regulatory framework**										
2.1	Engage the Natural Resources Committee of Parliament to expedite the passing of the new Mining and Minerals Bill which provides for the regulation of extraction of Development Minerals earlier excluded under Article 244(5) of the constitution	A new law that regulates all Development Minerals	Passing of the law by Cabinet	National	Parliament	MEMD					
2.2	Engage MEMD on the development of regulations for the Development Minerals sub sector	Effective regulation of the Development Minerals sector	A set of regulations passed for the Development Minerals Sector	National	MEMD	UNDP, NGOs, CSOs					

	Proposed Activity	Expected Results	Indicators	Implementation level	Lead Agency	Supporting Agencies	TIMELINE				
							YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
STRATEGIC ACTIONS AND KEY ACTIVITIES FOR THE FORMALISATION OF THE DEVELOPMENT MINERALS ASM SECTOR IN UGANDA											
2.3	Support MEMD to disseminate and sensitise ASM stakeholders on the Mining and Minerals Policy 2018 as well as the act when passed	Increased acceptance for formalisation of ASM sector	Number of DM ASMs registered by MEMD's BRASM project	National	MEMD	UNDP, NGOs, CSOs, Development Partners					
2.4	Engage Local Government on enacting of district ordinances that will address unique business challenges that are not of a national nature	Effective regulation of the Development Minerals sector	Number of district ordinance enacted	Sub-national	MoLG	UNDP, CSOs					
2.5	Support sensitisation of public and private sector stakeholders on new regulatory provisions affecting the mining and/or utilisation of Development Minerals	Enhanced regulation and compliance in the Development Minerals sector	Number of public and private stakeholders sensitised	National, Sub-national	UNDP	MEMD, Local Government, NGOs, CSOs, Development Partners, Private sector					
SA #3	**Meaningful engagement and sensitisation of ASMs**										
3.1	Compile, produce and distribute IEC materials promoting formalisation	Increase in knowledge and awareness on formalisation of ASMs and its benefits	Number of public and private stakeholders sensitised	National, Sub-national	UNDP	MEMD, NGOs, CSOs					
3.2	Development of a simplified Regulatory Compliance Handbook for the Development Minerals Sector in Uganda	A guiding document for the Development Minerals sector	Increased compliance with the law on Development Minerals	National, Sub-national	DGSM	MEMD, UNDP, UCMP, CSOs, academia, private sector					

	Proposed Activity	Expected Results	Indicators	Implementation level	Lead Agency	Supporting Agencies	TIMELINE				
							YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
STRATEGIC ACTIONS AND KEY ACTIVITIES FOR THE FORMALISATION OF THE DEVELOPMENT MINERALS ASM SECTOR IN UGANDA											
3.3	Train ASM sector actors on the new regulatory frame-work for Development Minerals	A well-regulated Development Minerals sector	Increased compliance with the law on Development Minerals	National, Sub-national	UNDP	DGSM, NGOs, CSOs					
3.4	Sensitise all Local Governments on their oversight role and implementation of the new regulatory framework for Development Minerals	A well-regulated Development Minerals sector	Number of Local Government officials engaged and reporting better compliance in their districts	Sub-national	UNDP	DGSM, NEMA, NGOs, CSOs					
SA #4	**Support Development Minerals ASMs to organise, formalise and legalise**										
4.1	Outreach engagements through UGAASM to mobilise ASMs, including women	Increased acceptance for formalisation of ASM sector	Increase of UGAASM mem-bership	Sub-national	UNDP	DGSM, NGOS, CSOs, Local Government					
4.2	Legal support in drafting constitutions (for registration level) and incorporation processes (for legalisation level)	Increase in number of ASM associations and ASMEs registered and legalized.	Number of new ASM associations and ASMEs	Sub-national	UNDP	NGOs, CSOs					
SA #5	**Create opportunities for dialogue between ASMs and MSM/LSM**										
5.1	Collect baseline information on hotspots of conflict between ASM and MSM/LSM in the Development Minerals Sector	Increase in knowledge and awareness on conflict in the Development Minerals Sector	A baseline report documenting hotspots of con-flict between ASM and MSM/LSM in the DM Sector	National, Sub-na-tional	UNDP	DGSM, NGOS, CSOs, Local Government					

	Proposed Activity	Expected Results	Indicators	Implementation level	Lead Agency	Supporting Agencies	TIMELINE				
							YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
STRATEGIC ACTIONS AND KEY ACTIVITIES FOR THE FORMALISATION OF THE DEVELOPMENT MINERALS ASM SECTOR IN UGANDA											
5.2	Engage both ASM/LSM to explore areas of collaboration	Engage both ASM/LSM to explore areas of collaboration	Reduced conflict and increased collaboration between the ASM and MSM/LSM	Number of MoUs signed between the ASMs and MSM/LSM	UNDP	DGSM, NGOS, CSOs, Local Government, private sector					
5.3	Conduct periodic Dialogue Tables to discuss and resolve conflicts	Reduced conflict and increased collaboration between the ASM and MSM/LSM	Number of MoUs signed between the ASMs and MSM/LSM	Sub-national	UNDP	DGSM, UGAASM, NGOS, CSOs, Local Government					
5.4	Periodically monitor resolutions from Dialogue Tables	Sustainability of resolutions reached at the Dialogue Tables	Continued collaboration between ASM and MSM/LSM	Sub-national	UNDP	DGSM, UGAASM, NGOS, CSOs, Local Government					
SA #1	**Enhance business and entrepreneurship skills of Development Minerals ASMEs**										
1.1	Training of ASMEs in business start-ups, management and sustainability	Increase in the formalisation of the sector	Number of ASMEs formally registering with URSB	Sub-national	UNDP	URSB, NGOs, CSOs					
1.2	Training of ASMEs in establishing internal business management structures	Increase in income earned by ASMEs	Number of ASMEs reporting increased income	Sub-national	UNDP	NGOs, CSOs					
1.3	Build and operate an online platform dedicated to marketing and selling Development Minerals products with interface provided to both supply and demand sides for direct and easy access.	Increase in both local and international market of Uganda's DM products	Number of ASMEs reporting increased sales and income	Sub-national	UNDP	MTIC, MEMD, Development Partners, NGOs, CSOs					

	Proposed Activity	Expected Results	Indicators	Implementation level	Lead Agency	Supporting Agencies	TIMELINE				
							YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
STRATEGIC ACTIONS AND KEY ACTIVITIES FOR THE FORMALISATION OF THE DEVELOPMENT MINERALS ASM SECTOR IN UGANDA											
SA #2	**Promotion of value addition**										
2.1	Undertaking scoping study on the status of value addition, required skill sets and skills gap in the Development Minerals sector	Increased information and knowledge on the status of value addition	A well-documented report on value addition and the skills gap in the Development Minerals sector	Sub-national	UNDP	DGSM, NGOs, CSOs					
2.2	Develop a value addition policy to promote local industry	A sustainable value addition component in the Development Minerals sector	Number of ASMEs adding value to their products	National, Sub-national	MTIC	DGSM, UNDP, CSOs, NGOs, Local Government					
2.3	Training of miners in value addition of development minerals	Increase in local value addition of Development Minerals	Number of ASMEs adding value to their products	Sub-national	UNDP	DGSM, CSOs, NGOs					
2.4	Create a fund that can be accessed by legalised ASMs to start small scale industries e.g., cement, building blocks, etc.	Increase in local value addition of Development Minerals	Number of small-scale industries established	National	UNDP	INGOs, NGOs, CSOs					
2.5	Foster business collaborations with existing innovation, incubation and mentoring centers of excellence	Business knowledge building and transfer to the ASMEs	Number of MoUs signed by ASMEs with incubation and mentoring centers	National, Sub-national	UNDP	NGOs, CSOs, innovation, incubation and mentoring centers e.g. Stanbic Incubator					
2.6	Create partnerships with Ugandan-owned and operated e-commerce platforms to innovate digital business solutions for the Development Minerals Sector	Capacity building and technology transfer to the ASMEs	Number of partnerships created between the ASMEs and e-commerce platforms	National, Sub-national	UNDP	NGOs, CSOs, e-commerce platforms					

	Proposed Activity	Expected Results	Indicators	Implementation level	Lead Agency	Supporting Agencies	TIMELINE				
							YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
STRATEGIC ACTIONS AND KEY ACTIVITIES FOR THE FORMALISATION OF THE DEVELOPMENT MINERALS ASM SECTOR IN UGANDA											
2.7	Establish regional training and demonstration centers for core Development Minerals across the mining regions	Increase in local value addition of Development Minerals	Five (5) demonstration training centers established	National	DSGM	UNDP					
SA #3	**Enhance and market opportunities for Development Minerals**										
3.1	Build the capacity of ASMEs to understand public procurement processes and compete in bidding processes	Increase in income earned by ASMEs	Number of ASMEs being awarded bids	National, Sub-national	UNDP	Local Government, CSOs, NGOs					
3.2	Promote producer to consumer links by creating partnerships between ASMs and MSM, LSM, construction companies and other supply chain actors	Increased market for Development Minerals ASMEs	Number of MoUs signed between the ASMs and MSM, LSM, construction companies etc.	National, Sub-national	UNDP	Local Government, CSOs, NGOs					
3.3	Engage the Uganda Bureau of Standards to put in place a quality control, verification and standardisation system for Development Minerals production	Improved standards of ASME Development Mineral products	An effective quality control system put in place	National	UNBS	UNDP, DGSM, NGOs, CSOs					
3.4	Support ASMEs to participate in national and international trade fares	Increased exposure and promotion of Uganda's DM sector products on a local and international level	Number of ASMEs reporting increased sales	National, Sub-national	UNDP	NGOs, CSOs, Development Partners, Private sector					
SA #4	**Finance the Development Minerals Sector**										
4.1	Creating grants or funds to address challenges in accessing capital	Increased access to funds by Development Minerals ASMEs	Number of ASMEs with grant agreements	National, Sub-national	UNDP	Africa Guarantee Fund, NGOs, CSOs					

	Proposed Activity	Expected Results	Indicators	Implementation level	Lead Agency	Supporting Agencies	TIMELINE				
							YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
STRATEGIC ACTIONS AND KEY ACTIVITIES FOR THE FORMALISATION OF THE DEVELOPMENT MINERALS ASM SECTOR IN UGANDA											
4.2	Promote the use of digital financial and payment solutions at ASM production sites and markets	Reduction in cash payments hence an increase in saving	Number of ASMEs setting up digital financials and payment solutions	Sub-national	UNDP	NGOs, CSOs					
4.3	Train and build the capacities of Development Minerals supply chain actors to partner with financial service providers	Increased access to financial support by Development Minerals ASMEs	Number of ASMEs in partnership with financial service providers	National, Sub-national	UNDP	NGOs, CSOs, Micro-Finance Support Centre, Banks and other financial institutions					
SA #5	**Enhance Access to Appropriate Equipment**										
5.1	Bridging the gap between ASMs and financial institutions to access bank guarantees and/or equipment leasing	Increased access to equipment financing	Number of ASMEs with signed agreements with financial institutions	National, Sub-national	UNDP	NGOs, CSOs, Micro-Finance Support Centre, Banks and other financial institutions					
5.2	Boosting local capacity in the manufacture/ fabrication of basic ASM mining equipment	Increase of locally made and cost-efficient equipment	Number of artisans trained in fabrication of equipment	Sub-national	UNDP	DGSM, NGOS, CSOs					
SA # 6	**Bridge the Skills Gap**										
6.1	Partner with Uganda Industrial Research Institute to develop a training program in collaboration with vocational training institutions across the country	Improved skills in the Development Minerals sector	Number of ASMs trained	National, Sub-national	UIRI	DGSM, UNDP, CSOs, NGOs, Local Government, vocational institutions					
6.2	Create partnerships between MSM/LSM and the ASMEs in order to enable market-oriented apprenticeship and internship placement programmes	Improved skills in the Development Minerals sector	Number of ASMs being trained in MSMs and LSMs	National, Sub-national	UNDP	DGSM, CSOs, NGOs, local government, private sector					

	Proposed Activity	Expected Results	Indicators	Implementation level	Lead Agency	Supporting Agencies	TIMELINE				
							YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
STRATEGIC ACTIONS AND KEY ACTIVITIES FOR THE FORMALISATION OF THE DEVELOPMENT MINERALS ASM SECTOR IN UGANDA											
6.3	Work with partners in government, international development partners and the private sector to launch a scholarship programme that addresses the skilling and skills gaps in the sector	Improved skills in the Development Minerals sectoprogramme that addresses the skilling and skills gaps in the sector	Number of ASMs awarded scholarships	National, Sub-national	UNDP	DGSM, CSOs, NGOs, local government, private sector					
SA # 7	**Enhance access to geological data and information**										
7.1	Provide geological information to ASMs in simplified and easily accessible formats	Increased access to geological information by the ASMs	Number of ASM associations and ASMEs acquiring licenses	National	DGSM	MEMD, UNDP, CSOs					
7.2	Engage with Financial Institutions to advocate for utilisation of geodata and reserve estimations to inform credit and other financing decisions	Increased access to geological information by financial institutions	Number of financial institutions developing products for the DM sector	National, Sub-national	UNDP	MoFPED, MEMD, NGOs, CSOs, private sector					
	Increased investment by financial institutions in the DM sector	Increased investment by financial institutions in the DM sector	Number of financial institutions offering credit and financial aid to ASMEs	National, Sub-national	UNDP	MoFPED, MEMD, NGOs, CSOs, private sector					
SA # 8	**Zone out the Development Minerals ASM Sites**										
8.1	Map and gazette Development Mineral rich areas specifically for the ASMs in Karamoja as a form of affirmative action	Reduction in conflict cases over mineral rich areas	Number of Karamoja ASM associations acquiring licenses	National	DGSM	MEMD, UNDP, CSOs, local government					
8.2	Facilitate ease of access to geodata and maps of Development Minerals	Increased investment by ASMEs in the DM sector	Number of DM sector licenses acquired by ASMs	National, Sub-national	DGSM	MEMD, UNDP, CSOs, local government					

	Proposed Activity	Expected Results	Indicators	Implementation level	Lead Agency	Supporting Agencies	TIMELINE				
							YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
STRATEGIC ACTIONS AND KEY ACTIVITIES FOR THE FORMALISATION OF THE DEVELOPMENT MINERALS ASM SECTOR IN UGANDA											
8.3	Engage the DGSM to update the Mining Cadaster with information on Development Minerals sites	Increase in the area covered by licenses	Annual percentage increase in licensed area	National	DGSM	MEMD, UNDP, CSOs, Local Government, development partners					
SA # 9	**Enhance ASM technical capacity to improve mining and quarrying practices**										
9.1	Provide soft skills to miners and extractors on best practices in mining and quarrying	Increased production of Development Minerals	Number of ASM mine sites using better mining practices	Sub-national	UNDP	DGSM, NGOs, CSOs, private sector					
9.2	Train miners and extractors on the use and applicability of mining equipment in resource extraction	Increased production of Development Minerals	Number of ASM mine sites reporting increased production	Sub-national	UNDP	DGSM, NGOs, CSOs, private sector					
9.3	Incentivize good mining practices	Increased use of good mining practices in the DM sector	Number of DM ASM mine sites reporting good mining practices	National, Sub-national	UNDP	DGSM (Inspection and Monitoring Division), MEMD, NEMA, NFA, UWA, NGOs, CSOs					
9.4	Support cross-regional learning and sharing among ASMs about good mining practices	Increased use of good mining practices in the DM sector	Number of DM ASM mine sites reporting good mining practices	National, Sub-national	UNDP	DGSM (Inspection and Monitoring Division), MEMD, NEMA, NFA, UWA, NGOs, CSOs					
SA #10	**Promote participation of women and support women-owned ASMEs**										
10.1	Build the capacity of women-led ASMEs to enhance their business management and negotiation skills	Increased income in women ASM households	Number of women ASMs reporting increased household income	Sub-national	UNDP	NGOs, CSOs					

	Proposed Activity	Expected Results	Indicators	Implementation level	Lead Agency	Supporting Agencies	TIMELINE				
							YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
STRATEGIC ACTIONS AND KEY ACTIVITIES FOR THE FORMALISATION OF THE DEVELOPMENT MINERALS ASM SECTOR IN UGANDA											
10.2	Engage Local Governments to give special consideration to women-led ASMEs in the local tendering processes		Number of women led ASMEs operating tenders at local government level	Sub-national	UNDP	NGOs, CSOs, local government					
SA #11	**Address Health, Safety, Social and Environment Management**										
11.1	Develop regulations and guidelines to enhance compliance to national and international standards of health, safety, and environmental protection	Increased compliance to national and international standards of HSE	Number of mine sites reporting better standards of HSE	National	NEMA	DGSM, UNDP, CSOs, NGOs, Local Government					
11.2	Establish a mechanism to monitor and enforce compliance to health, safety and environmental standards	Increased compliance to national and international standards of HSE	Number of inspections being undertaken by Local Government and mines inspectors	Sub-national	NEMA	DGSM, UNDP, CSOs, NGOs, Local Government					
11.3	Undertake sensitisation campaigns to raise awareness among players in the industry and promote use of health, safety and environmentally sound technologies	Improved standards of HSE in the Development Minerals sector	Number of mine sites reporting better standards of HSE	Sub-national	NEMA	DGSM, UNDP, CSOs, NGOs, Local Government					

	Proposed Activity	Expected Results	Indicators	Implementation level	Lead Agency	Supporting Agencies	TIMELINE				
							YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
STRATEGIC ACTIONS AND KEY ACTIVITIES FOR THE FORMALISATION OF THE DEVELOPMENT MINERALS ASM SECTOR IN UGANDA											
11.4	Map and develop a detailed assessment of the true extent of the Development Minerals extraction on human and animal health, as well as on ecosystems	Accurate data on the impact of Development Minerals mining on human and animal health	A detailed report presenting the impact of Development Minerals mining on human and animal health	National	NEMA	DGSM, UNDP, CSOs, NGOs, Local Government					
11.5	Bring together a wide range of stakeholders involved in the artisanal mining sector to discuss improving the working conditions for better productivity, safety and environmental care	Improved working conditions, productivity, safety and environmental care in mining of Development Minerals	Number of mine sites reporting better standards of HSE	Sub-national	UNDP	DGSM, NEMA, CSOs, NGOs, local government					
SA #12	**Support the enforcement of human and labour rights, including eliminating child labour**										
12.1	Train Local Government and Development Minerals ASMs in equitable participation, ownership and decision-making of vulnerable groups e.g., women, the poor, youths, PWDs, communities, children along value chains	Improved standards of human rights in the Development Minerals sector	Number of local government officials and ASMs trained in human rights	Sub-national	UNDP	UHRC, NGOs, CSOs					

08 MONITORING AND EVALUATION

8.1 The Monitoring and Evaluation Matrix

A detailed Monitoring and Evaluation (M&E) for the critical implementation activities for the *Development Minerals Formalisation* and the *Business Acceleration Strategy* for the ASM sector in Uganda is presented here below, by way of a tabular matrix. The matrix shall be the basis for performance monitoring and is presented in terms activities, the intended purpose, performance indicators as well as the means for verification.

	Proposed Activity	Purpose	Performance Indicators	Target	Reporting period & institution	Means of verification	Source of information	Assumptions /notes
M&E STRATEGY FOR THE FORMALISATION OF THE DEVELOPMENT MINERALS ASM SECTOR IN UGANDA								
SA #1	**Form a Multi-Stakeholder Advisory Group**							
1.1	Conduct a survey to establish the different stakeholders that should comprise the MSAG	To develop a comprehensive database of the relevant stakeholders	Establishment of a database of stakeholders	1	Q1, Y1, UNDP	Survey report	Survey report and database showing the stakeholders	The survey will be comprehensive and selected participants will be willing to take part
1.2	Invite identified stakeholders to join MSAG	To establish a well-represented national working group	Number of stakeholders on the MSAG	25	Q2, Y1, UNDP	A list of confirmed MSAG members	MSAG	The different stakeholders will be willing to join the MSAG to facilitate the formalisation of the sector
1.3	Convene periodic meetings of MSAG to review and discuss implementation of the Formalisation Strategy	To ensure efficient implementation of formalisation strategy	Number of meetings held by MSAG (bi-annual)	10	Y1 - Y5, UNDP	Bi-annual meeting minutes	Meeting minutes	The MSAG will be available for the bi-annual meetings to review and discuss implementation of the Formalisation Strategy
SA #2	**Expedite the Implementation of the New Policy and Regulatory Framework**							
2.1	Engage the Natural Resources Committee of Parliament to expedite the passing of the new mining and minerals law which provides for the regulation of Development Minerals earlier excluded under Article 244(5) of the constitution	To expedite the passing of the new law which allows for the regulation of all Development Minerals	Passing of the law by Cabinet		Y1, MEMD	Cabinet minutes	Newspapers, radio and TV broadcasts, social media	The Natural Resource Committee will be accessible and open to the discussion
2.2	Engage MEMD on the development of regulations for the Development Minerals sub sector	To facilitate effective regulation of the Development Minerals sector	A set of regulations passed for the Development Minerals Sector		Y5, MEMD	• MSAG meeting minutes with MEMD • Record of developed regulations	M&E meeting reports	There will be both technical and political will to develop regulations for the Development Minerals sub sector.
2.3	Support MEMD to disseminate and sensitise ASM stakeholders on the Mining and Minerals Policy 2018 as well as the act when passed	To enable increased acceptance for formalisation of ASM sector	Number of DM ASMs registered by MEMD's BRASM project	5000	Y1 - Y5, MEMD	DGSM/MEMD records	The Online BRASM system	The BRASM will commence and ASMs will be willing to get registered

	Proposed Activity	Purpose	Performance Indicators	Target	Reporting period & institution	Means of verification	Source of information	Assumptions /notes
M&E STRATEGY FOR THE FORMALISATION OF THE DEVELOPMENT MINERALS ASM SECTOR IN UGANDA								
2.4	Engage local government on enacting of district ordinances that will address unique business challenges that are not of a national nature	To facilitate effective regulation of the Development Minerals sector	Number of district ordinance enacted	14	Annually, MoLG	Local government council rulings	Council meeting reports from the different local governments	The local governments will be willing to enact ordinances to capture the leaking revenues
2.5	Support sensitization of public and private sector stakeholders on new regulatory provisions affecting the mining and/or utilization of Development Minerals	To enhance regulation of and compliance in the Development Minerals sector	Number of public and private stakeholders sensitized	250	Y1 - Y3, UNDP	Sensitisation meeting reports	M&E reports, Activity reports, Attendance/ registration lists	Stakeholders will be open to implementing the regulations
SA #3	**Ensure Meaningful Engagement and Sensitisation of ASMs**							
3.1	Compile, produce and distribute IEC materials promoting formalisation	To enable increase in knowledge and awareness on formalisation and its benefits	Number of IEC materials developed, produced and distributed	25,000	Y1 - Y5, UNDP	• Physical copies of IEC materials produced. • Distribution lists	Distribution lists	The IEC materials will be disseminated to the target audiences both at national and sub-national level to achieve the purpose
3.2	Development of a simplified Regulatory Compliance Handbook for the Development Minerals Sector in Uganda	To develop a good practice guiding document for the Development Minerals sector	Number of copies produced and supplied at the local government level, to ASMs and other stakeholders	2,000	Y2, UNDP	• Meeting minutes • Physical Handbook	The published Handbook	The Handbook will be developed with input from relevant actors and published
3.3	Train ASM sector actors on the new regulatory framework for Development Minerals	To facilitate a well-regulated Development Minerals sector	Number of sector actors trained on new regulatory framework	500	Y1 - Y5, UNDP	Post-training reports, verbal feedback from participants	Post-training reports, verbal feedback from participants, attendance lists	The regulatory framework will have been passed
3.4	Sensitize all local governments on their oversight role and implementation of the new regulatory framework for Development Minerals	To facilitate a well-regulated Development Minerals sector	Number of local government officials engaged and reporting better compliance in their districts	75	Y2, UNDP	Monitoring and evaluation processes	Activity reports, Attendance/ registration lists	• The regulatory framework will have been passed. • The local governments will be willing to participate in these activities

	Proposed Activity	Purpose	Performance Indicators	Target	Reporting period & institution	Means of verification	Source of information	Assumptions /notes
M&E STRATEGY FOR THE FORMALISATION OF THE DEVELOPMENT MINERALS ASM SECTOR IN UGANDA								
SA #4	**Support Development Minerals ASMs to Organise, Formalise and Legalise**							
4.1	Outreach engagements through UGAASM to mobilise ASMs, including women	To encourage acceptance for formalisation of ASM sector	Number of new association members joining UGAASM	Baseline: 81 Target: 250	Y2, UGAASM	• Feedback from ASMs • Outreach reports	Bi-annual reports from UGAASM	UGAASM will have effective structures, coordination capacity as well as the expertise to conduct the training.
4.2	Legal support in drafting constitutions (for registration level) and incorporation processes (for legalization level)	To enable the increase in number of ASM associations registered at local government	Number of new associations registering at the district level	300	Y5, UNDP	• Constitutions developed. • Receipts of payment of fees	Certificates of registration and incorporation submitted to the lead agency	More informal associations and co-operatives will be willing to organise and register
SA #5	**Create Opportunities for Dialogue Between ASMs and MSM/LSM**							
5.1	Collect baseline information on hotspots of conflict between ASM and MSM/LSM in the Development Minerals Sector	To increase knowledge and awareness on conflict in the Development Minerals Sector	Number of copies of report distributed on cases of conflict published and distributed	1000	Y1, UNDP	• Data collection reports • Baseline reports	Map showing hotspots	The information on conflict will be accessible and readily available. ASMs will report cases of conflict they face
5.2	Engage both ASM/LSM to explore areas of collaboration	To enable increased collaboration between ASM and MSM/LSM	Number of MoUs signed between the ASMs and MSM/LSM	15	Y1 - Y5, UNDP	Evidence of communication, engagement, or collaboration	ASM/ LSM leaders	LSM will be willing to collaborate with ASM
5.3	Conduct periodic Dialogue Tables to discuss and resolve conflicts	To facilitate collaboration and reduction in conflict between ASMs and MSM/LSM	Number of MoUs signed between the ASMs and MSM/LSM	15	Y5, UNDP	Meeting reports	Conflict resolution committees	Conflicting parties will be willing to meet and resolve the disputes
5.4	Periodically monitor resolutions from Dialogue Tables	To enable sustainability of resolutions reached at the Dialogue Tables	Continued collaboration and running MoUs between ASM and MSM/LSM	15	Y5, UNDP	Meeting reports	Conflict resolution committees	Conflicting parties will be willing to meet and resolve the disputes and come up with agreements to better their relations moving forward

	Proposed Activity	Purpose	Performance Indicators	Target	Reporting period & institution	Means of verification	Source of information	Assumptions /notes
M&E STRATEGY FOR THE FORMALISATION OF THE DEVELOPMENT MINERALS ASM SECTOR IN UGANDA								
M&E STRATEGY FOR THE BUSINESS DEVELOPMENT ACCELERATION FOR THE DEVELOPMENT MINERALS SECTOR IN UGANDA								
SA #1	**Enhance Business and Entrepreneurship Skills of Development Minerals ASMEs**							
1.1	Training of ASMEs in business start-ups, management and sustainability	To facilitate the formalisation of the sector	Number of ASMEs formally registering with URSB	30	Y5, URSB	• Evidence of registered businesses • Training reports	Training reports, Attendance/ registration lists, URSB, Certificates of Incorporation	ASM will take in the learnings and implement them in their enterprises
1.2	Training of ASMEs in establishing internal business management structures	To enable increased income earned by ASMEs	Number of ASMEs reporting increased income	15	Y5, UNDP	• Training reports • Bank statements	Training reports, Attendance/ registration lists	ASM will take in the learnings and implement them in their enterprises
1.3	Build and operate an online platform dedicated to marketing and selling Development Minerals products with interface provided to both supply and demand sides for direct and easy access	To increase both local and international market of Uganda's DM products	Number of ASMEs reporting increased sales and income	15	Y1 - Y5, UNDP	• Physical website launched • Books of accounts	Web statistics	ASMs will use the platform effectively and Development Minerals buyers will order and purchase materials online
SA #2	**Promotion of Value Addition**							
2.1	Undertaking scoping study on the status of value addition, required skill sets and skills gap in the Development Minerals sector	To increase the information and knowledge on the status of value addition	Number of reports on the status of value addition produced and distributed	1000	Q1, Y2, UNDP	• Update reports from lead agency • A scoping study on value addition and skills gap published	MMSAG reports	The required information will be readily available
2.2	Develop a value addition policy to promote local industry	To facilitate a sustainable value addition component in the Development Minerals sector	Number of ASMEs adding value to their products	30	Y5, MEMD	• Value addition Policy developed • Monitoring and Evaluation reports on the status of value addition	M & E reports	Stakeholders will make concerted effort to implement the Policy

	Proposed Activity	Purpose	Performance Indicators	Target	Reporting period & institution	Means of verification	Source of information	Assumptions /notes
M&E STRATEGY FOR THE FORMALISATION OF THE DEVELOPMENT MINERALS ASM SECTOR IN UGANDA								
2.3	Training of miners in value addition of development minerals	To facilitate local value addition of Development Minerals	Number of ASMEs adding value to their products	30	Y5, UNDP	Training reports, Attendance/ registration lists	Monitoring and evaluation reports	ASMEs will be willing to invest more to get more out of the mineral commodities
2.4	Create a fund that can be accessed by legalized ASMs to start small scale industries e.g. cement, building blocks, etc.	To enable increase in local value addition of Development Minerals	Number of small scale industries established	15	Y5, UNDP	MoUs, bank statements, M&E reports	MSAG and lead agency reports	Government and Development Partners will be willing to invest into this fund will be equitably administered
2.5	Foster business collaborations with existing innovation, incubation and mentoring centres of excellence	To build and transfer business knowledge to the ASMEs	Number of MoUs signed by ASMEs with incubation and mentoring centres	3	Y5, UNDP	Signed MoUs	Reports from the different support agencies	The stakeholders involved will be willing to participate in mentoring or innovation programs so as to grow their business
2.6	Create partnerships with Ugandan-owned and operated e-commerce platforms to innovate digital business solutions for the Development Minerals Sector	To build the capacity of ASMEs and enable technology transfer	Number of partnerships created between the ASMEs and e-commerce platforms	5	Y5, UNDP	Monitoring and evaluation reports	Reports from the different support agencies	These stakeholders will be willing to partner with ASMEs
2.7	Establish regional training and demonstration centres for core Development Minerals across the mining regions	To facilitate for increase in local value addition of Development Minerals	Number of demonstration training centres established	5	Y5, MEMD, DGSM	Evidence of centres established	Bi-annual reports from MEMD/ DGSM	The ministry will be willing to establish the training centres
SA #3	**Enhancing Market Opportunities for Development Minerals**							
3.1	Build the capacity of ASMEs to understand public procurement processes and compete in bidding processes	To support ASMEs increase their income by becoming project suppliers	Number of ASMEs being awarded bids	5	Y5, local government	Bids awarded to ASMEs	Activity reports, Attendance/ registration lists	ASMEs will implement the lessons in order to meet the bidding requirements
3.2	Promote producer to consumer links by creating partnerships between ASMs and MSM, LSM, construction companies and other supply chain actors	To increase access to more market for ASME Development Minerals products	Number of MoUs signed between the ASMs and MSM, LSM, construction companies etc.	5	Y5, UNDP	Monitoring and evaluation reports, MoUs	Reports from supporting agencies on partnerships formed	The ASMEs, MSM and LSM will be willing to partner

	Proposed Activity	Purpose	Performance Indicators	Target	Reporting period & institution	Means of verification	Source of information	Assumptions /notes
M&E STRATEGY FOR THE FORMALISATION OF THE DEVELOPMENT MINERALS ASM SECTOR IN UGANDA								
3.3	Engage the Uganda Bureau of Standards to put in place a quality control, verification and standardization system for Development Minerals production	To facilitate improved standards of ASME Development Mineral products	An effective quality control system put in place		Y1, UBOS	Reports from lead agency	Progress reports from URSB	URSB will willingly participate budget for an participate
3.4	Support ASMEs to participate in national and international trade fairs	To increase the exposure and promotion of Uganda's DM sector products on a local and international level	Number of ASMEs reporting increased sales	15	Y1 - Y5, UNDP, MTIC	Evidence of attendance of trade fairs	M&E reports, Quarterly reports from lead and supporting agencies	There will be international trade fairs that are focussed on participation of ASMEs and offer benefits for their participation
SA #4	**Finance the Development Minerals Sector**							
4.1	Creating grants or funds to bridge challenges in accessing capital	To bridge the gap of access to funds by Development Minerals ASMEs	Number of ASMEs with grant agreements	10	Y5, UNDP	Monitoring and evaluation processes	Quarterly reports from lead and supporting agencies	Government and Development Partners will be willing to set aside money for ASMEs
4.2	Promote the use of digital financial and payment solutions at ASM production sites and markets	To facilitate a reduction in cash payments and encourage digital solutions	Number of ASMEs setting up digital financials and payment solutions	15	Y5, UNDP	Monitoring and evaluation processes	Quarterly reports from lead and supporting agencies	The ASMEs will be willing to embrace digital financial solutions as they aid in proper record keeping
4.3	Train and build the capacities of Development Minerals supply chain actors to partner with financial service providers	To enable increased access to financial support by Development Minerals ASMEs	Number of ASMEs in partnership with financial service providers	5	Y5, UNDP	Monitoring and evaluation processes	Activity reports, Attendance/ registration lists	Financial institutions will be willing to partner with ASMEs
SA #5	**Enhance Access to Appropriate Equipment**							
5.1	Bridge the gap between ASMs and financial institutions to access bank guarantees and/or equipment leasing	To enable increase in access to equipment financing	Number of ASMEs with signed agreements with financial institutions	10	Y5, UNDP	Monitoring and evaluation processes	Quarterly reports from lead and supporting agencies	Financial institutions will be willing to partner with ASMEs

	Proposed Activity	Purpose	Performance Indicators	Target	Reporting period & institution	Means of verification	Source of information	Assumptions /notes
M&E STRATEGY FOR THE FORMALISATION OF THE DEVELOPMENT MINERALS ASM SECTOR IN UGANDA								
5.2	Boosting local capacity in the manufacture/ fabrication of basic ASM mining equipment	To enable increase of locally made and cost-efficient equipment	Number of artisans trained in the manufacture	100	Y2, UNDP	Monitoring and evaluation processes	Training reports, Attendance/ registration lists	Fabricators will be willing scale-up and meet the ASME demand
SA #6	**Bridge the Skills Gap**							
6.1	Partner with Uganda Industrial Research Institute to develop a training program in collaboration with vocational training institutions across the country	To improve the skills of Development Minerals ASMs	Number of ASMs trained	200	Y2, UNDP	Training program developed	Progress reports from lead agency and UIRI, updates and follow ups with lead agency	The ASMs will be willing to participate in these training programs
6.2	Create partnerships between MSM/LSM and the ASMEs to enable market-oriented apprenticeship and internship placement programmes	To improve the skills of Development Minerals ASMs	Number of ASMs being trained in MSMs and LSMs	40	Y5, UNDP	Monitoring and evaluation reports	Quarterly reports from lead and supporting agencies	ASMEs and MSM/LSM will be willing to partner
6.3	Work with partners in government, international development partners and the private sector to launch a scholarship programme that addresses the skilling and skills gaps in the sector	To improve the skills of Development Minerals ASMs	Number of ASMs awarded scholarships	5	Y5, UNDP	Monitoring and evaluation reports	Quarterly reports from lead and supporting agencies	Government and Development Partner will be willing to invest into a scholarship program for ASMEs
SA #7	**Enhance access to geological data and information**							
7.1	Provide geological information to ASMs in simplified and easily accessible formats	To enable increased access to geological information by the ASMs	Number of ASM associations acquiring licences from the geological data acquired	5	Y5, DGSM	Information booklets developed, online information publications	MSAG reports	ASME leaders will take time to deduce the geological information provided

	Proposed Activity	Purpose	Performance Indicators	Target	Reporting period & institution	Means of verification	Source of information	Assumptions /notes
M&E STRATEGY FOR THE FORMALISATION OF THE DEVELOPMENT MINERALS ASM SECTOR IN UGANDA								
7.2	Engage with Financial Institutions to advocate for utilization of geo data and reserve estimations to inform credit and other financing decisions	To enable increased access to geological information by financial institutions	Number of financial institutions developing products for the DM sector	10	Y5, UNDP	Monitoring and evaluation reports	Follow up reports with the financial institutions, M&E reports with the ASMEs	Financial institutions will be willing to use geological information as a basis to allocate finances for ASMEs
		To increase investment by financial institutions in the DM sector	Number of financial institutions offering credit and financial aid to ASMEs	10	Y5, UNDP	Monitoring and evaluation processes	Follow up reports with the financial institutions, M&E reports with the ASMEs	Financial institutions will be willing to use geological information as a basis to allocate finances for ASMEs
SA #8	**Zone Out Development Minerals ASM Sites**							
8.1	Map and gazette Development Mineral rich areas specifically for the ASMs in Karamoja as a form of affirmative action	To enable a reduction in conflict cases over development mineral rich areas	Number of Karamoja ASM associations acquiring licences	3	Y5, local government	Monitoring and evaluation reports, evidence of zones created for ASMs	DGSM reports of zoning activities, Karamoja local government reports	DGSM, private sector and Government will agree and consent to gazetting areas for ASM in Karamoja
8.2	Facilitate ease of access to geo data and maps of Development Minerals	To increase investment by ASMEs in the DM sector	Number of DM sector licences acquired by ASMs	15	Y1 - Y5, DGSM	Monitoring and evaluation processes	DGSM reports annual sector reports	Due to formalisation of the ASM sector, there is need for ASMs to access geodata to enable their participation in the sector
8.3	Engage the DGSM to update the Mining Cadastre with information on Development Minerals sites	To enable increase in the area covered by licences and reduce illegal/informal mining	Annual percentage increase in licenced area	5%	Y1 - Y5, DGSM	Monitoring and evaluation reports	DGSM reports annual sector reports	DGSM will be willing to update the mining cadastre to incorporate Development Minerals
SA #9	**Enhance ASM technical capacity to improve mining and quarrying practices**							
9.1	Provide soft skills to miners and extractors on best practices in mining and quarrying	To facilitate use of better mining practices in Uganda's Development Minerals sector	Number of ASM mine sites using better mining practices	30	Y5, DGSM	Mines inspection reports	Activity reports	The ASMs will be willing to participate in the trainings
9.2	Train miners and extractors on the use and applicability of mining equipment in resource extraction	To enable increased production of Development Minerals	Number of ASM mine sites reporting increased production	30	Y3, UNDP	Monitoring and evaluation reports	Training reports, Attendance/ registration lists	The ASMs will be willing to be trained, able to purchase and use equipment

	Proposed Activity	Purpose	Performance Indicators	Target	Reporting period & institution	Means of verification	Source of information	Assumptions /notes
M&E STRATEGY FOR THE FORMALISATION OF THE DEVELOPMENT MINERALS ASM SECTOR IN UGANDA								
9.3	Incentivise good mining practises	To increase the use of good mining practices in the DM sector	Number of DM ASM mine sites reporting good mining practices	30	Y1 - Y5, UNDP	Monitoring and evaluation reports	Follow up reports from lead and supporting agencies on incentives put in place	The ASMs will be willing to be trained
9.4	Support cross-regional learning and sharing among ASMs about good mining practices	To increase the use of good mining practices in the DM sector	Number of DM ASM mine sites reporting good mining practices	30	Y2 - Y3, UNDP	Monitoring and evaluation reports	Activity reports, Attendance/ registration lists	The ASMs will be willing to participate in the cross-regional learning to share ideas with other ASM groups
SA #10	**Promote participation of women and support women-owned ASMEs**							
10.1	Build the capacity of women-led ASMEs to enhance their business management and negotiation skills	To enable increased income in women ASM households	Number of women-led ASM associations reporting increased household income	10	Y5, UNDP	Monitoring and evaluation reports	M&E reports	Women-led associations will be willing to train in order to take advantage of the backward and forward linkages in the sector
10.2	Engage Local Governments to give special consideration to women-led ASMEs in the local tendering processes	To increase the participation of women-led ASMEs in provision of	Number of women led ASMEs operating tenders at local government level	10	Y1 - Y5, UNDP, local government	Monitoring and evaluation reports	Follow up reports from lead and supporting agencies	Women-led ASMEs will take part in local tendering processes
SA #11	**Address Health, Safety, Social and Environment Management**							
11.1	Develop regulations and guidelines to enhance compliance to national and international standards of health, safety, and environmental protection	To enable increased compliance to national and international standards of HSE	Number of mine sites reporting better standards of HSE	30	Y5, NEMA	The published regulations and guidelines	M&E reports	NEMA will be willing to develop guidelines as mining of Development Minerals has long been unregulated and caused major environmental damage
11.2	Establish a mechanism to monitor and enforce compliance to health, safety and environmental standards	To enable increased compliance to national and international standards of HSE	Number of quarterly inspections being undertaken by local government and mines inspectors	40	Y5, NEMA, DGSM, local government	Inspection, monitoring and evaluation reports	Monitoring reports from lead agencies and local governments	The responsible institutions will be willing to undertake their mandate and enforce compliance

	Proposed Activity	Purpose	Performance Indicators	Target	Reporting period & institution	Means of verification	Source of information	Assumptions /notes
M&E STRATEGY FOR THE FORMALISATION OF THE DEVELOPMENT MINERALS ASM SECTOR IN UGANDA								
11.3	Undertake sensitization campaigns to raise awareness among players in the industry and promote use of health, safety and environmentally sound technologies	To facilitate improved standards of HSE in the Development Minerals sector	Number of mine sites reporting better standards of HSE	40	Y5, DGSM, local government	Activity reports	Activity reports	The actors will be willing to uptake the lessons and implement them
11.4	Bring together a wide range of stakeholders involved in artisanal mining sector to discuss improving the working conditions for better productivity, safety and environmental care	To enable improved working conditions, productivity, safety and environmental care in mining of Development Minerals	Number of mine sites reporting better standards of HSE	30	Y5, local government	Monitoring and evaluation reports	Activity reports, Attendance/ registration lists	Resolutions from the engagements will be implemented by all actors involved
SA #12	**Support the enforcement of human and labour rights, including eliminating child labour**							
12.1	Train the local government and Development Minerals ASMs in equitable participation, ownership and decision-making of vulnerable groups e.g. women, the poor, youths, PWDs, communities, children along value chains	To enable improved standards of human rights in the Development Minerals sector	Number of local government officials and ASMs trained in human rights	75	Y1, UNDP	Monitoring and evaluation reports	Training reports, Attendance/ registration lists	Resolutions from the engagements will be implemented by all actors involved

Annexes

01 The Process of Registration of ASMS

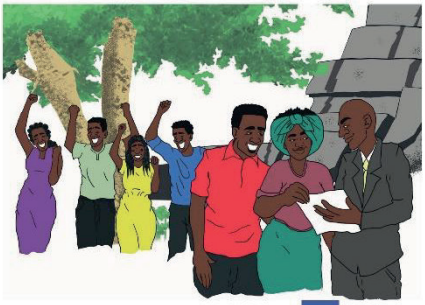
FORMING AND REGISTERING AN ASM ASSOCIATION AT SUB-COUNTY AND DISTRICT LEVEL

TAKE THE DECISION

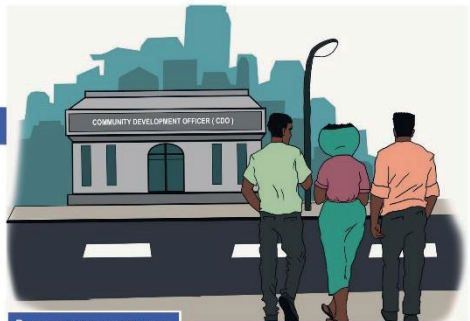
Interested members convene to define the purpose and objectives of the association and nominate members to pursue the registration process.

MAKE A CONSTITUTION

Engage the services of a lawyer, or a volunteer from an NGO, or the sub-county Community Development Officer to draft a constitution for the association. Ensure that all members understand the contents of the constitution before they append their signatures.

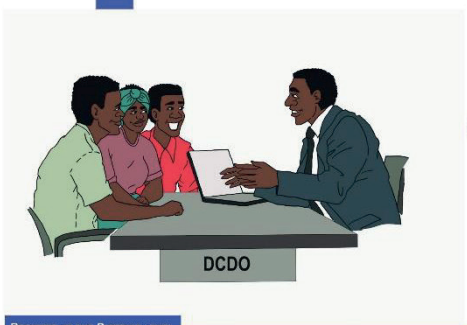


Upon registration, you will be issued with a registration certificate, renewable annually both at the sub-county and district level.



REGISTER AT SUB-COUNTY LEVEL

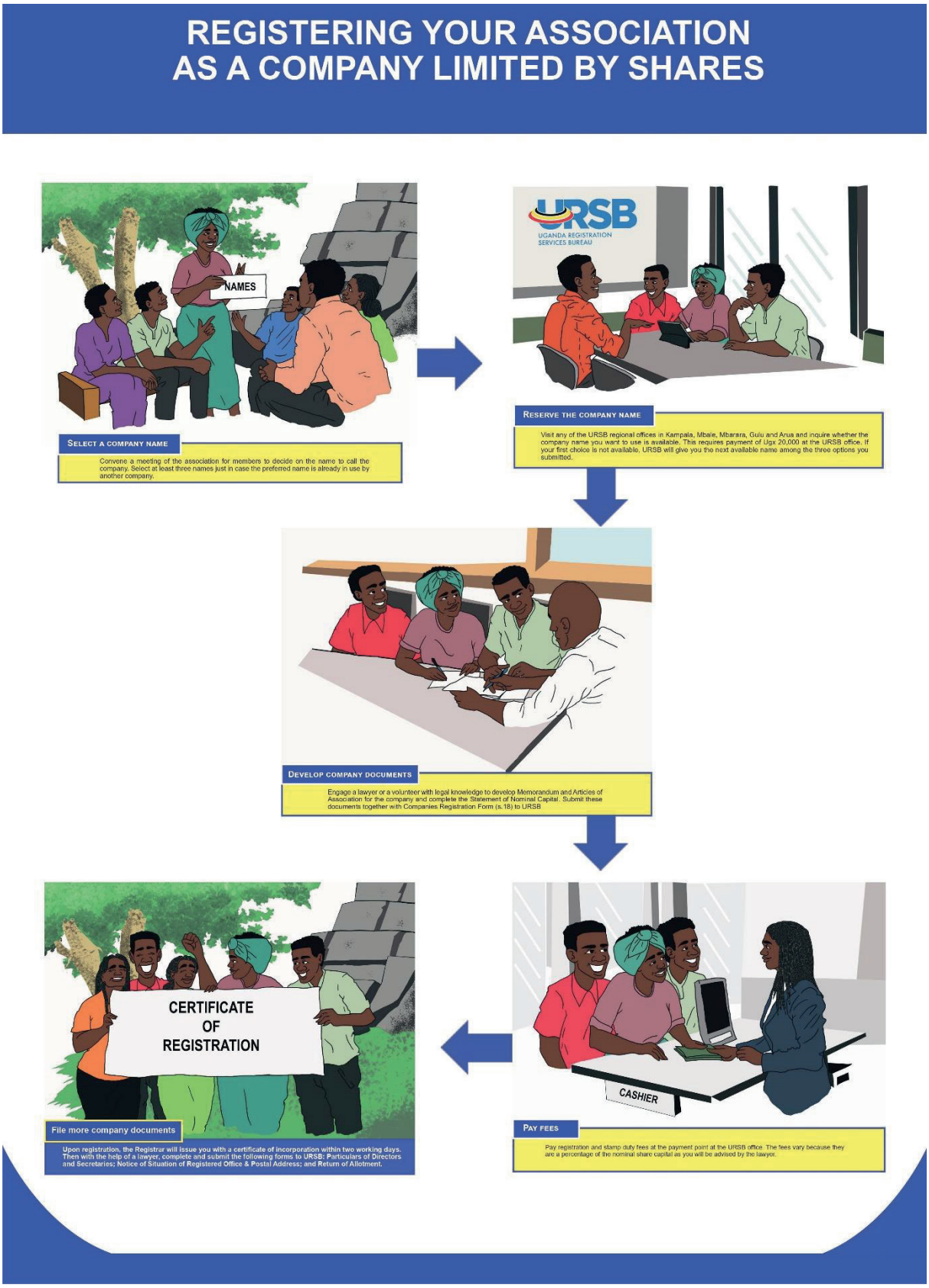
Register the constitution and the association at the sub-county level with the Community Development Officer as a Community Based Organisation (CBO). The registration fees range from Ugx. 20,000 to Ugx. 50,000.



REGISTER AT THE DISTRICT LEVEL

Register the association at the district level in the office of the District Community Development Officer along with the following documents: Fully signed group constitution, a business plan, proof of payment of registration fees which range between Ugx 50,000 and Ugx 70,000.

Annex 2: The Process of Registration of ASM Associations



Annex 3: A Model Template for a Constitution of an ASM Association

CONSTITUTION

OF

[INSERT NAME OF ASSOCIATION]

THE CONSTITUTION OF

[INSERT NAME OF ASSOCIATION]

PREAMBLE:

WE THE MEMBERS OF [INSERT NAME OF ASSOCIATION]:

- Realising the need to unite all artisanal and small-scale miners and develop together shared goals and how to achieve the said goals as a means of transforming the lives of the miners in **[INSERT PLACE]**
- Recalling and bearing in mind the challenges and problems faced by the community in the mining process in **[INSERT PLACE]**.
- Committed to building a better future for all the members of the Association and supporting their activities based on the principle mining process with the view of maximising the potential of mining in **[INSERT PLACE]**.
- Do hereby, in this Constitution Solemnly adopt, enact and give to ourselves and our posterity, this Constitution of **[INSERT NAME OF ASSOCIATION]**, this ……day of ……...20__.

I) **NAME AND ADDRESS:**

ARTICLE 1: NAME

The name of the association shall be: **[INSERT NAME OF ASSOCIATION],** abbreviated as _____ both meaning the same thing and having equal effect.

ARTICLE 2: THE HEADQUARTERS

The Headquarters of the association, for the time being, shall be in **[INSERT PLACE]**

VISION

To become the most prosperous association in **[INSERT PLACE]** District so as to generate income and improve on the livelihood of the members

AIMS AND GOALS

The aim of the association is to bring together members participating in artisanal mining in order to effectively utilize mining opportunities in **[INSERT PLACE]** and enable them achieve sustainable development.

SPECIFIC OBJECTIVES:

i. To organize the members and/or establish avenues for members to maximize the economic potential of mining in **[INSERT PLACE]**.
ii. To generate income and improve on the members' standards of living, economically and socially.
iii. To develop a supporting system for each other, guided by the modern technique of mining.
iv. To transform from the artisanal and small-scale mining to a large and modern mining organization or association
v. To improve and strengthen the relationship between members, the community and the Government
vi. To promote networking through partnership with other associations, organisation, companies, Government or bodies for the benefit of the members.
vii. To create income generating activities or ventures and or link members to business opportunities among the members or other sectors nationally or internationally
viii. To share knowledge, skills, information, best practices and lessons learnt among members, partners and other organisations or associations, local Government and private sectors for general improvement of the development.

ix. To reduce and eradicate poverty among members and their families at large.

x. To solicit or lobby for financial, material, and technical services from Government, donors, private and public corporations, International bodies and well wishes for purposes of achieving the objectives of the association.

xi. To protect the interests of its members.

xii. To acquire any assets, vehicles, office machines, buildings or structures, land, equipment or any other valuable assets for the purpose of achieving these or any of the objective of the association

xiii. To act as agents or brokers and or trustees for counterpart associations to which the association is affiliated.

xiv. To enter into joint ventures, partnership and or any understanding with companies at local or international level, individuals, organisations, institutions and other entities.

xv. To acquire and own property, moveable or immovable in the name of association and to dispose of the same.

xvi. To operate and maintain a bank account with any bank or financial institution as may be determined by the association.

xvii. To borrow and raise funds in such a manner as the association may deem fit.

xviii. Purchase, receive, and take by gift, bequest and donations such as articles, monies, resources or property for the benefit of the association.

xix. To access loans, funding or credit facilities to enable it further its objectives

xx. To do and undertake any work or action not specified in the foregoing objectives but which notwithstanding would be useful in the fulfilment of these objectives.

ARTICLE 3: SUPREMACY

1.1 This Constitution is the supreme law of the Association and shall have binding force on all authorities and persons throughout the Association.

1.2 It is prohibited for any person or persons and members to take control, or to transact business on behalf of the Association except in accordance with the provisions of this Constitution.

ARTICLE 4: DESCRIPTION OF MEMEBRSHIP

4 Membership to the Association will be attained according to the following categories;

4.1 Members who are engaged in active mining in **[INSERT PLACE]**.

4.1.1 Honorary members who have been identified and conferred upon Honorary status-ship by the Executive upon confirmation by the General Assemble of the Association

4.1.2 Friends, companies or organisation and colleagues ready to be committed to the objectives and regulations of the Association as stated in this Constitution. These should apply to the chairman, be assessed by the board and further demonstrate commitment to the cause of the Association in order to become members.

4.2 All members shall be obliged to obey article 5.1 and 6.1

4.3 There shall be four categories of membership to wit;

a) **Founder Members**; These are members who have actively participated in the founding of the association and contributed morally, financially, materially and socially.

b) **General Members**; These are members who associate and have undertaken to abide by the objectives and regulation of the association and have joined the association

c) **Associate Members**; These are members co-opted to the association by virtue of being a member of an association, spouses of members, group, persons or body which has common objectives as the association or subscribe to the spirit and aspirations of the association.

d) **Honorary Members**; These are distinguished persons who have been conferred upon honorary status by the Association

ARTICLE 5:MEMBERS' OBLIGATION

1.1 All members shall be obliged to obey rules, regulations and discipline of the Association as may be laid down from time to time and any change, the Association may institute for its smooth operation and interest.

1.2 All members shall be obliged to obey section Art. 6. (6.1). The membership of such person that violates the afore said section may be automatically revoked.

ARTICLE 6: SUBSCRIPTION

1.1 Members shall have to make a monthly subscription fee of Ugx. **[INSERT FEES]** (**AMMOUNT IN WORDS**) or as may be fixed annually in the General Meeting of the Association but not withstanding that members could be called upon to make any other contributions to meet special emergency requirements as they may arise.

1.2 A person may join the Association at any time. However, each annual subscription hall be renewable during the first month of each calendar year.

1.3 **MEMBERSHIP REGISTER**:

There shall be a register of members showing all particulars including but not limited to name, physical address present occupation, and marital status.

1.4 **THE RIGHTS OF THE MEMBERS**

Subject to the provisions of this Constitution, members shall have the right to:

1.5 Participate fully in the implementation of the aims and Objective of the Association and enjoy the profits or benefit that accrues to the association.

1.6 To participate fully in the General Assembly activities and shall be informed in advance of the next General Assembly.

1.7 To draw up proposals for inclusion in the agenda of the Annual General Assembly.

1.8 To nominate candidates to be elected in the Annual General Assembly.

1.9 Elect or be elected to any organ or organs of the organization's body and committees.

1.10 Be elected, nominated or appointed a delegate or representative of the Association in any of its undertakings.

1.11 A member shall cease to exercise the above rights in any of the following circumstances in accordance with clause 7 of this constitution.

1.12 The exercise of these rights is subject to other provisions in this Constitution and any other applicable rules and regulations.

1.13 **THE OBLIGATIONS OF THE MEMBERS:**

It shall be the duty of every member to:

1.13.1 To comply fully with the Constitution, regulations, rules and objectives of the association and to ensure that the Constitution is respected by its members.

1.13.2 To take part in the activities of the association and any other activities the association is required to participate.

1.13.3 To pay their membership subscriptions

1.13.4 Respect the rights and freedom and the legitimate interests of the members and generally refrain from doing acts or omissions detrimental to the achievements and (or) the objectives of the Association.

1.13.5 Protect the interest of its members.

1.13.6 To comply fully with all other duties arising from the Constitution and other rules and regulation of the association.

1.13.7 Carry out activities and participate in programs set by the Executive Committee.

ARTICLE 7: TERMINATION OF MEMBERSHIP

A member of the Association may cease to be a member thereof upon:

a) Death
b) Being expelled from membership
c) Failing to pay the Subscription within a period of 12 months
d) Voluntary withdrawal from the Association
e) Act in any way against the interest of the Association

ARTICLE 8:THE ORGANS OF THE ASSOCIATION

1.1 These shall be established as the principal organs of the Association:

a) The General Assembly
b) The Executive Committee
c) The Secretariat/Management Committee

8.1.2. **THE GENERAL ASSEMBLY**

The General Assembly shall be a meeting at which all the members of this Association shall convene. It is the supreme and legislative body of **[INSERT ASSOCIATION]**.

8.1.3. **DUTIES OF THE GENERAL ASSEMBLY**

The Assembly shall be responsible for;

8.1.3.1 Adopting or amending the Constitution or any other regulations governing the **[INSERT ASSOCIATION]**.

8.1.3.2. Appointing two members to check the minutes and approving the minutes of the last meeting.

8.1.3.3 Conduct the election of the Executive Committee.

8.1.3.4 Approving the financial statements.

8.1.3.5 Approving the budget.

8.1.3.6 Approving the Executive Chairman's activity report.

8.1.3.7 Appointing independent auditors upon the proposal of the Executive Committee.

8.1.3.8 Fixing the membership subscription fees.

8.1.3.9 Deciding upon the nomination of the Executive Committee, whether to bestow honorary membership.

8.1.3.10 Admitting, suspending or expelling a member.

8.1.3.11 Dissolving the association

8.1.3.12 Passing decisions at the request of a member in accordance with the constitution of **[INSERT ASSOCIATION]**.

ARTICLE 8.2. THE EXECUTIVE COMMITTEE

1.1.1 There shall be an executive committee of the Association, which shall be Responsible for implementing the policy and executing day to day affairs of **[INSERT ASSOCIATION]**.

1.1.2 Subject to the provisions of this constitution, the executive committee:

1.1.3 Shall pass decisions on all cases that not come within the sphere of responsibility of the General Assembly or not reserved for other organs or committees under this constitution.

1.1.4 Shall prepare and convene the Annual General Meeting

1.1.5 Shall propose persons to execute the duties of independent auditor, honorary members and or any other persons to the General Assembly.

1.1.6 Shall hold office for two years and shall be eligible for re-election provided that the Chairperson, Vice Chairperson, Treasurer and Secretary shall not hold office for more than two consecutive terms.

1.1.7 Shall be the responsible for the running of day-to-day affairs of the Association in accordance with the Constitution and shall adopt the executive arrangements required for the application of the Constitution.

1.1.8 May appoint ad-hoc committee if necessary, at any time

1.1.9 Shall make regulations, code of Conduct and other policies for the efficient running of the Association subject to the approval of the General Assembly.

1.1.10 May delegate tasks arising out of its area of responsibilities to other committees or bodies recognized under this constitution.

POWERS AND DUTIES OF THE EXECUTIVE COMMITTEE

- To set up sub-Committee and to allocate clear tasks and their jurisdictions for effective and smooth running of the association.
- To set up standing committees where necessary and to allocate clear tasks for the committees as well as time limit by which they must report back on their progress.
- To plan the activities of the Association in accordance with the Association's Aims and Objectives.
- To ensure that discipline is carried out.
- To settle disputes between members and resolve any conflicts within the forum.
- To administer the finances of the Association by defining clear duties of the Treasurer regarding regular financial statements.
- To prepare the annual audited financial statements of the Association.
- To keep and maintain the properties of the Association.
- To Transact and execute all documents on behalf of the Association with Government, Local Government, corporate bodies and or any International corporations or body.

1.1.11 **THE EXECUTIVE COMMITTEE SHALL CONSIST OF:**

8.211.1 Chairperson

8.211.2 Vice Chairperson

8.211.3 Treasurer

8.211.4 General Secretary

8.211.5 Assistant Secretary

8.211.6 Publicity/Liaison

8.211.7 Project Coordinator

8.211.8 And such number of representatives as may be determined by the Genera Assembley

The composition of the Executive committee shall at all times reflect the principles of gender. The Executive committee is only fully constituted if there are at least 3 females in the said executive.

8.3 DUTIES OF EXECUTIVE OFFICERS:

8.3.1 The Chairperson of the Executive Committee shall be the overall overseer of the Association, its Institutional Development and as such shall:

8.3.1.2 Preside at all the meetings of the executive and the general meetings.

8.3.1.3 Represent and act on behalf of the Association generally, but only as the collective voice of the executive.

8.3.1.4 Coordinate the activities of all other members of the executive.

8.3.1.5 Have power to take emergency decisions subject to approval by the executive committee.

8.3.1.6 Be generally charged with ensuring the efficient and smooth running of the Association and the implementation of its objectives, policies and decisions.

8.3.1.7 Have power to set up committees or sub committees pursuant to article 11 for the smooth implementation of the decisions of the Association.

8.3.1.8 Be a signatory to the report of the executive committee and to the Bank Account of the Association and

8.3.1.9 Do all acts as are necessary for the efficient running of the Association and his official duties.

8.3.2 THE VICE CHAIRPERSON

8.3.21 Shall assume the duties of the chairperson in the event of the absent or incapacity of the Chairperson

8.3.2.2 Discharge such other duties as may from time to time be assigned to him by the chairperson

8.3.3 THE GENERAL SECRETARY

The secretary shall be responsible for the efficient administration of the Association and such shall:

8.3.3.1 Keep a full up-to-date record of the Association's affairs.

8.3.3.2 Be in charge of all correspondence and information of the Association.

8.3.3.3 Carry out publicity on behalf of the Association.

8.3.3.4 Convene meetings of the Association on the instructions of the executive committee or after consultations with the executive committee or after consultations with the chairperson.

8.3.3.5 Take or cause to be taken and kept minutes of the meeting of the executive committee.

8.3.3.6 Keep an up-to-date register of the members and establish and maintain contact with the members.

8.3.3.7 Be a signatory to the report of the executive committee and to the Bank Account of the Association.

8.3.3.8 Coordinate the duties of the executive committee.

8.3.3.9 Discharge all duties that may from time to time be assigned to him by the chairperson; and

8.3.3.10 Do all such acts as are necessary for the efficient and effective running of the Association's affairs and General Secretary's office.

8.3.4 ASSISTANT SECRETARY

8.3.4.1 Shall assume duties of the General Secretary in the event of absence or incapacity of the secretary.

8.3.4.1 Discharge such other duties as may from time to time be assigned to him by the chairperson or the General Secretary.

1.1.4 **THE TREASURER**

The treasurer shall be the principal finance officer of the Association and as such shall:

1.1.4.1 Effect the safekeeping of all monies collected from members, donations, grants, gifts or other money dues for the Association.

1.1.4.2 Collect or cause to be collected membership dues.

1.1.4.3 Keep or cause to be kept proper books of accounts, which adequately and currently reflect the financial stand of the Association.

1.1.4.4 Open a Bank Account on the instruction of the executive committee and ensure that all drawings from the account are counter-signed by the chairperson or the general secretary.

1.1.4.5 Prepare or cause to be prepared an operating budget and necessary business plans for the Association and table them before the General Assembly for consideration and approval.

1.1.4.6 Control the assets of the association and keep proper records of the assets, their development and use.

1.1.4.7 Prepare or cause to be prepared an annual financial report and a balance sheet, which shall be read at the General Assembly of the Association.

1.1.4.8 Be a principal signatory to the Association's Bank Account.

1.1.4.9

1.1.5 **THE PUBLICITY AND LIASON SECRETARY**

1.1.5.1 Shall be responsible for issuance of all notices, communications and mobilization of members.

1.1.5.2 Perform any activities as directed by the Chairman on confirmation by the General Assembly.

1.1.6 **PROJECT CORDINATOR**

1.1.6.1 Shall be responsible for all projects, write proposals and perform any activities as directed by the chairman subject to the ratification of the projects and or proposals by the General Assembly.

1.1.7 **THE MEMBERS OF THE EXECUTIVE COMMITTEE**

They shall be active members of the Association and shall be collectively bound by the decisions of the executive committee.

1.1.8 **COMMITTEES**

1.1.1 The executive committee may appoint committees to deal with such matters, as it may deem necessary.

1.1.2 The Chairpersons of the committees may be appointed from members of the executive of the Association. The committees appointed by the executive committee may also appoint Committees within their jurisdiction to deal with such matters they may deem fit.

ARTICLE 9: PROCEDURE OF THE EXECUTIVE COMMITTEE

9.1 The Executive Committee shall meet at such times as it may determine to discuss and implement decisions made by the members. The executive shall meet at least once every 3 months give at least twenty-one (21) days of notice to the members in writing specifying the time and place of meeting.

9.2 The chairperson or the vice chairperson shall preside over all meetings but in absence of these two persons, the General Secretary shall preside.

9.3 The chairperson may at any time call for a special meeting of the executive committee specifying the purpose for which the meeting is required, notice of which will be read to all the members.

9.4 The executive committee shall have a quorum of at least five (5) members provided the chairperson or his vice or General Secretary are present.

9.5 An absolute majority, in case of an equal number of votes, shall determine any decision requiring a vote of the executive committee there shall be a repeat of the procedure.

9.6 Voting at General Assembly:

9.6 1 "Only registered members of the association who have paid subscription fee shall have a right to vote.

9.6 2 Voting shall be by secret ballot and a simple majority of votes shall suffice to determine any issue being voted upon. In case of equal number of votes a second vote will be held. In the event of another equal number of votes the person presiding shall have a second or casting vote.

9.6 3 Honorary Members may take part in the debate of the General Assembly but shall not be entitled to vote.

ARTICLE 10: TERMINATION OF OFFICE

a) **RESIGNATION**

i) Any member wishing to resign from the Executive Committee, shall tender his resignation to the General Secretary and such a resignation shall take effect upon receipt of such notice.

ii) The General Secretary shall cause the publication of such resignation to the executive committee immediately.

iii) The General Secretary wishing to resign shall submit his/her resignation to the chairperson of the executive committee

b) **SUSPENSION AND DISMISSAL:**

i) Any Executive member may be suspended by a simple majority vote of the entire executive committee, pending an investigation into his/her conduct.

ii) If investigation confirms that a member has misbehaved, the committee may vote to dismiss him/her by the majority of 2/3 of those present at the General Meeting.

iii) The member who is suspended or dismissed shall not participate in the voting of such question.

c) **VOTE OF NO CONFIDENCE**

i) A motion of no confidence of the Executive Committee must be supported (signed) by at least 2/3 of the members of the General Assembly other than those on the Executive Committee.

ii) At least a motion mover shall give one month's notice to the Executive Committee.

iii) A motion shall only be carried by an approval of a 2/3 majority of the General Assembly and voting to which the entire executive will resign.

iv) In case of vote of no confidence or any reason culminating into the dissolution of the entire executive committee, the Executive Chairperson shall call for a General Assembly and cause elections of an interim committee formed of members of the Association, until the next elections.

ARTICLE 11: **FINANCIAL RESOURCE.**

11.1. Within the limits laid down by its objects, **[INSERT ASSOCIATION]** acquires, owns, alienates and administers any property as may be deemed fit.

11.2. It may accept unrestricted contributions and assistance in any form from individuals, from the public authorities, from private bodies and donations.

11.3. It may accept as agent or trustee funds or property in trust or earmarked for particular use, provided that such use is within the general scope of its activities, purposes and powers.

11.4. It may accept any transfer or lease of real property for other use or benefit.

11.5. It may constitute and administer any reserve, insurance or other funds for its staff or any of

its activities.

11.6. **[INSERT ASSOCIATION]** may borrow or raise money by the issue of bonds, mortgage, guarantees or any other securities funded or without any security upon such terms as to priority or otherwise as the Executive Committee shall think it fit.

11.7. Money collected shall be administered by the Executive Committee and up-to-date records of finances shall be kept. Financial reports and audited statements of accounts must be presented to each general assembly.

11.8. All instructions concerning **[INSERT ASSOCIATION]** Fund shall be in writing.

11.9. The accounts of **[INSERT ASSOCIATION]** and all its organs shall be audited annually by a firm of qualified external auditors nominated by the Executive Committee, subject to approval by the general assembly.

ARTICLE 12: AMENDMENT AND INTERPRETATION

The interpretation and amendment of this Constitution shall be vested on the General Assembly basing on the proposal of the Executive Committee acting on the advice, when necessary, of any qualified advocate appointed by them.

ARTICLE 13: ARBITRATION

All disputes or differences and questions arising out or in connection with the Association at any time, between the members here to be mentioned shall be referred to the Executive Committee. In case of failure, shall be referred to two arbitrators appointed and in accordance with the Arbitration Act or any other Law for the time being in force in Uganda.

ARTICLE 14: DISSOLUTION OF ASSOCIATION

The Association will dissolve if:

i) No General Meeting is held for three (3) consecutive years.

ii) Upon agreement of the members.

iii) If it has become impractical or impossible for the association cannot perform its objectives as enshrined in this constitution.

ARTICLE 15: DISTRIBUTION OF ASSETS:

In the event of the Association being dissolved all liabilities legally due by it shall be fully discharged and a surplus of funds remaining shall be disposed of by resolution at the General Meeting called for that purpose.

ARTICLE 16: OATH

I**,** the undersigned swear that I shall discharge my duties as a member for **[INSERT ASSOCIATION]** (**[INSERT ASSOCIATION ACRONYM]**) to the best of my abilities and I undertake to uphold the Constitution as our Constitution, through ……., so help me God.

ARTICLE 16: RATIFICATION:

This Constitution has to be ratified and counter signed by the members of the Executive Committee.

DECLARATIONS

We, the several persons whose names are hereunto subscribed are desirous of being formed into an Association pursuant to this Constitution.

NAMES OF MEMBERS			
	NAME	TITLE AND ADDRESS	SIGNATURE
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			

WITNESS TO THE ABOVE SIGNATURES:

Name ……..

Address……..

Signature……...

Date……..

ADOPTED AND CONSOLIDATED THIS _____ DAY OF_____ THE YEAR

_____

SIGNED:

_____

CHAIRMAN

_____

GENERAL SECRETARY

_____

WITNESSED BY

……..END……

Annex 4: Challenges of Informal Mining Operations

Most miners that were interviewed acknowledged that informality of ASMs in the Development Minerals Sector is a major challenge in their operations and greatly inhibits them from expanding their operations. They are unable to progress owing to lack of formalisation as their major obstacle. For instance, they are not able to use explosives – which would enable them efficiently extract larger quantities hence increased earnings because of the strict requirements in obtaining requisite permits requisite for informal entities. Further, they are unable to access affordable financing to obtain machinery because no financial institution trusts or understands their business.

ASMs involved in the extraction of stone aggregate reported that they were unable to obtain big supply contracts for roads and other large infrastructure projects because their product outputs were considered substandard for such high-level national infrastructure. They also lacked the requisite business qualifications and necessary documentation to bid for such tenders. This has relegated them to mere suppliers of middlemen who are able to competitively win the tenders.

In Katikekile and Rupa sub counties in Moroto District, some ASMs reported that lack of machinery was discouraging transporters from dealing with them because they take a lot of time to load a truck compared to the other sites where loading machinery such as bucket loading trucks quickened the loading process.

The figure below highlights the leading 5 issues that ASMs reported as being the biggest disadvantages of being informal.

However, some ASMs reported that their informal status was shielding them from extra levies and fees from the Local Government. They noted that even the road toll charges are charged to the transporters.

In Mpigi District, the DNRO observed that it would be difficult to convince the ASMs in the district to get organised unless they clearly understood how they would benefit. The Mpigi DCDO reported that there were no ASM groups registered at the district level. This, however, could be because most ASM groups register at the sub county level because they are discouraged by the high registration fees levied at the district.

Indeed, the benefits of formalisation must outweigh the costs for it to be a viable option. This strengthens the 'cost-benefit' argument that has been advanced. For formalisation to succeed, the ASMs must clearly understand the benefits that they will enjoy.

It was established that at least 21% of the ASMs that were interviewed saw no need to formalise their operations while 75% were in full support of it. Four percent were not sure whether they wanted to formalise or not.

Figure 8: Pie Chart showing the challenges ASMs face because of their informal operations

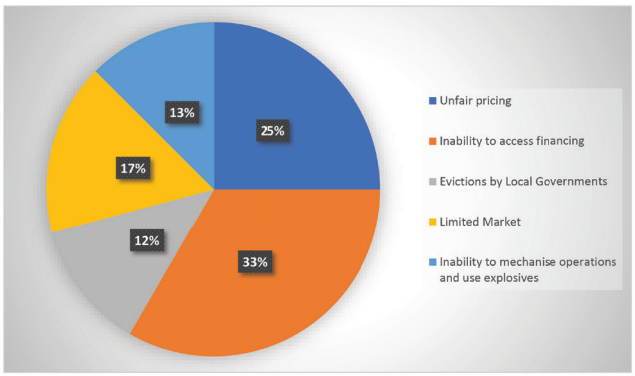
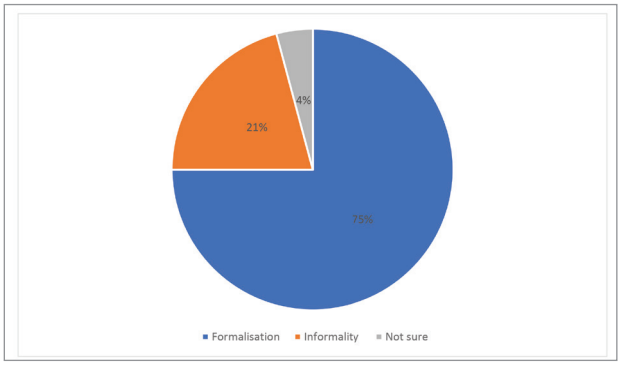


Figure 9: Pie Chart showing the percentage of ASMs for and those against formalisation.



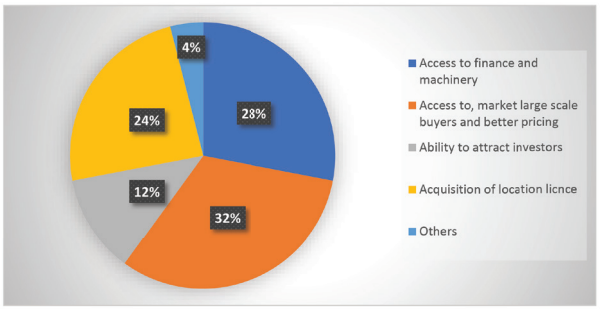
Annex 5: Benefits of Formalisation

a) **For ASMs**

As demonstrated above, the majority of ASMs and ASM actors that were interviewed expressed support for formalisation. The biggest advantage, according to them, is that formalisation will enhance their access to markets which will enable them to get better prices for their commodities. At least 32 % of the respondents feel that the middle-men significantly eat into their profits as shown below; 28% believe that formalisation will open doors for them to access financing and machinery for their operations.

"If ASMs are organised they can be connected - through the procurement office - to supply road projects and big construction projects since they will be registered. Secondly, empowering them to learn and get better livelihoods but also get access to machinery which will help them increase production and undertake value addition. In addition to this, once machinery is introduced, there will be a reduction of children in the mines." Stuart Kidega, Northern Region Chairman, Uganda Association of Artisanal and Small-scale Miners."

Figure 10: Pie chart showing the benefits of formalisation to ASMs.



b) **For Central Government**

According to Uganda's National Development Plan III, investing in mineral development will lower the cost of production and boost the supply of locally manufactured products like cement and fertilisers, both products of Development Minerals.

The aspiration of Agenda 2030 and 2063 is to achieve the sustainable management and efficient use of natural resources by 2030 (SDG 15). The EAC Vision 2050 states that while the exploitation of resource destinations can be built on extraction of raw materials, greater benefits can flow from natural resource management where resources such as minerals are processed locally. Additionally, the Uganda Vision 2040 aims at promoting local beneficiation through value addition on the minerals.

The "business case" for the Uganda governments is therefore clear i.e., formalisation will put the necessary systems in place to regulate, monitor and manage ASMs.

The history of global development has shown that countries that create a legal and economic environment that supports integration of extra-legal enterprises almost invariably prosper more quickly than those that do not. [25]Furthermore, costs of imposing top-down authority over the extra-legal economy are prohibitive, particularly when existing informal systems are viewed as legitimate at the grassroots level.

The Uganda Government has embarked on a Biometric Registration and Management of ASM in Uganda Project (BRASM) as part of Government's broader strategy of ensuring that mining as a whole becomes one of the key economic drivers of the economy as envisaged by the country's Vision 2040 and National Development Plan II.

Ultimately, it is understood that this process is a precursor to the integration of ASM activities and operations into the broader mining legal framework as well as integration of informal ASM activities into the formal fiscal and economic system, designed to reduce or eliminate the social and environmental negative impacts and externalities of ASM operations, streamline ASM operations alongside medium to large scale mining operations

[25] Seigel, S., The Needs of Miners: Political Ethics, Mercury Abatement, and Intervention in Artisanal Gold Mining Communities, PhD Dissertation, University of British Columbia, 226p, 2007

and concessions and capture lost economic value of the sector for the sustainable development of the Ugandan economy.

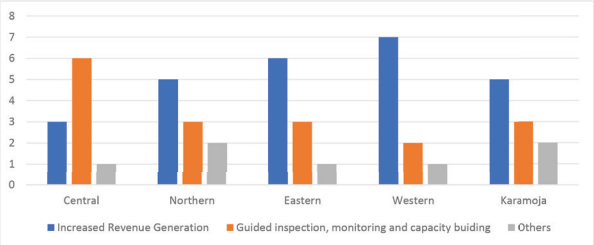
c) **For Local Government**

The Draft Mining and Minerals Bill, 2020 introduces a new licensing regime for the exploitation of building substances, creating three special mineral rights for the efficient regulation of the Development Minerals Sector. It stipulates that artisanal permits for building substances are issued on a first-come, first-serve basis at the Local Government level. This places the management of the Development Minerals Sector almost entirely in the realm of the Local Governments.

The major functions of the Local Government will include permitting, regulating, enforcement and monitoring of the Development Minerals Sector; levying fees and revenue generation; environment management, etc.

As shown below, besides the Central region where the Local Governments and sub counties have earned from Development Minerals, the other regions believe, if formalised, the Development Mineral sector would increase the revenue generated.

Figure 11 : The top two benefits of formalisation according to different Local Governments across Uganda



Beyond earning money, the Local Government officials also gave the following reasons for supporting a formalised ASM sector:

i. Capacity building for their staff by DGSM
ii. Attraction of investors
iii. Authority to solve issues of land and mineral surface rights
iv. Enhanced service delivery

Local Governments currently collect fees mainly from the extraction of clay, murram, sand and stone aggregates. They also receive royalties from Central Government for some of the regulated minerals as follows:

a) UGX 5 000 per tonne for marble [26]granite, sandstones, salt, and other dimension stones;
b) UGX 10,000 per tonne for vermiculite, kaolin, limestone, chalk, gypsum and phosphates;
c) UGX 1,000 per tonne for pozzolanic material.

The Mining Act (2003) Section 98(2) distributes royalties among the Central Government (80%), District Local Government in areas where the mineral was produced (10%), the sub-county local government (7%) and landowners or lawful occupiers of the land where the mine is located (3%), according to Section 98 of Mining Act, 2003.

The Mining Act 2003 is however silent on the way Local Governments spend these disbursements. The royalties received are placed in a pool of the Government's consolidated funds and allocated according to sector priorities. This has the potential to cause confusion and conflicts with communities that host these minerals, since they do not see direct benefits from the mineral resources especially where their interests are not addressed by the selected priorities. For instance, some community members interviewed in Moroto District indicated that there were no direct benefits accruing from the mineral royalties and that they were not aware whether the Local Government actually received those revenues.

This study engaged Local Government leaders on the royalties that are disbursed from the Central Government and how they are put to use. Some of them had little knowledge of the royalties their jurisdictions were supposed to receive from the Central Government, while others indicated that the Local Governments had not actually received royalties for some time. Tasked to explain why no royalties were coming in, the officials were unaware of the cause, and for some, no follow up had been made on the issue.

While quarrying and mining sites remain unregulated until the Draft Mining and Minerals Bill 2020 becomes law, some Local Governments continue to levy quarry charges. In Wakiso District, for instance, officials devised means of installing road tolls along all roads leading to mining and

[2] MEMD Royalty Assessment Review Statement, 2012

quarry sites. The district is one of the largest suppliers of sand and stone aggregates to the Kampala Central Business District (CBD) and developing areas on the outskirts of the CBD.

A similar system has been piloted in Mukono without success, yet the district is among the leading producers of stone and granite used in the construction industry in Kampala and surrounding towns. At Lake Katwe, the sub county (Katwe - Kabatooro) introduced permits for all the owners of salt pans on the lake. Each salt pan pays UGX 20,000 for a permit to operate. Considering that there are close to 7,000 salt pans at the lake, the sub county collects approximately UGX 140,000,000 in permits alone every year.

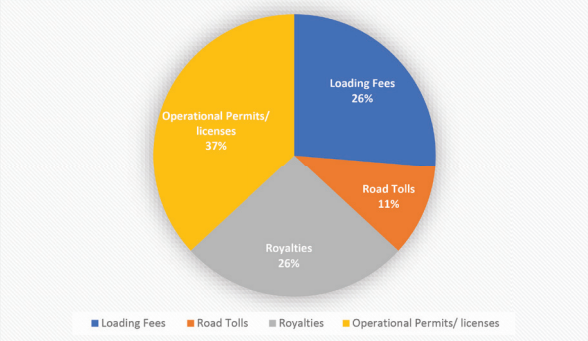
Specifically, in Wakiso, the district had decided to provide operational permits to quarry owners for which it charges between UGX 1,500,000 and UGX 2,000,000 per year. It is however difficult to collect these fees from the less compliant quarry operators. The district resorted to installing road tolls at main exit routes from quarries. A large truck pays UGX 10,000, medium truck pays UGX 5,000 and a small one pays UGX 3,000 per route. The collection is tendered out to private service providers and the following revenues are generated from some of the sand and stone quarries:

Table 4: Revenues generated from Road Toll System at Quarry Exit Routes in Wakiso district (2018/19)

Quarry Site	Revenue per month (UGX)	Revenues per year (UGX)
Kigugo stone quarry (Namayumba SC)	3,000,000	36,000,000
Kakiri Quarry	900,000	10,800,000
Mende stone quarry	2, 700,000	32,400,000
Kasanje sand mines	2, 700,000	32,400,000
Katabi Clay Sites	1,000,000	12,000,000
Masuulita sand mines	2, 400,000	32,200,000
Kyengera (Nabazizza)	500,000	6,000,000
Total	**5,400,000**	**161,800,000**

Source: Wakiso District Local Government

Figure 12: Sources of Local Government Mining Revenue



d) For Medium and Large-Scale Mining Companies

MSM and LSM companies perceive ASMs as both a threat and opportunity. For areas where incidents of ASMs operating illegally on a concession that belongs to an MSM/LSM company, there are frequent clashes as the companies attempt to evict the ASMs. However, in some areas, such as Rupa, Moroto District, the LSM has entered into a partnership with the ASMs to work on the former's concession to produce marble that the LSM can buy. For many MSM/LSM, it is in their interest to manage their relationship with ASMs and the more ASM operations that are formalised, the easier for the MSM/LSM to engage with them. Positive relationships between MSM/LSM manage reputational risks, improve community relations, and minimise risk to the MSM/LSM mining project.

e) The Impact of Covid-19 on the Development Minerals Sector

The Covid-19 pandemic has had a significant impact on the Development Minerals Sector across Uganda. At a local level, the lockdown prevented ASMs and traders from going to work initially, but even when the lockdown was partially lifted, a significant number of mine workers did not return to their workstations, opting instead for other income generating activities like agriculture.

Several studies on the impact of Covid-19 on ASM in Uganda established that:

- Financing for mining activities decreased or even stopped during the first months of the coronavirus pandemic.
- Lockdown measures and social distancing rules led to the eventual temporary shutdown of some mine sites. This led to loss of

employment and livelihoods for many artisanal miners who were left without savings nor compensated.

- This sudden unemployment affected women more than men, as men have easier access to other sources of income and casual labour and women typically provide more unpaid work at home.
- The lockdown also led to a slowdown in minerals transport to trading hubs, due to an initial ban on the movement of private vehicles.
- Miners of development minerals (e.g., sand, clay and stone aggregate) experienced higher levels of disruption than their counterparts (e.g., in the gold sector) due to a drastic fall in demand for these commodities.
- Operational Health and Safety (OHS) concerns have been exacerbated due to the COVID-19 crisis, as the lack of sanitary facilities and hygiene protocols, as well as the inconsistent use of personal protective equipment (PPE) such as masks and gloves, increases the infection risk on crowded mine sites.
- ASMs do not have the resources to meet new Standard Operating Procedures developed by the government in response to COVID-19.
- Food insecurity has significantly increased in Ugandan ASM communities as a result of job loss and decreased household income critical issue.

The major impact was on commodity prices of Development Minerals. Miners reported price cuts of more than 60% percent. In Gulu District, at the Laroo stone quarry, miners reported a decline from UGX 280,000 for three-tonne trucks of aggregate to 210,000 after lockdown. Although the sector is slowly recovering as business normalises, there is need for sustained intervention to support Development Minerals ASMs to restore their previous livelihoods.

Annex 6: Stakeholders Needs Assessment

The DGSM Laboratories in Entebbe

During the exercise, the study critically looked at the DGSM Laboratories in Entebbe that were established in the 1920s by the colonial government to assist geologists produce detailed geological maps with explanatory memoirs dealing with geology and mineral resources.

Mineral sector stakeholders (prospecting and exploration companies, mining companies, mineral dealers and other institutions rely on competence of laboratories to deliver results on which important decisions are based. Therefore, the competence of such laboratories is very important since key decisions rely on results from them and public confidence can only be met by accreditation of such laboratories.

The DGSM laboratories have been upgraded and consolidated to meet modern requirements of Uganda's mining industry and geothermal exploration through three main sections; the Chemistry and Environment Laboratory; Petrology, Mineralogy and Gemology Laboratory; and Mineral Dressing Laboratory.

The laboratories have been recently revamped with the installation of new equipment, as well as commencement of ISO accreditation process. However, currently there is no legal framework for the laboratories to charge for their services amidst high running costs which limits access by external clients. A provision for ISO accredited laboratory services has been put in the Mining and Minerals Bill, 2020 to address that weakness.

ISO/IEC 17025 accreditation provides the assurance that calibration and testing laboratories are delivering good services and consistent data. The accreditation process ensures that the laboratories operate within standards recognized internationally to generate laboratory results which are comparable and acceptable by other laboratories or organisations in the world. Currently there is no ISO/IEC 17025 accredited mineral laboratory in the country and large volumes of geological samples are sent for analysis to accredited laboratories outside of the country. This therefore makes mineral exploration in the country very expensive, and also makes the country less attractive to much needed exploration capital.

The DGSM laboratories can support the Development Minerals Sector through:

- Characterising Development Mineral resources to establish quality, potential applications and value.
- Preparation of specimen samples for marketing purposes.
- Provision of training opportunities for ASMs on identification of Development Minerals
- Undertaking metallurgical test work on how to add value to development minerals such as sand, diatomite, bentonite, kaolin, gypsum, marble, among others that may require processing for their final use application.

Besides the DGSM laboratories, a detailed stakeholder needs assessment was carried out to identify stakeholders' specific needs, key issues, priorities and actions pertinent to the Formalisation and Business Development Acceleration of the ASM of Development Minerals within the existing regulatory framework and current practice provisions. This was done alongside the stakeholder consultations mentioned. The results are summarised in the table below.

Table 5: Stakeholder Analysis in the Development Minerals Sector

INSTITUTIONAL		
	ROLES AND RELEVANCE	**CAPACITY GAPS**
National Environment Management Authority (NEMA)	Environmental watchdog, approves EIAs, issues or revokes sand mining licenses. Clay extraction and processing sites are located in wetlands.	• Underrepresented in mining regions due to lack of regional offices • Lacks financial resources to effectively monitor all Development Minerals operation in the country
National Forestry Authority	Custodian of all central forests and reserves in the country. Some DM sites are located in forests reserves. Illegal logging feeds some Development Mineral extraction and processing (clay, limestone, aggregates)	• Understaffed, under-resourced not on ground to effectively monitor DM ASM operations.
Ministry of Energy and Mineral Development/ Directorate of Geological Survey and Mines	Oversight of DM ASM operations; Custodian of Mining Sector Policies; Chief implementor of ASM formalisation; Mining Inspection; Training and Capacity building of ASMs	• Understaffed at the Regional level, they do not have enough Mining Inspectors to frequently conduct monitoring of ASM operations and capacity building of ASM actors. • Mining inspectors allocated expansive regions which are impossible to monitor effectively • Faced with funding constraints to effectively execute their mandate. • Inadequate training in Development Minerals which is relatively new concept
Ministry of Gender Labour and Social Development	Custodian of the OSH Act, implementation and regulation; lead agency on elimination of child labour in mining.	• Weak implementation of OSH Act and related standards/ guidelines • Understaffed and under-resourced • Not much focused on the DM sector Limitations to sufficiently monitor the mining sector, more focus in the formal business sector e.g., manufacturing.
Ministry of Trade, Industry and Co-operatives	Lead Agency in registration of Co-operatives; Training in Entrepreneurship and Business Development; Promoting locally produced DM products	• Understaffed and Under-resourced • The MSMEs Strategy do not include promotion of ASMEs
Ministry of Internal Affairs/Uganda Police	Enforcement by the Minerals Protection Unit	• Inadequate knowledge on management of DM ASM • High handed in handling DM ASMs that creates lack of trust from the ASMs/ASMEs • No coordination with DGSM and MEMD • Conflicting mandate with Mining Inspectors

INSTITUTIONAL		
	ROLES AND RELEVANCE	**CAPACITY GAPS**
Uganda Local Governments Association (ULGA)	Issue ASM Operational Permits and will be in charge of issuing Artisanal Permits when Mining and Minerals Bill 2020 is eventually passed.	• Not coordinated in handling DM sector regulation, for example, each LG charges different rates for Operational Permits • Not trained in managing DM ASM operations
ARTISANAL AND SMALL-SCALE MINERS		
ASMs/ASMEs	Directly involved in mining operations across the entire value chain.	• Inadequate technical knowledge • Inadequate financial resources • Lack of information on business aspects of the DM sector • Weak internal governance • Disorganised and disunited • Rudimentary, labour intensive with little or no value addition.
LARGE AND MEDIUM SCALE MINING COMPANIES		
Private Sector	Members of the Chamber of Mines and Petroleum involved in medium and large-scale mining operations	• Driven by the profit motive and not keen on complying with regulations in DM sector because of inadequate oversight by regulators • Some have not been sensitised on avenues of cooperation with DM ASM
OTHER STAKEHOLDERS		
Non-Governmental Organisations and Development Partners	Involved in supporting DM ASMs through training, sensitisation, capacity building, research and advocacy	• Uncoordinated programs that do not systematically and holistically address the challenges of the sector leading to short-term, non-comprehensive solutions.
Commercial and Microfinance Institutions	Capable of capital financing to mining groups	Not conversant with the unique opportunities within the mining sector, no tailor-made financing products for the mining communities, perceive ASMs as a high-risk population.
Village Savings and Loan Schemes	Capable of providing small and medium sized loans to ASMEs	Weak marketing skills to attract ASMs; limited collaboration with ASMEs as business entities.

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