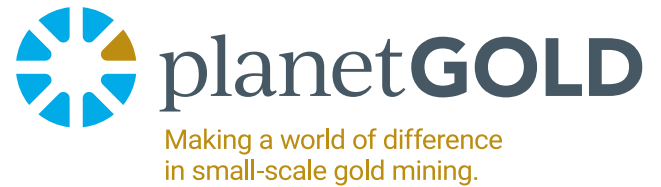


REPORT



A GEF Initiative

A Baseline Analysis of Legal and Regulatory Frameworks Affecting Artisanal and Smallscale Miners in Uganda

Artisanal and Smallscale Miners in Uganda

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List of Acronyms

ASM	Artisanal and Small-Scale Mining
ASGM	Artisanal and Small-Scale Gold Mining
ASGMs	Artisanal and Small-scale Gold Miners
AMV	African Mining Vision
CSO	Civil Society Organization
DGSM	Directorate of Geological Survey and Mines
DM	Department of Mines
EAC	East African Community
EIA	Environmental Impact Assessment
EITI	Extractives Industry Transparency Initiative
ESIA	Environmental and Social Impact Assessment
FIA	Financial Intelligence Authority
GEF	Global Environment Facility
GOU	Government of Uganda
ICGLR	International Conference of the Great Lakes Region
ITA	Income Tax Act
MEMD	Ministry of Energy and Mineral Development
MMA	Minerals and Mining Act
MoFPED	Ministry of Finance, Planning and Economic Development
MoH	Ministry of Health
NEMA	National Environmental Management Authority
OECD	Organization for Economic Cooperation and Development
OSH	Occupational Safety and Health
OSHA	Occupational Safety and Health Act
RCM	Regional Certification Mechanism
SIA	Social Impact Assessment
UGEITI	Uganda Extractives Industry Transparency Initiative
UNEP	United Nations Environment Programme
URA	Uganda Revenue Authority

Introduction

About planetGOLD Uganda

The PlanetGOLD Uganda project is funded by the Global Environment Facility (GEF) and implemented by the United Nations Environment Program (UNEP). In Uganda, IMPACT serves as the executing agency in collaboration with the National Environment Management Authority (NEMA) and the Directorate of Geological Survey and Mines (DGSM). The project, which is part of a broader global program implemented in 23 countries, aims to work closely with local communities to reduce mercury use in artisanal and small-scale gold mining (ASGM); the largest source of anthropogenic mercury emissions globally, while improving the health and livelihoods of mining communities.

For many years, artisanal and small-scale gold miners in Uganda have operated with minimal legal recognition or regulation, often being classified as illegal despite their significant contribution to the country's gold output. The push for formalization gained momentum with the enactment of the Mining and Minerals Act, 2022, and the subsequent Mining and Minerals (Licensing) Regulations, 2023. These legal frameworks align with regional and international commitments to ensure the responsible and accountable exploitation of natural resources.

This assignment aimed at analysing the existing legal and regulatory framework governing ASGM in Uganda, identify any gaps and provide recommendations for stakeholders. Additionally, it aimed to propose a viable approach for artisanal and small-scale miners to integrate into the new regulatory environment effectively.

Background and Context

Artisanal and small-scale gold mining (ASGM) contributes significantly to gold production in Uganda and provides employment for over 300,000 people, many of whom are women. However, the sector faces numerous challenges, including the

widespread use of mercury, which poses serious risks to both miners' health and the environment.

Given these challenges, there is a pressing need for a robust legal and regulatory framework to effectively govern the sector. This necessitates a thorough analysis of the existing legal and regulatory landscape to identify gaps and opportunities for reform. Such reforms should aim to facilitate the formalization of the sector, promote financial inclusion, encourage the adoption of mercury-free technologies, and enhance capacity building.

This assessment of the legal and regulatory framework involves identifying laws and policies that directly impact artisanal and small-scale gold miners and evaluating the extent to which the existing frameworks address key focus areas such as formalization, financial inclusion, mercury-free technologies, and capacity building. It also examined weaknesses in the current legal and regulatory framework in comparison with regional and international treaty standards to which Uganda is a signatory. Additionally, the assessment highlights specific challenges within the ASGM sector that remain unaddressed by the existing structures and propose actionable recommendations to improve and strengthen the legal and regulatory frameworks governing artisanal and small-scale gold mining in Uganda.

Statement of the Problem

Artisanal and Small-Scale Gold Mining (ASGM) in Uganda remains largely informal despite its significant contributions to employment, local economies, and foreign exchange earnings. The sector's lack of formalization results in lost government revenue, environmental degradation, unsafe working conditions, and social inequalities, particularly for women who face economic and cultural barriers to licensing. Additionally, most ASGM activities occur in areas covered by exploration licenses, limiting opportunities for legal recognition.

While Uganda’s Mining and Minerals Act, 2022, provides a framework for ASGM regulation, several challenges hinder its effective implementation, including high licensing costs, complex regulatory procedures, weak institutional capacity, and inadequate enforcement mechanisms. Furthermore, the absence of clear guidelines on the coexistence of ASGM and large-scale mining companies leads to conflicts over land and resource rights.

Without targeted interventions to address these gaps, ASGM will continue to operate outside the legal framework, resulting in economic losses, environmental risks, and missed opportunities for sustainable development. A structured approach that includes simplified licensing, institutional strengthening, financial inclusion, and gender-sensitive policies is necessary to integrate ASGM into Uganda’s formal economy while ensuring social, environmental, and economic sustainability.

Objectives of the Study

The primary objective was to assess the existing legal and regulatory frameworks governing artisanal and small-scale gold mining (ASGM) in Uganda, along with other relevant policies, to provide a foundation for recommendations aimed at streamlining the sector. This assessment will

serve as a guide for navigating current legislation and evaluating the need for new legal frameworks to support the industry.

Specifically, the study:

- ▶ Analysed the strengths and shortcomings of the existing legal and regulatory frameworks affecting ASGM.
- ▶ Provided evidence-based recommendations for improving the current legal and regulatory structures or proposed new legislation where necessary.
- ▶ Offered guidance on how artisanal and small-scale gold miners can effectively align with the prevailing legal and regulatory requirements.



Policy and Regulatory Frameworks Affecting Artisanal and Smallscale Gold Mining in Uganda

The policy and legal frameworks governing ASGM operations in Uganda have evolved in response to the country’s broader economic policies. The current framework is primarily shaped by the Mining Policy of 2018 and the Minerals and Mining Act of 2022, which have significantly influenced the administration of the mining sector. These legislative developments particularly support the formalization of the artisanal and small-scale gold miners, aiming to integrate them into the regulated economy and enhance sectoral governance.



International and Regional Frameworks

The mining sector, particularly Artisanal and Small-Scale Gold Mining (ASGM), is governed by several international and regional mineral resource frameworks that Uganda has ratified. These frameworks aim to align the gold mining sector with globally accepted standards while considering the interests of various stakeholders and addressing global environmental and economic challenges. Key frameworks include;

Minamata Convention

Article 7 Clause 2 requires that each Party that has artisanal and small-scale gold mining and processing subject to this Article within its territory shall take steps to reduce, and where feasible eliminate, the use of mercury and mercury compounds in, and the emissions and releases to the environment of mercury from, such mining and processing.

The Minamata Convention mandates the environmentally sound management of mercury waste in accordance with the Basel Convention on the transboundary movement of hazardous waste. Mercury is a highly toxic chemical that poses serious health risks, primarily through inhalation, direct contact with contaminated materials, and the consumption of mercury-contaminated food and water. In artisanal and small-scale gold mining (ASGM), mercury waste and pollution are generated

through the amalgamation process used in gold extraction, endangering both public health and the environment.

Manual of the Regional Certification Mechanism (RCM) of the International Conference on the Great Lakes Region

The Manual aims to significantly reduce and ultimately eliminate the illegal exploitation of natural resources in ICGLR member states. Serving as a procedural guide, it sets requirements for establishing responsible mineral supply chains, ensuring traceability from mine sites to export points. These requirements apply to key intermediaries, including miners, traders, transporters, processing entities, and exporters of the four designated minerals, including gold.

African Mining Vision (2009)

The African Mining Vision (AMV) advocates for a transparent, equitable, and optimal exploitation of mineral resources to drive broad-based sustainable growth and socio-economic development. It emphasizes the need to address key challenges in the development of small-scale mining (SSM), including technological limitations, market access, and inadequate skills. The United Republic of Tanzania adopted the AMV in 2016.



Uganda's Policy Framework Affecting The ASGMs

The Mining and Mineral Policy of Uganda, 2018

The policy aims to enhance the development of small-scale mining to increase its contribution to the national economy. It prioritizes improving safety standards, protecting the environment in mining areas, and promoting women's participation in mining operations. Additionally, it enforces strict laws and regulations to eliminate child labour in mining activities. To achieve its objectives, the policy outlines strategies for formalizing artisanal and small-scale mining (ASM), including the establishment of reliable mineral markets, provision of support services for artisanal and small-scale gold mining (ASGM), and the integration of ASGM into the legal framework.

The National Action Plan for Artisanal and Small-Scale Gold Mining in Uganda

This policy provides a framework for integrating environmental considerations into national decision-making processes. It aims to promote sustainable economic growth by offering incentives for the responsible use of natural resources while imposing disincentives on polluters and environmental degraders. Within the mining sector, the policy acknowledges the dangers associated with mercury use in artisanal and small-scale gold mining (ASGM). To address these challenges, it establishes several strategies, including promoting the use of retorts, closely monitoring land reclamation and restoration efforts, and managing mining discharges to protect water bodies and groundwater.

The Uganda Extractives Industry Transparency Initiative (UGEITI)

The UGEITI is a global standard that promotes transparency and accountability in the management of extractive industries, including the oil, gas, and mining sectors. The Extractive Industries Transparency Initiative (EITI) Standard requires the disclosure of key information throughout the extractive industry value chain, from exploration

and production to exportation and revenue collection.

The standard encourages countries like Uganda to leverage existing reporting systems for EITI data collection and ensure transparency at the source. The 2019 EITI Standard introduced new aspects, including environmental, social, and gender impacts, and mandates the disclosure of the true owners, referred to as "beneficial owners", of companies, partnerships, cooperative societies, and businesses granted rights to extract natural resources, including gold.

The UGEITI work plan is guided by three main objectives;

- ▶ Strengthening revenue management and accountability to ensure effective collection, optimization, and allocation of revenues.
- ▶ Enhancing transparency in the extractive sector to promote good governance and accountability in the management of extractive revenues.
- ▶ Building the operational and technical capacity of the multi-stakeholder group and the secretariat to ensure the effective implementation of the EITI Standard.

The Uganda Gender Policy, 2007

The Uganda Gender Policy aims to promote gender equality and ensure the balanced participation of men and women in cultural, economic, and political affairs. It emphasizes equal opportunities in employment, education, childcare, and decision-making processes.

The policy mandates the Ministry of Gender, Labour, and Social Development, along with other line ministries, to mainstream gender considerations across all sectors. It outlines priority areas for action at the national, sectoral, district, and community levels. The ultimate goal is to create an informed society that is conscious of gender and development

issues. Recognizing that sustainable development requires the full and equal participation of both men and women, the policy has played a key role in institutionalizing gender in national development planning.

Uganda Vision 2040

Uganda Vision 2040 is a long-term national development framework that aligns with global development agendas, following the Millennium Declaration of 2000 and the transition from the Millennium Development Goals (MDGs) to the Sustainable Development Goals (SDGs) in 2015. Of the 17 SDGs, several are particularly relevant to the artisanal and small-scale gold mining (ASGM) subsector, including the elimination of poverty, good health and well-being, quality education, gender equality, clean water and sanitation, affordable and clean energy, decent work and economic growth, and industry, innovation, and infrastructure. These international and regional frameworks represent strategic initiatives aimed at fostering the sustainable development of small-scale mining communities.

Overview of Legislation Governing Artisanal and Small-Scale Gold Mining in Uganda

The 1995 Constitution of Uganda

As the supreme law of the land, the Constitution of Uganda provides the foundation for all legislation, including those governing the mining and extractives sector. It outlines key aspects of governance, human rights, culture, and natural resource management. Article 244 grants Parliament the authority to enact laws regulating the sector, specifically addressing:

- ▶ The exploitation of minerals.
- ▶ The sharing of royalties from mineral exploitation.
- ▶ The conditions for payment of indemnities arising from mineral exploitation.
- ▶ The restoration of derelict lands.
- ▶ The exploitation of minerals and mineral ores

in a manner that considers the interests of individual landowners, local governments, and the Government.

- ▶ The exclusion of clay, murram, sand, and commonly used building stones from the definition of “minerals” under this article.

The Minerals and Mining Act of 2022

The Mining and Minerals Act of 2022 governs the administration of all mining operations in Uganda. Key provisions relevant to this study include the introduction of new classes of mineral rights. The Act establishes four categories of mineral licenses: large-scale mining licenses, medium-scale mining licenses, small-scale mining licenses, and artisanal mining licenses. The introduction of small-scale and artisanal mining licenses aims to formalize previously unregulated mining activities (Sections 84 and 95), thereby expanding the government’s revenue base and enhancing the monitoring and regulation of small-scale mining.

Additionally, the Act broadens the eligibility criteria for acquiring mineral rights to include corporate entities registered under Ugandan law, partnerships, cooperative societies, trustees, and registered associations or businesses. This expansion is expected to increase participation in the mining industry and promote sectoral growth.

The Mining and Minerals (Licensing) Regulations, 2023

The Mining and Minerals (Licensing) Regulations, 2023 replaced the Mining (Licensing) Regulations, 2019 to operationalize the Mining and Minerals Act, 2022 and align with evolving trends in the mining industry. The new regulations introduce a competitive bidding system for brownfield sites and a first-come, first-served approach for greenfield sites. They also establish Artisanal Mining Licenses, Medium-Scale Mining (MSM) Licenses, and Small-Scale Mining Licenses, along with Mineral Processing, Smelting, and Refining Licenses to promote and regulate value addition. Additionally, the regulations separate licensing from regulatory functions to enhance

oversight and introduce strict penalties and fines for non-compliance. A National Mining Company has been created to manage the state's commercial interests, particularly in strategic minerals. The implementation of an online licensing system aims to enhance transparency, while a mineral traceability and certification scheme ensures accountability in the supply chain. Furthermore, the regulations incorporate Mineral Development Agreements, including Mineral Production Sharing Agreements, to guide partnerships and resource management.

Cooperatives Societies Act Cap 112

A society which has for its object the promotion of the economic and social interests of its members in accordance with cooperative principles and which, in the opinion of the registrar, can promote those interests may be registered under this Act with or without limited liability; except that a cooperative union or any apex society shall be registered with limited liability.

This law facilitates the formation of cooperative societies by individuals seeking to collectively advance their economic and social interests. For artisanal and small-scale gold miners (ASGMs), cooperatives offer an affordable and practical avenue for formalization, enabling them to operate in an organized manner. The Act permits a minimum of thirty individuals to register a cooperative society, making it particularly advantageous for ASGMs who may struggle to formalize individually. As ASGMs grow and expand, they can transition into more structured and sustainable business entities through partnerships under the Partnership Act, companies under the Companies Act (2012 as amended), and business name registration under the Business Name Registration Act (2008). These legal frameworks provide ASGMs with various pathways to achieve formal economic organization and long-term sustainability.

Anti-Money Laundering Act 2013

The Anti-Money Laundering Act, 2013 was enacted to combat money laundering and terrorist financing, both of which pose significant global challenges.

Among the Designated Non-Financial Businesses and Professions (DNFBPs) identified as highly vulnerable to money laundering, the mining sector, particularly gold mining, stands out as a high-risk area for illicit financial activities. The Money Laundering and Terrorism Financing National Risk Assessment Report for Uganda (2023) highlighted that artisanal miners faced an elevated risk due to the absence of regulatory oversight and a licensing framework that previously did not cover them. However, with the enactment of the Mining and Minerals Act, 2022, along with its accompanying regulations, this gap has been addressed, bringing artisanal and small-scale gold mining operations under formal regulation. These legal provisions enhance oversight, ensuring greater transparency and accountability within the sector while mitigating the risks of money laundering and terrorist financing.

Financial Intelligence Authority

The Authority is mandated to lead efforts in combating money laundering and terrorism financing. As a national agency, it is responsible for receiving, analysing, and disseminating financial intelligence to relevant authorities regarding suspected proceeds of crime and potential financing of terrorism. Through its oversight and enforcement mechanisms, the FIA plays a crucial role in ensuring financial transparency and safeguarding the integrity of Uganda's financial system.

International Conference on the Great Lakes Region (Implementation of the Pact on Security, Stability and Development in the Great Lakes Region) Act, 2018

The Act ratified the ICGLR Regional Treaty enforcing mechanisms and strategies to combat and eliminate the illegal exploitation of natural resources within member states. As part of its implementation, a Regional Certification Manual was developed to establish responsible mineral supply chains from mine sites to export points. This framework accounts for all key intermediaries, including miners, traders, transporters, processing entities and exporters, focusing on the four designated minerals: Tin, Tantalum, Tungsten and Gold (3TG).

The certification system enhances transparency, accountability, and ethical sourcing within the mineral trade, aligning Uganda with regional and international best practices.

The ICGRL Regulations 2023

The Prevention of Illegal Exploitation and Illicit Trade in Designated Minerals in the Great Lakes Region aims to address challenges associated with conflict minerals, particularly Tin, Tungsten, Tantalite, and Gold (3TG). The regulations seek to prevent the illegal exploitation of these minerals, combat illicit trade, and enhance security and stability while mitigating conflict in the region. By enforcing these objectives, the framework strengthens governance, promotes responsible mineral sourcing, and aligns with international standards for ethical mineral trade.

The National Environmental Act of 2019

This Act governs all environmental matters in Uganda, providing the legal and institutional framework for environmental administration. It establishes environmental units within all ministries and creates environmental committees at the regional, district, and village levels. To ensure effective enforcement, the Act requires developers to conduct an Environmental Impact Assessment (EIA) before initiating any activities in areas that are classified as needing an EIA. This provision helps safeguard the environment and ensures that development activities are carried out responsibly.

The Employment Act No. 6 of 2006

The Act establishes fundamental labour rights and sets basic employment standards, ensuring equal opportunities in the workplace. It also outlines essential protections, including prohibitions on forced labour, child labour, and discrimination, as well as guaranteeing freedom of association, regulating working hours, and providing mechanisms for dispute resolution. Given that artisanal and small-scale gold mining (ASGM) offers both direct and indirect employment opportunities, particularly in rural areas, ASGMs must comply with the provisions of this Act to ensure fair and

lawful working conditions for their employees.

The Water Act Cap 152

The Act aims to protect, utilize, develop, conserve, and manage the country's water resources in a manner that meets the basic human needs of both current and future generations. Artisanal and small-scale gold mining (ASGM) activities, such as sluicing, panning, and the use of mercury and sodium cyanide for gold recovery, can pose a significant risk of polluting ground and water bodies if not properly managed. Therefore, ASGMs must be required to adhere to the provisions of this Act to ensure that water resources are protected from contamination and sustainably managed.

The Occupational Safety and Health Act of 2006

The Act primarily focuses on protecting workers' safety, health, and welfare in the workplace. In addition to safeguarding employees, the Act also ensures the protection of other individuals on the premises from potential hazards. Like other sectors in the national economy, the artisanal and small-scale gold mining (ASGM) sub-sector is vulnerable to accidents during mining operations. Therefore, ASGMs must comply with the provisions of this Act to ensure a safe working environment for all involved.

Income Tax Act Cap 340

The Act governs the collection of revenue from various sources for the Government of the Republic of Uganda. It establishes regulations and sets tax rates for effective enforcement. Section 4(1) of the Act stipulates that individuals with chargeable income must pay an income tax for each year of income. As such, artisanal and small-scale gold miners (ASGMs) who generate income through mining operations are required to pay income tax in accordance with this provision. The Act, along with other legislation, outlines additional taxes and levies in the mining sector, all aimed at enhancing government revenue. Only a formalized ASGM sub-sector can be effectively integrated into this tax system.

Literature Review

Introduction

The enactment of the Mining Policy (2018), the Mining and Minerals Act (2022), and the Mining and Minerals (Licensing) Regulations (2023) has significantly shaped Uganda's minerals sector by introducing a first-come, first-served licensing system, streamlining license acquisition procedures, and providing security of tenure for mine development. This legal framework, coupled with fluctuations in international commodity prices, has triggered a surge in exploration licenses, leading to widespread speculative license dealings in Uganda.

While the framework offers licensing opportunities for artisanal and small-scale gold miners (ASGMs) through small-scale mining licenses, many ASGMs may continue to operate outside the formal legal system due to several challenges. The procedures and costs associated with acquiring and maintaining licenses are structured for medium-scale, semi-mechanized operations, whereas the majority of ASGM activities involve alluvial artisanal mining spread over large areas. Even for small-scale operations, obtaining a small-scale mining license requires a significant financial and technical commitment, including feasibility studies and a comprehensive Environmental Impact Assessment

(EIA), making it inaccessible for most ASGMs.

Women, who constitute between 15% and 90% of ASGM workers in various mining sites, face even greater economic and socio-cultural barriers to obtaining licenses, despite gender considerations being mainstreamed in Uganda's mineral policy and legislation. The government has made strong national commitments to gender empowerment and mainstreaming, and while there has been political will to integrate these objectives into policy and law, practical implementation remains limited.

Although the Mining and Minerals Act (2022) and its accompanying regulations define the institutional responsibilities of the Directorate of Geological Survey and Mines (DGSM) and other government entities, including local governments, the full realization of these mandates, particularly in supporting the formalization of ASGM, is yet to be seen. The current legislation outlines roles related to inspection, reporting, and licensing, but greater clarity is needed regarding the provision of extension services and advisory support, especially during site inspections, to artisanal and small-scale miners.

Formalization and Licensing of the ASGMs

The recently enacted Mining and Minerals Act (MMA) 2022 requires small-scale and artisanal miners to obtain a mining license from the Ministry of Energy and Mineral Development (MEMD). This is aimed at formalizing and regulating the sector. The purpose of the MMA is to organize, license, regulate, and transform artisanal and small-scale mining in Uganda. A key concern has been, and continues to be, the complexities and costs associated with acquiring these licenses. There are questions about whether

these requirements are intended to streamline the sector or if they serve as barriers, potentially deterring artisanal and small-scale miners from participating in an industry that is crucial to their livelihoods.

The ongoing concern revolves around the complexities and costs associated with acquiring these licenses, and whether they are intended to streamline the sector or, conversely, deter artisanal

and small-scale miners from participating in the mining industry, which serves as a crucial source of their livelihood.

The formalization of the ASGMs is rooted in the efforts of the ICGLR, particularly through its Regional Guide on ASM Formalization in the Great Lakes Region (2017)¹. Formalization is broadly regarded as a process that encompasses several key elements, which may include, but not limited to, policy, legal and regulatory reform, institutional development, private sector development, financial access, administrative and technical support to mine and supply chain operators, labour organization and monitoring and enforcement.

Formalization plays a crucial role in fostering professionalism within the ASGM sector, leading to improved and safer working practices, better access to information, skills, and technology, enhanced exploration, production, and recovery rates, improved access to formal financial services, and more effective environmental management. Without formalization, the ASGM sector often faces conflicts with the large-scale gold mining sector.

The Mining and Minerals Act 2022, in Section 15, grants mineral rights that include the small-scale mining license and the artisanal mining license, marking the first effort to formalize artisanal and small-scale miners.

The legal framework allows for the application of both licenses under Sections 86 and 97 of the Mining and Minerals Act 2022, subject to payment of a prescribed fee. Once granted, the license is valid for a period not exceeding three years and may be renewed upon application to the Minister for periods not exceeding two years.

Additionally, Section 95 of the Act provides for the establishment of artisanal mining areas, with the Minister, in consultation with the Directorate and

relevant local governments, determining areas for artisanal mining operations. These areas are designated where certain mineral deposits, such as gold or diamonds, are not suitable for large, medium, or small-scale mining but are conducive to artisanal operations, which cannot exceed ten meters in depth. While this is a step toward reducing conflicts between ASGMs and large-scale gold miners, there are concerns that the allocated mining areas might be too small, potentially causing operational difficulties and interferences among miners.

Section 96 outlines the eligibility criteria for acquiring an artisanal mining license, which is restricted to Ugandan citizens, cooperative societies, trustees, or associations registered under the laws of Uganda. It also includes joint ventures or partnerships, businesses registered under the Business Names Registration Act that are exclusively owned by Ugandan citizens, and companies incorporated under the Companies Act 2012 (as amended), with all shares held by Ugandan citizens.

It is widely recognized that the informal leasing and transferring of mining titles and rights is a common practice among artisanal and small-scale miners in Uganda. In fact, it is often observed that the legal holders of artisanal and small-scale mining licenses are not directly involved in the mining activities on the ground. A study by Jonsson and Fold (2009) highlights that although the legal holders of artisanal and small-scale mining rights are responsible for hiring and paying labour, organizing mining operations, and ensuring safety and environmental regulations, these responsibilities are rarely upheld.

The current legal and regulatory framework has provided legal recognition to artisanal and small-scale miners, with efforts underway to create a special database to register and monitor all artisanal gold miners. This initiative is part of the broader strategy to build capacity within the sector.

¹ International Conference on the Great Lakes Region; Regional Guide on Artisanal and Small-scale Mining Formalization in the Great Lakes Region, 2017.

However, unlike large scale and medium scale mining companies, artisanal and small-scale gold miners are challenging to monitor under the environmental legal framework. While the existing regulations set similar requirements for all mining rights holders, achieving full compliance with Environmental and Social Impact Assessments (ESIA) for artisanal and small-scale miners remains a distant goal, even though such assessments are now mandatory.

Artisanal gold miners are required to submit a prescribed checklist when applying for an artisanal mining license. This includes a tax clearance form, proof of mineral occurrence, evidence of technical capabilities, proof of financial resources, a statement detailing the nature of mining operations and capital expenditure, a provisional agreement with the landowner, a certificate of ESIA approval, a proposed production schedule, marketing arrangements for mineral sales, a board resolution (for companies), and evidence of no defaults. However, artisanal mining operations are typically subsistence-based, with miners focusing on immediate concerns rather than the long-term impacts of their activities. In many cases, when artisanal miners lack alternative sources of income, they may find ways to evade regulations and continue their work.

Therefore, it is crucial that the conditions set for artisanal miners to legally carry out their activities are closely monitored. Additionally, government involvement in capacity-building initiatives is essential to enable artisanal miners to adopt a more comprehensive approach to the legal and regulatory framework; while ensuring they can sustain their livelihood through mining activities.

The web of informality within the ASGM sector encompasses both direct and indirect miners². Labour relations at ASGM sites are typically based on casual employment, kinship, or personal and

social connections rather than formal contractual arrangements with guarantees³. Research findings indicate that, in many mining areas, the majority of artisanal miners lack proper mining rights, while a few continue to operate under expired prospecting licenses.

The gap in the existing legal and regulatory framework affecting artisanal and small-scale gold miners stems from the fact that they were not formalized and that the practice of artisanal mining was traditionally based on the “first in time, first in right” principle, where those who discover minerals first or claim mineral deposits on their land are entitled to them. This approach has long allowed marginalized groups to exploit natural resources without formal permits, often on government-owned lands. Most mining agreements in the sector are informal and based on mutual trust. In many instances, landowners lack formal documentation of land ownership, and in some cases, mining occurs on public land. As a result, even when the government allocates mining areas on a “first in time, first in right” basis, it becomes difficult for ASGMs to formalize their operations and obtain legal access rights. By the time they fulfill the requirements for formalization, many mining areas are already licensed to industrial mining companies, making ASGM operations illegal. This issue is partially addressed by section 95(1) of the Mining and Minerals Act, although this provision has yet to be tested in practice.

The legal and regulatory framework requires compliance with several laws to operate a mine, including labour laws, business laws, environmental regulations, and international and regional treaties³. These laws often necessitate various payments and fall under the jurisdiction of different ministries and departments. It is clear that the tax burdens and bureaucratic regulations may hinder the swift formalization of artisanal and

²Hinton, J., 2011, Gender and Artisanal and Small-Scale Mining In Uganda: A Country Overview, World Bank Report, 79p.3

Sadia Mohammed Banchirigah, “Challenges with Eradicating Illegal Mining in Ghana: A Perspective from the Grassroots,” Resources Policy 33, no.1 (2008).

³ These among others include the Cooperative Societies Act, Companies Act 2012, Income Tax Act, Occupational Safety and Health Act, Employment Act, National Environmental Act and the Anti-Money Laundering Act.

small-scale gold miners (ASGMs) and contribute to the continued growth of the country's informal gold mining sector. This challenge is compounded by the limited understanding among many ASGMs of the legal requirements for operating a business in the country. It is highly likely that many artisanal miners are unaware of the necessary registration processes, licenses, or taxes they are required to pay.

Given the multifaceted challenges facing artisanal and small-scale gold mining (ASGM), various

institutions play a crucial role in addressing these issues. Key players include the Ministry of Gender, Labour and Social Development, the Ministry of Health (MoH), Uganda Revenue Authority (URA), and the Uganda Police Force, particularly in tackling illicit mineral trade, among others. Many of these institutions have decentralized offices at the district and sub-county levels. Due to their proximity to ASGM areas and their complementary mandates, local government offices are often better positioned to address issues at the grassroots level.

Mercury, The Use of Mercury Free Technologies and The Environment

The second aspect pertains to environmental impact assessments (EIAs) in the context of small-scale and artisanal mining activities. It is now a requirement for all miners to conduct environmental impact assessments to evaluate and mitigate the environmental effects of their operations⁴. This includes proper waste management, land reclamation of mining areas, and minimizing the use of hazardous chemicals such as mercury. The existing legal framework outlines various requirements for individuals and entities seeking a small-scale or artisanal mining license. The viability of these requirements within the current legal and regulatory framework warrants scrutiny, and recommendations should be made to ensure a forward-looking and inclusive approach to their structuring.

National Objective and Directive Principle of State Policy XXVII relates to environmental protection and mandates that⁵

- ▶ The State shall promote sustainable development and public awareness of the need to manage land, air and water resources in a balanced and sustainable manner for the present and future generations.

- ▶ The utilization of Uganda's natural resources shall be managed in such a way as to meet the development and environmental needs of present and future generations, with the State taking all possible measures to prevent or minimize damage and destruction to land, air and water resources resulting from pollution or other causes.
- ▶ The State shall promote and implement energy policies that will ensure that people's basic needs and those of environmental preservation are met.
- ▶ The State, including local governments, shall create and develop parks, reserves and recreation areas and ensure the conservation of natural resources, and promote the rational use of natural resources so as to safeguard and protect the biodiversity of Uganda.

Article 39 of Uganda's 1995 constitution (as amended) provides for the right to a clean and healthy environment for every Ugandan. Section 255 of the Mining and Minerals Act prohibits the use of mercury in any mining operations, regardless of scale.

Under article 7 of the MINAMATA Convention, to which Uganda is a signatory, there is a clear

⁴Section 216 of the Minerals and Mining Act of 2022.

⁵ The 1995 Uganda Constitution as Amended; the National Objectives and Principles of State Policy.

mandate to reduce or eliminate mercury use in artisanal mining operations. Article 7 clause 2 states that each Party with artisanal and small-scale gold mining and processing subject to this Article within its territory shall take steps to reduce, and where feasible eliminate, the use of mercury and mercury compounds in, and the emissions and releases to the environment of mercury from, such mining and processing. Section 255 of the Mining and Minerals Act 2022 aligns with this provision, though its practical implementation depends on regulation, enforcement and capacity-building efforts to eliminate mercury from artisanal and small-scale gold mining operations.

ASGM activities are typically rudimentary, characterized by a lack of specialized equipment and skills, exposing workers to various occupational health and safety hazards, including fatalities. Mercury is commonly used in concentrate amalgamation, panning, and in some cases, whole ore amalgamation, depending on the mining site. Poor mercury handling has been blamed for environmental contamination in areas with artisanal mining operations.

There is a notable gap in establishing clear mine safety, health, and environmental standards for artisanal and small-scale gold mining. The existing mandatory codes of practice for safety, health, and environmental issues, while applicable to formal medium and large-scale mining, are often unenforceable in the ASGM sector. Applying these blanket guidelines to artisanal mining can be counterproductive, as they may impose unrealistic standards on these operations.

The implementation of safety standards in ASGM must be contextualized. Since artisanal mining is often subsistence-based, safety measures may be perceived as an interference that could reduce workers' income or discourage formalization efforts. Therefore, it is essential for mine owners to find a balance between improving working conditions and sustaining livelihoods. Standards must be

relevant, and introducing safety measures should be viewed as a process requiring the involvement of various stakeholders, including artisanal miners, government agencies, the community, and mineral buyers. Through collaboration, appropriate minimum standards can be set, with progressive improvements over time. The implementation of health and safety standards should be seen as a phased process, with short-, medium-, and long-term goals.

Many artisanal and small-scale gold mines lack adequate sanitary facilities and personal protective equipment, exposing workers to risks such as sanitation-related illnesses, respiratory conditions, accidents (sometimes fatal), and mercury poisoning. For change to occur, artisanal gold miners must understand the benefits of safety standards. Initial standards must be realistic and achievable to produce immediate results, encouraging miners to commit to and stay engaged in the process. Unrealistic goals can lead to noncompliance and failure, hindering the formalization of the sector.

The use of mercury exacerbates environmental degradation, occupational safety risks, and public health concerns. The risks are both direct (from daily exposure to mercury during gold extraction) and indirect (from mercury-contaminated water and food along the food chain). Despite the increasing recognition of artisanal gold mining as a livelihood opportunity, the practice presents significant health and environmental dangers. This study aimed to assess the health and ecological impacts of mercury use in the artisanal gold extraction process and to offer recommendations for the safe and sustainable exploitation of artisanal gold.

Revenue and Financial Inclusion

Taxation of small-scale and artisanal miners is a crucial element of the legal and regulatory framework that must be recognized. Miners are expected to comply with tax regulations set forth in various laws, including but not limited to paying royalties, income tax, and value-added tax. Despite these expectations, tax evasion and informal trading remain ongoing challenges in this largely unregulated sector. This situation requires stricter or better-streamlined enforcement mechanisms to ensure fair revenue collection.

This research examined the provisions of the legal

and regulatory frameworks that promote increased access to finance through responsible supply chain mechanisms in the artisanal and small-scale gold mining (ASGM) sector, as well as evaluate whether these frameworks support financial inclusion initiatives for the ASGM sector in Uganda.

There is a clear interconnection between financial inclusion and the formalization of the artisanal gold mining sector. Access to financing is essential for artisanal gold miners, particularly women, to participate in the formal market and the legal gold trade.

Capacity Building

The objective of capacity-building programs for artisanal and small-scale miners is to empower and develop the mining industry in Uganda through participation in various training courses and information-sharing activities. By developing essential skills in key areas of mining and its supporting functions, it is anticipated that artisanal mining can become more productive and safer. The areas of instruction designed to build the capacity of artisanal and small-scale miners include:

Exploration Techniques and Geological Knowledge

Geological knowledge and the identification of mineral resources are fundamental to any mining project. However, artisanal operations often lack an understanding of the extent of the deposit. Artisanal miners typically pursue the outcrop of pegmatite veins without knowing the full extent of the mineralization. Mining continues until the vein is depleted or hard rock is encountered, which would require drilling and blasting.

Basic geological knowledge and exploration techniques tailored for ASGM operations need to be developed to enable fundamental mine planning

and project evaluation. A practical module focused on basic geology is essential, covering topics such as the identification and characteristics of rock types and minerals, with a focus on the economic geology of identified sites. For prospecting and exploration, basic skills such as map reading, sampling, and exploration techniques must be addressed, along with methods for estimating mineral resources, including volume, tonnage, and grade.

Mining Methods and Techniques

Artisanal miners often lack an understanding of the fundamental principles of mining. Surface mining operations typically do not incorporate bench mining techniques, and underground access is rarely excavated safely. Furthermore, basic rock engineering principles to ensure the stability of underground rock masses are often not applied. Essential mining methods, including appropriate rock-breaking techniques, ore loading and hauling, and support infrastructure such as secondary access ways, pumping, and ventilation systems, are seldom implemented.

To address these challenges, several mining modules are needed to improve mining practices and

techniques. Key areas for learning should include the distinction between surface and underground mining, surface mining methods, mine access, underground mining techniques, rock-breaking methods, material handling, mine support systems, mine power and drainage, rock engineering, and ventilation.

Mine Surveying

Basic survey skills are essential to ensure efficient and safe mining operations. The ability to mine at accurate angles is crucial for determining support requirements, as well as for identifying the position of underground workings. These skills are vital for purposes such as locating ventilation shafts, establishing secondary access ways, and regularly measuring mined volumes and tonnages.

Mineral Processing

In the artisanal mining environment, basic principles of mineral processing are generally understood. However, methodologies to optimize mineral processing are often not well recognized, and potential improvements in recovery rates and profits remain unrealized. As such, increasing knowledge in areas such as crushing and grinding, screening and classification, and mineral separation is essential.

Waste Disposal and Tailings Storage

In artisanal mining, the two primary sources of waste are waste rock and tailings. These materials have distinct properties and must be managed differently. Poor waste and tailings management can result in fatalities, halt mining operations, and lead to conflicts with government authorities and surrounding communities.

Discussions should focus on the location, stability, and management of waste and tailings storage facilities, as well as the monitoring of these facilities. Additionally, the construction of tailings storage facilities and water control systems should be thoroughly reviewed and understood.

Safety, Health and Environmental Management

Safety and health concerns should be addressed, including the basic hazards associated with lifting heavy materials, using mechanical equipment and tools, handling chemicals such as mercury, exposure to gases and fumes, and the risk of electrical shock. Additionally, sanitation practices, the availability of first aid equipment and training, risk identification, and control measures should be incorporated as key learning outcomes. While mining permits include guidelines for environmental protection, compliance is often inadequate.

Promoting good environmental management practices should be a focus. For instance, Environmental Impact Assessments (EIAs) can benefit mine developers by fostering positive community relations, securing financing, and enhancing government relations. A comprehensive understanding of environmental impact assessments and monitoring should be included in the training program.

Understanding of Legal Requirements

Artisanal miners need to be issued with a license to legally mine and must be engaged to understand the benefits of holding these artisanal mining licenses. Key benefits of having legal tenure include secured land rights, government-supported training and resources, access to financing, and a voice in governmental decision-making. It is essential for miners to understand the mineral policy of the country in which they operate, as aspects such as financial regulations, environmental guidelines, social policies, and mining laws significantly impact the success and sustainability of mining operations.

Business Fundamentals

Business skills are crucial for empowering artisanal and small-scale miners. It is common for miners to invest in equipment without fully understanding the value of these acquisitions. Additionally,

understanding market demand and pricing is equally important for successful operations. Training will focus on helping miners estimate the amount of precious material in the run-of-mine material, the processes involved in extracting and concentrating the precious metal, and the acceptable forms of metal concentrate needed to achieve competitive market prices.

Methodology

This study was analytical in nature, requiring an in-depth examination of the existing legal and regulatory frameworks governing the artisanal and small-scale gold mining (ASGM) sector at local, regional, and international levels. Conducted as a desk-based assessment, the literature review focused on identifying and analysing relevant documents throughout the study.

The primary sources of literature included key legal and policy documents such as the 1995 Constitution of Uganda (as amended), the Mining and Mineral Policy for Uganda (2018), the Mining and Minerals Act (2022), the Mining Regulations (2004), the Mining and Minerals (Licensing) Regulations (2023), and the National Action Plan on Business and Human Rights, along with other Acts of Parliament directly impacting the ASGM sector.

Additionally, regional and international treaties and conventions relevant to ASGM were reviewed, including the Minamata Convention, the Extractive Industries Transparency Initiative (EITI) Principles and Standards, regional and international human rights treaties, the Africa Mining Vision (AMV), and the International Conference of the Great Lakes Region (ICGLR) Regional Certification Mechanism (RCM). Other key frameworks examined included the African Union State Reporting Guidelines on Articles 21 and 24 of the African Charter on the Extractive Industries, Human Rights, and the Environment, the UN Guiding Principles on Business and Human Rights, the Treaty Establishing the East African Community (EAC), and reports from the African Union Working Group on the Extractive Industries.

Secondary sources reviewed comprised government plans and reports, academic writings, newspaper and journal articles, as well as reports from civil society organizations, the private sector, and other non-state actors involved in ASGM-related governance.



Findings

Over the past century, artisanal and small-scale gold mining (ASGM) has become a significant livelihood source and contributor to local economic development in several regions of Uganda, including Busia and Karamoja in the East and Northeast, as well as in the Kigezi and Buhweju goldfields across the West and Southwest. The number of artisanal and small-scale gold miners has reached around 20,000, with participation increasing due to factors such as high population density, land pressures, prolonged droughts, and conflict in the Northeast, which have undermined traditional pastoral livelihoods.

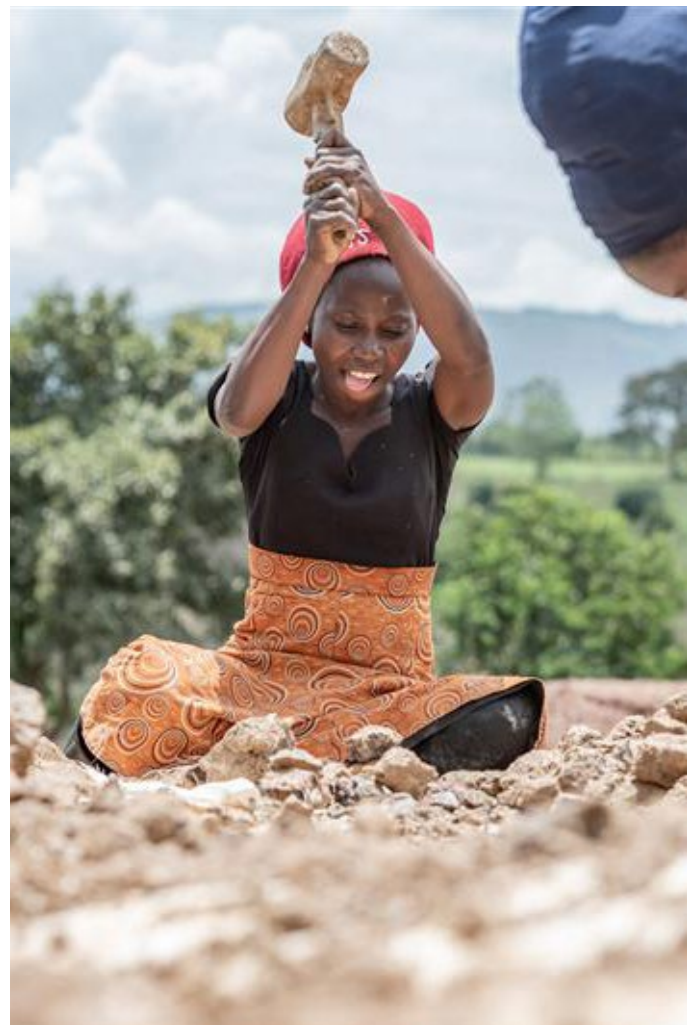
Most Artisanal and Small-Scale Gold Mining (ASGM) in Uganda remains at the artisanal level, relying on basic manual technologies, with many operations existing outside the legal framework. However, despite its informality, ASGM makes significant economic contributions.

The Government of Uganda (GOU) has increasingly recognized the development potential of ASGM, particularly following 2008 estimates that assessed its formal and informal contributions to GDP, local economies, employment, and government revenue through royalties, taxes, and fees. In that year, ASM production of gold, tin, coltan, and tungsten ranked as Uganda’s third-largest foreign exchange earner, after coffee and fish products, injecting over US\$35 million into local economies. Meanwhile, lost royalties exceeded US\$2.6 million. Given rising commodity prices and ASGMs expansion over the past three years, these contributions may now be 25–40% higher than earlier estimates.

Recognizing this, the Government developed plans to fulfill policy mandates for ASM extension services and efficient regulation through the National Development Planning Processes.

Several improvements have been made, including the reporting of informal ASM statistics in annual reports, information sharing with the Uganda Bureau of Statistics (UBOS) and Uganda Revenue Authority (URA), and enhanced communication with artisanal miners following training activities under the Sustainable Management of Mineral Resources Project (SMMRP).

The formalization of ASGM in Uganda hinges on strong government support and regulation. However, most ASGM sites are located within areas covered by exploration licenses, limiting opportunities for legal licensing. While a realistic legal and fiscal framework is essential, achieving positive outcomes shall be determined by efficient institutions, adequate incentives for legalization, and mechanisms to manage relationships between ASGM and exploration or mining companies.



New Amendments in Minerals and Mining Act 2022

Uganda is a mineral-rich country, boasting vast deposits of gold and numerous other minerals. While the mining sector once contributed about 30% of the country's export earnings during the 1950s and 1960s, its contribution today has dwindled to approximately 0.8%. This decline has been attributed to a weak legislative framework for awarding, protecting, and enforcing mineral rights, a significant informal mining sector, a limited number of foreign investors, as well as human rights violations and environmental degradation.

In response, the Government of Uganda introduced a new mining and mineral policy in 2018 aimed at revitalizing the industry through increased investment, value addition, national participation, and revenue generation. This policy was followed by the passage of the Mining and Minerals Act, 2022, which came into force on 13th October 2022, replacing the Mining Act of 2003. The Mining and Minerals Act seeks to address the gaps identified in the repealed law and align Uganda's legislative framework with global trends.

Several key amendments under the Mining and Minerals Act 2022 are particularly relevant to this study. One of the major changes is the introduction of new classes of mineral rights, which include large-scale mining licenses, medium-scale mining licenses, small-scale mining licenses, and artisanal mining licenses. The creation of small-scale and artisanal mining licenses aims to formalize these currently unregulated sectors (Sections 84 and 95 of the Act). This move is expected to expand the government's revenue base and enhance the monitoring and regulation of small-scale mining activities in the country.

Additionally, the Mining and Minerals Act 2022 broadens the scope of applicants eligible for mineral rights to include a body corporate registered under the laws of Uganda, a partnership, a cooperative society, a trustee, or an association or business registered under Ugandan law. It is anticipated

that this expansion will increase the number of participants in Uganda's mining industry.

A New Regulatory Framework

The Mining and Minerals Act 2022 introduces a new regulatory framework aimed at strengthening the mining industry in Uganda. Under this framework, the Directorate of Geological Surveys and Mines (DGSM) has been established to oversee and regulate the sector. The DGSM encompasses several departments, each with specific roles to ensure effective management of the industry.

The Mining Cadastre Department is tasked with administering mineral rights and maintaining the cadastral registers, as outlined in Sections 20 and 34 of the Act. The Mineral Exploration Unit is responsible for conducting detailed exploration and evaluation of mineral occurrences, ensuring that valuable resources are identified and assessed properly.

Additionally, the Mineral Protection Force has been created to safeguard minerals against malpractice, enforcing the provisions of the Mining and Minerals Act to maintain integrity and compliance within the sector.

Local Governments (Section 27)

The Mining and Minerals Act 2022 establishes a role for local governments to collaborate with the Directorate of Geological Surveys and Mines (DGSM). Local governments are tasked with raising awareness about mining activities within their areas of jurisdiction, facilitating dialogue between local communities or project-affected persons and mineral rights holders, and participating in dispute resolution. This initiative aims to decentralize government involvement, positioning local governments as key stakeholders in the mining sector to enhance communication, cooperation, and effective management at the grassroots level.

Uganda National Mining Company (section 21 to 26)

The Mining and Minerals Act 2022 establishes the Uganda National Mining Company (UNMC), a state-owned entity responsible for managing Uganda's commercial holdings and participating interests in mineral agreements. Under the Act, the grant of a large-scale or medium-scale mining license may entitle the State to an ownership interest of up to 15% in the enterprise, at no cost. This interest will be held by the UNMC and is protected from dilution by any subsequent capital increases in the enterprise.

While this 15% government stake is expected to boost fiscal revenue through dividends and capital gains, it has raised concerns within the private sector. The additional cost for investors, alongside various licensing fees, royalties, and taxes, could potentially make investing in Uganda less profitable. It remains to be seen whether this provision will strike a balance between attracting investors and maximizing economic returns for both the State and its citizens.

Value Addition and Beneficiation of Minerals (part VI of the Act)

One of the key goals under Uganda's 'Vision 2040' is to promote local beneficiation to establish an industrial base for the production of consumer and industrial goods. The Mining and Minerals Act 2022 supports this objective by regulating the value addition and beneficiation of minerals. It mandates that all individuals or entities involved in mineral beneficiation must obtain a license. For artisanal and small-scale gold miners, this presents an opportunity to enhance their earnings and improve their livelihoods. However, the institutional capacity to implement these provisions needs to be strengthened to align with the law's intent to uplift the economic status of ASGMs. The lack of a robust institutional framework makes it challenging to enforce these provisions, resulting in non-compliance among artisanal and small-scale gold miners.

Environmental and Human Rights Protection (part XV and XVII of the Act)

The Mining and Minerals Act 2022 mandates that holders of mineral rights, licenses, or permits must refrain from polluting the environment and take steps to preserve the natural environment. Additionally, holders are required to support the development of mining communities affected by their operations, promoting sustainable development, and enhancing the general welfare and quality of life for local inhabitants. Mineral rights holders must also recognize and respect the rights, customs, traditions, and religious beliefs of local communities.

The Act further addresses occupational safety and health, stipulating that mining operations and licensed activities must be conducted in a manner that ensures a high level of safety. To protect workers, the Act requires that holders provide proof of insurance coverage for mining-related risks before commencing operations.

Mineral Revenue Management (part XI of the Act)

Under the Mining and Minerals Act 2022, all fees, charges, and royalties payable to the State must be paid to the Uganda Revenue Authority (Section 182 of the Act). These payments should be accompanied by a statement from the holder, detailing the mineral or mineral product and the relevant point of sale. The Act also revises the royalty distribution framework, ensuring that 70% of the royalties go to the government, 15% to the district local government, 10% to the sub-county or town council, and 5% to the registered or customary owner, or lawful or bona fide occupant of the land.

Offences and Penalties (part XIX of the Act)

The MMA establishes several offences, including conducting prospecting, mining, or exploration activities without a valid mineral right, license, or permit; falsifying a certificate of origin or providing

false information on such a certificate for minerals or mineral products; using mercury in mining operations; employing children below the minimum working age, as defined under the Employment Act, 2006, in mining activities; and extracting minerals without adhering to environmental protection, health, and safety standards. These offences are designed to prevent human rights violations, safeguard economic rights, and protect the environment. Increasing awareness among Artisanal and Small-Scale Gold Miners (ASGMs) is essential to ensure compliance with these provisions through a holistic approach.

Mineral Traceability and Certification Scheme (part X of the Act)

The Mining and Minerals Act, 2022, provides for the implementation of a mineral traceability and certification scheme in accordance with the Mineral Certification Scheme of the International Conference on the Great Lakes Region (ICGLR) and the International Conference on the Great Lakes Region (Implementation of the Pact on Security, Stability, and Development in the Great Lakes Region) Act, 2017 (Section 178 of the Act).

This scheme aims to eliminate mineral smuggling and the illegal exploitation of tin, tungsten, tantalum, and gold, collectively referred to as designated minerals under the ICGLR framework. The Directorate of Geological Survey and Mines (DGSM) is responsible for preventing the illegal exploitation of these minerals.

Dispute Resolution

The Mining and Minerals Act, 2022, provides for dispute resolution mechanisms, including arbitration and culturally relevant local dispute resolution methods. It also grants the Minister the authority to enact regulations governing dispute resolution procedures and appeals under the Act.

Uganda is endowed with abundant mineral resources, yet their full exploitation has been

slow. The Mining and Minerals Act, 2022, seeks to revitalize the mining sector, and time will tell whether its objectives will be achieved. However, with the incentives provided under Uganda's tax and investment laws and the adoption of global best practices, there is optimism about the sector's growth.

The Act introduces a more structured legal framework that accommodates both small-scale and artisanal gold miners. The key challenge now is ensuring that these miners integrate into the new regulatory system in a way that promotes sustainable operations, improves their livelihoods, and advances the gold mining sector in an environmentally and economically viable manner. This requires embracing mercury-free technologies, engaging in formalization processes to facilitate financial inclusion, and participating in capacity-building initiatives. Access to continuous information from key stakeholders in the mining sector is also essential. Achieving these objectives will depend on investing in an institutional framework that complements the newly established legal and regulatory structures.



Challenges

Although the legal framework allows for licensing through Location Licenses for small-scale operations, most ASGM may remain informal due to several challenges;

Complexity and Cost of Licensing. The procedures and costs for acquiring and maintaining location licenses are designed for small-scale, semi-mechanized operations. However, most ASGM consists of alluvial artisanal mining, which is widely dispersed and lacks the necessary infrastructure to comply with these requirements.

Gender Barriers in ASGM. Women, who constitute 15% to 90% of workers at various ASGM sites,

face significant economic and socio-cultural challenges in obtaining mining licenses. While the GOU has made national commitments to gender mainstreaming, there is little political will to translate these objectives into institutional policies that support women's participation in the sector.

Health and Environmental Concerns. Mercury has been known to have negative harmful impacts on health. Furthermore, mercury free technologies and capacity building efforts have not been prioritized. Cost constraints, lack of technical knowledge, and limited access to modern extraction methods hinder the transition to safer mining practices.

Recommendations

Integrating Gender Mainstreaming into Policy and Legislation. Policies should explicitly address the licensing challenges faced by women in ASGM. This includes incorporating gender-sensitive provisions into mining laws and ensuring access to extension services and outreach programs at ASGM sites.

Exploring Locally Administered Permit Systems. The government should consider decentralized, district-level permit systems for alluvial artisanal miners, leveraging Uganda's existing local governance structures.

Reducing License Costs and Simplifying Application Procedures. Making ASGM licenses more affordable and streamlining application processes will encourage miners to operate within the legal framework.

Strengthening Regional Directorate of Geological Survey and Mines (DGSM) Offices. Regional DGSM offices should be expanded, electronically linked to the national mining cadastre, and made more accessible to artisanal miners.

Clearly Defining Institutional Roles and Responsibilities. The Mining Act and its Regulations should clearly outline the responsibilities of institutions related to ASM extension services, outreach programs, and dispute resolution between ASGM and exploration companies. This would help reduce discretionary powers, improve planning, and enhance accountability.

Enhancing Transparency and Performance Monitoring. Establishing legally enshrined mechanisms for monitoring and evaluating institutional performance would ensure greater transparency and hold officials accountable for fulfilling their mandates.

Prioritizing mercury free technologies and capacity building efforts, encouraging financial inclusion, possibly through microfinance or cooperative systems and aligning with regional and international standards to enhance sustainability and compliance.

Addressing these challenges through targeted reforms, would enable the Government of Uganda

to create a conducive, sustainable, and economically progressive environment for ASGM, ensuring that artisanal miners benefit from formalization while contributing to national development.

Conclusion

The formalization and regulation of Artisanal and Small-Scale Gold Mining (ASGM) in Uganda present both challenges and opportunities. While ASGM contributes significantly to the economy through employment, foreign exchange earnings, and local economic development, its largely informal nature results in lost government revenue, environmental degradation, and social inequalities, particularly for women. Addressing these issues requires a comprehensive approach that balances legal, institutional, and economic reforms with practical support for artisanal miners.

Simplifying licensing procedures, integrating gender-inclusive policies, strengthening institutional capacity, and enhancing transparency in governance, will go a long way in enabling the Government of Uganda to create an enabling environment where ASGM thrives within a structured and sustainable framework. Investing in decentralized permit systems, expanding regional

DGSM offices, and improving regulatory oversight will further promote responsible mining practices while ensuring that miners benefit from financial inclusion and economic stability.

Ultimately, the success of ASGM formalization will depend on political commitment, stakeholder collaboration, and continuous investment in institutional capacity. If well-implemented, these efforts will not only enhance ASGMs contribution to Uganda's economy but also foster a mining sector that is socially equitable, environmentally sustainable, and economically transformative.



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