



# **STATUS OF IMPLEMENTATION OF THE 2016-2021 NRM MANIFESTO COMMITMENTS; AND THE STRATEGIC GUIDELINES AND DIRECTIVES IN THE ENERGY AND MINERAL DEVELOPMENT SECTOR**

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MINISTER OF ENERGY AND MINERAL DEVELOPMENT**

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# A. INTRODUCTION



## Mandate:

The Mandate of the Ministry is to “Establish, Promote the Development, Strategically Manage and Safeguard the Rational and Sustainable Exploitation and Utilisation of Energy and Mineral Resources for Social and Economic Development”.

## Mission:

The Mission of the Ministry of Energy and Mineral Development is: ***“To ensure reliable, adequate and sustainable exploitation, management and utilisation of energy and mineral resources”***.



# A. INTRODUCTION



## Medium Term Policy Goals:

In order to contribute effectively to the national objectives as enshrined in the National Development Plan, the Ministry's policy goals are to;

- i) Meet the energy needs of Uganda's population for social and economic development in an environmentally sustainable manner.
- ii) Use the county's oil and gas resources to contribute to early achievement of poverty eradication and create lasting value to society.
- iii) Develop the mineral sector for it to contribute significantly to sustainable national economic and social growth.



# **PROGRESS ON IMPLEMENTATION OF MANIFESTO PLEDGES FOR THE PERIOD 2016 – 2021**



## ENERGY SUBSECTOR PLEDGES



- i. Increasing power generation capacity to drive economic development.
- ii. Lower the cost of electricity produced.
- iii. Expanding the electricity transmission grid network.
- iv. Increasing access to modern energy services
- v. Increasing energy efficiency.
- vi. Promoting the use of alternative sources of energy, including continuing to build the capacity needed to exploit nuclear energy



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# INCREASING POWER GENERATION CAPACITY



- Power Generation increased from 924.9 MW at the beginning of 2016 to 1254.2MW presently.
- Eleven (11) additional power generation projects are under construction with a total installed capacity of 712.4MW.
- These are: Karuma HPP (600MW), Nyamasagani I HPP (15MW), Nyamasagani 2 HPP (6MW) and Kikagati HPP (14MW), Achwa I (41MW), Muyembe 6.9MW, Nyagak III (5.5MW), Muzizi (44MW), Bukinda (6.5MW), Kakaka (4.6MW) and Busitema University solar (4MW).
- Once complete, total installed power generation capacity in the country will be nearly 2,000MW.



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# INCREASING POWER GENERATION CAPACITY



- Key projects at various stages of development: -
- **Karuma Hydro Power Project (600MW):** Physical progress for the hydropower plant was 97.5%. Overall construction of the substations and the Karuma interconnection transmission lines is at 80%.
  - **Isimba Hydro Power Project (183 MW):** The plant was commissioned in March 2019 and is fully operational.
  - Physical progress of the Bridge which is part of Isimba Project is 55%. The bridge is expected to be completed by 31 December 2020.
  - **Achwa/Agago 2 HPP (42MW):** The plant was commissioned in December 2019 and is fully operational.

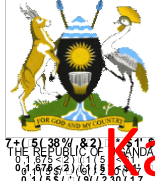


# PERFORMANCE IN POWER GENERATION



Welcoming H.E Y.K Museveni to Karuma HPP construction site





# Karuma Hydropower Project after third River diversion



# Performance in Power Generation



Aerial View of Isimba HPP



Aerial photography of Isimba HPP

# PERFORMANCE IN POWER GENERATION



## Aerial View of Isimba Hydro Power Plant now operational



# PERFORMANCE IN POWER GENERATION

## Isimba Bridge Construction Progress



# PERFORMANCE IN POWER GENERATION

## Isimba Bridge Construction Progress





# INCREASING POWER GENERATION CAPACITY



- **Ayago Hydropower Project (840MW):** Government signed a Memorandum of Understanding with Power China. The company is in the process of acquiring a permit to facilitate them update the feasibility study and Environment and Social Impact Assessment. To be developed under a BOOT framework.
- **Muzizi HPP (44.7MW):** Procurement of EPC Contractor is in advanced stages. Resettlement Action Plan Implementation is on-going, and compensation process is 45% complete.
- **Nyagak III HPP (5.5MW):** Construction is at 11%. Conditional approval of the designs for the power house access road was also issued by the owner's engineer.







# PERFORMANCE IN POWER GENERATION



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- Preliminary studies on direct uses application of geothermal resources have been conducted at Kibiro and Panyimur and detailed studies are to follow with support from the Climate Technology Centre Network (CTCN) of the United Nations Framework Convention on Climate Change.
- The one-year project was commissioned on 12th Dec 2019.
- **Geothermal Policy:** To attract private sector participation in geothermal development, Government is developing the geothermal policy and legislation.
- The policy will provide the basis for capacity building both in human resource and equipment, and selection of the best business and financial models of each prospect and proceed with the development of the geothermal resources of Uganda.

# INITIATIVES TO LOWER RETAIL ELECTRICITY TARIFFS



- Government has put in place means to lower electricity tariff starting with the tariff for manufacturers to make our local goods competitive in the regional and global market.
- This is being done in a phased approach starting with Extra Large, Large, medium, commercial through to domestic and street lighting customer categories.
- Refinancing Bujagali brought that tariff from US cents 12 to 8.5 cents
- The target of 5 US Cents has been achieved during off-peak hours for extra large consumers.
- Government aims at gradually lowering the tariff for individual residential and social service centres such as schools, and Hospitals.

# INITIATIVES TO LOWER RETAIL ELECTRICITY TARIFFS



- Least cost power generation: When Isimba and Karuma HPP are fully absorbed/utilized, it is expected that the weighted generation tariff will reduce from the current US Cents 6.47/kWh (Ush. 243.43) to US cents 5.34/kWh (Ush.200.93), representing a reduction of 17.45%.
- Increase the load factor of the power plants hence reducing the tariff by putting in place measures to grow the energy demand:
  - i) electrification of industrial parks
  - ii) implementation of the Free Connection Policy to get more households, businesses and industries consuming electricity



## EXPANDING TRANSMISSION GRID NETWORK

- Government commissioned electricity transmission projects totaling to 989km that include:
  - a) 137km, 220kV Kawanda – Masaka transmission line.
  - b) 65km, 220kV Mbarara – Mirama transmission line
  - c) 226km, 220kV Nkenda (kasese) – Hoima transmission line
  - d) 115km, 132kV Lira – Opuyo (Soroti) transmission line.
  - e) 42km, 132kV Isimba – Bujagali transmission line; and
  - f) 157km, 132kV Mbarara – Nkenda transmission line.



# EXPANDING TRANSMISSION GRID NETWORK



- Government has also commissioned electricity transmission substations with transformation capacity of 440MVA that include Queen's way, Masaka, Mbarara North, Hoima, Iganga, Mukono, Namanve, Luzira, Kapeeka and kawanda.
- Karuma substation, Olyiyo substation and Mirama substation are nearing completion.
- The total length of High Voltage grid coverage is now 2,442km up from 1,453 in 2016.



## EXPANDING TRANSMISSION GRID NETWORK

- A number of other power transmission projects totaling over 1,300km and associated sub-stations are at various stages of development. These include among others:
  - a) 132kV Opuyo (lira)-Moroto transmission line;
  - b) 132kV Tororo – Opuyo transmission line;
  - c) Karuma Interconnection project; and
  - d) Lira-Gulu-Nebbi-Arua transmission line

# TRANSMISSION GRID PROJECTS





# TRANSMISSION GRID PROJECTS

## H.E THE PRESIDENT COMMISSIONING KAPEEKA SUBSTATION



# EXPANDING TRANSMISSION GRID NETWORK

## KARUMA SUBSTATION NEARING COMPLETION





## RURAL ELECTRIFICATION PROGRAM



- Cumulative Network Line Length of 14,820.45 Km of Medium voltage lines and 10,279.19 Km of Low Voltage lines has been constructed to date.
- The target for the FY2020/2021 is to achieve additional 2,896.66 Km of Medium voltage lines and 4,219.21 Km of Low Voltage lines.
- All district headquarters have been connected to the National electricity grid except Kotido, Buvuma and Kaabong Districts.
- Kotido and Kaabong District headquarters are expected to be commissioned in June, 2020.



## RURAL ELECTRIFICATION PROGRAM



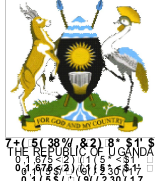
- Feasibility Study to connect Buvuma District headquarters to the electricity grid was completed. Government is now sourcing funding for works implementation.
- **Sub-Counties:** Government has secured funding to electrify a total of 620 administrative centres.
- These include 558 Sub-County headquarters, 52 Town Councils and 10 divisional headquarters.
- Construction commenced in October 2019 and currently covers 20 districts.
- Forty five (45) sub-contractors have been approved for the project and twenty (24) of the sub-contractors have already been deployed.



## RURAL ELECTRIFICATION PROGRAM



- All the 45 sub-contractors will be deployed by December 2020 and construction will have commenced in 71 Districts by December 2020.
- Construction in the remaining districts will commence in 2021.
- **Connections Program:** A total of 252,460 connections was achieved under the Electricity Connections Policy since 1<sup>st</sup> November, 2018 when it started implementation.
- Additional 388,000 connections are marked for implementation in the FY2020/21.
- A total of 15,000 ready boards have also been completed for the first phase. About 48,000 ready boards are expected in the year 2020.



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# SOLAR-BASED RURAL ELECTRIFICATION FOR SOCIAL SERVICES



- Government is promoting use of renewable energy technologies in the Country.
- The Country now has 40MW of solar grid connected systems.
- Solar water heaters have been installed in various health units across the country.
- **Solar fruit driers:** Solar crop drying technologies for post-harvest management of high perishable fruits is being piloted in Kangulumira, Kayunga district.
- Government is also constructing a commercial hybrid solar/bio thermal fruit drier at Katwe village, Kikyusa Sub County in Luweero district.
- This will bring the total number of demonstration sites for commercial fruit drying by government to four (4)



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# SOLAR-BASED RURAL ELECTRIFICATION FOR SOCIAL SERVICES



- Solar and wind hybrid system are currently operating and supplying power to the communities of Kacheri in Kotido district, Lokopo community in Napak district, and Lufudu landing site in Namayingo district.
- These systems are supplying power to households, health centers and schools.
- A Wind resource map and pilot wind power are being developed.



# NUCLEAR POWER DEVELOPMENT



Government continued the promotion and development of nuclear energy for peaceful uses in electricity generation, cancer management, food safety assessment, tsetse fly control, improving agricultural productivity, water resources management and industries.

To this effect, progress is as follows: -

- Technical and economic studies on nuclear energy development were completed.
- A National Radioactive Waste Management Strategy was drafted.





# NUCLEAR POWER DEVELOPMENT



- MoU between Ministry of Energy and Mineral Development and the Russian State Atomic Energy Cooperation on Peaceful uses of Atomic Energy was signed on 19th June 2017.
- The focus of the MoU is on development of nuclear power infrastructure, education and training, nuclear and radiation safety, non-power application of atomic energy, nuclear research centers and design and construction of nuclear power plants.
- MoU between Ministry of Energy and Mineral Development and China National Nuclear Corporation on nuclear energy development was signed on 11th May 2018 in Beijing, China.



# NUCLEAR POWER DEVELOPMENT



- **Nuclear Power Plant Project:** A nuclear power roadmap was prepared and stakeholder's consultative meeting held from 20<sup>th</sup> – 21<sup>st</sup> February, 2020. Terms of Reference for Strategic Environmental Assessment were prepared.
- **Centre for Nuclear Science and Technology Project:** This is aimed at establishing a facility at one of the public Universities in Uganda for nuclear training, research and development.
- The facility will be used in the production of radioisotopes for the Cancer Centres in Uganda and Africa.
- The feasibility studies for the proposed projects are to be conducted with support from IAEA, CNNC of China, ROSATOM of Russia and other development partners.

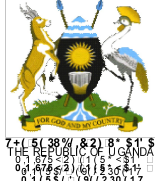


# PROMOTION OF ENERGY EFFICIENCY AND CONSERVATION



- Government continues to promote the efficient utilisation of energy.
- Development of the **Energy Efficiency and Conservation Bill**: The Bill and the corresponding Regulatory Impact assessment (RIA) were prepared and will be resubmitted to Cabinet for approval after the lockdown.
- **Power Loss Reduction: Distribution losses stand at 16.8%** from 18.6% in 2016.
- Loss reduction initiatives being implemented include; meter installation audits, use of technology like smart meters for large customers, billing efficiency, public awareness and other commercial loss reduction strategies.

# PROMOTION OF ENERGY EFFICIENCY AND CONSERVATION



- Installing **Power factor correction equipment** in 45 clusters of Small and Medium Enterprises
- Training of Energy Efficiency Professionals. 30 Ugandans have been trained and accredited as internationally certified energy auditors. Training of more engineering professionals in this sector as a capacity building and job creation intervention.
- 20 professionals trained as ISO 50001 Lead energy auditors.
- Government has offered technical assistance in form of free energy auditing services and trainings to over 58 high energy consuming industries and facilities since 2016.

# PROMOTION OF ENERGY EFFICIENCY AND CONSERVATION



- Regional (EAC) harmonisation of Minimum Energy Performance Standards for specified energy consuming appliances
- Integration of the ISO 50001 Energy Management Standard for high energy consumers in their industries and facilities.
- Distribution of 700,000 Light Emitting Diode (LED) bulbs for free to electricity consumers.
- Sustainable energy campaigns are held such as the annual energy week and quarterly regional campaigns across the country.
- The Energy Efficiency Roadmap of Uganda was developed in 2017.



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# THE PETROLEUM SUB SECTOR



## PETROLEUM SUB SECTOR PLEDGES



- Build oil refinery with capacity to produce 60,000 barrels per day
- Build an export pipeline to enable export of oil to the Eastern Africa region and international market.
- Collaborating with the E.A Partner States in the development of shared infrastructure and harnessing of the natural resources.



# OIL FIELD DEVELOPMENT



- **Final Investment Decision (FID) for Uganda's oil and gas projects:** Government is in advanced stages of discussions with the licensed oil companies regarding legal and commercial aspects related to the oil and gas projects.
- Agreement on this, will pave way for the oil companies to take a Final Investment Decision.
- These efforts have been fostered by the recent sale of Tullow shares in the Albertine Graben to TOTAL E&P Uganda B.V. that is pending GoU approval.



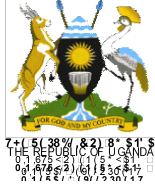


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## REFINERY DEVELOPMENT



- GoU, in April 2018 entered into a Project Framework Agreement (PFA) with the **Albertine Graben Refinery Consortium (AGRC)** as the Lead Investor to develop a 60,000 BOPD in Kabaale, Hoima.
- Cabinet approved the extension of the PFA from 24 to 41 months to enable finalisation of FEED, ESIA and sourcing of financing.
- The implementation of the Project Framework Agreement has been impacted by the delayed Upstream Final Investment Decision (FID).



# REFINERY DEVELOPMENT



- The Refinery Development Project includes a 213 km products pipeline from Hoima to Mpigi District .
- The Project is expected to cost about USD 3.5 Billion and will have Debt (70%) and Equity (30%).
- The Refinery Configuration Technical Feasibility(FEL-2) Study was completed and the report has been approved by government.
- The approved Refinery Configuration will produce Liquefied Petroleum Gas (LPG), Petrol, Diesel, Jet Fuel and Heavy Fuel Oil (HFO).



# REFINERY DEVELOPMENT



- The Front-End Engineering and Designs (FEED) study for the refinery project continued in Milan, Italy and is currently estimated at 65-75% complete.
- Completion of FEED is expected in mid 2021.
- The Environmental Social Impact Assessment (ESIA) commenced in March 2020. The study will last 18 months.
- **Land Acquisition for Refinery Development:** Resettlement infrastructure for the refinery Project Affected Persons (PAPs) including schools, houses and health centers constructed.

# REFINERY DEVELOPMENT



Hon. Kitutu Mary Goretti PhD (MP) with the GoU and Refinery Investor during the discussion of the amendment to the Project Framework Agreement.

# REFINERY DEVELOPMENT



Handover of the Anglican and Catholic churches in Buseruka, Hoima as part of the RAP implementation.



# REFINERY DEVELOPMENT



Rehabilitated Kabaale Health Centre (Hoima)



Nyahaira Primary School in the resettlement area (Hoima)





# REFINERY DEVELOPMENT

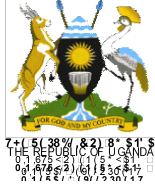


## Kabaale Petro-based Industrial Park (KIP)

- The Master Plan for the Kabaale Oil and Gas Industrial Park (KIP) was approved by the National Physical Planning Board.
- The plan provides for development of a refinery, free zone, airport, Petro-chemical and energy based industries among others.
- UNOC the manager of KIP is sourcing for a strategic partner to develop the park and also promote investment.
- Following the completion of the Expression of Interest and the due diligence on the shortlisted bidders, Government is in the process of issuing a Request for Proposals for selection of a Strategic Partner in the development and management of the Park







# REFINERY DEVELOPMENT



## Kabaale International Airport

- The Kabaale Airport and Terminal Master plan and detailed engineering designs for phase 1 were completed.
- Construction of the Phase I of the airport commenced and is 40% complete.
- Phase I is expected to be completed at the end of 2020. The rest of the works to be completed in 2023.
- The Ministry continues to collaborate with Ministry of Works and Transport and Civil Aviation Authority to ensure the airport is ready by the target dates.



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# REFINERY DEVELOPMENT



## KABAALE INTERNATIONAL AIRPORT CONSTRUCTION WORKS





# DEVELOPMENT OF PIPELINES AND STORAGE FACILITIES

## *East African Crude Oil Pipeline (EACOP)*

- The EACOP is a 1443 Kilometres long pipeline that will transport crude oil from Hoima in Uganda to Tanga in Tanzania. It traverses 10 districts in Uganda.
- Continued to negotiate the Host Government Agreement, the Transportation and Tariff Agreement and Shareholder Agreement. The target is to have key agreements executed by end of 2020.
- The Land acquisition process for the EACOP corridor from Hoima to Mutukula is on-going and the RAP study almost complete. This will be followed by Compensation and resettlement of project affected persons.



# DEVELOPMENT OF PIPELINES AND STORAGE FACILITIES

## *East African Crude Oil Pipeline (EACOP)*

- ESIA was completed and awaiting approval by National Environment Management Authority (NEMA).
- **Front End Engineering Design (FEED):** The Front-End Engineering Design (FEED) study for EACOP was completed and the report submitted to government.
- **Resettlement Action Plan for Tanzania:** The EACOP RAP activities for the pipeline on the Tanzania section are ongoing.



# DEVELOPMENT OF PIPELINES AND STORAGE FACILITIES



- **Refined Products Pipeline from Hoima to Namwabula, Mpigi:** The land acquisition process is on-going with the cadastral surveys and valuation of property almost complete.
- Compensation and resettlement of project affected persons will commence once valuation reports are approved by the Chief Government Valuer.
- **Kampala Storage Terminal (KST):** Government is in the process of identifying the Strategic Partner for the development and management of KST.
- The ESIA was completed and report submitted to National Environment Management Authority (NEMA) for approval.

# PIPELINE AND STORAGE DEVELOPMENT

When EACOP boundary mark stone was laid at Mutukula on 9<sup>th</sup> November 2017 by President Yoweri Museveni & Tanzania President John Pomber Magufuli





# PIPELINE AND STORAGE DEVELOPMENT



When EACOP foundation stone was laid at Kabaale on 11<sup>th</sup> November 2017 by President Yoweri Museveni & Tanzania foreign minister Dr. Augustine Mahiga







## COLLABORATION WITH E.A PARTNER STATES IN THE DEVELOPMENT OF SHARED INFRASTRUCTURE



- **Natural Gas Pipeline:** There is on-going co-operation with the Government of Tanzania to develop a natural gas pipeline to Uganda to mainly support the iron and steel industry.
- The Joint Technical Committee comprising of representatives from the two states has held discussions to agree on the modalities for undertaking a joint feasibility study.
- The plan is to commence the study this year 2020.
- **EAC Sectoral meetings where this sub-sector falls continue to be held. In March 2020, a meeting of petroleum experts from Partner States was held to discuss harmonization of petroleum policies in the region.**



# THE MINERAL SUB-SECTOR



# THE MINERAL SUB-SECTOR FOCUS AREAS



- Strengthening the regulation of the mining sector
- Continuing to carry out surveys to establish the geological and mineral potential of the country
- Increasing private sector investment in the mineral sector.
- Investing in Sukuru Phosphates by setting up a Comprehensive Industrial complex .
- Establishing a State of the Art Ultra Modern Laboratory for testing minerals within the country.



# THE MINERAL SUB-SECTOR REGULATORY FRAMEWORK



A. The Mining and Mineral Policy, 2018 was approved by the Cabinet on 7<sup>th</sup> May 2018;

## The Policy goal

- To develop the mining industry through increased investment, value addition, national participation and revenue generation to contribute significantly to substantial socio-economic transformation and poverty eradication.

## B. Review of the Mining Legal Regime:

- **Mining Regulation 2019:** The Mining Regulations were gazetted in July 2019 and replaced the Mining Regulations of 2004



## REGULATORY FRAMEWORK



- The new Regulations introduced online applications and e-government system of mineral licensing

### **The Mining and Minerals Bill 2019:**

- The Principles for the new Mining and Minerals Bill were approved by Cabinet on 14<sup>th</sup> January 2019. National stakeholders consultation will be held once normal operations resume and thereafter submitted to Cabinet



# ESTABLISHMENT OF THE GEOLOGICAL AND MINERAL POTENTIAL OF THE COUNTRY



- Government defined additional resources of 103 million tonnes (MT) of iron ore in Kabale district and 15MT in Rubanda district, bringing the total iron ore reserves in south western Uganda to 318 MT.
- The iron ore in Kabale and Muko is associated with gold, Nickel, Zinc, Tin, Titanium and wolfram.
- Government also confirmed uranium anomalies in Nkandwa Parish, Kiboga District; Katara Parish, Karungu Sub-County in Buhweju District; and Kyambogo Parish, Ntusi Sub-County, Ssembabule District.
- The uranium prospects prospect at Sembabule is associated with Chromium, Copper, Lead, Wolfram, Tin and Zinc.

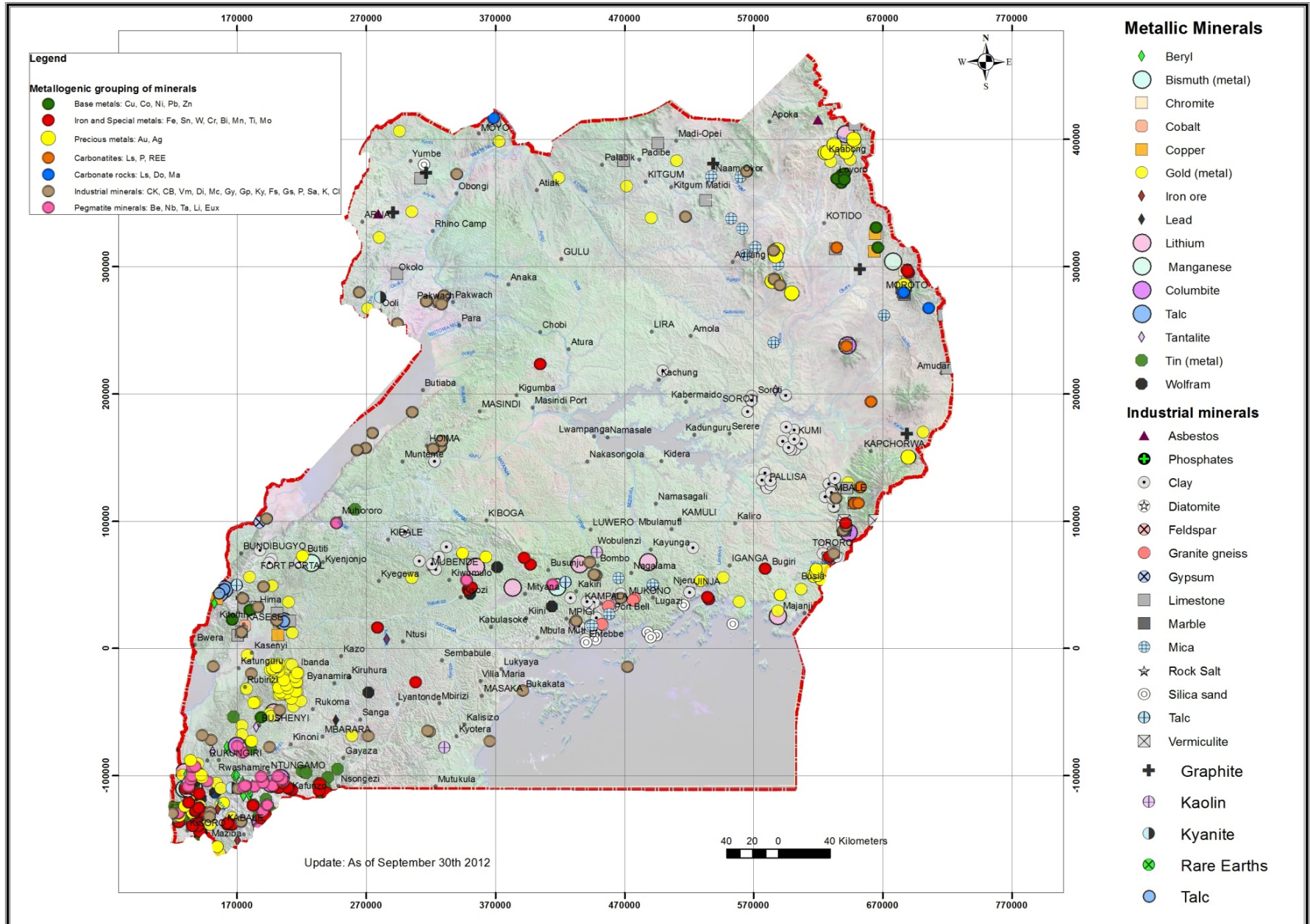
# GEOLOGICAL AND MINERAL POTENTIAL OF THE COUNTRY



- Government also established the occurrence of Rare Earths Elements (REEs) associated with copper, niobium, and zinc at Bukusu in Manafwa District
- Mineral Potential and Geological mapping of Uganda revealed that Uganda has a variety of metallic and industrial mineral resources which have been identified and mapped.
- **Metallic minerals:** They are: Copper, Cobalt, Tungsten, Beryllium, Bismuth, Columbite-Tantalite, Gold, Lead & Zinc ores, Lithium, Tin, iron ores, Platinum Group of Metals, Uranium and Rare Earth Metals.
- **Industrial minerals:** They are: Marble /limestone, Phosphate (Apatite and francolite), Vermiculite, Kaolin, Bentonite, Diatomite, Gypsum, Glass sands, Salts, Feldspar, Quartz, Pozzolana, Dimension Stones and Gemstones

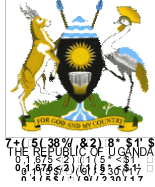


# New mineral potential targets



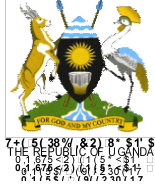


# INCREASING PRIVATE SECTOR INVESTMENT IN THE MINERAL SECTOR



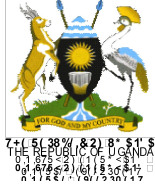
- **Mining Cadastre and Registry System (MCRS):** Government has upgraded its mineral licensing system into an E-Government system to ensure on-line applications, payments, processing as well as reporting obligations.
- The E-Government portal that enabled online mineral licensing was launched on 1/10/2019.
- In preparation for the transition from a paper-based to an online system, the Subsector in collaboration with NITA-U is now hosting the cadastre system in the cloud, and is in the process of securing an MoU with URA to develop an online payment transaction portal.

# INCREASING PRIVATE SECTOR INVESTMENT IN THE MINERAL SECTOR



- **Mineral Investment Promotion:** Mineral resources of Uganda was promoted and has attracted external financing for Aerial Surveys of Karamoja Region. Procurement of the service providers to enable the aerial surveys to commence data acquisition has been completed.
- **Mineral Rights (licenses) performance:** Government has undertaken clean-up of mineral rights to ensure compliance and performance in line with the current legal and regulatory framework.
- By end of December 2019, a total of 732 Mineral Rights (licenses) were operational down from 825 as at end of December 2018.

# INCREASING PRIVATE SECTOR INVESTMENT IN THE MINERAL SECTOR



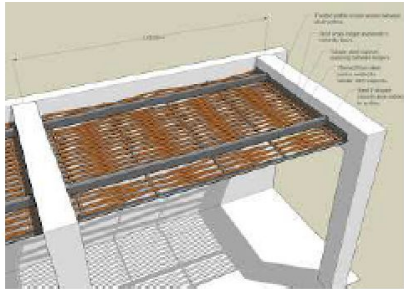
- **Regional training and mineral beneficiation centres:**  
Government is putting in place Regional offices and training and mineral beneficiation centers to improve on skills of miners in mineral value addition.
- A regional office has been constructed in Moroto and construction of mineral beneficiation centers is in progress in Fort Portal, Kabarole district and Rwengoma, Ntungamo district.



# E. INVESTMENTS IN THE MINERAL SUB SECTOR



One level buildings finished with earth tone colors



Walkways shaded by solar panels



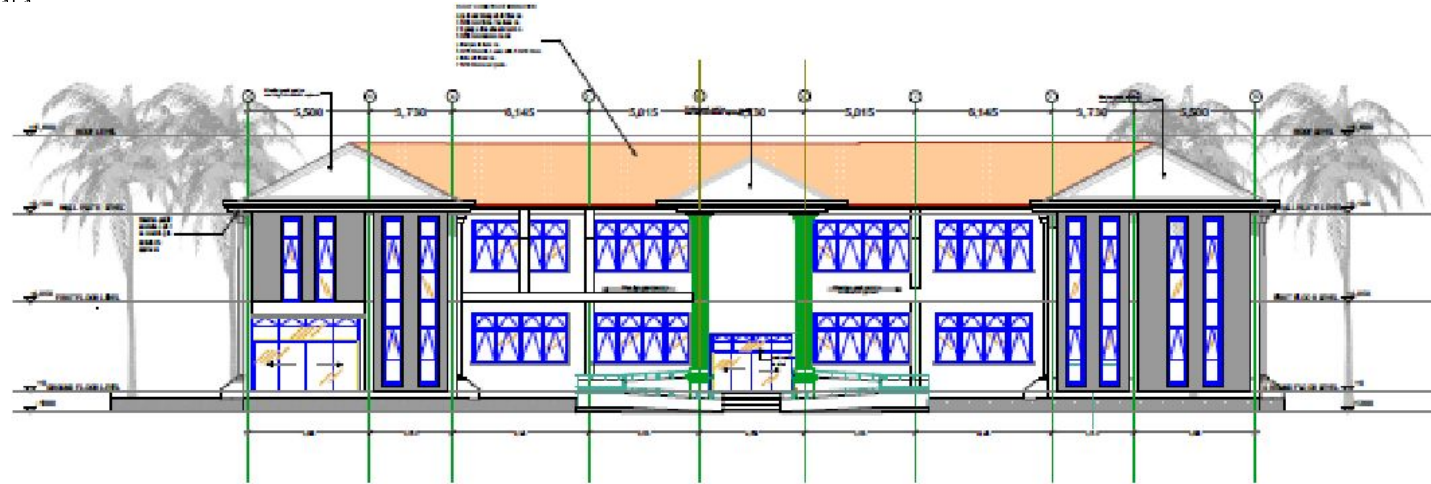
Artist impression of sections of DGSM Mineral Beneficiation Center in Ntungamo District





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# E. INVESTMENTS IN THE MINERAL SUB SECTOR



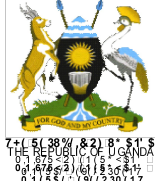
**ELEVATION A**  
 SCALE 1:100



**ELEVATION C**  
 SCALE 1:100

**Section of architectural drawings of DGSM Mineral Beneficiation Center and Regional Office for the Tooro Region in Fort Portal Municipality**

# INCREASING PRIVATE SECTOR INVESTMENT IN THE MINERAL SECTOR



- **Formalization of Artisanal and Small Scale Mining:** Training, Sensitization and Registration of Artisanal and Small-scale Mining (ASM) operations was undertaken to address environmental, social, gender; safety and best mining practices in the key active mining areas of Mubende, Namayingo, Buhweju, Busia, Amudat, Moroto, Mbarara, Kabale, Kisoro, Isingiro and Abim.
- A total of 13,185 miners were registered to provide baseline data for biometric registration of ASMs.
- Regional Training of Trainers on Environment, Community, Health and Safety in the Mining Sector was undertaken in Entebbe, Mbale, Gulu and Fort Portal resulting in 160 trained ASMs (40 per region) who will be supported to undertake similar trainings at their respective mine sites. <sup>70</sup>

# INCREASING PRIVATE SECTOR INVESTMENT IN THE MINERAL SECTOR



- Other trainings have been carried out on the Legal and Regulatory framework governing the mining industry, enterprise skills, basic exploration skills among others to over 2,500 artisans.
- The number of registered ASM associations increased from 5 in 2015 to: 68 groups in Karamoja; 24 groups in Mubende; 20 groups in Ntungamo; 7 groups in Busia; and 2 in Buhweju by end of 2019. To date 40 licenses have been granted to registered miners in Mubende, 7 in Busia, 2 in Moroto and one in Ntungamo.
- Awareness campaign on Health, Safety and on Gender and Equity was undertaken in all the active ASM mining sites.

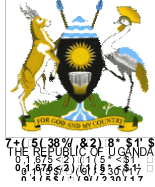
# INCREASING PRIVATE SECTOR INVESTMENT IN THE MINERAL SECTOR



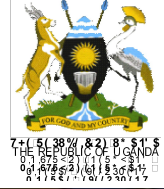
- Awareness campaign on Health, Safety and on Gender and Equity was undertaken in all the active ASM mining sites.
- **Improved minerals trade regulation framework and jobs creation:** Awareness campaigns on Biometric registration and training of trainers has been undertaken.
- Over 726 miners were trained as trainers of trainers. Database template to be linked with NIRA database has been developed and biometric registration of miners will commence once the COVID-19 Pandemic ends.



# THE SUKULU PHOSPHATE COMPREHENSIVE INDUSTRIAL DEVELOPMENT PROJECT



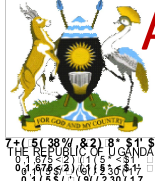
- M/S Guangzhou Dongsong Energy Group Co. Ltd is to develop the Sukulu phosphate resource into phosphates, steel, glass, cement and brick products.
- The Sukulu Phosphate and Steel Project that was launched on 12<sup>th</sup> October, 2018 commenced trial production of bio-organic fertilizer. The company started production of building materials.
- The commissioning of the steel plant is delayed due to persistent litigation that the company is faced with.



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# Commissioning of the Simba Cement Project





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# Artistic Impression of The Sukulu Phosphate Comprehensive Industrial Development Project



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# The Sukulu Phosphate Comprehensive Industrial Development Project



Aerial view of Sukulu Phosphates plant



  
**SUKULU**  
BIO ORGANIC FERTILIZER

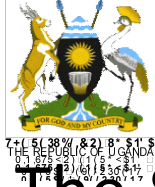




# INVESTING IN KILEMBE MINES PROJECT:



- Government put in place an inter-ministerial committee to identify a private investor for the development of the mine.
- The committee developed a term sheet for the proposed Mineral Production Sharing Agreement (MPSA), costed implementation program under a Public-Private Partnership.
- The process of identifying the investor under a Public-Private Partnership is ongoing.



# MINERAL LABORATORIES



The Sub-sector is up-grading the mineral laboratories so as to be able to provide effective and sustainable analytical and mineral beneficiation test services for the mining industry.

## **Key Milestones in the upgrade:**

- i. Government acquired and installed higher capacity and low detection limit analytical equipment for analysis of samples from mineral exploration projects and equipment for comprehensive and conclusive mineral identification and characterization, non-destructive gemstone identification and grading, improved sample reception and sample preparation.



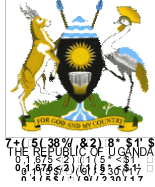
# MINERAL LABORATORIES



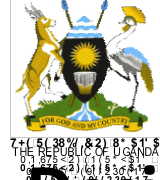
ii. A Laboratory Information Management System has been developed and installed to facilitate easier management of workflow, access and compilation of statistics on laboratory analyses and related information.



# INCREASING PRIVATE SECTOR INVESTMENT IN THE MINERAL SECTOR



- Laboratory technical staff have been trained in the implementation of ISO/IEC 17025:2017 and Internal Audit based on ISO/IEC 17025:2017, in Method Validation and Measurement of Uncertainty, and in Good Laboratory Practice and ISO/IEC 17025:2017 Requirements, Development and Implementation in an accredited minerals laboratory.
- Government is now procuring the services of an accredited body to offer ISO/IEC 17025:2017 assessment and accreditation services with the ultimate goal of obtaining ISO/IEC 17025:2017 Accreditation for the laboratories.



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AND COUNSEL  
KAMPALA

# INVESTMENTS IN THE MINERAL SUB SECTOR



## Design of a Laboratory Information Management System (LIMS) for the Minerals Laboratories



Delivery of **3.37 cu.m oven**



Ongoing refurbishment works of laboratory building to house **fire assay unit**



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# MINERAL LABORATORIES



**New Fire Assay Unit**



**Smelting furnace and accessories**



**Cupellation furnace in Fire Assay Unit**

# MINERAL LABORATORIES



Large sample drying oven after installation



Bench top oven after installation 84



Planetary ball mill during installation

## 4. CHALLENGES IN THE ENERGY AND MINERAL DEVELOPMENT SECTOR

- Land Acquisition for government projects is taking a long time and a considerable budget.
- Vandalism on the transmission lines and other installations
- Activities of Artisanal Miners.
- Lengthy and Protracted negotiations on taking the Final Investment Decisions for projects in the Oil and Gas sector.
- Inadequate financing for development: investment in development projects such as Equity contribution in oil and gas investment projects
- The private sector is reluctant to invest in power generation projects as they require guarantees from Government like Escrow Accounts and Sovereign Guarantees.

## 5. PLANS FOR THE REMAINING PART OF THE NRM MANIFESTO 2016-2021

- Fast tracking RAP implementation and completion of transmission projects
- Completion of Isimba Bridge.
- Airborne geophysical survey of Karamoja starting as soon as lockdown conditions permit
- Opening of new Oil and Gas Exploration Acreages in an effort to increase resource base.
- Construction of infrastructure for oil production and transportation
- UNOC has identified investment projects in which government can invest and derive revenues in the future.

## 5. PLANS FOR 2021 and beyond

In order to contribute effectively to the national economic recovery, the sector has identified within its policy goals the key areas of focus as follows: -

- Energy resources sub-sector: Focus will be to develop power generation, transmission and distribution infrastructure to support value addition. Promotion of Renewable energy and energy efficiency will also prioritised.
- Oil and gas sub sector: Emphasis in the will be the achievement of the FID for projects in the Oil and Gas sector and commencement of production.
- Mineral development sub-sector: Complete the airborne geophysical survey of the Karamoja Region, put in place a modern mineral laboratory as well as mineral beneficiation centers in the country, and add value to the mineral reserves being discovered.



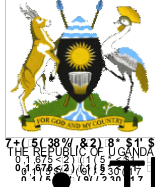
## 6. CONCLUSION



Despite the challenges in the Sector, there is steady progress in project implementation.

- Electricity has been extended to nearly all district headquarters and the remaining districts to be connected by the end of the FY2020/21. Focus is now moving to all sub-county headquarters in the country.
- We now have excess capacity of electricity and striving to grow demand so that we lower the unit cost of it.
- Electricity Act, 1999 is being reviewed to promote efficiency and attract private investment in the electricity sub sector.





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0° 1' 47" S, 31° 11' 18" E

## 6. CONCLUSION



- The Energy Policy of Uganda 2002 is under review with a main goal of providing affordable, adequate and reliable energy in an environmentally sustainable manner.
- Refinery development is on course. The lead investor for the refinery has been identified and agreement signed.
- The Front-End Engineering Design for the East African Crude Oil Pipeline (EACOP) was received and reviewed by the Government.
- In the Mineral sub sector, Mining and Mineral Policy 2018 has been put in place and drafting of a new law is nearly complete.
- The development of Sukulu Phosphates plant is near complete, with phase one of the project commissioned



## CONCLUSION *contd*



In conclusion, I wish to point out that the ability of the sector to attain the key priorities as reflected in the presentation will largely depend on your support for availability of adequate resources.



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THANK YOU