



ENERGY AND MINERALS DEVELOPMENT SECTOR

SEMI-ANNUAL BUDGET MONITORING REPORT

FINANCIAL YEAR 2019/20

APRIL 2020



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Ministry of Finance, Planning and Economic Development
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ABBREVIATIONS AND ACRONYMS

AFD	French Agency for Development
AfDB	African Development Bank
A.I.A	Appropriation in Aid
ASM	Artisanal and Small Scale Miners
BADEA	Arab Bank for Economic Development in Africa
CDAP	Community Development Action Plan
CGV	Chief Government Valuer
CNOOC	Chinese National Offshore Oil Company
CWE	China International Waters and Electric Corporation
DGSM	Directorate of Geological Surveys and Mines
DP	Directorate of Petroleum
E&P	Exploration and Production
EA	Exploration Area
EAC	East African Community
EIA	Environmental Impact Assessment
EPC	Engineering Procurement and Construction
EPCC	Engineering Procurement Construction Contractor
ERT	Energy for Rural Transformation
ESDP	Electricity Sector Development Project
EXIM	Export Import
FEED	Front End Engineering Design
FID	Final Investment Decision
GIS	Geographical Information System
GIZ	German International Cooperation
GoU	Government of Uganda
HPP	Hydro Power Project
HSE	Health Safety and Environment
HV	High Voltage
IDA	International Development Association
IFMS	Integrated Financial Management System
IPC	Interim Payment Certificate
JICA	Japan International Cooperation Agency
JOGMEC	Japan Oil, Gas and Metals National Corporation
KfW	German Financial Cooperation (KfW Bankengruppe)
KHPP	Karuma Hydro Power Project



KIL	Kilembe Investment Limited
KIP	Karuma Interconnection Project
kV	kilo Volts
LV	Low Voltage
MDAs	Ministries, Departments and Agencies
MEMD	Ministry of Energy and Mineral Development
MoJCA	Ministry of Justice and Constitutional Affairs
MLHUD	Ministry of Lands, Housing and Urban Development
MoU	Memoranda of Understanding
MPS	Ministerial Policy Statement
MV	Medium Voltage
MW	Mega Watts
MWMID	Mineral Wealth and Mining Infrastructure Development
NDP II	Second National Development Plan 2
NELSAP	Nile Equatorial Lakes Subsidiary Action Programme
NOC	National Oil Company
NOGP	National Oil and Gas Policy
NTR	Net Tax Revenue
OAGS	Organization of the African Geological Surveys
OE	Owner's Engineer
OFID	OPEC Fund for International Development
OPEC	Organization of Petroleum Exporting Countries
OPGW	Optical Ground Wire
PAPs	Project Affected Persons
PAU	Petroleum Authority of Uganda
PDHs	Physically Displaced Households
PEPD	Petroleum Exploration and Production Department
PGM	Platinum Group Minerals
PIP	Public Investment Plan
PMC	Project Management Consultant
PPDA	Public Procurement and Disposal of Assets
PPP	Public Private Partnership
FID	Final Investment Decision
PSA	Production Sharing Agreements
RAP	Resettlement Action Plan
RDP	Refinery Development Program
REA	Rural Electrification Agency
ROW	Right of Way



SEAMIC	Southern and Eastern Africa Mineral Center
SFD	Saudi Fund for Development
SDR	Special Drawing Rights
SPV	Special Purpose Vehicle
TA	Technical Assistance
UEDCL	Uganda Electricity Distribution Company Limited
UEGCL	Uganda Electricity Generation Company Limited
UETCL	Uganda Electricity Transmission Company Limited
UNBS	Uganda National Bureau of Standards
UNOC	Uganda National Oil Company
VF	Vote Function



FOREWORD

The Government strategy this Financial Year 2019/20 is to promote import substitution and export promotion, and incentivize private sector development. It is envisioned that this will be achieved through industrialization anchored on agriculture and agro-industrialization, manufacturing, and mineral potential. This will also ensure inclusive growth and the creation of jobs, while promoting development of other key primary growth sectors.

According to findings shared by the Budget Monitoring and Accountability Unit (BMAU), majority of the sectors monitored got over 50% of their budget releases, however fair performance was noted in terms of service delivery. This is attributed to the persistent challenges of delayed procurement and poor planning which must be dealt with as the country moves to implement the third National Development Plan.

This report is produced at time when the whole world is affected by the novel coronavirus disease (COVID-19). It is prudent that the sectors devise cost effective means to ensure that their stakeholders will still benefit from the government programmes/projects.

Keith Muhakanizi

Permanent Secretary and Secretary to the Treasury



EXECUTIVE SUMMARY

Introduction

This report reviews selected key programmes and sub-programmes within the Energy and Minerals Development Sector, based on approved plans and significance of budget allocations to the Votes. Attention is on large expenditure programmes including both development expenditure and recurrent costs.

Programmes selected for monitoring were based on planned annual outputs; regional representation; level of capital investment; and value of releases during half year, Financial Year 2019/20. The methodology adopted for monitoring included literature review of annual progress and performance reports; interviews with the respective responsible officers or representatives; and observations or physical verification of reported outputs. Physical performance was rated using weighted achievement of the set output targets by 31st December, 2019.

Financial performance

The overall approved budget for the Sector for FY2019/20 inclusive of external financing, arrears, and Appropriation in Aid (AIA) was **UGX 3,007.76 Billion**, of which **UGX 1,633.70 Billion (54.3%)** was released, and **UGX 966.83 Billion (32.1%)** spent.

Highlights of Sector Performance

Overall sector performance

The Energy and Minerals Development Sector overall performance at half year FY 2019/20 was fair at 65.9%. Only the Large Hydro Infrastructure Programme and the Rural Electrification Programme exhibited good performance. The Energy Planning, Management and Infrastructure Development Programme performed poorly due to the slow works on most of the transmission projects under implementation. The main challenge affecting performance was the difficulty in acquisition of Right of Way (ROW).

Energy Planning, Management and Infrastructure Development Programme

The physical performance was poor. Remaining works under the Electrification of Industrial Parks at Mukono and Iganga substations were completed and commissioned after delays. The works on the transmission segment connecting Namanve South to Namanve North substation progressed, although affected by Right of Way (ROW) challenges with 18 out of the planned 27 towers completed. Works on the Karuma-Interconnection Project (KIP) had progressed with 248km of the planned 301km of the Kawanda-Karuma Transmission line completed. Other transmission lines under this project were at 86.25% for the Karuma-Olwiyo section, and 72.5% for the Karuma-Lira section. Work on the Lira substation was substantially completed (95%) and work on other substations was at 85% (Kawanda), 89% (Karuma) and 38% (Olwiyo).



Civil works on Entebbe-Mutundwe Transmission Project, Nile Equatorial Lakes Subsidiary Action Programme (NELSAP) project, and on the Tororo-Lira transmission projects registered low progress partly due to capacity issues of the contractors and challenges of land acquisition.

Large Hydro Infrastructure Programme

Overall performance was good as the major works at Isimba HPP and the transmission line were completed and correction of snags and defects ongoing. Construction of the bridge at Isimba was ongoing. The Uganda Electricity Generation Company Limited (UEGCL) continued to implement Community Development Action Plan (CDAP) activities around the Isimba HPP community.

The overall progress of Karuma HPP was at 97.83% and project completion date was extended to November 2020. The financial disbursement of the project stood at 93% which translated to USD 1,300,939,755 at the end of Q2. The works progressed well with installation of turbine and generator components on units 1-5 completed. Installation works on unit 6 was at 90% completion.

Works on Nyagak III Hydropower Plant resumed in May 2019 with works on the dam intake and power house access road at an advanced level and excavation of the power conduit was ongoing.

The main challenge was the insufficient funding of CDAP activities under the Karuma and Isimba HPP.

Petroleum Exploration, Development and Production Programme

Performance was fair. About 200 line kilometers of geophysical data and over 320 sq. km of geological and geochemical mapping was undertaken in Moroto – Kadam basin representing 40% of the basin. The applications for production licenses for Mpyo and Jobi-East discoveries in Exploration Area 1 were still under review.

The Monitoring and Evaluation database for the National Oil and Gas Policy (NOGP) was populated with 50% of the required information.

Several equipment, specialized software packages (PETREL and GEOSOFT) and one gravity meter were procured to aid in the analysis of samples. The construction of phase-3 of the National Petroleum Data Repository, Laboratories and Offices for the Directorate of Petroleum and Petroleum Authority of Uganda (PAU) was at 70%, but progress of work was slow.

Mineral Exploration, Development and Value Addition Programme

The overall performance was fair. As part of licensing and inspection, over 726 Artisanal Small Scale Miners (ASMs) from Amudat, Busia, Bushenyi, Gulu, Kaabong, Ntungamo and Wakiso were sensitized and granted 66 location licenses. Additionally, 252 licenses were



granted. A total of 82 licensed sites were inspected in Karamoja, Eastern, Western and South Western Uganda.

Under the Mineral Laboratories Equipping and Systems Development Project, the Laboratory Information Management System (LIMS) was installed on the main Directorate of Geological Survey and Mines (DGSM) server and 5 work stations set up. Under the Airborne Geophysical Survey and Geological Mapping of Karamoja Project, procurement for a consultant to undertake the airborne geophysical survey was ongoing.

The programme was affected by the low allocation of funds to the sub-programmes and low staffing levels.

Rural Electrification Programme

Overall performance was good and a total of 898.48km of Low Voltage, 960.2km of Medium Voltage were completed. A total of 90,136 new consumers were given access to the national grid.

Under the Islamic Development Funding (IDB II) in Western, South Western, Northern and Eastern regions, progress of overall works stood at 90%. Most grid extensions in Tororo, Lira and Serere were completed, while the extension works in Western and South Western (Mitooma, Rubirizi, Kyenjojo, Kabarole, Kisoro, Kabale, Mbarara, and Isingiro) showed low progress due to material stock outs.

Under IDB III funding, grid extensions in Hoima, Kabarole, Kasese, Sheema, Kisoro and Kabale, Kiruhura, Lira, Gulu, Dokolo, Amolatar and Kitgum were completed and commissioned. Construction works were at 99% progress in the districts of Mityana, Wakiso, Mpigi, Nakaseke, Luwero, Kiboga, Kyankwanzi, Mayuge, Namayingo, Mbale, Manafwa, Kapchorwa and Sironko among others.

Construction works of fast tracked lots had just commenced for projects funded by the World Bank (IDA), while works under Abu Dhabi funding in Masaka, Bukomansimbi, Kalungu, Sembabule and Kalungu were at 23% progress.

Projects financed by the Government of Uganda (GoU) had just commenced. Designs for works were completed and surveying was ongoing in the different districts countrywide, however, works in Gomba and Butambala districts had started and pole erection was ongoing.

Under the Uganda Rural Electrification Access Project (UREAP), pole erection was ongoing in Luuka and Iganga with progress at 31%, while works in Bugweri had not started.

Good performance was hampered by poor contract management leading to delays in project execution.



Key Sector Challenges

- Difficulty in acquisition of wayleaves for the construction of transmission and rural electrification infrastructure.
- Delayed conclusion of procurement due to inefficiency in the Procurement and Disposal Units (PDUs) of the various votes and subventions in the sector.
- Inadequate staffing levels in some directorates due to unfilled staffing structures and mass exodus of staff from the Ministry of Energy and Mineral Development (MEMD) to the better paying sector agencies. This led to contract management on some projects.
- Inadequate funding to some sub-programmes because of the non-prioritization in the budget allocations within the sectors.

Recommendations

- The Uganda Electricity Transmission Company Limited (UETCL) should be supported by other Government departments (Chief Government Valuer, Local Governments, Administrator General's Office, the Courts of Judicature, National Forestry Authority (NFA) and the National Environmental Management Authority) to resolve the various impediments to timely acquisition of the planned transmission line corridors.
- The sector agencies should enhance the capacity of their PDUs especially in the ability to manage the large volume of procurement in the sector most of which are works in nature. The staffing levels of the PDUs should be enhanced to match the increasing work load.
- The MEMD should liaise with the concerned departments at the Ministry of Public Service (MoPS) to fill the staffing structure in order to avoid overstretching the few existing staff members.
- The sector working group planning should undertake allocation of resources to projects and departments in a way that reflects the priorities of the sector so that key activities and outputs are not underfunded.





CHAPTER 1: BACKGROUND

1.1 Introduction

The mission of the Ministry of Finance, Planning and Economic Development (MFPED) is, *"To formulate sound economic policies, maximize revenue mobilization, ensure efficient allocation and accountability for public resources so as to achieve the most rapid and sustainable economic growth and development"*. It is in this regard that the ministry gradually enhanced resource mobilization efforts and stepped up funds disbursement to Ministries, Departments, Agencies and Local Governments in the past years to improve service delivery.

Although some improvements have been registered in citizens' access to basic services, their quantity and quality remains unsatisfactory, particularly in the sectors of health, education, water and environment, agriculture and roads. The services being delivered are not commensurate to the resources that have been disbursed, signifying accountability and transparency problems in the user entities.

The Budget Monitoring and Accountability Unit (BMAU) was established in FY2008/09 in MFPED to provide comprehensive information for removing key implementation bottlenecks. The BMAU is charged with tracking implementation of selected government programmes or projects and observing how values of different financial and physical indicators change over time against stated goals and targets (how things are working). This is achieved through semi-annual and annual field monitoring exercises to verify receipt and application of funds by the user entities. Where applicable, beneficiaries are sampled to establish their level of satisfaction with the public service.

The BMAU prepares semi-annual and annual monitoring reports of selected government programmes and projects. The monitoring is confined to levels of inputs, outputs and intermediate outcomes in the following areas:

- Accountability
- Agriculture
- Infrastructure (Energy and Roads)
- Industrialization
- Information and Communication Technology
- Social Services (Education, Health, and Water and Environment)
- Public Sector Management; and
- Science, Technology and Innovation



1.2 Sector Outcomes

The Energy and Minerals Sector contributes to the second objective of the National Development Plan II (NDP II): to Increase the stock and quality of strategic infrastructure to accelerate the country's competitiveness.¹ The contribution of the sector to the NDP II objective is done through the pursuance of the sector outcomes. These are,²

- a) Increased access to affordable and efficient sources of energy
- b) Sustainable management of minerals resources for development
- c) Sustainable management of the country's oil and gas resources

1.3 Sector Priorities

In the medium term 2015/16 -2019/20, the sector continues to focus on the key priority areas; these are:³

- Increase electricity generation capacity and expansion of the transmission and distribution networks
- Increase access to modern energy services through rural electrification and renewable energy development
- Promote and monitor petroleum exploration and development in order to achieve local production
- Develop petroleum refining, pipeline transportation, and bulk storage infrastructure
- Streamline petroleum supply and distribution
- Promote and regulate mineral exploration, development, production and value addition
- Inspect and regulate exploration and mining operations
- Promotion of efficient utilization of energy, and
- Monitoring geotectonic disturbances and radioactive emissions

1 National Planning Authority -Second National Development Plan (NDPII) 2015/16 – 2019/20 :101

2 MFPED, National Budget Framework Paper FY2018/19 (Kampala 2018)

3



CHAPTER 2: METHODOLOGY

2.1 Scope

This report presents the Semi-Annual financial and physical performance of selected programmes in the Energy and Minerals Development Sector. Selection of areas to monitor is based on a number of criteria:

- Significance of the budget allocations to the votes within the sector budgets, with focus being on large expenditure programmes.
- The programmes that had submitted Quarter 2 (Q2) progress reports for FY2019/20 were followed up for verification as they had specified output achievements.
- Multi-year programmes that were having major implementation issues were also visited.
- Potential of projects/programmes to contribute to sector and national priorities.
- For completed projects, monitoring focused on value for money, intermediate outcomes and beneficiary satisfaction.

A total of 18 projects were monitored and these included 13 projects implemented by the Ministry of Energy and Mineral Development (MEMD), and 5 projects implemented by the Rural Electrification Agency (REA). There is currently no development component in the budgets for Vote 311 and Vote 312. New projects where procurement of contractors and consultants was ongoing were not monitored. Table 2.1 shows the monitored projects and the respective locations visited.

Table 2.1: Energy Sector Projects Monitored for Semi-Annual FY 2019/20

Project code and Name	Location/ Areas visited
Vote 017: Ministry of Energy and Mineral Development	
0301 Energy Planning, Management and Infrastructure Development Programme	
Kampala-Entebbe Expansion Project (Project 1259)	Wakiso, Kampala
Karuma Interconnection Project (Project 1025)	Luwero, Nakasongola, Kiryandongo, Lira, Nwoya, Wakiso
Electrification of Industrial Parks (Project 1222)	Iganga, Mukono, Namanve, Luzira
Mbarara- Nkenda/Tororo-Lira (Project: 1137)	Mbarara, Kasese, Tororo, Lira
Nile Equatorial Lakes Subsidiary Action Program-(NELSAP):Bujagali-Tororo-Lessos/ Mbarara-Mirama- Birembo (Project 1140)	Jinja, Tororo, Mbarara, Ntungamo
0302 Large Hydropower Infrastructure Programme	
Isimba Hydropower Plant (Project 1143)	Kayunga, Kamuli
Karuma Hydropower Plant (Project 1183)	Kiryandongo, Nwoya
Nyagak Hydropower Plant (Project 1351)	Zombo
0303 Petroleum Exploration, Development Production, Value Addition and Distribution Programme	
Strengthening the Development and Production Phases of Oil and Gas sector (Project: 1355)	Entebbe
0305 Mineral Exploration, Development and Production Programme	



Project code and Name	Location/ Areas visited
Design, Construction and Installation of Uganda National Infrasond Network (DCIIN)-(1392)	Entebbe
Mineral Wealth and Mining Infrastructure Development (Project: 1353)	Entebbe, Mityana
Minerals Laboratories Equipping and Systems Development(1505)	Entebbe
Vote 123: Rural Electrification Agency	
03 51 Rural Electrification Programme	
Rural Electrification (Project:1262)	Nakaseke, Luwero, Wakiso, Kiboga, Kyankwanzi, Kibaale, Kyenjojo, Kabarole, Kasese, Kamwenge, Masindi, Mpigi, Bunyangabu, Masaka, Mityana, Kyegegwa, Rakai, Bukomansimbi, Lwengo, Kiruhura, Mbarara, Sheema, Bushenyi, Mitooma, Rubirizi, Isingiro, Kabale, Kisoro, Mukono, Buikwe, Jinja, Kamuli, Kayunga, Buyende, Luuka, Bugweri, Namayingo, Mayuge, Tororo, Mbale, Manafwa, Kumi, Bukedea, Soroti, Serere, Moroto, Nabilatuk, Amudat, Nakapiripirit
Energy for Rural Transformation- ERTIII (Project 1428)	
Grid Electrification Project IDB I (Project 1354)	
Construction of the 33KV Distribution Lines in Kayunga, Kamuli and Kalungu Service Stations (Project 1516)	
Uganda Rural Electrification Access Project, UREAP (Project 1518)	

Source: Authors' Compilation

2.2 Methodology

Physical performance of projects and outputs was assessed through monitoring a range of indicators and linking the progress to reported expenditure. Across all the projects and programmes monitored, the key variables assessed included: performance objectives and targets; inputs and outputs and the achievement of intermediate outcomes. Gender and equity commitments were also assessed.

2.2.1 Sampling

A combination of random and purposive sampling methods was used in selecting projects from the Ministerial Policy Statements and progress reports of the respective departments. Priority was given to monitoring outputs that were physically verifiable. In some instances, multi-stage sampling was undertaken at three levels: i) Sector programmes and projects ii) Local governments and iii) Project beneficiaries.

Outputs to be monitored are selected so that as much of Government of Uganda (GoU) development expenditure as possible is monitored during the field visits. Districts are selected so that as many regions of Uganda as possible are sampled throughout the year for effective representation.

2.2.2 Data Collection

Data was collected from various sources through a combination of approaches:

- Review of secondary data sources including: Ministerial Policy Statements for FY2019/20; National and Sector Budget Framework Papers; Sector project documents and



performance reports in the Programme Based Budgeting Tool (PBS), Sector Quarterly Progress Reports and work plans, District Performance Reports, Budget Speech, Public Investment Plans, Approved Estimates of Revenue and Expenditure, and data from the Budget Website.

- Review and analysis of data from the Integrated Financial Management System (IFMS).
- Informant interviews with project managers in implementing agencies both at the Central and Local Government level.
- Field visits to project areas for primary data collection, observation and photography.
- Call-backs in some cases to triangulate information.

2.2.3 Data Analysis

The data was analyzed using both qualitative and quantitative approaches. Comparative analysis was done using the relative importance of the outputs and the overall weighted scores.

Relative importance (weight) of an output monitored was based on the amount of budget attached to it; thus the higher the budget the higher the contribution of the output to the sector performance. This was derived from the approved annual budget of each output divided by total annual budget of all outputs of a particular programme/project. The weight of the output and percentage achievement for each output were multiplied to derive the weighted physical performance.

Outcome performance analysis was based on the level of achievement of outcome indicators outlined in the Sector Ministerial Policy Statement or its associated Budget Framework Paper within a sampled programme. The achievement of the outcome indicators relied primarily on secondary data provided by the sectors from the Programme Budgeting System (PBS). The average of the outcome performance was calculated from the percentage achievement of the indicators.

The overall programme performance is a summation of all weighted scores for its outputs and the outcomes in a ratio of 65%:35% respectively. On the other hand, the overall sector performance is an average of individual programme performances that make up the sector. The performance was rated on the basis of the criterion in Table 2.2.

Table 2.2: Assessment guide to measure performance of projects monitored in FY 2019/20

SCORE	COMMENT
90% and above	Very Good (<i>Achieved at least 90% of both outputs and outcomes</i>)
70%-89%	Good (<i>Achieved at least 70% of both outputs and outcomes</i>)
50%- 69%	Fair (<i>Achieved at least 50% of both outputs and outcomes</i>)
49% and below	Poor (<i>Achieved below 50% of both outputs and outcomes</i>)



CHAPTER 3: SECTOR PERFORMANCE

3.1 Overall Sector Performance

Financial Performance

The approved sector budget totaled up to UGX 3,007.76 Billion (MEMD-UGX 1,865.25 Billion, REA-UGX 1,060.84 Billion, Uganda National Oil Company (UNOC)-UGX 31.47 Billion, Petroleum Authority of Uganda (PAU)-UGX 50.199 Billion). The sector budget release was good with 54.3% of the total sector budget released by end of Q2 FY 2019/20, however the sector expenditure was just fair with only 32.1% of the budget spent.

Table 3.1: Energy and Minerals Sector Financial Performance

Vote	Approved budget (Bn Ug shs)	Release (Bn Ug shs)	Expenditure (Bn Ug shs)	% Budget Released	% Budget Spent
MEMD-017	1,865.25	1,139.32	680.504	61.1	36.5
REA-123	1,060.84	452.379	249.554	42.6	23.5
UNOC-311	50.199	24.221	18.989	48.2	37.8
PAU-312	31.47	17.782	17.782	56.5	56.5
Total	3,007.76	1,633.70	966.83	54.3	32.1

Source: Approved Budget Estimates and Q2 Reports FY2019/20

Overall performance

The overall sector performance was fair at 65.9%. The Large Hydro Infrastructure Programme and the Rural Electrification Programme were the only ones to exhibit good performance (Table 3.2). The Energy Planning, Management and Infrastructure Development Programme performed poorly.

Table 3.2: Overall Performance of the Energy and Minerals Sector per Programme

	Programme	Overall Performance
1	Large Hydro Infrastructure	72.0
2	Energy Planning, Management and Infrastructure Development	53.3
3	Petroleum Exploration, Development, Production, Value Addition and Distribution of Petroleum Products	65.7
4	Mineral Exploration, Development and Value Addition	66.2
5	Rural Electrification	72.6
	Overall Average Sector Performance	65.9

Source: Field findings



3.2 Vote 017: Ministry of Energy and Mineral Development (MEMD)

The mandate of the Ministry of Energy and Mineral Development (MEMD) is to “Establish, promote the development, strategically manage and safeguard the rational and sustainable exploitation and utilization of energy and mineral resources for social and economic development”

The MEMD comprises of six programmes, of which five were monitored. The monitored programmes included: Energy Planning, Management and Infrastructure Development; Large Power Infrastructure; Mineral Exploration, Development and Production; Petroleum Exploration, Development and Production and Petroleum Supply, Infrastructure and Regulation.

MEMD Financial Performance

Overall vote budget release performance was very good at 61.1% by the end of Q2. The Government of Uganda (GoU) release was 51.6% and externally funded release stood at 64.9% at half year. The overall expenditure by the end of Q2 was 36.5% (Table 3.3).

Table 3.3: MEMD Financial Performance

		Approved Budget	Released by End Q2	Spent by End Q2	% Budget Released	% Budget Spent	% Releases Spent
Recurrent	Wage	6.225	3.112	2.501	50.0	40.2	80.4
	Non-Wage	64.493	27.233	23.837	42.2	37.0	87.5
Devt.	GoU	460.789	243.761	207.227	52.9	45.0	85.0
	Ext. Fin.	1,333.167	864.634	446.775	64.9	33.5	51.7
GoU Total		531.506	274.107	233.565	51.6	43.9	85.2
Total GoU+Ext Fin (MTEF)		1,864.672	1,138.741	680.340	61.1	36.5	59.7
Arrears		0.578	0.578	0.163	100	28.3	28.3
Total Budget		1,865.250	1,139.319	680.504	61.1	36.5	59.7
A.I.A Total		0	0	0	0.0	0.0	0.0
Grand Total		1,865.250	1,139.319	680.504	61.1	36.5	59.7
Total Vote Budget Excluding Arrears		1,864.672	1,138.741	680.34	61.1	36.5	59.7

Source: MEMD Performance Report Q2 FY2019/20



MEMD Physical Performance

Energy Planning, Management and Infrastructure Development Programme

The programme is responsible for promoting; increased investment in power generation, renewable energy development, rural electrification, improved energy access, energy efficient technologies, and private sector participation in the energy sector. The programme took up to 50.4 % of the vote budget for FY2019/20. The programme contributes to the first sector outcome of *"increased access to affordable and efficient sources of energy"*.

The sector outcome indicators are:

- i. The percentage of losses in the distribution network
- ii. Generation capacity of plants in MW under construction added to the grid
- iii. Percentage of the population with access to electricity

Under this programme various power transmission line projects with their associated sub-stations are under implementation in various parts of the country in line with the country's plans to increase electricity generation, transmission capacity and energy access. The GoU and Development Partners (World Bank, Africa Development Bank (AfDB), Islamic Development Fund (IDB), AFD, Japan International Development Agency (JICA), KfW, China EXIM Bank) are jointly funding projects in this sector.

3.2.1 Sub-Programme 1259: Kampala-Entebbe Transmission Expansion Project

Background

The Government of Uganda under Ministry of Energy and Mineral Development received funding from KfW towards the implementation of the Mutundwe-Entebbe 132KV Double Circuit Transmission Line and Associated Substations. The funding from KfW is a grant of EUR 6 million, and loan of EUR 15 million. First loan disbursement is conditioned to at least EUR 3 million disbursement of the grant amount. The objective of the project is to provide transmission capacity to supply reliable and quality power to Entebbe town and environments.

The project consists of:

a) Mutundwe –Entebbe Transmission Line and Associated Substations

- The construction of 23.5km, 132kV double circuit Mutundwe-Entebbe Transmission line
- Extension of Mutundwe 132/33/11kV substation by two compact line bays, a plant house complete with protection and a POP House.
- A new 132/33kV double busbar substation at Entebbe with two line bays, two power transformers 132/33kV, 60/80MVA, a plant house complete with protection and a POP House.



b) Project Supervision and Management

- Phase 1: Project Design and Preparation of Tender Documents
- Phase 2: Management of the tendering phase of the procurement of EPC contractors
- Phase 3: Supervision of works and Project Management during implementation

c) Resettlement Action Plan (RAP) Implementation

- To implement the RAP, and address social issues related to land acquisition, livelihoods and resettlement due to construction activities related to the project and other related infrastructure
- Acquisition of the Corridor (verification of titles for the land to be impacted, mutation of the right of way, registration of easements and legal services).

Sub-Programme Performance

Financial performance

The total budget for the FY was UGX 75,411,817 (GoU- UGX 28,911,817 and KfW-UGX 46,500,000). The project received UGX 0.91Bn GoU counterpart funding and the disbursement on the KfW loan was UGX 4.4 Billion.

Physical performance

The sub-programme performance was poor. The civil works at Mutundwe and Entebbe substation were on-going and progress on the plant house at Mutundwe was at foundation level. The works on the plant house and communication building at Entebbe substation were at roofing level. Excavation of the equipment foundations at Entebbe substation had just commenced. The works on the transmission line had commenced, and 19 out of the planned 74 tower foundations were completed. Project construction materials such as the conductors, OPGW, glass insulators and foundation stubs had been received and were at the contractor's yard. The works generally were more than 6 months behind schedule.

Resettlement Action Plan

Paid transactions were 824 (76%) of the 1,062 transactions required for the 23.6km corridor. The RAP implementation has been slow and only 58 payments for the PAPs were made during the FY 2019/20. The progression of the RAP implementation is presented in Table 3.4.

Table 3.4: Status of RAP for Kampala-Entebbe Transmission Expansion Project as at 31st December, 2019

General Overview	Q4 FY 2018/19		Q1 FY2019/20		Q2 FY2019/20	
	Coverage	%	Coverage	%	Coverage	%
Total Transactions	1062	100	1062	100	1062	100
Disclosures	975	92	982	92	986	93
Agreements	921	87	927	87	927	87
Compensation Disputes	54	5	55	5	56	5
No. of Payments	766	72	812	76	824	78

Project challenges

- The works on the transmission line were affected by right of way (ROW) issues. The line corridor is passing through some highly urbanized areas which made it difficult to acquire wayleaves. The process was held up because of a pending revaluation report from the Chief Government Valuer (CGV) which was later availed.
- The contractor for the substations did not seem to have the necessary capacity to undertake the works since there was little progress registered in the 6 months period.



L-R: On-going civil construction works on the plant house and communication house; Stock piled materials for the transmission line



On-going earth works and exaction works at the Mutundwe substation site



3.2.2 Sub-Programme 1025: Karuma Interconnection Project

Background

The project is funded jointly by Government of Uganda and a loan from Export and Import (EXIM) Bank of China. The total funding for this project is \$289,905,937 with EXIM Bank loan contribution of \$246,419,437 and GoU's contribution \$43,486,500.

The objective of the project is to evacuate power produced from Karuma Hydropower Plant in Northern Uganda to load centres, which include Lira and Olwiyo in Northern Uganda and Kawanda in Central Uganda. The project consists of the following components:

a) Construction of 400kV and 132kV Transmission lines

- Construction of 248km, 400kV, Double Circuit Karuma-Kawanda transmission line.
- Construction of 78km, 132kV, Double Circuit Karuma-Lira transmission Line.
- Construction of 55km, 400kV, Double Circuit Karuma-Olwiyo transmission Line, which will be initially operated at 132kV.

b) Substations

- Karuma substation: a new green field 400/132kV substation interconnecting with Karuma HPP and 400kV line bays.
- Kawanda substation: a new 400kV/220kV substation with two (2) new incoming 400kV line bays to interface with the existing Kawanda 220/132kV substation.
- Lira substation: two (2) new incoming 132kV line bays to interface with the existing Lira 132/33kV substation.
- Olwiyo substation: a new green field 132/33kV substation.

Sub-Programme Performance

Financial performance

The project had no GoU funds budgeted under the FY 2019/20, however Uganda Electricity Transmission Company (UETCL) continued to undertake compensation of project affected persons (PAPs) using funds in the RAP ESCROW account. Funding for the EPC works under the project is budgeted under Karuma Hydropower Project. By the end of Q2, the project had disbursed an accumulative total of USD 165,810,936.5 (UGX 309.9 Billion) out of the contract price of USD 289,905,220.

Physical performance

The sub-programme performance was good. Work had progressed well on the substations in Lira, Olwiyo, Karuma, and Kawanda and on the Karuma-Lira, Karuma-Olwiyo, and Karuma-Kawanda transmission lines.



On the Karuma-Kawanda transmission segment, overall progress was at 90% with 617 of the planned 639 towers completed. Civil works on other foundations was ongoing with 628 out of the 639 foundations completed. Stringing of the 248km of the transmission line was left with 53km to be completed.

Other works, on the Karuma-Lira transmission line stood at 72.5% completion, and erection of 149 out of the 246 towers was completed. While on the Karuma-Olwiyo transmission line, 86.25% of the work was completed. Erection of 51 out of the 155 towers was completed. Stringing of the line was on-going.

Substations: Works had progressed well on all the substations:

- **Karuma substation:** 89% of the works were complete. All civil and electromechanical works were completed. Acceptance testing of the substation equipment was ongoing.
- **Kawanda substation:** Overall progress was at 85% with the only pending civil works being the access road, fencing and oil separator. Erection of all equipment supports was complete. The plant house was completed and defects were being rectified. All gantries (400kV and 220kV) were erected. Acceptance testing of the equipment was ongoing.
- **Lira substation:** All equipment was installed. Works on the access road and testing of the substation equipment were ongoing.

Resettlement Action Plan

Total cash payments made during the first half of the FY 2019/20 were UGX 3.79Bn and the cash balance in the RAP ESCROW account was UGX 14.679Bn. The status of RAP implementation is summarised in Table 3.5.

Table 3.5: Status of RAP for Karuma Interconnection as at 31st December, 2019

	KARUMA-LIRA(132kv; 78km) KARUMA-OLWIYO (400kV; 55km; 60M width)				KAWANDA-KARUMA LINE (400kV; 248km; 60m width)			
	Q1(Jul-Sept 2019)		Q2(Aug-Dec 2019)		Q1 (Jul-Sept 2019)		Q2 (Aug-Dec 2019)	
Total Transactions	1,252	100%	1224	100%	3124	100%	29131	100%
Number Disclosed to	1,124	90%	1141	93%	2650	85%	2640	91%
Agreements	1,060	85%	1078	88%	2530	81%	2546	87%
Number of Households Paid	873	72%	996	81%	2280	73%	2386	82%
Compensation disputes	64	5%	63	5%	111	7%	94	3%

Source: UETCL; Field findings



Project challenges

- The RAP implementation slowed down greatly and this affected the progress of work.
- Continued vandalism of completed structures on the transmission line caused an increase in cost of the project. Most affected areas include Nakasongola and Wakiso.

Recommendations

- The UETCL should continue to engage other Government departments to ensure timely resolution of the difficult RAP cases, to avoid further delay to project implementation.
- There should be increased security deployment along the line corridor to control the occurrences of vandalism.



L-R: Advanced works at Kawanda substation; Ongoing works at Kawanda substation



L-R: Completed section of the Karuma-Olwiyo 132 kV Transmission line; Partially completed substation at Lira substation

3.2.3 Sub-Programme 1137: Mbarara- Nkenda/Tororo-Lira Transmission line

Background

The Government of Uganda (GoU) received funding from African Development Bank towards the implementation of Mbarara-Nkenda & Tororo-Lira Transmission Lines Project. The project is aimed at expanding and strengthening the national transmission grid. This project will boost economic growth in western and eastern Uganda. The total loan amount for the project was Unit of Account (UA) 52.51 Million and UGX 81.917 Billion as GoU contribution for the RAP.



The objective of the project is to evacuate electricity from upcoming power plants and to improve electricity access, lower transmission losses, increase power efficiency, reliability, stability and quality of supply to consumers in the country especially the Western and North Eastern regions.

The project consists of the following components:

a) Construction of 132kV Transmission lines

- Construction of 260km, 132 kV, Double Circuit Tororo-Opuyo-Lira Transmission line
- Construction of 160km, 132 kV, Double Circuit Mbarara-Nkenda Transmission Line

b) Substations

- Construction of two 132kV bay extensions at Mbarara North and Nkenda substations.
- Construction of a new 2x32/40MVA, 132/33kV Fort Portal Substation.
- Extension of Opuyo substation including 132kV line bays
- Construction of 132kV line bays at Tororo and Lira

c) Reactive Power Compensation

- The installation of 15MVAR, 132kV Reactor at Opuyo Substation and 15MVAR, 132kV Reactor at Nkenda Substation.

Sub-Programme Performance

Financial Performance

The GoU counterpart amount budgeted for FY 2019/20 was UGX21.95bn. All the budgeted funds were released and transferred to UETCL by end of Q2.

Physical performance

Overall performance of this project was poor as little progress was registered during the first half of the FY. Foundation works completed were 698/725 (96.3%) for the Lot 1 (Tororo-Lira line), Tower erection completed to date was 656/725 towers (90.4%) for Lot 1, Stringing of Conductor and Earth wire was 44.3% complete (116.43/263km). Works on Lot 2 (Mbarara-Nkenda line) were completed in the FY2018/19.

Resettlement Action Plan

Three resettlement houses on the Mbarara-Nkenda T-line that had not been completed, while cash compensation progressed slowly. There were 28 cases in Tororo District that still awaited court to resolve. The summary of the cash payments to the project affected persons is given in table 3.6.

**Table 3.6: Performance of Cash Compensations as at 31st December, 2019**

Tororo-Lira Transmission Line	Q1 FY 2019/20		Q2 FY 2019/20	
	Total Number	(%)	Total Number	(%)
Total Project Affected Households	4,701	100	4,701	100
Number Disclosed to	4,502	96	4,502	96
Agreements	4,339	92	4,455	95
Number of households paid	4,236	90	4,360	93
Compensation Disputes	163	4	46	4

Source: UETCL; Field Findings

Project challenges

- Slow implementation of the RAP process continued to affect the ability of the contractor to undertake works. A total of 28 PAPs still had pending court cases, over 26 PAPs queried their valuation, and 14 cases involving family disputes contributed to the slow progress.

Recommendation

- The relevant government ministries (Ministry of Lands, Housing and Urban Development (MLHUD), Ministry of Justice and Constitutional Affairs (MJCA) and various district leaders (MPs, RDCs, CAOs, District Chairpersons, LCs) should support UETCL to engage the PAPs and resolve the impasse in the RAP implementation.

3.2.4: Sub-Programme 1140: Nile Equatorial Lakes Subsidiary Action Program-(NELSAP): Bujagali-Tororo-Lessos/ Mbarara- Mirama- Birembo transmission project

Background

The project is funded Nile Equatorial Lakes Subsidiary Action Plan Programme (NELSAP) with basket funding from the African Development Bank (AfDB) and Japan International Cooperation Agency (JICA). The principal loan from the AfDB was Unit of Account (UA) 7.59 million, and a supplementary loan of UA 5.84 million and a JICA loan of 5.406 Billion Japanese Yen. The planned GoU counterpart funding for implementation of RAP was UGX 66.437Bn.

The objective of the project is to improve access to electricity in the Nile Basin Initiative (NBI) countries through increased cross border sharing of energy and power. The project comprises:

- Construction of 220kV double circuit transmission line from Bujagali via Tororo substation to the Uganda/Kenya border, over a distance of 131.25km.
- Construction of 220kV double circuit transmission line from Mbarara North substation in Uganda to the Rwanda border over a distance of 65.55km.
- Extension of the substation at Tororo
- New 220/132/33kV substations at Mbarara and Mirama.



Sub-Programme Performance

Financial performance

The project had no budgeted funds since it was exited from the Public Investment Plan (PIP), however, it continues to be funded under Project 1137.

Physical performance

Project performance was poor. No work was undertaken on the Bujagali-Tororo transmission line since the procurement of a new contractor was concluded. The control building works at Mirama Hills substation were completed and so was the gravelling of the substation and access roads. Electromechanical works at Mirama, Bujagali and Tororo substations were ongoing but hampered by missing electrical panels and other components that had to be ordered.

Resettlement Action Plan

The RAP on Tororo-Bujagali line did not progress during the first half of the FY 2019/20. The current status of the RAP process is summarized in table 3.7.

Table 3.7: Tororo-Bujagali-Lessos Transmission Lines as at 30th December, 2019.

BUJAGALI-TORORO-LESSOS LINE (220kV; 127km; 40mtrs width)	Q1 FY 2018/19		Q2 FY 2018/19	
	Total Number	%	%	Total Number
No. of transactions	3145	100	3145	100
Number Disclosed to Agreement	3113	99	3113	99
Number of Payments	3055	97	3055	97
Compensation Disputes	3029	96	3029	96
	58	2	58	2

Source: UETCL and Field Findings

Challenges

- High incidents of vandalism of tower infrastructure on the Tororo-Bujagali transmission line segment.
- The acquisition of the transmission line corridor was not completed, and the RAP was hampered by court cases, rejection of compensation, wrangling families, and lack of letters of administration.

Recommendations

- The UETCL should liaise with local leaders and security agencies to curb the vice of vandalism of infrastructure.
- The UETCL should expedite procurement of the contractor to complete the works.
- The UETCL should complete the RAP cases before the new contractor for the transmission line comes on board.



Ongoing Works at Mirama Hills Substation

3.2.5 Sub-Programme 1222: Electrification of Industrial Parks

The GoU established Industrial Parks in an effort to support industrial development in the country. The industrial parks that were identified will need reliable power supply and thus the identified projects to electrify these parks. The project EPC works are funded by a loan from the EXIM Bank of China (85%) and GoU counterpart (15%) with total cost of US\$99,975,885.34. The GoU is also to fund the acquisition of land on the project to the tune of UGX 55.163Bn.

The objective of the project is provision of adequate transmission capacity to cater for the projected demand from within the Industrial areas. The project comprises

- Construction of Luzira Industrial Park 132/33kV Substation and Transmission Line Project (15km)
- Construction of Mukono Industrial Park 132/33kV Substation and Transmission Line Project (5km)
- Construction of Iganga Industrial Park 132/33kV Substation and Transmission Line Project (10km)
- Construction of Namanve Industrial Park 132/33kV Substation and Transmission Line Project (5km)

Sub-Programme Performance

Financial Performance

The budget for FY 2019/20 was UGX 147.187bn of which UGX 47.939bn was GoU funding, and UGX 99.247bn was funded externally. All the GoU funds were released by end of Q2, while UGX 11.59bn of the external funding was disbursed by the project.



Physical performance

The project performance was fair. The pace of works greatly reduced compared to the previous FY due to failure to acquire all the land for the transmission line segments.

1. Substations: Works on Iganga, Namanve, Mukono and Luzira the substations were completed. The Iganga substation was also energized, joining Mukono substation that was energized in FY 2018/19.

2. Transmission Lines: The works on the Iganga substation transmission line were completed and the line energised. Works on the transmission line connecting Namanve North to Namanve South substations was ongoing with 18 of the planned 27 towers completed, and 2.7km of the planned 5.2km of conductor strung.

Status of RAP Implementation

The RAP implementation for the transmission lines lagged behind on the Namanve-Luzira transmission lines. The Namanve North-Namanve South T-line faced RoW challenges on 6 tower locations. The summary for the RAP Implementation for the PAPs in the transmission line corridor is summarized in Table 3.8.

Table 3.8: RAP Progress for Electrification of Industrial Parks as at 31st December, 2019

	Q4 FY 2018/19		Q1 FY 2019/20		Q2 FY 2019/20	
	Total Number	(%)	Total Number	(%)	Total Number	(%)
Total Number of PAP	705	100	705	100	705	100
Number Disclosed to	471	67	476	68	485	69
Agreements	468	66	472	67	470	67
Number of Households Paid	369	52	385	55	416	59
Compensation Disputes	3	0	4	1	15	1

Source: UETCL and Field findings

Challenge

- Works on all transmission line sections linking the Luzira substation to Namanve South substation had not commenced because of a court case that was resolved in November 2018.

Recommendation

- The UETCL should enhance monitoring and supervision of the works to avoid further delays before the loan expires at the end of the year.



L-R: A strung section of Namanve North – Namanve South transmission line at Kiwanga, Mukono; Installed Control Panels at the completed Luzira Substation



An aerial view of the plant house and outgoing 33kV feeders at the completed 132/33kV Luzira substation

Overall Programme Performance

Overall performance of the Energy Planning, Management and Infrastructure Development Programme was poor at 53.2% (Table 3.9). There was moderate progress on the Karuma Interconnection Project and Electrification of Industrial Parks but they were still affected by RoW challenges. Works on other sub-programmes such as the Kampala-Entebbe Expansion Project, NELSAP and Lira-Tororo T-line, Opuyo-Moroto performed poorly. Projects such as Grid Expansion and Reinforcement, Masaka-Mbarara, Mirama-Kabale had not commenced works yet.



Table 3.9: Performance of the Energy Planning, Management and Infrastructure Development Programme as at 31st December, 2019

Sub-programme	Output	Annual Budget (Bn Ug shs)	Cum. Receipt (Bn Ug shs)	Physical performance Score (%)	Remark
Kampala-Entebbe Expansion Project	Construction of the Entebbe Kampala 132kV transmission line and associated substations	47	47	2.49	Works on the plant house at Entebbe were at roofing level. Excavation of switchyard foundations commenced at Entebbe substation.
	RAP Implementation and Monitoring of works	29	1	0.26	72% of the PAPs were compensated. There was no progress recorded in the RAP for the first half of the FY.
Mbarara-Nkenda/Tororo Lira Transmission Line	Implementation of Resettlement Action Plan	0	0	0.00	The percentage of the PAPs paid on the Tororo-Lira T-line only improved by 3% to 93%.
	Construction of Mbarara-Nkenda and Tororo-Lira transmission lines and substations	22	22	1.96	A total of 657 out of 725 towers were completed and stringing of 173km out of the 263km was done. During Q2 19 towers were completed and 57km of stringing added.
Electrification of Industrial Parks	Construction of Namanve South, Luzira, Mukono and Iganga industrial park substations and associated transmission lines.	99	99	10.63	The transmission line connecting Iganga substation was completed and the substation commissioned. Works on the Namanve South-Namanve North t-line was on-going. Stringing of 50% of the 5.2 km of the line was completed.
	RAP Implementation and supervision of works	48	48	4.28	The court case affecting the Namanve-Luzira Tline was resolved. Six tower locations were still affected by RoW on the Namanve South-Namanve North T-Line.



Sub-programme	Output	Annual Budget (Bn Ug shs)	Cum. Receipt (Bn Ug shs)	Physical performance Score (%)	Remark
Karuma Interconnection Project	RAP Implementation	6	6	0.49	Payment of PAPs on the Karuma-Kawanda T-Line were at 82% and 72% on the Karuma-Olwiyo line.
	Construction of Karuma-Kawanda, Karuma-Olwiyo, Karuma-Lira transmission lines and associated substations	310	310	33.20	<u>Karuma substation:</u> Civil works completed and electromechanical equipment installation almost complete. <u>Lira Substation:</u> Substation was completed and testing on-going. <u>Kawanda Substation:</u> All civil works completed installation of electromechanical equipment done Kawanda-Karuma T-Line. <u>Transmission lines:</u> 248km of the 301 km on the Karuma-Kawanda T-line have been strung.

Source: IFMS, MEMD Q1&Q2 Reports FY 2019/20, Field Findings

The Large Hydro Power Infrastructure Programme

The programme is intended to support development of large hydropower generation facilities in the country. The programme objective is to ensure adequate generation capacity for economic development and it contributes to the sector outcome of “*increased access to affordable and efficient sources of energy*”. The total budget allocation of this programme was 40.47% of the total vote budget. Sub-programmes monitored for the FY2019/20 were Isimba Hydropower Project, Karuma Hydropower Project, and Nyagak III Hydropower Project.

3.2.6 Sub-Programme 1143: Isimba Hydroelectricity Power

Background

The project is an 183MW hydropower plant funded jointly by a loan from China EXIM Bank (85%) and GoU (15%). The contract was signed in September 2013 and the contract sum for the project was US\$ 567.7 million for a planned period of 40 months. The EPC contractor for the hydropower plant (HPP) and the Isimba-Bujagali interconnection line is China International Water and Electric Corporation (CWE), and supervising consultant is Artelia EUA and Environment in association with KKAT Consult.



Sub-Programme Performance

Financial Performance

Funds for certificate interim payments up to IPC #19 were USD 522,324,420. GoU funding release for supervision, Community Development Action Plan (CDAP) and RAP was good with the 55.2% of the budgeted UGX 48.035bn availed to MEMD and Uganda Electricity Generation Company Limited (UEGCL) to undertake their activities.

Physical Performance

Under component 1(Hydropower Plant): The major scope: right and left embankment dams, Spillways, and Power house were completed. Civil works in the powerhouse, spillway and switchyard were substantially complete. Electromechanical works in the spillway, powerhouse and switchyard were also substantially complete to allow continued plant operation after plant was commissioned in March 2019.

By the end of Q2, the overall physical progress of works at Isimba was estimated at 99.88% with the work breakdown summarized in Table 3.10.

Table 3.10: Summary of Physical Progress of Isimba HPP (Component 1)

Dam		Spillway		Power House		TL & Switchyard	
LED2	RED3	Civil Works	E/M4 Works	Civil Works	E/M Works	Civil Works	E/M Works
100%	100%	99.99%	99.5%	99.9%	99.5%	99.9%	100%
Overall Physical Progress = 99.88%							

Fixing of snags was ongoing but behind schedule with 90% of the 775 identified snags rectified by end of Q2. Some of the notable pending snags included installation of the log boom, Installation of rain water drainage, recommissioning of the firefighting system, testing of the trash rack cleaning machine and redesigning of the power house subsurface drainage.

Under component 2(Bridge and Access Roads): Overall progress of the works was at 27%. Works on the main structure (piers and girders) was ongoing with 4 sets of piers completed. The access roads and approach roads to the bridge were under construction.

Under component 3: Community Development Action Plan (CDAP)

The CDAP activities progressed well during the first half of FY. Works under Lot 2.1 had reached 71% physical progress.

- At Busaana Secondary School, the scope of works was four classrooms including rain water harvesting tanks, one 5 stance lined VIP latrine and four staff houses. The final finishes and electrical installation were being undertaken.



- At Nakakandwa and Nakatooke primary schools the scope of the works was four classrooms and an office, including rain water harvesting tanks, one 5 stance lined VIP latrine, and one staff house. Works were at finishing level.

Works under Lot 2.2 were at 64% physical progress.

- At Busaana HC III scope included a general ward, maternity ward, one VIP latrine with 5 stances and one staff house. Final finishing works were being ongoing on the general ward and staff houses.
- At Bukamba HC II scope of works was a maternity ward, one VIP latrine with 5 stance, and one staff house. Roofing was completed and plastering ongoing.

Works under Lot 2.3 were at 95% physical progress.

- At Nakanduro Primary School 2 classroom blocks of 3 classrooms and 4 classrooms, together with a one 5 stance lined VIP latrine were completed.
- At St. Andrews Kiyunga Primary School, 4 classrooms each with a rain water harvesting tank, one 5 stance lined VIP latrine and one staff house were completed.

Under Lot 2.4 were at 74% physical progress.

- One general ward, one 5 stance lined VIP latrine, and one staff house at Mbulamuti HCIII.
- One general ward with recovery at Nankandulo HCIV.
- A general ward, one 5 stance lined VIP latrine, and one staff house at Kiyunga HCII. Finishing works on the general ward were ongoing,

Under Lot 2.5, works were at 71% physical progress.

- Construction of a workshop block at Lwanyama Technical Institute was ongoing with completion of the superstructure; pending works included fixing of doors and windows.
- Construction of a teacher's house at Lwanyama Technical Institute was almost complete with 95% of the works done.

Challenges

- Inadequate funding of the CDAP limiting progress of the planned activities.
- Insufficient funds to continue employing the Owners Engineer (OE) leading to the need to scale down the deployment of the staff from the OE to fully cover the time required to fix all the snags.
- The project loan expires in June 2020 yet there are pending works including construction of the bridge across the Nile. The contractor therefore could not be paid the balance of USD 45 Million and it was highly likely the remaining works would not be complete by this date posing a risk to the project.



On- going civil works on the concrete support piers for the Bridge at Isimba HPP



L-R: Civil works at Lwanyama Technical Institute, Kamuli; Works on the classrooms blocks at Busaana Secondary School, Kayunga

3.2.7 Sub-Programme 1183: Karuma Hydroelectricity Power

Background

The GoU is developing Karuma Hydro power plant as a public investment to generate 600MW of electricity. The medium term objective of the project is the ultimate development of Karuma Hydropower Plant and its associated transmission line interconnection. The hydropower plant will contribute to increasing power supply in the country, and possibly in the East African region. The EPC contractor is Sino Hydro Corporation Limited at a total cost of USD 1,398,516,747. The financing of the project is through a loan from the China EXIM Bank (85%) and GoU (15%).



Sub-Programme Performance

Financial Performance

At the end of Q2, the gross certified payments were at 93% of the total contract amount (USD 1,300,935,755 out of USD 1,398,516,759) including amount of fully recovered advance payment. The budgeted GoU amount was UGX 39.896Bn and by end of Q2, UGX 24.943Bn had been released to MEMD and UEGCL for supervision, RAP and construction of the workers camp.

Physical performance

Overall progress was at 97.83% by the end of the Q2. All the works at the dam were in advanced stages of completion.

- **Civil works:** 97.9% of the civil works were completed. These included: construction of power intake, concrete construction of dam (Block 1~16) and stilling status basin, concreting of HRT Pressure Shaft, concrete construction of TRT(Invert Lining) and TRT (Overt Lining), installation of HRT Penstock (Lower Bends), concreting of HRT (Invert Lining) and HRT (Overt Lining), Plugging of Adits #1-10. Right bank excavation and concrete works were ongoing. In the Main Transformer Cavern, BDT and cable vertical shaft, the second stage of finishing works was ongoing. Final grouting works of the lining and plugging in TBT were in progress for Units 4, 5 & 6. Final works which included tiling of the floor and painting of the walls in the powerhouse and erection bay were being finalized.
- **Hydro-mechanical /Electro-mechanical works:** 97.5% of the HM works were completed and Electromechanical works at 98.3%. Installation of turbine and generator components on the Units 1, 2, 3, 4, 5 was completed and testing on unit 5 ongoing. Installation of turbine and generator components on unit 6 was at 90% completion.

The EPCC had requested for a 12 months Extension of Time (EoT) thus extending the project completion date from 31st December 2019 to 30th November 2020.

Construction of the Employers camp

The works on the employer's facilities were ongoing. The canteen, laboratory, office building, Karuma complex buildings were completed, pending commissioning of the mechanical/electrical systems and fixing of snags. The completed housing units, office block, and laboratory should have been ready for occupancy by 30th January 2020 after completion of the treatment plant.

Resettlement Action Plan (RAP) and Community Action Development Plan (CDAP)

Land for the reservoir impounding had not been fully acquired by MEMD, however it committed to handing over the land for the Karuma Reservoir Impounding area and Buffer Zone by 30th May 2020.



Challenges

- The delayed implementation of CDAP activities continues to create anxiety in the community around the project areas.
- The MEMD had not yet compensated for land around the reservoir area thus affecting the EPC works. In addition, 115 PAPs claim not to have been compensated by MEMD.

Recommendations

- The MEMD should complete land acquisition for the project to prevent the delay of critical activities required to be undertaken during the testing and commissioning of the dam.
- Prioritize release of funds for the Karuma CDAP. The commencement of the CDAP is behind schedule by over 2 years.



A view of the completed spillway section of the Karuma HPP



L-R: Partially complete works on the Fish Ladder; Final finishing work on the floor in the powerhouse



3.2.8 Sub-Programme 1351: Nyagak III Hydropower Project

Background

Nyagak III is one of the projects supported under the programme "*Efficient and Sustainable Energy Supply in Uganda*" by the Government of Uganda (GoU) through the Ministry of Energy and Mineral Development (MEMD) with support of the German Government.

The project is being developed as a Public Private Partnership (PPP) by a Special Purpose Vehicle (Genmax Nyagak Limited) formed between UEGCL and the procured Private Sector Partner, a consortium of Hydromax Limited and Dott Services Limited.

The project scope involves;

- Construction of 2x2.75MW Nyagak III small hydropower plant.
- Constructed of 5km of 33kV interconnection line terminating at Nyagak I switch yard.
- Sub-Programme performance

Financial Performance

- The total budget for the sub-programme in the FY is UGX2.293bn, of which UGX0.735bn was released by end of Q2.

Physical performance

- Project performance was fair. The works at site recommenced in May 2019 and progress at end of December 2019 was as follows:
- Pipe Conduit: Excavation was ongoing for the access road. Progress was on schedule.
- Dam and Intake: Dam excavation was ongoing at 92% completion.
- Powerhouse Access Road: Work was ongoing, but progress was affected by delays due to land compensation.
- The river diversion was pending the completion of the downstream cofferdam due to unresolved cultural site issues.

Challenges

The programme faced several challenges, among them:

- Land acquisition for some structures e.g. access road to power house, extra land along pipe conduit and for staff quarters during operations phase and issues of cultural sites in the area.
- The UEGCL did not provide its share of funding to the project because Government had not released funds.



L-R: Completed river diversion channel; On-going dam foundation excavation works

Overall programme performance

The overall performance of the programme was good at 72.0 % (Table 3.11). Works at Isimba were completed and monitoring the operations of the power plant was ongoing. The works at Karuma HPP were also in advanced stages with the completion of assembly of the turbines and generators in the power house. The testing of equipment was ongoing.

Table 3.11: Performance of the Large Hydro Infrastructure Programme as at 31st December, 2019

Sub-programmes	Output	Annual Budget (Bn Ug shs)	Cum. Receipt (Bn Ug shs)	Physical performance Score (%)	Remark
Isimba HPP	Construction works at Isimba HPP and Bridge	23	12	2.20	All major works on the hydropower plant were completed. Rectification of defects was ongoing, and so were works on the Isimba bridge. Piers to hold the bridge deck were being erected.
	Supervision of works on Isimba HPP	15	8	1.03	The operation and running of the power plant was being monitored and the supervising consultant continued to monitor the fixing of snags/defects.
	Implementation of the CDAP and ESMP	100	15	1.01	CDAP activities were in advanced stages in both Kamuli and Kayunga districts. Works were ongoing at the following sites: Kiyunga HC II, Bukamba HC II, Namusaala HC II, Mbubalmbuti HC II, Buluya HC II, Nakanduro HC IV, N Lwanyama Tech Institute, Busaana Secondary school. Works on St. Andrews Primary School and Nakanduro Primary School were completed.



Sub-programmes	Output	Annual Budget (Bn Ug shs)	Cum. Receipt (Bn Ug shs)	Physical performance Score (%)	Remark
Karuma HPP	Construction works on Karuma HPP	563	563	67.77	Overall progress was at 94.9%. The civil works were at 95.1% with dam works complete on blocks 1-16, works on blocks 17-18 of the dam were ongoing. Electromechanical works at 92.8% and Hydro mechanical works were at 94.6%.
	Supervision of works on Karuma HPP	26	15	2.21	AF Consult continued to supervise the works.
	Implementation of the RAP, CDAP and ESMP	14	10	0.37	CDAP awaited funding.
Nyagak III HPP	Construction works on Nyagak HPP	0	0	0.00	Private partner awaited UEGCL financial contribution.
	Supervision of works on Nyagak HPP	5	2	0.21	Supervision consultants for both the private partner and UEGCL were on site.
	Implementation of RAP, ESMP	2	1	0.06	Land acquisition not fully completed, which delayed works.
Overall output performance				72.01	

Source: IFMS, UEGCL, MEMD Q2 Reports, Field Findings

The Petroleum Exploration, Development, Production, Value addition and Distribution of Petroleum Products Programme

The programme effectively monitors all petroleum operations in the country for the exploitation of the petroleum resource in an economically and environmentally conducive manner. The Directorate of Petroleum in the MEMD is responsible for promoting and regulating the petroleum upstream (exploration, development and production) sub-sector in the country.

The directorate also handles the development of the country's petroleum midstream sub-sector, which involves planning for the development of the refinery and pipelines in the country. The programme contributes to the third sector outcome of "sustainable management of the country's oil and gas resources." The programme aims at increasing the number of Ugandans with professional jobs in the oil and gas sector and also increasing the level of growth of investment in petroleum downstream infrastructure.



The programme took up 2.7% of the total sector budget for FY2019/20. It comprises of the following sub-programmes; Strengthening the Development and Production Phases of Oil and Gas Sector sub-programme (1355), Skills for Oil and gas Africa/SOGA Sub-programme (1410), Construction of Oil Refinery sub-programme (1184), Midstream Petroleum Infrastructure Development Project sub-programme (1352). Under the programme the Strengthening the Development and Production sub-programme was monitored.

Under the programme, the Lead Investor, M/s Albertine Graben Refinery Consortium (AGRC) for the Oil Refinery was still conducting the Front End Engineering Design (FEED) studies to inform the Final Investment Decision (FID) of the Refinery Project. On the East African Crude oil export pipeline (EACOP) negotiations of the Host Government Agreement (HGA) between Government of Uganda and the Joint Venture Partners were ongoing.

3.2.9 Sub-Programme 1355: Strengthening the Development and Production Phases of Oil and Gas Sector

Background

The purpose of the project is to put in place institutional arrangements and capacities to ensure well-coordinated and results oriented resource management, revenue management, environmental management and Health Safety Environmental (HSE) management in the oil and gas sector in Uganda in order to contribute to the achievement of the objectives of the National Oil and Gas Policy (NOGP).

Sub-Programme Performance

Financial Performance

The sub-programme budget for FY 2019/20 is UGX38.53bn, of which UGX14.74bn was released and UGX 9.76bn spent by 31st December, 2019.

Physical Performance

The sub-programme performance was fair. About 200 line kilometers of geophysical data and over 320 sq.km of geological and geochemical mapping were undertaken in Moroto-Kadam basin representing 40% of data collection of the basin.

In a bid to promote the second licensing round which was launched in the FY 2018/19, three (3) road shows were held in London, Houston and Dubai in October 2019. The request for qualification stage was set to close on 31st March, 2020 after which the bidding stage would commence. Review for the applications for production licenses in respect of Mpyo and Jobi-East discoveries in Exploration Area 1 was ongoing.

The RAP for the Tilenga development projects in Bullisa and Kingfisher in Hoima had progressed to 71% and 95% respectively.

The construction of phase-3 of the National Petroleum and Repository, Laboratories and



offices for the Directorate of Petroleum and the Petroleum Authority of Uganda (PAU) was also ongoing with progress of construction works at 70%. Works were behind schedule.

On acquisition of software and laboratory equipment, the maintenance license for GEOSOFT and PETREL were acquired, while the procurement for one gravity meter and one Hawk analyzer was ongoing at bidding notice stage.

Challenge

- Inadequate staffing levels as most MEMD officials migrated to PAU and UNOC which had better remuneration terms.

Recommendation

- The MEMD should urgently follow up with Ministry of Public Service (MoPS) to fill the vacant positions.



L-R: A newly acquired GPS set; Ongoing works on the offices for the Petroleum Directorate and Petroleum Authority in Entebbe

Overall Programme Performance

The overall performance for the programme was fair at 65.7% (Table 3.12). The programme received UGX14.74bn (38.3%) as at 31st December 2019 and absorption was fair at 66.2%. The construction of phase-3 of the National Petroleum Data Repository, Laboratories and Offices for the Directorate of Petroleum and PAU was at 70%, but still behind schedule. The progress of the construction during the FY was very low.

**Table 3.12: Performance of the Petroleum Exploration, Development, Production, Value Addition and Distribution of Petroleum Products Programme as at 31st December, 2019**

Output	Annual Budget (Billion Ug shs)	Cum. Receipt (Billion Ug shs)	Physical performance Score (%)	Remark
Promotion of the country's petroleum potential and licensing	5.728	2.998	11.36	Approx. 200 line km of geophysical data and over 320sq km of geological and geochemical mapping undertaken in Moroto- Kadam Basin. 3 road shows were held in London, Houston and Dubai. Application for production licenses for Mpyo and Jobi East still under review.
Initiate and formulate petroleum policy and legislation	0.142	0.069	0.32	Populating the Monitoring and Evaluation database for the NOGP was at 50%. Draft terms of reference for coordination and consultancy services for RIA were in place.
Capacity building for the oil and gas sector	8.940	3.643	19.93	One staff member commenced a M.Sc. in International Energy studies. Three short courses were conducted, and three staff were hired.
Monitoring upstream petroleum activities	0.230	0.076	0.45	Ministry continued to supervise RAP for Tilenga and King Fisher and progress of RAP was at 70% and 95% respectively.
Participate in Regional Initiatives	2.430	1.192	5.79	One EAC preparatory meeting for EAPCE'21 held from Uganda. Two staff participated in a capacity building study visit to Equatorial Guinea.
Government buildings and administrative infrastructure	11.160	3.788	15.36	Construction of phase 3 of the National Petroleum Data Repository, Laboratories and Offices for the Directorate of Petroleum and PAU was at 70%. Maintenance of office buildings was undertaken.
Purchase of office and ICT equipment including software	3.800	1.950	7.69	Procurement of maintenance licenses for specialized software package, GEOSOFT and PETREL concluded.



Output	Annual Budget (Billion Ug shs)	Cum. Receipt (Billion Ug shs)	Physical performance Score (%)	Remark
Purchase of specialized machinery and equipment	6.000	1.000	4.67	Ongoing procurement for PPE, Hawk Analyzer and gravity meter. The department procured two (2) differential GPS sets.
Purchase of office and Residential furniture and fittings	0.100	0.025	0.10	No furniture procured.
Total	38.53	14.74		
Overall performance			65.7	

Source: IFMS, MEMD Q2 Reports, Field Findings

The Mineral Exploration, Development and Value-Addition Programme

The programme took up 2.5% of the MEMD vote budget. The programme is responsible for the functions under the mineral sector, which involves Mineral Exploration and Investment Promotion. To achieve this objective, the sub-sector undertakes collecting, collating, processing, analyzing, archiving and disseminating geo data, monitor and assist small scale miners and also enforce regulations in the sub-sector. The programme also undertakes airborne geophysical surveys to acquire airborne magnetic, radiometric and some electromagnetic covering the entire country.

The Programme outcome is to have sustainable management of mineral resources for economic development. It also aims at having increased value of mineral exports, increased value of mineral production and also increasing revenue from mineral rights.

The programme consists of the sub-programmes below;

- Uganda Geothermal Resources Department (1199)
- Mineral Wealth and Mining Infrastructure Development (1353)
- Design, Construction and Installation of Uganda National Infrasound Network/DCIIN (1392)
- Mineral Laboratories Equipping and Systems Development (1505)
- Airborne Geophysical Survey and Geological Mapping of Karamoja (1542)



3.2.10 Sub-Programme 1353: Mineral Wealth and Mining Infrastructure Development

Background

This sub-programme is housed under the Directorate of Geological Surveys and Mines (DGSM) that is composed of three (3) departments: Geological Surveys, Mines, and Geothermal Resources. The mineral sub-sector must deliver socio-economic transformation with inclusive economic growth in the development process. Since 2011-2014, at least 26.5% of the population has been employed directly and indirectly in the mineral sub-sector more especially as Artisanal and Small Scale Miners (ASM) and quarrying industrial minerals, such as salt, clay, sand, aggregates stones and slates (UBOS 2011, NDP-1).

Sub-Programme Performance

Financial Performance

The sub-programme budget for FY 2019/20 is UGX17.05bn of which UGX6.26bn was released and UGX2.77bn spent by 31st December 2019.

Physical performance

The sub-programme performance was good. Under Policy Formulation, 5 regional consultations on the Mining and Mineral Bill were undertaken in Kampala, Mbarara, Mubende, Tororo and Moroto. On the International Conference of Great Lakes' Region (ICGLR) certification, the regulations on regional certification mechanisms were completed and awaiting endorsement of by Ministry of Foreign Affairs.

On Mineral Exploration, a geological, geochemical and geophysical exploration for Uranium was undertaken in Sembabule District. Overall, 131 soil samples were collected in Boma, while 33 samples were collected in Lwensakala awaiting analysis with a portable XRF. The Rear Earth Elements (REE) exploration had not yet commenced because funds had not yet been released.

Under Licensing and Inspections, the online e-government mineral licensing system was launched on 1st October 2019. A total of 318 licenses were granted (245 exploration, 66 location licenses to ASMs, 6 mining leases⁴ and 1 retention license for Iron ore). Additionally, a total of 466 out of 675 mineral rights were reviewed. Furthermore, a total of 62 licenses was inspected (20 in Karamoja; 20 in Tororo, Busia, Kapchorwa; 40 in Western and South Western; Kilembe Mines and Sukulu Phosphate Project).

To promote health and safety of the artisanal miners, a gender awareness, health and safety campaign was undertaken and over 636 ASMs (78 in Amudat, 80 in Busia, 103 in Bushenyi, 105 in Gulu, 75 in Kaabong, 85 in Ntungamo and 110 in Wakiso) were trained as trainers of trainers on the biometric registration. Registration was scheduled to commence in February 2020. More to that, a total of 66 location licenses were granted to ASM registered groups.

4 2 for Limestone in Moroto; 1 for graphite in Orom, Kitgum; 1 for dimension stone in Mityana; 1 for marble in Moroto and 1 for Pozzolana in Kapchorwa.



On the establishment of regional beneficiation centres, the contract for construction for the Fort Portal office was awarded to BMK contractors and works commenced in August 2019 and were at 10% progress, whereas the construction work for Ntungamo office was being undertaken by Tecno 3 with works at 20% progress. The contract for purchase of land for the centre in Busia was awarded and procurement was awaiting clearance from the Solicitor General (SG).

Challenges

- Delay in execution of works due to inadequate staffing levels.
- Delayed procurement and approval processes.
- Low allocation of funds to the sub-programme which delayed commencement of works.

Recommendations

- The MEMD should follow up with Ministry of Public Service to fill the vacant positions.
- The MEMD should prioritize and allocate more funds to the sub-programme in a timely manner.

3.2.11 Sub-Programme 1392: Design, Construction and Installation of Uganda National Infrasound Network (DCIIN)

Background

The objectives of the project are to Design, Construct and Install Infrasound Network (DCIIN) in Uganda. An infrasound network consists of sensors that measure micro pressure changes in the atmosphere which are generated by the propagation of infrasonic waves created as a result of events such as nuclear explosion, storms, earthquakes, exploding volcanoes and meteors. The technology therefore has considerable potential for disaster prevention and mitigation through early warning. The project aims to:

- Establish Infrasound Network Infrastructure in line with the Uganda Vision 2040;
- Build human resources' capacity in infrasound research for social economic development and population's security.
- Enable vulnerable communities install corrective measure against lightning strikes; advise government on a comprehensive national strategy for adaptation and mitigation systems.

Overall budget for the sub-programme is UGX32bn and this is fully GoU funded.



Sub-Programme Performance

Financial Performance

The budget for the sub-programme for FY 2019/20 is UGX2.13bn, of which UGX0.45bn (21.1%) was released and UGX0.23bn spent by 31st December 2019.

Physical performance

The sub-programme performance was fair. Sensitization of stakeholders in vulnerable communities in districts affected by lightning in the North Eastern region was conducted. The mapping of lightning risk and impact in the vulnerable communities also continued. In that regard, the terms of reference for national strategy Uganda to mitigate the loss of school children by lightning were drafted.

On the establishment of the infrasound stations, construction of the Entebbe Infrasound Station continued while surveying other suitable sites for the stations in the forested zones commenced and land owners were identified. The land owners were being engaged to develop operational agreements and land access rights.

Challenges

- Inadequate staffing due to a number of unfilled vacancies in the Geological and Mines Department. Most staff were being shared among the three departments and this caused implementation of activities difficult.
- Commencement of some sub-programme activities was constrained by the low budget allocation.

Recommendations

- The MEMD should follow up with MoPS to urgently fill the vacant positions in the Ministry. These positions have been unfilled for a long time.
- The MEMD should prioritize funding to the Minerals sub-programmes.

3.2.12 Sub-Programme 1505: Mineral Laboratories Equipping and Systems Development

Background

The Government of Uganda has prioritized the mineral sector in the Second National Development Plan II (NDP II). The sub-programme therefore is meant to equip the minerals laboratories and develop systems for sustainable analytical and mineral value addition test services. Overall budget for the sub-programme is UGX24.115bn.

The expected outputs from the sub-programme include;

- Project administration and management in place
- Analytical and mineral value addition equipment, accessories and consumables



acquired

- Physical structure of the laboratories and systems to support the required analytical and value addition capacity remodeled and refurbished
- Training and Skills development in analytical and mineral value addition achieved
- Mechanisms put in place for the mineral laboratories to meet international standards (ISO Certification) and requirements for analytical and value addition laboratory testing
- Systems and capabilities to monitor analytical and mineral value addition operation put in place

Sub-Programme Performance

Financial Performance

The sub-programme budget for FY 2019/20 is UGX7.4bn, of which UGX1.23bn (16.6%) was released. However, absorption was poor at 34.1%.

Physical Performance

The sub-programme was fair. On Policy Formulation and Sensitization, the sub-programme developed the draft Safety Laboratory Policy and prepared the draft Regulatory Impact Assessment (RIA) for the National Mineral Laboratory Services Policy. Additionally, miners in Eastern Uganda, Isingiro and Ntungamo were sensitized on services available at mineral laboratories.

The Laboratory Information Management System (LIMS) was installed on the main DGSM server, and five (5) computer work stations for use by the LIMS were delivered.

A contract was awarded for minimal electrical installation works to improve earthing, lightning protection and cable sizes at laboratory points and works were ongoing. Once works are completed, the newly acquired ICP-OES, Planetary Ball Mill and the Bench top oven equipment will be installed.

On acquisition of laboratory equipment, the procurement for the mine water, carbon, sulfur and precious metal analysis equipment was ongoing at bid evaluation stage.

Challenges

- Delays in the procurement process hindered progress in implementation of sub-programme activities.
- Power supply problems within office and laboratory blocks of the DGSM damaged equipment in the past and made it impossible to install newly acquired equipment.

Recommendations

- The rewiring of the laboratory block to improve earthing, lightning protection and cable sizing should be expedited so as to install the newly acquired laboratory equipment.



Newly renovated laboratory building to house some of the new laboratory equipment

3.2.13 Sub-Programme 1542: Airborne Geophysical Survey and Geological Mapping of Karamoja

The Karamoja region is endowed with both metallic and industrial minerals due to diversity of its geology. The aim of the sub-programme is to carry out airborne geophysical surveys, geological mapping, geochemical sampling and mineral assessment of the region. This will guide the investment in mining activities to transform the wellbeing of the people of Karamoja for greater social and economic benefits.

The rest of the country (80%) was surveyed between 2004 and 2008. The sub-programme will complete the 20% of airborne geophysical and geological mapping through magnetic, radiometric, gravity and electromagnetic surveys.

The total budget for the sub-programme is UGX97,341bn and is scheduled to last three financial years (FY 2019/20 – FY 2021/22).

Sub-Programme Performance

Financial Performance

The budget for the sub-programme for FY 2019/20 is UGX12.00bn, of which UGX 2.28bn was released. Absorption was poor at 21.5%.

Physical Performance

The sub-programme performance was fair. Stakeholders were engaged in project promotion and sensitization to finalize the external financing arrangements and finalization of procurement under export credit terms and conditions. Training of key staff on technologies to be used in ground geochemical and geophysical mapping was also carried out.



Overall Performance of the Programme

The overall performance of the programme was fair at 66.2% (Table 3.13).

Table 3.13: Performance of the Mineral Exploration, Development and Value-Addition Programme as at 31st December, 2019

	Output	Annual Budget (Billion Ug shs)	Cum. Receipt (Billion Ug shs)	Physical performance Score (%)	Remark
Sub-Programme 1353: Mineral Wealth and Mining Infrastructure Development	Policy Formulation	1.100	0.588	2.401	5 regional consultations on the Mining and Minerals Bill were undertaken in Mbarara, Mubende, Moroto, Tororo and Kampala. Mining Regulation 2019 was published. Regulations on regional mineral certification mechanisms was finalised awaiting endorsement by Ministry of Foreign Affairs.
	Institutional Capacity for the Mineral Sector	2.770	1.792	6.103	2 information systems were upgraded (Online e-government mining cadastre and integrated geological and mining system). 3 staff trained at post graduate level.
	Mineral Exploration, Development, Production and Value Addition	1.275	0.482	2.622	Geological, geophysical and geochemical exploration for Uranium was undertaken in Sembabule District and 164 samples were collected for analysis. Brochures for mineral targets in Rwenzori, Kigezi, Karamoja, Bunyoro and Buganda regions among other was compiled.
	Health, Safety and Social Awareness for Miners	0.730	0.264	1.830	Gender, health and safety awareness undertaken in Kasanda District. Over 726 ASMs across the country were trained as trainers on biometric registration. Identification of land for pilot demonstration of environmental friendly mining methods initiated in Busia.
	Licensing and Inspection	1.380	0.483	3.066	E-government mineral licensing system was launched in October 2019. A total of 318 licenses were granted (245 exploration, 66 location to ASMs, 6 mining leases and 1 retention license). A total of 466 mineral rights reviewed out of 675. 82 licenses had been inspected by the first half of the financial year.



	Output	Annual Budget (Billion Ug shs)	Cum. Receipt (Billion Ug shs)	Physical performance Score (%)	Remark
	Contribution to International Organisation (SEAMIC)	0.400	0.152	0.545	Part payment for annual contributions remitted to AMGC to facilitate research, information sharing and promotion of Uganda's mineral sector.
	Acquisition of Land by Government	0.068	0.021	0.145	Procurement of land in Busia was concluded and contract signed. Surveying and titling was being done. Fencing of land in Ntungamo and Mbarara was also concluded.
	Government Buildings and Administrative Infrastructure.	3.461	2.106	5.159	Contract for mineral beneficiation centre in Fort Portal was awarded to BMK contractors and implementation commenced in August 2019, while the contract for mineral beneficiation centre for Ntungamo was awarded to Techno 3 and implementation commenced on 29th September, 2019.
	Purchase of Office and ICT Equipment, including Software	0.370	0.038	0.934	Voice and data components were procured and installed in the new building in Moroto.
	Purchase of Specialised Machine and Equipment	5.400	0.313	12.059	Procurement for drilling rig, drone, PXR, Motorised among others had just been initiated.
	Purchase of Office and Residential Furniture and Fittings	0.100	0.023	0.115	Procurement was initiated.
Sub-Programme 1392: Design, Construction and Installation of Uganda National Infrasound Network (DCIIN)	Policy Formulation	0.045	0.020	0.079	Meetings were held with policy makers on adaptation and mitigation technologies against loss of life and property due to lightning.



	Output	Annual Budget (Billion Ug shs)	Cum. Receipt (Billion Ug shs)	Physical performance Score (%)	Remark
	Institutional Capacity for the Mineral Sector	0.045	0.014	0.038	Procurement for infrasound technology training centre was initiated.
	Mineral Exploration, Development, Production and Value Addition	0.129	0.061	0.246	The surveying of the suitable sites for the infrasound stations in forested zones was initiated and owners of land were identified. Scientific research on detection of low frequency infrasound signals from sources was initiated
	Health, Safety and Social Awareness for Miners	0.050	0.015	0.128	The project initiated the drafting of terms of reference for national strategy Uganda to mitigate the loss of school children by lightning.
	Licensing and Inspection	0.040	0.012	0.102	The project supported the sensitization of stakeholders in vulnerable communities affected districts affected by lightning in North Eastern Uganda.
	Acquisition of Land by Government	0.050	0.011	0.086	The project continued to engage the landowners to develop operations agreements and land access for construction installation of infrasound network.
	Government Buildings and Administrative Infrastructure.	0.200	0.061	0.170	Procurement of the equipment was initiated.
	Purchase of Office and ICT Equipment, including Software	0.040	0.009	0.069	Procurement was ongoing.
	Purchase of Specialised Machine and Equipment	1.500	0.239	2.680	Reinitiated the procurement of specialised equipment for infrasound network.



	Output	Annual Budget (Billion Ug shs)	Cum. Receipt (Billion Ug shs)	Physical performance Score (%)	Remark
	Purchase of Office and Residential Furniture and Fittings	0.030	0.007	0.052	The project set up a data centre to equip infrasound training Centre Facilities for Geophysical Research.
Sub-Programme 1505: Mineral Laboratories Equip- ping and Systems Development	Policy For- mulation	0.080	0.045	0.149	Draft Laboratory Safety Policy devel- oped. The draft Regulatory Impact Assessment (RIA) for National Mineral Laboratory Services policy was also pre- pared.
	Institution- al Capac- ity for the Mineral Sector	0.725	0.335	1.626	5 computer workstations for LIMS were procured. LIMS was installed on the DGSM server. Contract for minimal electrical wiring on the laboratory was awarded. Procurement for new laborato- ry equipment and repair of faulty equip- ment was ongoing.
	Mineral Explo- ration, Devel- opment, Production and Value Addition	0.519	0.252	1.190	Contract for supply of American So- ciety for Testing and Materials (ASTM) standards was signed. 4 laboratory staff trained on good laboratory practice and ISO/IEC 17025:2017 requirements
	Health, Safety and Social Awareness for Miners	0.208	0.106	0.211	Miners in eastern Uganda, Isingiro and Ntungamo were sensitized on services available at mineral laboratories.
	Contri- bution to Interna- tional Or- ganisation (SEAMIC)	0.030	0.011	0.051	Technical staff were trained in validation methods by Kenya Accreditation Ser- vices (KENAS) in Mombasa, Kenya
	Govern- ment Buildings and Ad- ministrative Infra- structure.	0.600	0.233	1.200	Procurement was initiated and evalu- ation of interest for design of new labo- ratory building. Contract for minimal electrical installation works to improve earthing was awarded.
	Purchase of Office and ICT Equip- ment, including Software	0.358	0.172	0.773	Procurement was initiated and Local Purchase Order for supply of ICT equip- ment was prepared.



	Output	Annual Budget (Billion Ug shs)	Cum. Receipt (Billion Ug shs)	Physical performance Score (%)	Remark
	Purchase of Specialised Machine and Equipment	4.830	0.056	12.518	Procurement for supply and installation of cathode lamps and mineral beneficiation test and exploration equipment was initiated at bids evaluation stage.
	Purchase of Office and Residential Furniture and Fittings	0.050	0.015	0.000	The specifications for office furniture and fittings (curtains blinds among others) were prepared.
Sub-Programme 1542: Airborne Geophysical Survey and Geological Mapping of Karamoja	Mineral Exploration, Development, Production and Value Addition Promoted	12.000	2.275	9.843	Project carried out stakeholder consultation and promotion of the project to the legislators. Technical and key staff were trained in ground geological, geochemical, and geophysical mapping. Sensitivity analysis in preparation for a full scale security framework for the project was carried out.
	Total	38.583	10.213		
	Overall Performance			66.2	

Source: IFMS, MEMD Q2 Report, Field Findings

3.3 Vote 123- Rural Energy Electrification Agency (REA)

The REA is mandated to facilitate provision of electricity for socio-economic and rural transformation in an equitable and sustainable manner. The medium term goal of REA is to achieve 26% rural electrification by June 2022.

Overall Performance

REA Financial performance

The Vote took up to 35.3% of the sector budget for FY 2019/20 compared to 27.5% in FY 2018/19. 42.6% of the budget was released by 31st December 2019, and 55.2% of released funds were spent (table 3.14).

**Table 3.14: REA Vote Financial Performance by 31st December, 2019**

		Approved budget (Ug shs billion)	Release (Ug shs billion)	Expenditure (Ug shs billion)	% Budget released	% Budget spent	% Releases Spent
Recurrent budget	Wage	15.813	7.907	5.410	50.0	34.2	68.4
	Non-wage	22.802	9.696	6.892	42.5	30.2	71.1
Dev't budget	GoU	128.139	43.592	32.513	34.0	25.4	74.6
	Ext. Fin	894.088	391.184	204.739	43.8	22.9	52.3
GOU Total		166.755	61.195	44.815	36.7	26.9	73.2
Total GoU + Ext Fin(MTEF)		1,060.843	452.379	249.554	42.6	23.5	55.2
Arrears		0.000	0.000	0.000	0.0	0.0	0.0
Total Budget		1,060.843	452.379	249.554	42.6	23.5	55.2
A.I.A Total		0.000	0.000	0.000	0.0	0.0	0.0
Grand Total		1,060.843	452.379	249.554	42.6	23.5	55.2
Total Vote Budget Excluding Arrears		1,060.843	452.379	249.554	42.6	23.5	55.2

Source: Approved Budget Estimates FY2019/20

The Rural Electrification Programme

The programme aims at achieving universal access to electricity by 2040. It also works in line with the Rural Electricity Strategic Plan II (2013-2022) which aims at increasing electricity access to 26% by June 2022, and displacement of kerosene lighting in all rural Ugandan homes by 2030. The sub-programme consists of six sub-programmes namely;

- The Rural Electrification sub-programme (1262)
- Grid Rural Electrification Project IDB I – Rural Electrification sub-programme (1354)
- Energy for Rural Transformation (ERT) Phase III sub-programme (1428)
- Construction of the 33KV Distribution Lines in Kayunga, Kamuli and Kalungu Service Stations (1516)
- Bridging the demand gap through the accelerated rural electrification Programme/ TBEA sub-programme (1517)
- Uganda Rural Electrification Access Project /UREAP sub-programme (1518)

3.3.1 Sub-Programme 1262: Rural Electrification Project

The sub-programme contributes to the objectives of the Rural Electricity Strategic Plan II (RESP II) by undertaking construction of rural electrification projects. It is jointly funded by GoU and Development partners who include Islamic Development Bank (IDB), Saudi Fund for Development (SFD), The World Bank (IDA), Arab Bank for Economic Development in Africa (BADEA), OPEC Fund for International Development (OFID) French Agency for Development (AFD), Africa Development Bank (AfDB) and Kuwait Fund for Arab Economic Development.



Sub-Programme Performance

Financial Performance

The sub-programme budget for the FY 2019/20 is UGX 396.23bn (UGX124.14bn as GoU and UGX 272.09bn external financing). The GoU and donor releases were at UGX 43.59bn (35.1%) and UGX 114.02bn (41.9%) respectively. The GoU funds absorption was good at 74.6%, while donor absorption was fair at 52.9%.

Physical Performance

The sub-programme performance was fair. A total of 496.0km of medium voltage and 434.2kms of low voltage lines were constructed in the first half of the FY 2019/20.

Under Islamic Development Bank (IDB) financing, the IDB II lot 3a projects in the districts of Tororo were completed and commissioned, while works in Lira, Dokolo and Kole were in advanced stages. Under IDB II Lot 3b in Western and South western (Kyenjojo, Mitooma, Kabarole, Rubirizi, Mbarara, Isingiro, Ntungamo), pole erection was nearing completion and stringing was ongoing. However, the IDB II lo 3b works were still behind schedule and had not made significant progress in the first half of this FY 2019/20.

Schemes under IDB III Lots 1-6 that were being implemented countrywide were also in advanced stages. The construction works were completed and schemes commissioned for funding under IDB III lots 1, 2, 3 in the Western (Hoima, Kibaale, Kagadi, Kenjojo, Kabarole, Bunyangabu, Kasese), South western (Sheema, Bushenyi, Kabale, Rubanda, Rukiga, Kisoro), Central (Mityana, Kyegegwa) and Northern (Lira, Gulu, Kitgum, Lamwo, Dokolo, Amolatar) regions of the country. Additionally, works under IDB III lots 3, 4 and 6 were nearing completion in the different districts in central, western and eastern regions of the country.

Under Kuwait Fund for Arab Economic Development, works in the districts of Kiryandongo, Gulu, Nebbi, Kibaale, Kagadi, Bushenyi, Mitooma, Rukungiri and Kasese had started and pole erection was ongoing in most of the areas.

The schemes under GoU funding Lots 1-8 had started. The engineering designs for schemes under GoU lots 2, 3, 4, 6, 7 and 8 were completed, while the surveying works for lot 1 in Mityana and Kassanda was ongoing. In addition, pole erection under GoU lot 5 for districts in the eastern region was ongoing.

Challenges

- Delayed procurement and delivery of key materials such as poles hindered progress of works in the western region.
- The rate of connection by communities to the completed schemes was very low due to stock out of key connection materials.



Recommendations

- The REA should fast track delivery of key materials to project sites.
- The MEMD and REA should support service providers in stocking of connection materials



L-R: Pole dressing works by Tetra Technical Services Contractors in Omodoi, Serere; A completed and commissioned scheme in Bugongi Upper Village, Kabale District



L-R: Completed electricity extension scheme in Kabwohe, Sheema District; Completed electricity extension scheme in at Dwaniro Sub county headquarters and Health Center in Kiboga District

3.4 Sub-Programme 1354: Grid Rural Electrification Project IDB I

Background

The sub-programme is financed by the Islamic Development Bank and it aims at promoting sustainable economic growth and improving the standard of living of the rural population in Northern Eastern Region of Uganda by providing access to electricity through extending the national grid. The project will construct 293km of Medium Voltage lines, 45km of Low Voltage lines and install 49 distribution transformers to serve 56 trading centers with a target of over 1,000 last mile connections at commissioning.



Sub-Programme Performance

Financial Performance

The budget for the sub-programme for FY 2019/20 is UGX18.71bn, of which UGX16.71bn (89.3%) was released and absorption of funds was good at 72.0%

Physical Performance

The sub-programme performance was fair. Progress of construction works was at 73%. Under IDB I lot 3 in Moroto, Nakapiripitt, Amudat and Nabilatuk, works were at 71% and pole erection was in advanced stages in in most of the areas, while works under IDB I lot 4 in Kotido, Moroto and Abim were at 75% progress.

Challenges

- Heavy rains made roads impassable thus slowing works.
- Construction works on some project sites was halted due to the insecurity in the region.

3.4.1 Sub-Programme 1428: Energy for Rural Transformation (ERT) Phase III

The objective of the Third Phase of the Energy for Rural Transformation Program Project is to increase access to electricity in rural areas of Uganda. The funding for the project is through a loan from the World Bank (IDA) to a tune of US\$135 million and a grant from the Global Environment Facility (GEF) Trust Fund of US\$ 8.2 million. There are three components to the project:

- On-grid energy access:** This component includes four sub-components: Grid extension and associated connections; Grid intensification and associated connections; Household connections from existing lines; and Implementation support for on-grid energy access. Beneficiary areas will include West Nile, North-western, Central-North, Eastern, Central, Rwenzori, Mid-Western and South Western service territories of Uganda.
- Off-grid energy access:** This component covers off-grid energy access, including the installation of solar PV systems for public institutions in rural areas; business development support; provision of credit facilities to enhance electricity access; and quality standards enforcement support.
- Institutional strengthening and impacts monitoring:** This component will finance transaction advisor (TA) and capacity development required to accelerate electricity access. It will also support the Government to carry out an impact monitoring and evaluation of ERT-2. TA provided under this component will finance the necessary consultancy services, capacity building activities, and operations costs. This component will be implemented by the MEMD, in collaboration with the ERA, and the MFPED.



Sub-Programme Performance

Financial Performance

The sub-programme budget for FY 2019/20 is UGX70.45bn. All the donor funds budget for this FY were released and 59.4% of released funds absorbed.

Physical Performance

The sub-programme performance was fair. Under Lot 1 for Kiganda – Mile 16, pole erection was at 95% and conductor stringing was ongoing. All distribution transformers and the metering unit were delivered, but not yet installed. However delivery of the conductors was at 56% and Line switch gear at 68%. Delivery of materials was being affected by the outbreak of the Corona Virus in China.

Under Lot 2 for Ruhumba – Kashwa, Construction works were ongoing. Pole erection was at 80%, conductor stringing at 63% and 80% of materials were delivered. However, works halted in some areas awaiting approval of valuation reports by the CGV to enable REA effect compensation to the PAPs.

The procurement of other lots was ongoing.

Challenges

- Delivery of materials was slowed down by the outbreak of Corona Virus in China.
- Delayed procurement processes hindered project commencement.

Recommendation

- The REA should be more vigilant in following up on actions that were requested by the World Bank to expedite the procurement process.

3.4.2 Sub-Programme: 1516 Construction of the 33KV Distribution Lines in Kayunga, Kamuli and Kalungu Service Stations

The sub-programme is jointly financed by GoU, Arab Bank for Economic Development in Africa (BADEA), OPEC Fund for International Development (OFID) and Abu Dhabi Fund for International development. The sub-programme aims at providing electricity to around 123 villages with a total of 51,033 customers (46,881 households, 2,429 commercial centers and 1,723 Government, health and educational centers). A total of 1,064km of Medium Voltage, 834km of Low Voltage will be constructed and 350 distribution transformers installed with a target of 50,000 initial last mile connections at commissioning.



Sub-Programme Performance

Financial Performance

The sub-programme budget for FY 2019/20 is UGX50.19bn, of which UGX35.63bn was released and UGX30.6bn expended by 31st December, 2019.

Physical Performance

The original scope for schemes under BADEA and OFID funding in Kayunga, Mukono, Buikwe, Mukono and Jinja was completed and under Defects Liability Period (DLP). The variation works in these districts had an overall progress of 70%.

Under Abu Dhabi financing, overall progress was at 23%. Pole erection was ongoing in lot 1 in Kalungu, while the route line surveys and engineering designs for lot 2 schemes in Masaka, Lwengo, Sembabule, Lyantonde, Bukomansimbi and Kiruhura were completed.

3.4.3 Sub-Programme 1518: Uganda Rural Electrification Access Project (UREAP)

The sub-programme is jointly funded by GoU and African Development Bank (AfDB) and aims at promoting sustainable economic growth and improving standards of living of rural communities in Central, Eastern, North Eastern, North Western, Central North and North Western in the districts of Nakasongola, Luwero, Kalangala Island, Kiryandongo, Serere, Soroti, Ngora, Bukedea, Alebtong, Amuria, Kaliro, Iganga, Luuka, Gulu and Nwoya.

The projects aims at constructing 1,427km of medium voltage lines, 1,170.7km of low voltage lines and installation of 500 transformers and a 33kV submarine cable to connected Bugala Island in Kalangala District to the main grid. The project also targets 10,739 last mile connections at commissioning.

Sub-Programme Performance

Financial Performance

The budget for the sub-programme for FY 2019/20 is UGX198.87bn, of which UGX 78.44bn (39.4%) was released as at 31st December 2019 and absorption was poor at 38.7%.

Physical Performance

The sub-programme performance was poor. Construction works for lot 1 in Nakasongola, lot 2 in Luwero, lot 3 in Alebtong, lot 4 in Kaliro, lot 6 in Kalangala had not yet started. Engineering designs and surveys were ongoing.

Under lot 5 in Luuka District, construction works had commenced and pole erection in Bukanga and Waibuga sub-counties was ongoing at 40% progress.



Challenges

- Delayed mobilization of project teams led to delayed commencement of works and thus poor absorption.
- Difficulty in acquiring line corridors by the affected communities leading to frequent line diversions and this affected the progress of works.
- Delivery of key project materials from Wuhan Province, China was affected by the travel ban due to the outbreak of Corona Virus.

Recommendations

- The REA should follow up with the contractor to ensure faster mobilisation of project teams.
- The REA should conduct and engage the project affected communities more.



Pole erection works at Bumana trading center, Luuka District

The progress status of the monitored rural electrification projects under the rural electrification programme is summarized in table 3.15.

**Table 3.15: Status of Monitored Rural Electrification Schemes by 31st December, 2019**

Scheme	Status
Schemes under AfDB Funding	
AfDB Lot 5 Contract Sum: USD 4,205,622.85 Contractor: China Henan International Cooperation Co. Ltd	
Luuka Namadope – Mawuno	HV pole erection was completed, with LV pole erection ongoing at 40%. 5 transformers will be installed in the villages of Butimbwa, Namadope, Bukodyo, Kakumbi and Mawuno.
Buwala – Bugaga and Bugomba	HV pole erection was ongoing at 70% progress, while LV pole erection had not yet started. 11 transformers will be installed in the different villages in Bukanga sub-county.
Kyamawundo – Buwiri and Itakaibolu	HV pole erection was ongoing at 70%, and Lv pit excavation was ongoing.
Bugweri	Construction works in Bugweri had not begun pending design approvals by REA.
Schemes under KUWAIT funding	
Lot 1 Contract Sum: USD 9,048,467.18 Contractors: Ontrack Technical Services Limited	
Kibaale	
Buruuko – Kyabacwamba – Karuuko – Kinunda – Kiriisa – Kitaihuka – Kiinga – Kiramago – Kyamujundo	HV and LV pole erection was ongoing.
Nebbi	
Kangu – Ocanya – Alamwa TCs	HV pole erection was ongoing.
Kasese	
Kabirizi – Kihenge – Kanyonya – Kyarumba Karusanda – Kibuga	Surveying and pegging was ongoing.
Schemes under GoU Funding	
GoU Lot 2 Contract Sum: UGX 10,586,415,432.58 Contractor: Global Komolo JV	
Rakai Kageye TC in Kooki Subcounty Kiyozza TC in Kooki Subcounty	Surveying of the schemes was ongoing. Line construction works had not started.
Gomba Transformer installations in Gomba NEC Farm Katonga, Kisozi	Pole erection and pit excavation was ongoing.

Source: Field Findings

Overall Performance of the Rural Electrification Programme

The overall performance of the programme was good at 72.6% (Table 3.16). The release of funds was at 42.9% and absorption was fair at 54.1%. Works under IDB III lot 1 in Western and South western regions were completed and schemes commissioned. Several works were in advanced stages and these included schemes under IDB III lots 2 –6 countrywide, and



IDB II lot 3a in Northern and Eastern region. Works under IDB II lot 3b in western and south western registered slow progress, while material delivery for schemes under ERT III, IDB I in Karamoja and AfDB in Luuka was delayed by the travel ban due to the outbreak of corona virus in China.

Table 3.16: Performance of the Rural Electrification Programme as at 31st December, 2019

	Output / Sub-programmes	Annual Budget (billion Ug shs)	Cum. Receipt (billion Ug shs)	Physical performance Score (%)	Remarks
Sub-programme 1262: Rural Electrification Project	Construction of Medium voltage (MV) lines	237.737	94.566	27.67	A total of 496.0km of medium voltage and 434.2kms of low voltage lines were constructed. Under IDB II lot 3a funding, projects in the districts of Tororo were completed and commissioned, while works in Lira, Dokolo and Kole were in advanced stages. IDB I lot 3b were behind schedule. IDB III Lot 1 schemes were commissioned, while IDB III lots 2-6 were in advanced stages. Kuwait and GoU funded scheme had started but were in the early stages of pole erection.
	Construction of Low voltage (LV) lines	158.492	63.044	15.73	
Sub-programme 1354: Grid Rural Electrification Project IDB I - Rural Electrification	Construction of Medium voltage (MV) lines	11.226	10.026	1.52	Overall progress was at 73%. IDB I lot 3 schemes in Moroto, Nakapiripitt, Amudat and Nabilatuk, works were at 71% while IDB I lot 4 schemes in Kotido, Moroto and Abim were at 75% progress.
	Construction of Low voltage (LV) lines	7.484	6.684	1.02	
Sub-programme 1428: Energy for Rural Transformation (ERT) Phase III	Construction of Medium voltage (MV) lines	42.270	42.270	1.44	Pole erection was ongoing for ERT III lot 1 schemes in Kiganda -Mile 16 and lot 2 schemes in Ruhumba - Kashwa. Procurement for other lots was in progress.
	Construction of Low voltage (LV) lines	28.180	28.180	1.53	
Sub-programme 1516: Construction of the 33KV Distribution Lines in Kayunga, Kamuli and Kalungu Service Stations	Construction of Medium voltage (MV) lines	30.114	21.378	4.04	The original scope for schemes under BADEA and OFID funding in Kayunga, Mukono, Buikwe, Mukono and Jinja were completed and under Defects Liability Period (DLP) and variation works were at 70% progress. Additionally, Abu Dhabi funded schemes in Kalungu, Masaka, Lwengo, Sembabule, Lyantonde, Bukomansimbi and Kiruhura were at 23% progress.
	Construction of Low voltage (LV) lines	20.076	14.252	2.70	



	Output / Sub-programmes	Annual Budget (billion Ug shs)	Cum. Receipt (billion Ug shs)	Physical performance Score (%)	Remarks
Sub- Programme : 1518 Uganda Rural Electrification Access Project (UREAP)	Construction of Medium voltage (MV) lines	119.322	47.064	11.84	Under lot 5 in Luuka, pole erection was at 40%. Under lot 1 in Nakasongola, lot 2 in Luwero, lot 3 in Alebtong, lot 4 in Kaliro, lot 6 in Kalangala, engineering designs and surveys were ongoing.
	Construction of Low voltage (LV) lines	79.548	31.376	5.15	
	Total	734.449	358.840	72.64	

Source: REA Q2 Reports, Field findings

Challenges

- The slow pace of procurement within the sector continues to affect the performance, as several projects under REA had not commenced due to delayed procurement.
- Delays in delivery of material affected progress of works in the western and south western regions.
- The rate of connection on the completed schemes was low despite the rolling out of the free connections policy. This was due to stock out of connection materials by the service providers.

Recommendations

- The REA should enhance staffing levels for project implementation, and ensure better follow up of the required processes necessary to conclude project activities.
- The REA should support contractors in timely delivery of project materials.
- The MEMD and REA should support the service providers in the stocking of connection materials.

Overall Vote Performance

The Overall Vote performance was good at 72.6%. The vote budget for FY 2019/20 is UGX1,060.84bn, of which UGX452.38bn (42.6%) was released by 31st December, 2019. Absorption of funds was fair at 55.2%. Several schemes were completed in the different districts countrywide but the number of connections to these new schemes was low due to the inability by service providers to stock connection materials. Other works financed by GoU, Kuwait and Abu Dhabi had commenced and were progressing. Additionally, pole erection for the ERT III fast tracked lots was ongoing while procurement for other lots was ongoing.



CHAPTER 4: CONCLUSION AND RECOMMENDATIONS

Conclusion

The overall performance of the sector was fair at 65.9%. The sector performance did not register improvement compared to that achieved in the FY2018/19. The Large Hydro Infrastructure Programme and the Rural Electrification Programme were the only ones to exhibit good performance. The Energy Planning, Management and Infrastructure Development Programme performed poorly due to the slow works on most of the transmission projects under implementation.

Some of the major constraints that affected sector performance were;

- Difficulty in acquisition of wayleaves for the construction of transmission and rural electrification infrastructure.
- Delayed conclusion of procurement due to inefficiency in the Procurement and Disposal Units (PDUs) of the various votes and subventions in the sector.
- Inadequate staffing levels in some of the sector directorates due to unfilled staffing structures and mass exodus of staff from MEMD to better paying sector agencies. This is evidenced by the poor contract management observed on some of the ongoing projects.
- Inadequate funding to some sub-programmes because of non-prioritization in the budget allocation within the sectors.

Recommendations

- The UETCL should be supported by other Government departments (CGV), Local Governments, Administrator General's Office, the Courts of Judicature, National Forestry Authority (NFA) and the National Environmental Management Authority) to resolve the various impediments to timely acquisition of the planned transmission line corridors.
- The capacity of the PDUs should be enhanced especially in their ability to manage the large volume of procurement in the sector, most of which are works in nature and the staffing levels of the PDUs should be enhanced to match the increasing work load.
- The MEMD should follow up with the concerned departments at the MoPS to have the required staffing structure filled, to avoid overstressing the few existing staff members.
- The sector working group should undertake allocation of resources to projects and departments in a way that reflects the priorities of the sector so that key activities and outputs are not underfunded.
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