



# MINERAL DEVELOPMENT PROGRAMME

## Semi-Annual Budget Monitoring Report

Financial Year 2024/25

May 2025

Budget Monitoring and Accountability Unit  
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## ABBREVIATIONS AND ACRONYMS

ACEMP	Africa Centre for Energy and Mineral Policy
ASM	Artisanal and Small-Scale Miners
BGR	German Federal Institute for Geosciences and Natural Resources
BMAU	Budget Monitoring and Accountability Unit
DGSM	Directorate of Geological Surveys and Mines
DRMS	Domestic Revenue Mobilisation Strategy
EAGER	East African Geothermal Energy Resources
ERA	Electricity Regulatory Authority
ESIA	Environmental Social Impact Assessment
GIS	Geographical Information System
GMIS	Geological and Mineral Information System
GoU	Government of Uganda
HSE	Health, Safety and Environment
ICGLR	International Conference on the Great Lakes Region
ICP-EOS	Inductively Coupled Plasma Optical Emission Spectrometry
IFMS	Integrated Financial Management System
ISO	International Organization for Standardization
LMIS	Laboratory Management Information System
MCRS	Mineral Cadastre and Registry System
MDAs	Ministries, Departments and Agencies
MEMD	Ministry of Energy and Mineral Development
MoFPED	Ministry of Finance, Planning and Economic Development
MoJCA	Ministry of Justice and Constitutional Affairs
MLHUD	Ministry of Lands, Housing and Urban Development
MPS	Ministerial Policy Statement
MW	Megawatts
MWAMID	Mineral Wealth and Mining Infrastructure Development
NEMA	National Environment Management Authority
NDP	National Development Plan
OSH	Occupational Safety and Health
PBS	Programme Budgeting Software
PGM	Platinum Group Minerals
PIP	Public Investment Plan
PPE	Personal Protective Equipment
REE	Rare Earth Element
SEAMIC	Southern and Eastern Africa Mineral Centre
SDR	Special Drawing Rights
SMRF	Strategic Minerals Research Facility
TGH	Temperature Gradient Holes
UIA	Uganda Investment Authority
UNBS	Uganda National Bureau of Standards



## FOREWORD

At the start of the Financial Year 2024/25, the Government of Uganda outlined strategies to restore the economy back to the medium-term growth path with the ultimate vision of a self-sustaining, integrated economy. The strategy emphasized accelerating commercial agriculture, fostering industrialization, and expanding both service sectors and digital transformation. Key areas of focus included enhancing market access and leveraging technological advancements to drive economic growth.

The strategic interventions that were prioritized under various programmes included: roads under Integrated Transport and Infrastructure Services; electricity under the Sustainable Energy Development; irrigation under Agro-Industrialization; Industrial parks under Manufacturing; support to medical schools and science-based research and development under Human Capital Development; as well as oil and gas among others.

Semi-Annual programme assessments were made, and it was established that performance was fairly good. This implies that programmes are on track, but with a lot of improvements required. These monitoring findings form a very important building block upon which programmes can commence the reflective exercises.

The government has embarked on the 10-fold growth strategy that demands for enhanced efficiency and effectiveness within programmes. We cannot afford to have fair performance scores hence forth, as this will jeopardize the prospects of doubling the economic growth rates in the medium term.

Ramathan Ggoobi

**Permanent Secretary/ Secretary to the Treasury**





## EXECUTIVE SUMMARY

The overall semi-annual performance of the Mineral Development Programme for this FY 2024/25 was fair, at 59.7%. The programme budget is US\$ 46.06 billion, of which US\$ 23.12 billion was released and US\$ 19.61 billion spent. The Non-Tax Revenue (NTR) collected was US\$ 15.84 billion and the value of mineral production was US\$ 60.33 billion as at 31st December 2024.

### Performance

The formalisation of Artisanal Small-Scale Miners (ASMs) continued with the second phase of the biometric registration, showing good progress. A total of 1,312 ASMs (1,133 males, 179 females) were registered (87% of the semi-annual target) in Mwerasandu and Rwengoma mine sites, Ntungamo district. A total of 2,277 ASMs were also sensitised on best mining practices.

To enhance mineral production through the regulation of artisanal mining activities, the Ministry of Energy and Mineral Development (MEMD) was in the process of drafting regulations to enable operationalisation of the Mining and Minerals Act 2022. Countrywide stakeholder engagements were carried out. In the same vein, stakeholder consultation on the Building Substances Bill, which aims to regulate miners of building substances at large scale, were concluded and the bill was awaiting approval by the Attorney General.

As part of licensing and regulation, 205 licences were granted and 10 inspectors were recruited. The NTR from the issued licences and the royalty payments arising from the mining and inspection activities was US\$ 15.84 billion, surpassing the semi-annual target of US\$ 8 billion. The mineral production value stood at US\$ 60.33 billion, majorly from iron ore and limestone.

MEMD also undertook further exploration of mineral potential. Under the Karamoja Airborne Geographical Survey Project, data acquisition for phases one and two was completed using the gravity, magnetic and radiometric techniques. The phase three data interpretation from the magnetic, radiometric and gravity surveys was ongoing, and the electromagnetic surveys were completed. The pending activities included geochemical and geological mapping. The progress was affected by low counterpart funding to conclude the phase three activities.

To aid in the analysis of collected samples from the exploration activities, two regional centres were constructed in Fort Portal and Ntungamo, with some IT equipment and furniture delivered. However, the centres were not yet operationalised, pending the recruitment of staff and acquisition of additional key equipment. Progress was affected by inadequate funds.

The development of mineral processing facilities for the explored regions showed poor progress. MEMD was in the process of negotiating the Model Mineral Production Sharing Agreement (MPSA) with the developer for revamping the Kilembe Mines. The mining and production of phosphate fertiliser in Sukulu, Tororo, also commenced and the supervision of the Wagagai Gold and Makuutu Rare Earth Projects continued, with the rare earth elements (REE) deposits in Bugiri, Bugweri, and Mayuge Districts estimated at 640 million tonnes.

Under the Mineral Infrastructure Development Project, the sites for installation of six (6) weighbridges were identified in Bulambuli, Sironko, Katakwi and Napak Districts and the



designs/geotechnical investigations were also completed. The procurement of land for the installation of two of the weighbridges in Buyaga, Bulambuli, and Lorengechorwa, Napak was awaiting the availability of funds. Twelve more sites earmarked for weighbridge installation were mapped in other areas with bulk minerals (marble, pozzolana) across the country and the lawful landowners identified. The valuation process by the Chief Government Valuer was ongoing.

### **Challenges**

- Low funding to the Mineral Development Programme is affecting the ability to undertake important activities such as the installation of weighbridges, inspection, and acquisition of the necessary equipment/software, which are required to better regulate the sector and undertake further minerals exploration.

### **Recommendations**

- MEMD should prioritise funding to the Mineral Development Programme so that the relevant departments are adequately equipped, staffed and facilitated to undertake further mineral exploration and regulation.
- The Government should focus on attracting large-scale mining companies so that there is increased investment in the sector. This will create more jobs and also increase the revenue from the mining sector.



## CHAPTER 1: BACKGROUND

### 1.1 Background

The mission of the Ministry of Finance, Planning and Economic Development (MFPED) is: *“To formulate sound economic policies, maximize revenue mobilization, and ensure efficient allocation and accountability for public resources so as to achieve the most rapid and sustainable economic growth and development.”*

MoFPED, through its Budget Monitoring and Accountability Unit (BMAU), tracks the implementation of programmes/projects by observing how values of different financial and physical indicators change over time against stated goals, indicators and targets (how things are working). The BMAU work is aligned with budget execution, accountability, and service delivery.

Commencing with FY 2021/22, BMAU began undertaking Programme-Based Monitoring to assess performance against targets in the Programme Implementation Action Plans (PIAPs)/Ministerial Policy Statements. Semi-annual and annual field monitoring of Government programmes and projects was undertaken to verify the receipt and expenditure of funds by the user entities and beneficiaries, the outputs and intermediate outcomes achieved, and the level of gender and equity compliance in the budget execution processes. The monitoring also reviewed the level of cohesion between sub-programmes and implementation challenges.

The monitoring covered the following programmes: Agro-Industrialisation; Community Mobilisation and Mindset Change; Digital Transformation; Human Capital Development; Innovation, Technology Development and Transfer; Integrated Transport Infrastructure and Services; Manufacturing; Mineral Development; Natural Resources, Environment, Climate Change, Land and Water Management; Public Sector Transformation; Sustainable Development of Petroleum Resources; and Sustainable Energy Development.

This report presents findings from the semi-annual monitoring of selected interventions under the Mineral Development Programme for the budget execution period from 1st July 2024 to 31st December 2024.

### 1.2 Programme Goal and Objectives

The Mineral Development Programme contributes to the first objective of the National Development Plan (NDP III), which is to “Enhance Value Addition in Key Growth Opportunities”. The goal of this programme is to increase the exploitation and value addition to selected resources for job-rich industrialisation. Its objectives are to:

1. Increase the exploration and quantification of priority minerals and geothermal resources across the country;
2. Increase the adoption and use of appropriate and affordable technology along the value chain;
3. Increase investment in mining and value addition;
4. Expand mineral-based processing and marketing; and
5. Strengthen the legal and regulatory framework as well as the human and institutional capacity.



### **1.3 Programme Sub-Programme**

The Mineral Development Programme is comprised of one sub-programme – Mineral Exploration, Development and Value Addition.

The lead entity for the implementation of this programme is the Ministry of Energy and Mineral Development (MEMD). Other key Ministries, Departments and Agencies (MDAs) include the National Environmental Management Authority (NEMA), the Ministry of Trade and Industry (MoTIC), the Ministry of Works and Transport (MoWT), and Uganda Investment Authority (UIA).

### **1.4 Programme Outcomes**

The programme outcomes are: i) Increased investment in the sector; ii) Increased contribution of the mineral sector to GDP; and iii) A competitive mining sector.



## CHAPTER 2: METHODOLOGY

### 2.1 Scope

This monitoring report is based on selected interventions in the Mineral Development Programme. The monitoring covered interventions implemented during the first half of FY 2024/25.

Monitoring involved the analysis and tracking of inputs, activities, processes, and outputs in the Ministerial Policy Statements and Annual and Quarterly Work Plans, progress and performance reports of MEMD.

A total of seven (7) interventions were reviewed. The monitored interventions translated into 91.2% coverage of the approved budget for FY2024/25.

The selection of interventions to monitor was based on the following criteria:

- 1) Significant contribution to the programme objectives and national priorities.
- 2) Levels of investment, with interventions that had a large volume of funds allocated prioritised.
- 3) Planned outputs whose implementation commenced in the year of review, whether directly financed or not. In some instances, multiyear investments or rolled-over projects were prioritised.

### 2.2 Data Collection and Analysis

#### 2.2.1 Data Collection

Both qualitative and quantitative methods were used in the monitoring exercise. The physical performance of interventions and planned outputs were assessed through monitoring a range of indicators. The progress reported was linked to the reported expenditure and physical performance.

The monitoring team employed both primary and secondary data collection methods. Secondary data collection methods included:

- i) Literature review from key policy documents, including Ministerial Policy Statements (MPSs) FY 2024/25; National and Programme Budget Framework Papers; Re-prioritised Programme Implementation Action Plans (PIAPs); quarterly progress reports and work plans for the respective implementing agencies, Quarterly Performance Reports; the Budget Speech; Public Investment Plans; Approved Estimates of Revenue and Expenditure; project reports; strategic plans and policy documents.
- ii) Review and analysis of data from the Integrated Financial Management System (IFMS), Programme Budgeting System (PBS), and Quarterly Performance Reports.

Primary data collection methods, on the other hand, included:

- i) Consultations and key informant interviews with institutional heads as well as project managers at various implementation levels.

- ii) Field visits to various districts, for primary data collection, observation and photography.
- iii) Callbacks in some cases were made to triangulate information.

### 2.2.2 Data Analysis

The data was analysed using both qualitative and quantitative approaches. Qualitative data was examined and classified in terms of constructs, themes, or patterns to explain events among the beneficiaries (interpretation analysis) and reflective analysis, where the monitoring teams provided an objective interpretation of the field events.

Quantitative data, on the other hand, was analysed using advanced Excel tools that aided interpretation. Comparative analyses were done using percentages, averages, and cross-tabulations of the outputs/interventions. Performance of outputs/interventions was rated in percentages according to the level of achievement against the annual targets. The sub-programme score was determined as the average percentage ratings for the outputs.

The overall programme performance was the sub-programme score assessed. The performance of the programme and sub-programme was rated based on the criteria in Table 2.1. Based on the rating assigned, a BMAU colour-coded system was used to alert policymakers and implementers on whether the interventions were achieved or had very good performance (green), good performance (yellow), fair performance (light gold), and poor performance (red).

**Table 2.1: Assessment guide to measure performance for FY 2023/24**

Score	Performance Rating	Comment
90% and above	Green	Very Good (Achieved at least 90% of outputs and outcomes)
70% – 89%	Yellow	Good (Achieved at least 70% of outputs and outcomes)
50% – 69%	Light Gold	Fair (Achieved at least 50% of outputs and outcomes)
49% and below	Red	Poor (Achieved below 50% of outputs and outcomes)

*Source: Author's Compilation*

### Ethical considerations

Introduction letters from the Permanent Secretary/Secretary to Treasury were issued to the respective MDAs monitored. Entry meetings were held with the Accounting Officers or delegated officers upon commencement of the monitoring exercise. Consent was sought from all respondents, including programme or project beneficiaries. All information obtained during the budget monitoring exercise was treated with a high degree of confidentiality.

### 2.3 Limitation

Lack of disaggregated financial information for some of the outputs.

### 2.4 Structure of the Report

The report is structured into four chapters. These are: 1) Introduction; 2) Methodology; 3) Programme Performance; and 4) Conclusion, and Recommendations.



## CHAPTER 3: PROGRAMME PERFORMANCE

### 3.1 Overall Programme Performance

#### Financial Performance

The programme budget for FY 2024/25 is US\$ 46.062 billion. By 31st December 2024, US\$ 23.121 billion (50.2%) had been released and US\$ 19.614 billion (84.8%) spent. The Government of Uganda (GoU) release was at 43.8% (US\$ 13.121 billion) with fair absorption at 73.2% (US\$ 9.614 billion). The release of external financing under the Karamoja Airborne Project was 62%, with good absorption. The programme was affected majorly by low staffing levels, delay in concluding procurement for consultancy services, and valuation of land for the installation of the weighbridges.

#### Physical Performance

The overall performance of the Mineral Development Programme was fair, at 59.7%. The second phase of the biometric registration of Artisanal Small-Scale Miners (ASMs) showed good progress, with a total of 1,312 (1,133 males, 179 females) registered (87% of the semi-annual target). However, the regulations to operationalise the new Minerals and Mining Act 2022 to enhance and support the capacity of ASMs had not yet been developed.

The regulation of the sub-sector showed good performance, with 205 licences issued during the first half of the FY, and 751 mineral licences were operational. The NTR from the issued licences and the royalty payments arising from the mining and inspection activities was US\$ 15.84 billion, surpassing the semi-annual target of US\$ 8 billion. In terms of mineral production, the value stood at US\$ 60.33 billion and was mainly attributed to the production of limestone, with a share of 39% and iron ore at 30%.

The overall progress of the Karamoja aerial survey geared towards ascertaining the mineral potential in the sub-region was 95%, with both phases one and two completed, although behind schedule. To support and fast-track mineral sample analysis of the explored areas in the Western region, some of the required ICT equipment and furniture were delivered at the new regional centres in Fort Portal and Ntungamo. The centres were, however, not yet operationalised, awaiting the recruitment of staff and the procurement of more key office and laboratory equipment. The installation of weighbridges in the Eastern region to track mineral production did not progress due to delayed land acquisition. The programme was majorly affected by procurement delays, low staffing, and a low level of funding, which constrained some of the key programme activities.

### 3.2 Mineral Exploration, Development and Value Addition Sub-programme

The sub-programme is responsible for the mineral exploration and investment promotion functions. The sub-programme contributes to four programme objectives: explore and quantify priority mineral and geothermal resources across the country; increase the adoption and use of appropriate and affordable technology along the value chain; increase investment in mining and value addition; and expand mineral processing and marketing.

The planned interventions for FY 2024/25 under the sub-programme that were monitored were:





- i. Undertake a detailed exploration and quantification of minerals and geothermal resources in the country;
- ii. Establish and equip a dedicated exploration unit, with access to functional laboratories;
- iii. Organise, formalise and regulate the artisanal and small-scale miners;
- iv. Strengthen the capacity to monitor, inspect and enforce health, safety and environmental provisions;
- v. Strengthen the capacity to undertake mineral certification, trading, testing, inspection, regulation and enforcement;
- vi. Review the Mining Act 2003 and develop other relevant laws and regulations; and
- vii. Establish and strengthen earthquake, landslides and other geohazard monitoring systems.

### Performance

The overall performance of the sub-programme was fair, at 59.7%. Table 3.1 shows the performance of the interventions within the Mineral Exploration, Development and Value Addition Sub-programme. Details of performance are presented in **Annex 1**.

**Table 3.1: Performance of the Mineral Exploration, Development and Value Addition Sub-programme as at 31st December 2024**

No.	Intervention	Performance Rating (%)	Remarks
i	Undertake a detailed exploration and quantification of minerals and geothermal resources in the country		Performance was fair, at 66%. The Karamoja aerial survey was nearing completion and the development of processing facilities in Makuutu, Sukulu, Kilembe continued.
ii	Establish and equip a dedicated exploration unit with access to functional laboratories		Poor performance, at 33%. Land in Busia was acquired, and the newly completed centres in Fort Portal and Ntungamo were not fully equipped.
iii	Organise, formalise, and regulate the artisanal and small-scale miners		Good performance, at 85.8%. A total of 1,312 (1,133 males, 179 females) artisanal miners were registered (87% of the semi-annual target).
iv	Strengthen the capacity to monitor, inspect, and enforce health, safety, and environmental provisions		Good performance, at 76.2%. A total of 205 licences were issued, and 751 licences were operational. NTR of USh 15.84 billion was collected.
v	Strengthen the capacity to undertake mineral certification, trading, testing, inspection, regulation, and enforcement		Performance was fair, at 52.7%. Ten staff were recruited. Designs for the mineral databank were completed. Installation of weighbridges had not begun.
vi	Review the Mining Act 2003 and develop other relevant laws and regulations		Poor performance, at 48.2%. The new Mining and Minerals Act 2022 was not operational, pending the development of the regulations, such as the Building Substances Bill.
vii	Establish and strengthen earthquake, landslides, and other geohazard monitoring systems		Performance was good, at 77.8%. MEMD carried out a geohazard assessment in areas affected by landslides and mudslides in Bunyangabu and Kasese Districts.

*Source: Author's Compilation*





**Detailed performance by intervention and outputs is presented hereafter:**

### **3.2.1 Undertake a Detailed Exploration and Quantification of Minerals and Geothermal Resources in the Country**

Under this intervention, mineral exploration is undertaken through collecting, collating, processing and analysis of mineral samples in the different regions of the country. The intervention also explores the geothermal and mineral potential in the country through geological, geophysical and geochemical surveys.

The planned outputs for FY 2024/25 are: mineral and geothermal reserves established in the country.

#### **Performance**

The performance of the intervention was fair, at 66%. The achievements under the different outputs are discussed below.

#### **a) Establishment of mineral reserves**

Under this output, the targets are:

- i) Complete mapping of the Karamoja and Lamwo airborne survey.
- ii) Resources of four mineral deposits quantified and classified.
- iii) Mining of gold in Busia, REE in Makuutu, and Rwenzori rare metals supervised, and Kilembe Mines revamped.

#### **i) Airborne geophysical survey and geological mapping of Karamoja and Lamwo**

The Karamoja Airborne Survey Project aims at achieving 100% coverage of the country's mineral survey. This will be achieved by completing the survey in the Karamoja sub-region and Lamwo District. The project uses gravity, magnetic, and radiometric techniques to survey, covering an approximate distance of 350,000 to 378,957 line-kilometres.

The survey consists of three phases. Phase one identifies the target areas in the region to undertake additional activities. Phase two aims at undertaking a detailed survey of 40% of the potential areas explored in phase one. Phase three involves undertaking the sub-region's ground geological and geochemical mapping and sample analysis to confirm the anomalies.

The overall cumulative physical progress was at 95% by December 2024. The project was, however, behind schedule. Phases one and two for the geophysical, geochemical and geological data acquisition were completed. The phase three geological and geochemical activities, which included sample collection for mineral content analysis to confirm the anomalies of data acquired in phases one and two, was ongoing but progress was poor.

Some of the collected samples were kept at the data preparation and sample storage facility at Entebbe, while others were taken for final analysis at designated International Standard Organization (ISO) certified laboratories in Spain and Canada due to lack of a state-of-the-art laboratory at the Directorate of Geological Survey and Mines (DGSM). The sample collection was affected by the poor release of counterpart funding for field activities and funds to pay the Quality and Control Consultant.



The survey also undertook geothermal and hydro-geological quality control to identify potential areas of underground water and heat. Under the Airborne Survey Project, training and sensitisation of Ministry staff in mapping techniques continued.

## **ii) Resources of four mineral deposits quantified and classified**

The base maps and sampling plan for the Kirwa wolfram area were developed. The geological mapping and ground geophysical surveys for manganese in Kyenjojo and iron ore in Hoima to identify drilling areas was underway.

## **iii) Development of mineral processing infrastructure**

The development of the Wagagai gold mine was ongoing. At full production, the mine is anticipated to produce 5,000 tons of ore per day. The licence holder was in the process of setting up a gold processing plant with bulk samples of the ore taken for metallurgical tests to determine which processing methods and equipment to adopt. Three vertical shafts (one production shaft and two ventilation shafts) and one inclined shaft (decline ramp) to access the ore body had been drilled.

The licence holder for the Makuutu Rare Earth Project also completed core drilling programmes over some of the areas. The REEs to be mined are critical raw materials for turbine designs, magnet production, and the production of high efficient traction motors, among other uses.

On the other hand, the bidding process for the redevelopment of the Kilembe Mines for copper production was concluded, and negotiations on a Mineral Production Sharing Agreement (MPSA) with the best bidder were ongoing.

Under the Sukulu Phosphate and Steel Project, mining and production of fertilisers commenced but dispatch to the market was not achieved. Steel production had not begun.

## **b) Establishment of geothermal reserves**

Under this, the targets were the exploration of geothermal prospects and surface studies completed in Kibiro and Panyimur. The pre-feasibility studies at the Karungu geothermal area were also conducted.

Two Temperature Gradient Holes (TGH) were drilled at the Panyimur prospect while the design of four TGHs for drilling at Kibiro had commenced. A consultant for data logging, analysis, interpretation and modelling, and the development of a tender document for deep drilling at the Panyimur geothermal prospect was also procured. A total of 16 TGHs were successfully logged.

To ascertain further geothermal potential, geochemical and hydrological studies were conducted in Okidi, Amuru, and stakeholder consultations were concluded at Karungu, Rubanda.

## **Challenge**

The inadequate release of counterpart funding hampered further exploration of minerals and also delaying payment of the consultant of the Karamoja aerial survey, thus poor progress.

## **Recommendation**

MEMD should prioritise funding for the critical exploration activities so that pending activities under the Karamoja aerial survey can be completed and other reserves ascertained.



### 3.2.2 Establish and Equip a Dedicated Exploration Unit, with Access to Functional Laboratories

The intervention aims at the establishment of functional regional exploration units across the country and thus decentralise the Directorate of Geological Survey and Mines (DGSM) functions. This would quicken the process of analysis of mineral samples explored in the various regions countrywide. The intervention also aims at equipping the new exploration units or regional centres with key equipment and staff.

The outputs for FY 2024/25 are: Ntungamo and Fort Portal mineral beneficiation centres equipped with staff, geotechnical studies and design of four (4) weighbridge installation sites undertaken.

#### Performance

The performance of the intervention was poor, at 33%. The land for the establishment of the Busia beneficiation centre was acquired and the development of architectural and structural designs by the Ministry of Works and Transport (MoWT) was ongoing.

Some of the furniture and IT equipment for the newly completed mineral beneficiation centres in Rwengoma, Ntungamo, and Fort Portal, procured towards the end of the previous FY 2023/24 had been delivered. However, the procurement for other key equipment to operationalise the centres had not progressed due to lack of funds. The staff recruitment for the centres also registered slow progress and was at the 'shortlisting of applicants' stage by the Public Service Commission, thus the centres were not yet operationalised.

### 3.2.3 Organise, Formalise and Regulate the Artisanal and Small-Scale Miners

The intervention aims to improve the livelihood of more than 26.5% of the population directly and indirectly employed in the mineral sub-sector. The intervention focusses more on ASMs, who mostly work under poor conditions.

The planned output for FY2024/25 is: formalisation and regulation of artisanal miner groups through biometric registration and sensitisation in best mining practices.

#### Performance

The performance of the intervention was good, at 85.8%. The second phase of the biometric registration showed good progress, with a total of 1,312 (1,133 males, 179 females) artisanal miners registered (87% of semi-annual target) in Karamoja and Mwerasandu, Rwengoma mine sites, Ntungamo District. A total of 2,277 ASMs (1639 males and 638 females) were also sensitised on best mining practices.

Although the semi-annual target for the registration of male ASMs was mostly achieved, the target for female ASM registration was not achieved, at only 35%. Of the 638 female ASMs trained, only 179 were registered. Therefore, deliberate action needs to be taken to attract the registration of female ASMs.

The use of mercury in gold processing has been replaced by that of borax in some areas. However, most artisanal mining sites were still characterised by: continued use of toxic chemicals (cyanide, mercury); environmental degradation; use of child labour; and low enrolment in schools around the mining areas. The ASMs lacked basic mining equipment due to their low financial capacity, thus leading to low production and unsafe working conditions.



The mineral production was further hampered by poor infrastructural development at the mining sites, with most areas not having access to electricity, which is required for the operation of machinery.

### **3.2.4 Strengthen the Capacity to Monitor, Inspect and Enforce Health, Safety, and Environmental Provisions**

The intervention aims at the issuance of mining licences, and inspecting and monitoring mining areas to ensure that they are operated under safe working conditions. The planned outputs were: mining rights and licences inspected and issued; and enforcement and awareness campaigns undertaken to ensure safe working conditions of miners.

The annual outputs for the FY 2024/25 are:

- i. 80% of mineral prospecting and exploration, mining, and mineral trade rights monitored;
- ii. Mineral licences reviewed, due diligence and surface verification on mineral rights and mining licence application undertaken, and non-compliance notices issued; and
- iii. Stakeholders sensitised on licensing requirements.

#### **Performance**

The performance was good, at 76.2%. Overall, 31% of licences for the different mineral rights holders in the various regions of the country were monitored, and non-compliance notices were issued.

A total of 205 licences were issued during the first half of the FY. The licences were: 56 mineral dealers' licences (MDL), five (05) goldsmith licences, 77 prospecting licences (PL), 58 exploration licences, four (4) medium-scale mining licences, one (1) small-scale mining licence, and four (4) ICGLR certificates. During this period, six (6) movement permits, 18 permissions to export samples, one (1) export permit, three (3) ICGLR certificates, and one (01) introductory letter were also issued.

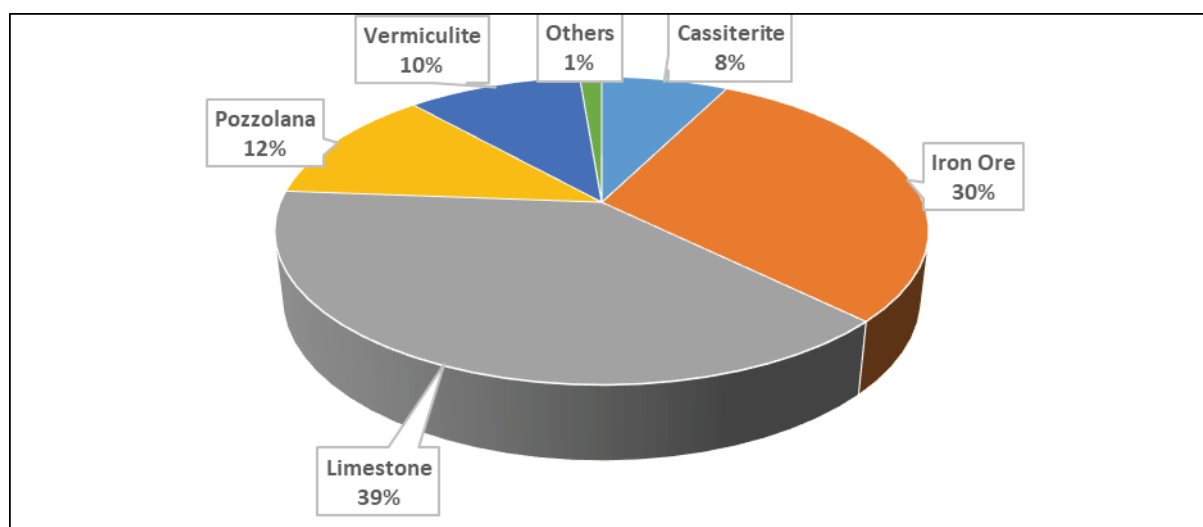
Overall, 751 mineral licences were operational, with 80% being prospecting, exploration, and mineral dealers' licences. Environmental degradation within some licences was noted, and issuing of instructions to the licence owners and managers to restore and backfill all abandoned open pits within their licence areas was undertaken by MEMD.

To promote licensing and safety, a total of 1784 stakeholders (100% of the target) were sensitised on licensing requirements during the various inspections in the mining areas across the country. MEMD also continued monthly compilation of mineral statistics and quarterly dissemination to the public.

The NTR from the issued licences and the royalty payments arising from the mining and inspection activities was US\$ 15.84 billion, surpassing the semi-annual target of US\$ 8 billion. The total value of mineral production stood at US\$ 60.33 billion, with limestone contributing the largest share, at 39% (US\$ 23.4 billion), followed by iron ore, at 30% (US\$ 17.97 billion), as shown in Figure 3.1. Other minerals produced included gold, granite, graphite, marble, coltan, dimension stone, kaolin, lithium, wolfram, and manganese. However, the value of gold production remained low, as most output is from ASMs, who have not yet formalised and lack the technology to increase production.



**Figure 3.1: Contribution of various minerals to production as of 31<sup>st</sup> December 2024**



*Source: MEMD FY 2024/25 Q2 Reports*

### **3.2.5 Strengthen the Capacity to Undertake Mineral Certification, Trading, Testing, Inspection, Regulation and Enforcement**

The intervention targets the acquisition and maintenance of specialised machinery and mineral information systems. Additionally, it aims at building the technical capacity of staff to undertake effective sample analysis and monitoring of mining sites to promote mineral inspection, regulation and enforcement.

The planned outputs for the FY 2024/25 are:

- i. Installation of weighbridges in areas with bulky minerals.
- ii. Specialised geological, geochemical equipment and laboratory consumables for mineral and geothermal exploration procured.
- iii. Mineral databank developed and mineral information systems maintained.
- iv. Mineral staff recruited and trained.

#### **Performance**

The performance of the intervention was fair, at 52.7%. The progress per output is presented hereunder.

#### **i) Installation of weighbridges in mining areas with bulky minerals**

To accurately track mined mineral quantities, MEMD acquired six weighbridges for installation in the bulk mineral-producing regions. The sites for installation were identified in Buyaga, Bulambuli District, and Lorengechorwa, Napak District. The designs and geotechnical investigations were completed.

The procurement process for the land for the sites was at the Local Purchase Order (LPO) stage. The identification and mapping of 12 more pieces of land in mining jurisdiction with bulky minerals in Tooro, Ankole, Kigezi, Teso, Buganda and Busoga regions for additional weighbridges was concluded. The valuation process for these sites was under way by the Chief Government Valuer (CGV).



#### **ii) Acquisition of specialised geological, geochemical equipment, and laboratory consumables**

The target includes the acquisition of specialised vans equipped with fingerprint and GPS technology; procurement of sample preparation and ICT equipment (five desktops and five laptops); laboratory consumables such as chemicals, reagents, gases, and equipment accessories; and maintenance of laboratory equipment. The aim is to ensure the efficient operation of equipment used for mineral sample analysis.

The procurement of the specialised vans and the various geological and geochemical equipment was ongoing, with the tenders published and evaluation yet to commence. The procurement of ICT equipment was at the LPO stage and the targets had been revised to include seven laptops, two desktops, four printers and six external hard drives. Some of the procurements, including laboratory consumables, did not progress due to lack of funds.

#### **iii) Mineral databank developed and mineral information systems maintained**

The architectural designs for the mineral databank were completed. The structure will house the e-government system and will be a real time monitoring centre of the different mining locations and the weighbridges. The procurement process for a contractor to undertake construction works had not begun.

MEMD carried out quality control and maintenance of the mineral systems, including the National Mining Cadastre and Registry System (MCRS), the Laboratory Information System (LIS) and the Geological and Mineral Information System (GMIS) aimed at quickening the licensing and sample analysis processes.

#### **iv) Mineral staff recruited and trained**

A total of 10 staff were recruited (4 inspectors, 1 chemist, 1 procurement officer, 1 accountant, 1 mining lawyer, 1 national content officer and 1 IT database officer). The recruitment of the four inspectors recruited was aimed at facilitating regulation of the mineral sector. Recruitment for additional staff was also ongoing.

One staff continued specialised training in Mining and Minerals Engineering, whereas others were trained in the TVET curriculum for Mineral Resources Development and implementation of the Region Certification Mechanism.

To operationalise the Uganda National Mining Company (UNMC), three board and several operational meetings were held.

### **3.2.6 Review of the Mining Act 2003 and Develop Other Relevant Laws and Regulations**

The intervention addresses the gaps in the Mining Act 2003, to transform artisanal small-scale mining to create an enabling environment for attracting investments. The new Minerals and Mining Act 2022 aims at introducing artisanal mining permits and small-scale mining licences. This will positively impact the livelihood of ASMs and the Ugandan population that benefits indirectly from the sector.

The annual outputs for FY 2024/25 are:

- i. Two regulations to operationalise the Mining and Minerals Act 2022 developed; and
- ii. Two workshops for creating awareness on mining legislation and main streaming cross-cutting issues held.





### Performance

Performance was poor, with an achievement rate of 48.2%, mainly due to delays in drafting regulations to operationalise the Mining and Minerals Act 2022, which is still underway alongside ongoing stakeholder consultations across the country. Feedback from these consultations will be incorporated into the final draft.

The drafting of the Building Substances Bill, which aims to regulate large-scale mining of building substances, progressed during the period. Stakeholder consultations were completed, and a final draft was submitted by the Attorney General. The bill is currently awaiting a certificate of financial implication from MoFPED.

Drafting of the Earth Scientist Registration Bill, which aims to regulate earth scientists, also commenced with a second draft received and developed, and countrywide consultations were anticipated to start in quarter three.

The poor progress in developing the regulations delayed the operationalisation of the new Mining and Minerals Act 2022, which would, in turn, enhance support to the ASM mining activities. The Act is envisaged to accelerate the formalisation of artisanal mining, improve mining and mineral administration, and business processes. This will ensure efficient collection and management of mineral revenues, promote value addition to minerals, and increase mineral trade. It will, therefore, greatly contribute to the programme objectives of increased investment in mining and value addition; and expanded mineral-based processing and marketing.

### 3.2.7 Establish and Strengthen Earthquake, Landslides, and Other Geohazard Monitoring Systems

The intervention aims to develop and implement measures to prevent the destruction of life and property caused by geohazards. This will be achieved through the management and maintenance of geohazard monitoring infrastructure.

The planned outputs for FY 2024/25 are:

- i. Measures to avoid destruction of life and property due to geohazards are put in place; and
- ii. Earthquake data centres are regularly monitored and maintained, and data is disseminated to end users.

### Performance

The performance was good, at 77.8%. MEMD carried out a geohazard assessment in areas affected by landslides and mudslides in Bunyangabu and Kasese Districts. There was also continued collection, analysis and interpretation of earthquake data using the seismic stations at Entebbe, Hoima, Nakawuka (Wakiso), Kilembe (Kasese) and Kyahi (Mbarara). The 19 passive seismic stations installed in the Albertine graben were maintained.

### 3.2.8 Challenges

- i. The mining industry continues to be dominated by artisanal miners whose production levels are low, often under unsafe working conditions due to the use of rudimentary methods.
- ii. Low staffing to the Mineral Development Programme affected the operationalisation of regional centres, staff training, and minerals inspection, which are required to better regulate the sector and undertake further minerals exploration.



- iii. The poor funding to the programme hindered key activities such as the acquisition of key mineral analytical equipment, land acquisition and accurate tracking of mineral production using the acquired weighbridges.
- iv. The mineral production was hampered by poor infrastructural development at the mining sites, with most areas not having access to electricity, which is required for the operation of machinery.





## CHAPTER 4: CONCLUSION AND RECOMMENDATIONS

### 4.1 Programme Conclusion

The performance of the Mineral Development Programme was fair, at 59.7%, mainly constrained by low staffing levels and inadequate release of GoU funds, which affected the implementation of key activities.

The Government undertook several interventions focused on exploring new mineral locations, enhancing technical capacity, and streamlining artisanal mining operations. However, the programme remains underfunded despite its significant potential to contribute to national revenue through the country's tenfold growth initiative under the Agro-industrialisation, Tourism, Mineral Development, and Science and Technology Innovation (ATMS) strategy. The sector is largely dominated by artisanal and small-scale miners with limited financial capacity in an otherwise capital-intensive industry, while private investment in mineral processing remains slow.

Low investment by both the Government and the private sector continues to hinder value addition, thereby limiting the sector's economic impact. Although the new Minerals and Mining Act was enacted to strengthen sector regulation and organisation, its operationalisation remains pending the development of supporting regulations. Implementing this law is expected to attract much-needed investment in mineral processing and value addition, creating jobs and increasing programme revenue.

### 4.2 Recommendations

- i. With the enactment of the minerals and mining law, the Government should focus on attracting large-scale mining companies so that there is increased investment in the sector. This will create more jobs and also increase the revenue from the mining sector.
- ii. MEMD should fast-track the regulations for operationalisation of the Mining and Minerals Act 2022 to enable better regulation of artisanal mining activities.
- iii. MEMD and MoFPED should prioritise funding to the sub-programme to enable the acquisition of the relevant equipment and staffing.
- iv. The Government, through MEMD, should support the ASMs to formalise their operations through enhanced sensitisation and training.



## REFERENCES

1. Ministry of Energy and Mineral Development (2024), Ministerial Policy Statement, Vote: 017.
2. Ministry of Energy and Mineral Development (2024), Quarter 1 and 2 FY 2024/25 Reports.
3. National Planning Authority, Third National Development Plan (NDPIII) 2020/21 – 2024/25.



## ANNEX

**Annex 1: Detailed Performance of the Mineral Development Programme as of 31st December 2024**

Outputs Performance									Remarks
Intervention	Output	Financial Performance			Physical Performance			Physical Performance Score (%)	
		Annual Budget (US\$ bn)	% of Budget Received	% of Budget Spent	Annual Target	Cum. Achieved Quantity			
Undertake a detailed exploration and quantification of minerals and geothermal resources in the country	Undertake mineral exploration and evaluation to pre-feasibility stage and package prospects for investments (geological, geophysical and geochemical surveys over mineral targets conducted).	1.670	54.3	71.4	100	34.0		62.7	Fair performance
		4.206	45.3	62.6	100	32.0		70.7	
	Four (4) Temperature Gradient Holes (TGHs) drilled at Kibiro geothermal prospect and surface studies completed. Twenty-four (24) TGHs at Kibiro and Panyimur geothermal prospects logged.								
	Gold mining project in Busia and REE mining development in Makuutu and Rwenzori rare metals supervised. Revamping of the Kilembe Mines.	1.491	42.9	68.4	100	29.0		67.6	
	Resources of four mineral deposits quantified and classified Bank of Certified Reference Materials (CRMs) for different mineral matrixes and geological materials of the country established.	2.090	44.2	83.8	100	28.0		63.3	
	Completion of aerial survey of Karamoja.	18.120	62.8	100.0	17	7.0		65.5	



Outputs Performance										Remarks
Intervention	Output	Financial Performance			Physical Performance					
		Annual Budget (USh bn)	% of Budget Received	% of Budget Spent	Annual Target	Cum. Achieved Quantity	Physical Performance Score (%)			
Establish and equip a dedicated exploration unit, with access to functional laboratories	Fully operationalise the exploration unit. Deploy staff and equipment. Evaluate key mineral resources.	1.610	50.0	84.7	100	16.5	33.0	Poor performance		
Organise, formalise and regulate the artisanal and small-scale miners	2,000 male and 1,000 female ASMs sensitised and trained on best practice mining. 2,000 male and 1,000 female ASMs registered biometrically.	1.275	45.5	89.3	100	39.0	85.8	Good performance		
Strengthen the capacity to monitor, inspect and enforce health, safety and environmental provisions	PWG group NTR of USh 16 billion generated. 100% of mineral licence applications reviewed. Due diligence and surface verification on 100% mineral rights and mining licence applications undertaken. 1,500 stakeholders sensitised on licensing requirements.	1.361	45.9	90.3	100	35.0	76.2	Good performance		
Strengthen the capacity to undertake mineral certification, trading, testing, inspection, regulation and enforcement	Upgrade and maintain a comprehensive geological and mineral information system. Equip mineral laboratory.	2.585	37.7	22.6	100	20.0	53.0	Fair performance		
	Staff capacity built and specialised equipment for geothermal exploration procured.	0.450	35.0	20.1	100	20.0	57.2			
	Specialised vans with GPS technology and fingerprints procured. Contractor to undertake mineral databank procured. Staff for Mineral Regulation Infrastructure Project recruited.	1.100	7.5	22.3	100	4.0	53.4			



Outputs Performance								Remarks
Intervention	Output	Financial Performance			Physical Performance			
		Annual Budget (US\$ bn)	% of Budget Received	% of Budget Spent	Annual Target	Cum. Achieved Quantity	Physical Performance Score (%)	
	PPE procured for 20 staff.20 staff trained on cross-cutting issues in HSE and gender mainstreaming.5 desktop and 5 laptop computers procured. Recruitment of staff for operationalisation of the Uganda National Mining Company (UNMC).MCRS updated and maintained.	4.379	48.8	98.2	100	30.0	61.5	Poor performance
		2.900	39.8	41.0	100	15.0	37.7	
		0.910	3.4	100.0	100	1.8	53.3	
	Review of the Mining Act 2003 and develop other relevant laws and regulations	Professional standards and necessary regulations developed.	1.080	40.6	59.7	100	22.0	
	Two regulations to enforce Mining and Minerals Act 2022 developed. Two workshops for creating awareness about mining legislation undertaken.	0.030	35.6	100.0	100	15.0	42.2	



Outputs Performance								Remarks
Intervention	Output	Financial Performance			Physical Performance			
		Annual Budget (US\$ bn)	% of Budget Received	% of Budget Spent	Annual Target	Cum. Achieved Quantity	Physical Performance Score (%)	
Establish and strengthen earthquake, landslides and other geohazard monitoring systems	Measures to avoid destruction of life and property due to geohazards put in place.	0.752	45.0	70.8	100	35.0	77.8	Good performance
Total		46.010	50.2	84.8	0			
Average Output Performance								59.7

Source: MEMD Q2 Reports, Field Findings





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